

### Record of officer decision

<b>Decision title:</b>	Approval of Project Design/Fees budget to finance design costs for reconfiguration of accommodation to increase the number of the available units within the Shell Store.
<b>Date of decision:</b>	14 February 2022
<b>Decision maker:</b>	Director Economy and Environment
<b>Authority for delegated decision:</b>	<p>"Shell Store incubation centre project revision"</p> <p>Cabinet Member decision taken by the cabinet Member for contracts and assets on the 27<sup>th</sup> July 2018.</p> <p><a href="http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=5249">http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=5249</a></p>
<b>Ward:</b>	Dinedor Hill
<b>Consultation:</b>	N/A
<b>Decision made:</b>	Approve the use of up to £8,500 from the approved Shell Store project design fees budget on design works to reconfigure accommodation units in order to maximise the commercial return from the completed building.
<b>Reasons for decision:</b>	<p>The Shell Store incubation centre project has materially completed construction, the building was handed over to the council in September 2020. A number of building tenants are in occupation and an ITT for the procurement of a building operator has been issued. In addition the Enterprise Zone are dealing with a number of active enquiries from prospective tenants.</p> <p>The configuration and mix of unit sizes at the Shell Store was based on similar projects in operation elsewhere in the country. In practice demand for the smallest units has been very strong and all the 2 person units have been or are about to be taken up already.</p> <p>To react to this market demand and to maximise the building income there is a requirement to undertake some architectural and M&amp;E design work to establish which larger units could be reconfigured into smaller units without impairing the overall building performance and appearance.</p> <p>The anticipated costs for undertaking this design work is £8,500.</p> <p>This change request for design works only. These works will review the feasibility of reconfiguration, the cost and the timescales including whether feasible to undertake within the financial year.</p> <p>Charging tenants for these alterations was considered but officers</p>

	<p>came to the conclusion that it ran counter to the agreed approach to make taking accommodation in the building easy and flexible. Tenants, particularly smaller businesses, are likely to be making their first move into a commercial unit and will be attracted by the high quality environment, support on offer, and that they are not tied into long term arrangements. It was considered unlikely that tenants would be prepared to pay for these alterations to our building that would significantly increase their up-front accommodation costs and primarily benefit us in terms of a commercial return.</p> <p>A further RoOD will be required to undertake any physical reconfiguration works that result from this design process.</p>																																																								
<b>Highlight any associated risks/finance/legal/equality considerations:</b>	<p>Budget is available within the Project design / fees budget line to accommodate these proposed budget changes. It is important to note there is no budget increase over the approved £7.316m because of this decision.</p> <p>The table's below demonstrates the current position with each of the sub budgets and the current overall budget position within the approval of £7.316m for the project.</p> <p>Table A shows the current position, Table B shows the position if this decision is approved to increase the spend by £8,500 to cover the work detailed above.</p> <p>Table A</p> <table><tr><td>Budget</td><td>Allocated</td><td>Committed</td><td>Remaining</td></tr><tr><td>Main Contract</td><td>6,455,528</td><td>6,331,702</td><td>123,826</td></tr><tr><td>Project/Design Fees</td><td>196,671</td><td>183,159</td><td>13,512</td></tr><tr><td>Other project costs</td><td>53,489</td><td>16,974</td><td>36,514</td></tr><tr><td>Contingency</td><td>328,597</td><td>297,751</td><td>30,846</td></tr><tr><td>FF&amp;E (Direct costs – separate package)</td><td>281,915</td><td>203,606</td><td>78,309</td></tr><tr><td>Total</td><td>7,316,200</td><td>7,033,192</td><td>283,008</td></tr></table> <p>Table B</p> <table><tr><td>Budget</td><td>Allocated</td><td>Committed</td><td>Remaining</td></tr><tr><td>Main Contract</td><td>6,455,528</td><td>6,331,702</td><td>123,826</td></tr><tr><td>Project/Design Fees</td><td>196,671</td><td>191,659</td><td>5,012</td></tr><tr><td>Other project costs</td><td>53,489</td><td>16,974</td><td>36,514</td></tr><tr><td>Contingency</td><td>328,597</td><td>297,751</td><td>30,846</td></tr><tr><td>FF&amp;E (Direct costs – separate package)</td><td>281,915</td><td>203,606</td><td>78,309</td></tr><tr><td>Total</td><td>7,316,200</td><td>7,041,692</td><td>274,508</td></tr></table> <p>There are no legal implications arising form decision but the impact on warranties provided by the main contractor and subcontractors will need to be considered prior to any physical works being undertaken.</p>	Budget	Allocated	Committed	Remaining	Main Contract	6,455,528	6,331,702	123,826	Project/Design Fees	196,671	183,159	13,512	Other project costs	53,489	16,974	36,514	Contingency	328,597	297,751	30,846	FF&E (Direct costs – separate package)	281,915	203,606	78,309	Total	7,316,200	7,033,192	283,008	Budget	Allocated	Committed	Remaining	Main Contract	6,455,528	6,331,702	123,826	Project/Design Fees	196,671	191,659	5,012	Other project costs	53,489	16,974	36,514	Contingency	328,597	297,751	30,846	FF&E (Direct costs – separate package)	281,915	203,606	78,309	Total	7,316,200	7,041,692	274,508
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	<p>The Programme Board have been consulted on these proposals.</p> <p>This Record of Officer Decision follows the recommended approach from the Programme Board, legal, finance and other considerations were taken into account when making this recommendation</p>
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<b>Details of any alternative options considered and rejected:</b>	<p>Whilst it is feasible not to approve this expenditure and delegation, the implementation of this decision is considered prudent to ensure both that the building incorporates appropriate units of a size that are able to meet market demand and maximise the building income.</p>
<b>Details of any declarations of interest made:</b>	<p>Not applicable.</p>

I am an officer delegated to make the decision

Signed:

Print Name: Neil Taylor

Job Title: Interim Director for Economy and Environment