

Cabinet

6th March 2018

Name of Cabinet Member:

Cabinet Member for Jobs and Regeneration – Councillor J O’Boyle

Director Approving Submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

St Michaels

Title:

Broadgate House

Is this a key decision? No

Executive Summary:

Cabinet requested Officers to report back on investment required to retain Broadgate House in operational use for the foreseeable future, as a result of letting two floors of One Friargate, and displacing 350 staff who were due to move to One Friargate.

This report sets out the scope of work and budget to achieve this which can be met from existing resources within the Friargate project budgets.

Recommendations:

- 1) Cabinet is asked to approve a budget of £1m to undertake works listed in Paragraph 2.5 of the report, to retain the upper floors of Broadgate House for the medium term and to include within the approved Capital Programme for 2018/2019.
- 2) Delegate authority to the Deputy Chief Executive (Place) to finalise the detailed works in paragraph 2.5 of the report and their prioritisation for implementation.
- 3) Delegate authority to the Deputy Chief Executive (Place) alongside the Procurement Board to agree the most appropriate procurement route for the works to be delivered

List of Appendices included:

None

Background papers:

None

Other useful documents

Cabinet Report 1st August 2017 - Friargate Letting to Financial Ombudsman Service

Cabinet Report 18th June 2013 – Starting the Friargate Business District to Regenerate the City, Transform the Council and Deliver Savings

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title: Broadgate House

1. Context (or background)

1.1 Cabinet approved the letting of 2 floors of One Friargate to the Financial Ombudsman Service at its meeting on 1st August 2017. As a consequence, Cabinet agreed to retain Broadgate House in operational use and invest in this building for staff. Approximately 350 Childrens Services and Customer Services staff intended to move to One Friargate were displaced onto floors 3-5 Broadgate House, and Cabinet requested officers to bring back a further report on investment in Broadgate House to make it suitable for staff accommodation in the medium term, until the opportunity to co-locate these staff at One Friargate next presents itself. This is unlikely to be until 2022 when there is the opportunity for the Financial Ombudsman to break their lease.

2. Options considered and recommended proposal

- 2.1 Under the Council's accommodation strategy approved in 2013, the upper floors of Broadgate House were due to be disposed of, when they were vacated at the end of 2017 when staff moved to One Friargate. Since 2013 there has only been minimal essential expenditure on Broadgate house in anticipation of the building being vacated and disposed. The working environment in the building is of poor quality and improvements need to be made decoration, welfare areas, lighting, heating and ventilation, ICT and CCTV provision, and common areas. There is also the opportunity to improve Childrens Service delivery by creating a City Centre 'Childrens Lounge' for professional engagement with Children in an informal child friendly and child centric environment.
- 2.2 As a consequence of letting two floors of One Friargate to the Financial Ombudsman, 350 staff in Childrens Services and Business Services have been rehoused in the upper floor of Broadgate House for the medium term and until the opportunity next presents itself to co-locate them at Friargate. This is unlikely to happen before the end of 2022 at the earliest, when there is a break clause in the Financial Ombudsman Lease.
- 2.3 In addition, Children Services have been subject to their own restructure of functions, and the opportunity now presents itself with the co-location of City-wide Childrens Service function, to enhance the Childrens Service 'offer' in the City Centre, through the creation of a 'Childrens Lounge'.
- 2.4 The report to Cabinet on the 1st August 2017 approving the terms of the letting to Financial Ombudsman indicated a range of investment in the upper floors at Broadgate House between £1m and 2m to secure a continuing operational use of the premises for 5 years. An indicative sum of £1m investment was built into the net surplus reported in that report. These resources can be met from the existing budget for moving to One Friargate and does not require new resource.
- 2.5 Council staff have been working with the Childrens Service Management Team, to draw up a budget for works to this space that
- Refreshes working areas through re-decoration and surface finishes
 - Refreshes welfare areas (toilets, kitchen, break out and meeting areas)
 - Improves lighting, heating and ventilation controls
 - Improves ICT and CCTV provision in the space
 - Provides a 'child friendly' welcome in common areas
 - Creates a Childrens Lounge for positive interaction with professionals

- 2.6 The estimated budget for these works will not exceed £1m including fees. The full scope of works has not been determined, and it is necessary to establish a budget for these works to allow works to be tendered and value engineered. The works will be packaged, to enable the works to be undertaken in discrete areas to permit staff to be moved around in the building as works progress, and for staff currently at Southfields (the Through Care service) to be moved into the space at the end of the programme, which is expected to take 6-9 months to complete.
- 2.7 Cabinet is therefore recommended to establish a budget of £1m for works to Broadgate House to maintain it in operational use for at least 5 years, in line with the indication given in the report to Cabinet in August 2017.

3. Results of consultation undertaken

- 3.1 Early consultation was undertaken with teams proposing to move into Broadgate, and more detailed consultation undertaken with Childrens Service Management Team. Once the project budget is established and proceeds, individual service areas will be consulted prior to implementation.

4. Timetable for implementing this decision

- 4.1 Subject to establishment of a project budget and works being tendered, it is envisaged that the works will take 6 months to implement.

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

The financial deal negotiated with the Financial Ombudsman for them to occupy space within Friargate, less the net cost of retaining space at Broadgate House demonstrated that the Council could afford to invest c£1m in the retained space, funded over 5 years, whilst still benefitting in financial terms from the arrangement.

Since then, the costs and savings associated with the move of Council staff to One Friargate have continued to be managed such that it is expected that there is surplus financial capacity within the business case to deliver the cost of the works proposed to Broadgate House without additional new resource.

The recommendations seek approval to add £1m to the capital programme, which is proposed to be funded on a one off basis from the surplus resources used to finance the Friargate building costs.

5.2 Legal implications

The selection of contractors to undertake the capital works will be carried out in full compliance with the Public Contract Regulations 2015, either through the use of an established framework or through undertaking a compliant procurement exercise where appropriate.

6. Other implications

6.1 How will this contribute to the Council Plan (www.coventry.gov.uk/councilplan/)?

The proposals will improve the working environment of Children Services staff and Customer Services staff that support them and support the implementation of the Childrens Services restructure to protect our most vulnerable people.

6.2 How is risk being managed?

The principal risk in this project will be implementing the changes whilst the building is occupied. This risk has been managed by delaying a move into Broadgate by the Through Care Team to enable a vacant area to be worked on and completed separate from staff. As each area is completed, staff will be moved into it and the area they vacate will be refreshed.

A project management team has been established with a project manager and service management representation.

6.3 What is the impact on the organisation?

The impact is to provide an improved working environment for staff displaced from moving to One Friargate. It will also have the benefit of supporting the Childrens Services redesign by investment in their working environment.

6.4 Equalities / EIA

There are no equalities impacts.

6.5 Implications for (or impact on) the environment

There are limited impact on the environment.

6.6 Implications for partner organisations?

Partner organisations ie Police and Health who work alongside Children's Services will benefit from the improvement to working conditions proposed.

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