

# HAMPSHIRE COUNTY COUNCIL

## Officer Decision Record

<b>Decision Maker:</b>	Steve Clow
<b>Title:</b>	TMH Roof Decant Decision – Supporting Costs
<b>Reference:</b>	7542

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### 1. The decision:

1.1. To fund the following supporting costs for the decant necessary to enable the repair works on the Three Minsters House roof to be undertaken:

- £40k Capital enabling works on Sheridan House from Office Accommodation Capital Budget

### 2. Reason(s) for the decision:

2.1. Please see Appendix A which outlines the issues, options and proposals.

### 3. Other options considered and rejected:

3.1. Decant within existing buildings

### 4. Conflicts of interest:

4.1. None

### 5. Dispensation granted by the Head of Paid Service:

5.1 None

### 6. Supporting information:

Please see Appendix A

Approved by:



Date:

16<sup>th</sup> May 2016

Steve Clow

(On Behalf of Karen Murray, Director of Culture, Communities & Business Services)

## Appendix A

### THREE MINSTERS HOUSE – ROOF WORKS & POSSIBLE DECANT REQUIREMENTS

#### **The Roof Works:**

As you know there is a need to undertake works on the roof of Three Minsters House (TMH) and that also finding a contractor to do the works has been a challenge for some time. We are now at a point where we can form a contract but nature of the works means there is a decant requirement not only because of the work on the roof but because once the roof leaks are gone most of the areas impacted will need works on ceilings (including lighting upgrades), carpets and decorations which means all furniture needs to be removed. You will recall that these works were delayed pending the roof repairs – this will bring the whole of TMH up to the same standard.

It is proposed that the works will take place in 3 Phases over an 18month to 2 year period starting at the “Man on the Horse” end, then the Castle Hill end and finally the middle section. The nature of the roof repair works (and the stepped nature of TMH) means that it is believed that all of the 3<sup>rd</sup> floor, parts of the second floor and possibly other areas due to the mansard are likely to be affected by the works. It is difficult to predict that actual affect of the works on the occupiers of TMH but the incessant tapping as the lead covering is removed and replaced it likely to be a significant local distraction.

#### **Do Nothing Option:**

To avoid additional cost to the project we have first reviewed whether it would be possible proceed with the works without taking additional accommodation. Appendix 1 shows that whilst this would be “technically” possible it would require the removal of all meeting rooms in TMH (including the DMT Board and DMT meeting rooms for part of the works); use of all HUB space as office accommodation, and use of 2 areas in Castle Avenue currently not considered suitable for permanent office use (Merdon and Garrett). On any given day it is clear that the desk ratio in TMH ‘works’ due to the availability of meeting rooms and hub spaces – removal of these areas for such a prolonged time would have a direct impact on the effective operation of TMH and also removes any flex should the works have a greater impact than predicted. This is not therefore considered to be an acceptable option.

#### **Decant Option:**

To take account of the likely disruption and to provide the maximum flexibility possible within the building to move staff around in relation to the phased works, it is proposed that part of the staff be decanted offsite entirely. The aim of the decant strategy has been to achieve a balance between minimising disruption for services/staff and of course minimising additional costs.

The strategy that achieves this best involves moving out the Procurement team [40No. staff] (who occupy the entire third floor) for the whole contract period, and then, by adding in a little more capacity by making the ground floor hub into office accommodation, it would enable us to move others around on a sequential basis within the remaining space.

There are 2 options to achieve a decant arrangement using either HCC accommodation or third party accommodation.

(1) Decant into HCC Accommodation:

The original plan was to use the top floor of Athlestan House as the decant location for Procurement but late in the tender process this option was lost because the transformation work on the Digital Strategy took priority for the space. This floor is now fully occupied. There is no other accommodation in Winchester that is capable of accommodating a team of around 40 staff.

(2) Decant into Third party Accommodation:

We have reviewed all the available options in terms of taking third party space in the near vicinity and the best option appears to be Sheridan House the cost of which is detailed in Appendix 2 and range from £183,875 to £222,500 subject to the length of lease.

