



Cambridge City Council

To: Executive Councillor for Finance and Resources:
Councillor Richard Robertson
Report by: Frances Barratt, Corporate Projects Manager
Relevant scrutiny committee: Strategy & Resources Scrutiny Committee
Wards affected: None

OFFICE ACCOMMODATION STRATEGY - REFURBISHMENT PROJECTS FOR MANDELA HOUSE, 130 COWLEY ROAD AND FORMER PARK AND RIDE SITE COWLEY ROAD

1. Executive summary

- 1.1 The Office Accommodation Strategy was reported to the Strategy and Resources Scrutiny Committee on 18 January 2016 which approved the short to medium term aim of the Office Accommodation Strategy (phase II) to: consolidate administrative office accommodation to The Guildhall, Mandela House and 171 Arbury Road; and relocate remaining Depot based services to 130 Cowley Road and the former Park and Ride site. The project was approved at The Council meeting on 25 February 2016.
- 1.2 The actual schemes and cost models for the refurbishment of Mandela House and 130 Cowley Road together WITH the set-up of the Park and Ride site have been developed. The estimated cost of the combined schemes is £2,500,000. These schemes are all necessary to facilitate the exit from Mill Road Depot and Hobson House and also include some planned maintenance works that are sensible to include at the same time.
- 1.3 Earmarked reserves were established to undertake these works and the attached Project Control Documents identify these reserves for most of the funding. Officers seek approval for funding from a combination of Office Accommodation Strategy earmarked revenue and capital reserves, Climate Change Funds and planned maintenance funding.
- 1.4 Having developed the schemes in more detail, the refurbishment of Mandela House, 130 Cowley Road and the former Park and Ride Site at Cowley Road have a target completion date of July 2017, revised from March 2017. The original target dates have been revised primarily because the refurbishment at Mandela House cannot be completed within this timescale.
- 1.5 It is necessary to take this decision out of cycle to commence works as soon as possible to enable the exit of Mill Road and Hobson House to maintain momentum within the project, to retain the design teams and to deliver the projects within the first

half of 2017.

2. Recommendations

The Executive Councillor is recommended to approve:

- 2.1 a capital budget of £2,500,000 to cover the refurbishment costs for Mandela House, 130 Cowley Road, the former Park and Ride Site at Cowley Road and refurbishing 4th floor at the Guildhall as described on Project Control Documents set out at appendix A, B,C and D of this report.
- 2.2 the source of funding as described at appendix E

3. Background

- 3.1 The Office Accommodation Strategy was approved at S&R on 18 January 2016 which approved the short to medium term aim of the Office Accommodation Strategy (phase II) to consolidate administrative office accommodation to The Guildhall, Mandela House and 171 Arbury Road and the use of 130 Cowley Road and Park and Ride site for relocated Depot services. The project was approved at The Council meeting on 25 February 2016.
- 3.2 The refurbishments at Mandela House and 130 Cowley Road and set up of the former Park & Ride site facilitate the release of Mill Road Depot for redevelopment and Hobson House to create capital receipt.
- 3.3 In developing the scheme proposals officers have sought to combine improvements identified through the Office Accommodation Strategy together with planned maintenance and climate change projects.
- 3.4 It has been necessary to re-assess the timing and resource requirements for aspects of planned building maintenance to prioritise the Office Accommodation strategy projects which facilitate the exit from Mill Road Depot and Hobson House. The scheduled work on the Guildhall roof together with the Office Accommodation Strategy refurbishment projects at the Guildhall have therefore been scheduled for the latter months of 2017/18.
- 3.5 The specification and cost models for the refurbishment of Mandela House and 130 Cowley Road together with the specification and costs for the set-up of the former Park and Ride site have been developed and in summary are:
 - Refurbishment work at Mandela House is required to facilitate higher levels of occupation and to facilitate new ways of working. Planned building maintenance works are also required and are scheduled to take place at the same time as office space refurbishment. The proposed refurbishment involves internal alterations to create open plan working areas; new and refurbished welfare facilities; redecoration and new floor coverings; new electrical, lighting and data services; replacement mechanical services (heating, cooling and ventilation), and furniture.
 - 130 Cowley Road is an industrial unit with a warehouse and office space over two floors and refurbishment work necessary to create a suitable working environment

include; relocating the internal stairs, creating new welfare facilities, creating new internal walls / meeting rooms, installation of a lift, new mechanical services (heating, cooling and ventilation), and furniture.

- To create a new council operational depot at the former Park and Ride site at Cowley Road it is necessary to establish: a temporary Waste transfer station; various storage facilities; fuel station; vehicle wash facilities; staff rest and welfare facilities; and parking for operational and staff vehicles.
- Refurnishing of the 4th floor at the Guildhall is required to facilitate the release of ground floor accommodation in order to generate income by relocating staff to the upper floors and to consolidate office accommodation for Legal Services. The main refurbishment project at the Guildhall is scheduled to begin in the latter months of 2017/18.

