

Reallocation of approved budget

Decision maker: Director of Resources and Assurance

Decision date: 25th July 2022

Report by:

Senior Project Manager

Classification

Open

This report is open

Decision type

Non-key

Wards affected

Widemarsh;

Purpose

To approve reallocation of existing capital funding for Plough Lane drainage and resurfacing car park work to help deliver the Plough Lane building infrastructure changes and to enable flexible hybrid office accommodation to support the delivery of services.

Recommendation(s)

That:

- a) £345k of the approved, but un-committed estate capital programme 2020/21 funding for Plough Lane drainage and resurfacing car park is reallocated to external and internal work for the Plough Lane Council offices;**
- b) the Director of Resources and Assurance be authorised to take all operational decisions necessary to implement the above recommendations within the approved budget; and**
- c) the Director of Resources and Assurance be authorised to vary the plans in the scope of works within the approved budget.**

Alternative options

1. The council could decide not to complete the external and internal work on its Plough Lane offices. This option has been rejected due to the need to provide facilities in Plough Lane, where staff are able to work more flexibly and productively. This option has been rejected due to the need to deliver improved services from the Plough Lane offices building and to enable flexible hybrid office accommodation to support the delivery of services.
2. The council could choose to fund this work from another budget source. As the proposed work covers elements of the original budget this option was rejected.

Key considerations

3. The funding was agreed within the Property Services estate capital programme 2020/21 to complete work on the Plough Lane drainage and resurfacing of the car park. This work was reviewed and subsequently put on hold as not required enabling the funds to be re-prioritised.
4. As a result of the Covid Pandemic a review of sites and work practices was completed. A number of opportunities to save costs were identified including the consolidation of its estate.
5. The closure of both Elgar House and Nelson House has resulted in more of its staff being based and working from the corporate head office at Plough Lane.
6. The Plough Lane offices were identified as requiring changes to provide flexible office accommodation to meet the changing work practices and the use of office space post-Covid and to support the delivery of services using a hybrid approach.
7. The reallocation of the existing capital funds would allow the external and internal changes of Plough Lane to be undertaken. The scope of the work to be completed includes elements of the original proposal including, but not limited to work, on the existing car park. The work will also look to include options for providing space to accommodate meetings with customers and public committee meetings.
8. No additional new capital budget is required as previously funding has been identified from within the Property Services estate capital programme 2020/21.
9. Property Services are currently undertaking a strategic asset review of council owned sites which remains out of scope of this work at Plough Lane.

Community impact

10. The council is committed to providing a healthy and safe environment for all individuals impacted by the council's funded activities. The council endeavours to ensure that the work they and their partners undertake, does not adversely affect the health, safety or welfare of members of the public. Council partners are expected to work to the same health and safety standards and codes of practice as the council, as far as is reasonably practicable.
11. Improving building service installation is an investment that will contribute towards the delivery of the aims within the council's county plan to 'support improvement in the quality of the natural and built environment' and 'to make best use of the resources available in order to meet the council's priorities' as well as improve the council's performance by providing cost savings by reducing reactive repair works.

Environmental Impact

12. This decision seeks to deliver the council's environmental policy and aligns to the following success measures in the County Plan:
 - Work in partnership with others to reduce county carbon emissions
 - Reduce the council's carbon emissions
13. The council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
14. The environmental impact of this proposal has been considered through the service specification and includes appropriate requirements on the contractor/delivery partner to minimise waste, reduce energy and carbon emissions and to consider opportunities to enhance biodiversity. This will be managed and reported through the ongoing contract management. Including utilising local suppliers where possible to complete the works.

Equality duty

15. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

 - a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
16. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

Resource implications

17. The reallocation of the existing £345k budget does not have any additional resource implications to the Council and all work will be procured in line with the council's contract procedure rules.
18. The report seeks to spend uncommitted capital to complete the improvements. This will result in £345k of the original budget being repurposed to fund alternative projects in the capital programme and funded from corporately funded borrowing already approved at full council in February 2020.
19. The funds will be used to assist in the delivery of the Plough Lane building infrastructure changes to enable flexible hybrid office accommodation to support the delivery of services.

20. The scope of the work will include but not limited to:
- i. Creation of flexible office, meeting room and collaboration spaces
 - ii. Improved building accessibility and signage
 - iii. Creation of additional customer and public committee meeting spaces
21. All future maintenance/ servicing costs will be picked up under the existing property maintenance budget.
22. The outcome of the work will be the creation of hybrid, flexible council workspace which supports staff to deliver services to support its customers.
23. The detail of the full costs are detailed in the table below:

Capital cost of project	2022/23	2023/24	2024/25	Future Years	Total
	£000	£000	£000	£000	£000
<i>Plough Lane building infrastructure programme and professional fees (external work)</i>	200				200
<i>Plough Lane building infrastructure programme and professional fees (internal work)</i>	145				145
TOTAL	345				345

Legal implications

24. This decision is to spend unallocated monies from the estate capital programme 2020/21 funding and there is no budget movements required.
25. The council has a number of statutory obligations to maintain its properties to ensure that they are in a safe and suitable spaces from which to deliver the council's services both for staff and visitors. The council also has the power under s1 – 4 of the Localism Act 2011 to do anything an individual can do and this would include the ability help deliver alterations to council office accommodation to enable it to deliver flexible hybrid working.
26. Any works required to deliver the required changes should be procured in accordance with the council's contract procedure rules and the Public Contract Regulations 2015.

Risk management

27. The key risks associated with the options outlined in the paper are as follows:

Risk / opportunity	Mitigation
Not having a capital budget for the work will prevent the building not being set up to deliver hybrid working.	Flexible Futures programme workplace reduces its scope of work to only deliver within existing funding.
If budget is not reallocated work cannot commence which includes elements that have been previously highlighted	Further project created to review and consider the site and could incur additional costs and timings

28. Risks are managed according to the council's performance risk management framework, and recorded on a service risk register, being escalated to the directorate or corporate risk register according to the significance of the risk.

Consultees

29. As this is non-key decision political group consultation is not a requirement.

Appendices

None

Background papers

None identified

Report Reviewers Used for appraising this report:

Governance	John Coleman	Date 05/07/2022
Finance	Karen Morris	Date 29/06/2022
Legal	Alice McAlpine	Date 04/07/2022
Communications	Luenne Featherstone	Date 01/07/2022
Equality Duty	Carol Trachonitis	Date 29/06/2022
Procurement	Lee Robertson	Date 28/06/2022
Risk	Kevin Lloyd	Date 04/07/2022

Approved by Joanne Moore Date 13/07/2022

Please include a glossary of terms, abbreviations and acronyms used in this report.