Before we can let the contract we need to be confident that the contractor's progress will not be fettered by our occupation of the building nor that the working conditions are so compromised in the building such that TMH staff would be unable to work whilst the works are progressed. It is for this reason that the Sheridan House option is recommended.

**How can decant costs be met?**

Whilst part of the cost [fitting out estimated at c£40k] can be met from the Workstyle Capital Budget, the preferred position would be to avoid the use of Workstyle Revenue given the given the current Tt2017 pressure on this budget.

In 2015/16, the revenue budget outturn reported £293k under-spend (due to increased premises revenue) and this will go the CCBS Cost of Change Budget for which bids are currently being sought. It is not clear currently whether this is a sustained saving into 2016/17 and beyond. If this were to be the case then this could be used to fund these costs. If a one off position, then in discussion with Jane Lovett, it would appear that a Cost of Change bid would be appropriate. The landlord has indicated there would be no financial benefit for the County Council to pay the full amount upfront so there is no reason to pay the rent other than by the usual quarterly payments. This would therefore require revenue funding to be in place for 3 successive financial years if the fuller 2 year lease is needed to cover the lease and other costs of up to £182,500.

**Approvals:**

As the need to form a contract is becoming critical we are seeking 'in principle' agreement to progress the decanting option and to be able to rely on either the Workstyle Revenue and/or CCBS cost of change funding to cover the costs identified in Appendix 2. The intention would be to take a Scheduled Item to EMPR in June so that we can progress the completion of the lease etc.

### Non-Decant Option:

Whilst it is feasible to accommodate everyone within TMH and Castle Avenue but the impact would be as follows:

- Loss of all the hub spaces in TMH (the second floor only would become available at the end of Phase 1)
- Loss of the following meeting rooms:
  - Merdon (in Castle Avenue) – used for Workplace Activities and meetings
  - Alfred
  - Garrett Room (Castle Avenue)
  - Swithun and Wickham will be unavailable when works are being carried out on those areas
- Possible loss of the following meeting rooms for part of the works:
  - DMT Conference Room
  - Canute Meeting Room
- The Procurement Team would end up split across Castle Avenue and TMH as the only space that one member of their team who has mobility issues could be located in Phases 2 and 3 is the former Sports Area but there is not sufficient space in the building to house the rest of the team.
- We have not yet identified exactly how we would spread remaining teams but they would end up dispersed across buildings and floors including use of areas not currently considered suitable as permanent office accommodation.
- Given we do not know the actual impact of the works on the use of the building the non-decant option will remove the in-built “flex” that is achieved through a decant option.
- It provides even more logistical and greater storage problems as it increases the number of moves required and creates a need to store hub and meeting room furniture as well. Until we have a contractor on board and can look at scheduling we cannot be sure the time needed to work on the moves will not impact on programme and potentially increase time and cost.

Decant Costs for Sheridan House Option:

Estimates from David Dowson & David T Jones

**Based on Maximum of 2 Year decant - i.e. Worse case scenario**

	£
• Lease costs, based on 24 month lease with 18 month break clause annum, exclusive of fees, etc. (Includes utilities and service charge)	60,000 per annum
• Business Rates	17,250 per annum
• Power and data infrastructure cables	12,000
• IT Switch panel and data cabinet	5,000
• Fit out costs, kitchenette etc.	10,000
• Deep clean and making good	1,000
• Contingency and fees	10,000
• Internal Staff moves and relocation to and from Sheridan*	30,000
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Total cost of decant accommodation, fit out and moves costs (*Includes furniture and people moves, IT installations & cleaning)	£222,500

**Based on 18 month Decant with Above Costs:**

Total = £183,875

\*Internal staff and furniture moves within Three Minsters (phased) are an rough estimate as can only be estimated once decant plan is decided – they will include moves, room clearance, IT install, cleaning etc)

