

Record of operational decision

Decision title:	To approve expenditure up to the value of £305,000 to complete stage 2 of the design process for the Shire Hall and award Mace Ltd a professional services contract to complete stage 2 of the design development
Date of decision:	17 December 2021
Decision maker:	Chief Finance Officer
Authority for delegated decision:	<p>The authority for the specified officer to take this decision is set out in the cabinet member report approved on the 31 March 2021</p> <p>http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?id=7736&LLL=0</p> <p>The Cabinet Member for Procurement and Assets approved</p> <p>That:</p> <p>a) the estate capital programme as set out in appendix A and B be approved at a total cost of not more than £2.067m; and</p> <p>b) the assistant director for technical services be authorised to take all operational decisions necessary to implement the above recommendation and spend within the approved overall budget of £2.067m for the projects as listed in appendix A and B, provided that the sum of individual project expenditure do not exceed the overall budget.</p> <p>At a meeting held on the 26 of April 2021 with the Cabinet Member for Commissioning, Procurement and Assets, Section 151 officer and the Assistant Director for Technical Services it was agreed that the Section 151 officer would retain the budget for the Shire Hall element up to the value of £850,000 as set out in Appendix B of the report whilst the project completed RIBA stage 3.</p> <p>A subsequent officer decision further approved expenditure to progress stage 1 of the design development process in connection with the Shire Hall:</p> <p>http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=7896</p>
Ward:	Central Ward
Consultation:	Consultation has taken place with the Cabinet Member for Commissioning, Procurement and Assets, the Cabinet Member for Finance, Corporate Services and Planning and the council's Section 151 officer, specifically to consider the outputs from stage 1 of the design development exercise and the case for continuing into stage 2.
Decision made:	<p>To delegate authority to the senior project manager to manage expenditure up to the value of £215,000 and that Mace Limited be appointed via the North Western Hub Professional Services framework agreement for the delivery of stage 2 of the proposal, allowing the design development process to progress broadly to the end of RIBA stage 3.</p> <p>To delegate authority to the senior project manager to manage and spend a contingency of up to £15,000 for any additional services which are recommended by Mace Limited in order to support and progress the stage 2 design development, and up to £15,000 for internal project management and other technical support fees.</p> <p>To delegate authority to the senior project manager to manage expenditure up</p>

to £5,000 to appoint a Principal Designer to act on the council's behalf throughout stage 2.

A contingency value of £55,000 remains the authority of the Section 151 officer to authorise expenditure if required during stage 2 of the commission.

Financial Summary:

Stage 2 design development consultancy services:	£215,000
Contingency to cover additional requirements arising out of the stage 2 design development process:	£15,000
Project management and other professional fees to support stage 2:	£15,000
Principal Designer:	£5,000
Contingency sum held in reserve:	£55,000
Total:	£305,000

This sum is in addition to £122,000 allocated previously for the now complete stage 1 design development, and leaves a remaining budget of £423,000.

Reasons for decision:

The Shire Hall remains in a structurally unsafe condition, and requires a technical team of architects, surveyors and technical specialists to review the state of the building and develop a design to ensure an accurate costing can be provided against the required works. Stage 1 of this review was delivered through a contract with Mace Limited between May and July 2021, the result being an initial report making recommendations around the extent and likely cost of the refurbishment needed.

In the intervening period, a range of specialist surveys have been commissioned as recommended by the consultants during the stage 1 exercise. Work has also been carried out to gain an understanding of how the spaces within the Shire Hall might be used in the future so that consultants can be directed accordingly for stage 2.

There is a need to progress to stage 2 in order to further develop the findings and cost estimates from stage 1, to better define the building-specific refurbishment requirements and to apply more accurate cost-estimates. This will enable a greater understanding of the scope of the refurbishment and the budget which would be required to deliver it. This information will be essential to properly inform future decision-making around the Shire Hall.

It is highlighted that a budget for the recommended scale of refurbishment identified during stage 1 design development has not been identified or allocated and there is no certainty at this stage that it will be in the future. This decision only provides authority to progress the design development to RIBA stage 3 in order to better understand the recommended scope and likely cost of the work were it to go ahead. An executive decision would be needed before a refurbishment proposal could be incorporated within the capital programme.

The resources required are extremely technical and specialist consultants are required to design the works due to the specialist nature of the building. The appointment of Mace Limited via the framework identified will maintain continuity by engaging the same multi-discipline team to continue the work begun in stage 1.

The Shire Hall is a significant civic building with high stakeholder interest and must be progressed in the correct compliant manner.

The council are looking to make an informed decision about the Shire Hall scheme as soon as possible.

	<p>The decision will reduce the risk of further delay to the Shire Hall project and allow the council to fulfill its obligation to obtain an accurately designed and fully costed scheme to inform future decision making on the building.</p> <p>The council is content with the procurement route proposed as the framework that will be used has been established through a fair and transparent tendering process.</p> <p>The requirement to appoint a Principal Designer is a legal duty placed on the council by the Construction (Design and Management) Regulations 2015.</p>
<p>Highlight any associated risks/finance/legal/equality considerations:</p>	<p>1) There is a small risk that the tight budget controls may not be realised but this is mitigated by the project being managed through the council’s corporate senior project management structure where budget monitoring is happening throughout the life of the project.</p> <p>2) If the council decides not to take this decision then there is a medium chance of delay to the project’s programme which may result in the council incurring additional cost as it will experience further loss of income from occupants unable to use the Shire Hall due to it being unsafe.</p> <p>3) If this work is not commissioned then it will cause further delay and reputational risk as there is high stakeholder interest in this civic building with an obligation to make speedy decisions which can be communicated effectively to interested parties.</p> <p>4) Council administrative resources required to complete the anticipated number of Record of Officer decisions will have a negative impact so this decision provides an opportunity to reduce the impact on the council’s resources internally.</p> <p>5) The Shire Hall is an unsafe civic building which the council has a responsibility to maintain. There is currently loss of income from the courts, the hiring of facilities and the building is unsafe for the public and services that operate from the building. The council needs to be in a strong position to make evidence based decisions around the future of the Shire Hall and make plans for one of Hereford iconic listed Civic buildings.</p> <p>6) There is a risk that elements of the work will be abortive if funding is not allocated for a subsequent refurbishment. However it will not be possible to progress the necessary refurbishment proposal without undertaking this design development and costing work.</p>
<p>Details of any alternative options considered and rejected:</p>	<p>Not to take the decision. This will impact on the council’s ability to make an informed decision concerning the future of the Shire Hall, resulting in a delay to the necessary decision-making process, a potential deterioration in the building’s condition, mounting costs for interim maintenance and an extended period where the building is unavailable for use.</p> <p>The council’s Property Services team undertakes the required work. This is not an option due to lack of skills and expertise in building conservation and also the service do not have capacity to coordinate such a specialised area of work.</p> <p>Not to re-engage Mace Limited through the identified framework. This would not be recommended as the team engaged to deliver stage 1 have amassed a</p>

	<p>wealth of knowledge and building information during their involvement to date which would be lost.</p> <p>To consider an alternative scheme whereby only the front façade of the building were retained and a new building constructed behind. Consultation with the council's conservation team has ruled out this option as the grade 2-star listing applies to features throughout the building and not just to the façade. Demolition of the main body of the building in full or part would not be feasible.</p>
Details of any declarations of interest made:	None

Signed:

Andrew Lovegrove
Chief Finance Officer

Date: 17 December 2021