4. Implications

(a) Financial Implications

- 4.1 The capital and revenue budgets were approved in the BSR 2016 and an earmarked reserve for the Office Accommodation Strategy fund was established with the remit to provide the resources to deliver the capital aspects of the Office Accommodation Strategy. The earmarked reserves were:

| BSR reference and description | 2016/17 £ | 2017/18 £ |
|--|--------------|--------------|
| NCL3764 – Capital | 1,886,000 | 454,000 |
| NCL3848 – Revenue – including revenue set up | 1,121,000 | 261,000 |

- 4.2 Council approved a process for allocations made from the fund in accordance with the Council's delegation and approval processes outlined in Part 3 Section 9.3 of the Council's Constitution:
- Projects costing up to and including £300k in total to be considered in the first instance by the Capital Programme Board and then submitted for approval by the Executive Councillor for Finance and Resources.
 - Projects with a total cost of over £300k will be considered in the first instance by the Capital Programme Board and reviewed at Strategy and Resources Scrutiny Committee before approval, subject to the need to make urgent decisions.
- 4.3 The funding proposals for the schemes combine use of budgets from overall earmarked reserve (capital and revenue) for the Office Accommodation Strategy, the Climate Change Fund and Planned Building Maintenance, together with the reallocation of an existing capital budget for the Guildhall Re-roofing project. Appendix E provides details of the funding proposals.
- 4.4 There are no additional revenue implications resulting from the capital works.

(b) Staffing Implications

4.4 As set out in previous reports.

(c) **Equality and Poverty Implications**

4.5 As set out in previous reports.

(d) **Environmental Implications**

4.6 As set out in previous reports.

(e) **Procurement**

4.7 As set out in previous reports.

(f) **Consultation and communication**

4.8 As set out in previous reports.

(g) **Community Safety**

4.9 As set out in previous reports.

5. Background papers

These background papers were used in the preparation of this report:

Strategy & Resource Scrutiny Committee Reports -

6. Inspection of Papers

To inspect the background papers or if you have a query on the report please contact:

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7. Appendices

Appendix A: Project Control Document – Mandela House Refurbishment

Appendix B: Project Control Document –130 Cowley Rd Refurbishment

Appendix C: Project Control Document- former Park and Ride Cowley Rd Set Up

Appendix D: Project Control Document-refurnishing 4th floor Guildhall

Appendix E: Funding Sources

Insert PCD when completed (from Will)

Funding Sources

Office Accommodation Strategy Capital projects

Appendix E

| | Mandela House Refurbishment | 130 Cowley Road | Ex Park and Ride Site Compound | Guildhall Refurnishing 4th Floor | Total |
|--|-----------------------------|------------------|--------------------------------|----------------------------------|--------------------|
| Value of total Capital project (to the nearest thousand) | 1,350,000 | 507,000 | 586,000 | 57,000 | 2,500,000 |
| <u>Funded by:</u> | | | | | |
| Office Accommodation Strategy Capital earmarked reserves | (749,000) | (335,000) | (138,000) | (57,000) | (1,279,000) |
| Reallocation of Office Accommodation Strategy Revenue earmarked reserves to Capital earmarked reserves * | (232,000) | (172,000) | (448,000) | 0 | (852,000) |
| Climate Change funding - approved by the Environmental Strategy Group | (59,000) | n/a | n/a | n/a | (59,000) |
| Reallocation of existing Capital budget - Mandela House Air Conditioning Project [SC596 - cost centre 38281] - The cost of the Mandela House air conditioning works are included within the Mandela House Refurbishment total Capital project value | (127,000) | n/a | n/a | n/a | (127,000) |
| Reallocation of existing Capital budget - Guildhall Re-roofing project [PR023 - part cost centre 42090] - New bid has been submitted for the Guildhall Re-roofing works for the 2017/18 financial year | (183,000) | n/a | n/a | n/a | (183,000) |
| Total Funding | (1,350,000) | (507,000) | (586,000) | (57,000) | (2,500,000) |

* Funding to be transferred to Office Accommodation Strategy Capital earmarked reserves from Office Accommodation Strategy Revenue earmarked reserves as follows:-

- 2016/17 £379,000 (over-provision of Revenue earmarked reserve funding - primarily 130 Cowley Road and Hobson House)
- 2017/18 & future years £473,000 (over-provision of Revenue earmarked reserve funding - primarily due to lower running costs for 130 Cowley Road - Rent, Business Rates etc.)