

PLACE GROUP RESOURCE FOR KEY PROJECTS

To:

Councillor Simon Smith, Executive Councillor for Finance & Resources
Strategy & Resources Scrutiny Committee 3 July 2023

Report by:

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Wards affected:

1. Executive Summary

- 1.1 The Place Group brings together leadership and management of the Councils corporate estate, property investments, responsibility for delivering new council, affordable homes and estate regeneration. The Place Group is tasked with delivering some key programmes and projects for the Council in addition to those currently undertaken including:-
 - Delivering the asset management plan to meet the Net Zero Carbon (NZC) and Minimum Energy Efficiency Standards (MEES) objectives through a combination of retrofit, redevelopment and disposal
 - Rationalisation of the Council's office and civic accommodation through the Corporate Space Strategy
 - Refurbishment of the Market Square
 - General Fund Redevelopment Programme for commercial property
- 1.2 To achieve these, initial change to some roles and additional resource is required as set out in this report. Funding will be from General Fund Reserves initially but costs capitalised once capital plan items are brought forward and approved.
- 1.3 These projects will support improving sustainability, how we engage with and the services we provide to our customers and communities, and generate new income streams and capital receipts.
- 1.4 The scale of the projects is as set out in 3.9 below and previous reports on these programmes and projects.

2. Recommendations

The Executive Councillor, is recommended to:

- a) Recommend to Full Council approval of funding for additional resource as set out in Section 4 (a) the report.

3. Background

3.1 The Council has approved several keys projects and work programmes to be delivered by the Place Group:

- Asset Management and Decarbonisation: Achieving NZC and MEES compliance of corporate, operational and commercial property through a mix of retrofit and redevelopment.
- Corporate Space Strategy: A key part of the Council's business transformation programme and includes the Guildhall, Mandela House and 171 Arbury Road.
- Market Square Redevelopment: Planned refurbishment of the Market Square which adjoins the Guildhall and this project can link with the Corporate Space Strategy.
- General Fund Redevelopment Programme: Effective asset management and improvement of the Council's commercial property portfolio.

3.2 Significant capital investment will be required as set out in previous reports. To deliver these projects and programmes, additional staff are needed to identify and manage the individual projects. Part of this work is to review procurement approaches, update previous cost estimates and determine the most appropriate approach to deliver works. The programmes and projects are therefore not currently on the capital plan as further detailed work is needed to confirm or revise costs.

3.3 The key roles are:

- General Fund Retrofit Project Manager – to project manage the retrofit aspects of the General Fund Asset Management Plan, including commissioning necessary reports and managing procurement and contractors to deliver the works.
- General Fund Retrofit Project Officer – to support the Project Manager in delivering the retrofit works.
- General Fund Retrofit Project Clerk of Works – to oversee the works and ensure quality is delivered.
- Senior Development Manager – to bring development and construction expertise to key corporate and commercial development

opportunities including the Corporate Space Strategy and the General Fund Redevelopment Programme.

- Corporate Space Project Manager – to project manage and deliver key corporate and commercial development opportunities including the Corporate Space Strategy and the General Fund Redevelopment Programme.

3.4 Other roles to support and enable delivery of these projects are already funded and include:

- Corporate Energy Manager – to be a lead on energy and sustainability matters and deliver retrofit capital projects on housing, corporate and commercial properties. Funded within the Asset Management Team.
- Market Square Project Manager – to project manage the proposed Market Square refurbishment project. Part funded within Streets & Open Spaces and existing budget allocation.
- Business Transformation Project Manager for Corporate Space project. Funded within Business Transformation until End of October 2023.

3.5 There is some overlap of these projects and it is required that all of the above work closely with each other to meet the various corporate objectives.

3.6 Retrofit works to deliver the NZC and MEES aspects of the Asset Management Plan will be led by the Asset Manager and Corporate Energy Manager with additional project management support as set out above. There is also some funding from the Climate Change Fund for specialist consultancy advice in respect of the NZC and MEES compliance works.

3.7 The Senior Development Manager (within the Housing Development Agency) and Corporate Space Project Manager will deliver the redevelopment aspects of the Corporate Space Strategy and Asset Management Plan, the General Fund Redevelopment Programme and the Market Square Project.

3.8 The General Fund Redevelopment Programme will be delivered primarily working with our commercial property management team and Cambridge Investment Partnership, our joint venture with Hill.

3.9 The estimated values of the capital projects as previously reported to Strategy & Resources Scrutiny Committee are set out below. The new roles will review the projects make recommendations as to how these

should be delivered and future budget requirements to bring capital items for approval.

- The Council approved recommendations for the Future Office Accommodation on 10 October 2022. This estimated the capital costs to be c£23.5m for refurbishment, repair and maintenance and decarbonisation works. These costs were based on historic costs and need refreshing but will also be dependent upon the final scheme agreed. It is likely that significant capital receipts from disposals will offset some of these costs.
- The Asset Management Plan was approved at Committee on 27 March 2023 setting out proposals to achieve Net Zero Carbon and Minimum Energy Efficiency Standards by 2030. This identified costs in excess of £10-15m for the properties reviewed to date and set out a programme and process through to 2030 to assess and bring forward projects.
- A General Fund Property Development Programme was approved on 8 February 2021 following an external asset management review to identify property suitable for redevelopment that could generate capital and income receipts. This is over an 8-10 year period and estimated costs are c£25m-£30m but with significant capital receipts to offset these as the programme progresses.

4. Implications

(a) Financial Implications

The basis of funding for these posts is to be from General Fund Reserves initially but with the expectation that the posts will be up to 100% funded from capital resources once capital plan items are brought forward and approved.

Additional funding costs are:-

- GF Retrofit Project Manager - £64,000 p.a.
- GF Retrofit Project Officer– £56,750 p.a
- GF Retrofit Project Clerk of Works 0.5 FTE – £28,375 p.a.
- Senior Development Manager– £86,000 p.a.
- Corporate Space Manager 0.6 FTE - £46,000 p.a.
- External consultancy support for Corporate Space Strategy – £75,000 in 2023/24 to establish approach, procurement and then make further recommendations for delivery and cost.

| Role | 2023/24 | 2024/25 | 2025/26 |
|---------------------------------|-----------------|-----------------|-----------------|
| Retrofit Project Manager | £37,350 | £64,000 | £64,000 ongoing |
| Retrofit Project Officer | £33,060 | £56,750 | £56,750 ongoing |
| Retrofit Project Clerk of Works | £0 | £14,190 | £28,375 ongoing |
| Senior Development Manager | £57,370 | £86,000 | £86,000 ongoing |
| Development Project Manager | £15,396 | £46,000 | £46,000 ongoing |
| External consultancy | £75,000 | | |
| Total | £218,176 | £266,940 | £281,125 |

(b) Staffing Implications

The staffing implications are as set out above and there will need to be a recruitment process. Some of the roles will need evaluation for grade reflecting that they are new roles. There will be some external consultancy support and works will be undertaken by external contractors managed by these staff and existing resource.

(c) Equality and Poverty Implications

An EQIA has not been conducted as this will be different for each scheme and so will be addressed on a scheme by scheme basis.

(d) Environmental Implications

There are no direct environmental implications as a result of this report but delivery of the projects will see significant improvement as set out in the previous reports.

(e) Procurement Implications

There are no direct procurement implications associated with this financial decision in respect of works to be undertaken. If approved, consultants providing support will be appointed taking account of the Council's procurement processes.

(f) Consultation and Communication

The Chief Financial Officer, Asset Manager, Development Assistant Director, Programme Lead - Transformation and Chief Property Surveyor have been consulted and are supportive of the proposed appointments to deliver these projects.

(g) Community Safety

There are no direct community safety implications associated with this report.

5. Background papers

Background papers used in the preparation of this report:

- Review of General Fund Asset Management Plan – Strategy & Resources Scrutiny Committee –27 March 2023
- Future Office Accommodation Report – Strategy & Resources Scrutiny Committee – 10 October 2022
- Delivery of General Fund Property Development Programme through Cambridge Investment Partnership (CIP) – Strategy & Resources Scrutiny Committee – 8 February 2021

6. Appendices

There are no appendices to this report.

7. Inspection of papers

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

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