

Cabinet Member for Jobs and Regeneration

14th July 2020

Name of Cabinet Member:

Cabinet Member for Jobs and Regeneration, Councillor J. O'Boyle

Director Approving Submission of the report:

Director of Streetscene and Regulatory Services

Ward(s) affected:

None

Title:

Whitley Depot Rebuild – Additional Capital Allocation

Is this a key decision?

No

Executive Summary:

Cabinet resolved to provide a new welfare and administration building at the City Council's operational depot in Whitley at their meeting on 10th April 2018.

Following detailed design work, a submission for planning permission and tendering of the building construction contract the project costs have risen to £5.07m compared to the original estimated costs of £4.35m, leaving a funding gap of £0.72m.

This report seeks to provide the Cabinet Member for Jobs and Regeneration with the proposals to reduce the above funding gap and also to seek his approval to allocate a further £0.48m of capital resources to the project.

Recommendations:

The Cabinet Member for Jobs and Regeneration is recommended to:

1. Approve the allocation of an additional £0.48m of capital money from corporate resources to the rebuild of the Whitley Depot welfare and administration building.

List of Appendices included:

None

Background papers:

The original Cabinet report approving the rebuild of the Whitley Depot welfare and administration building can be found at the following link:



Replacement of
Administration Buildir

Other useful documents

None

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

Whitley Depot Rebuild – Additional Capital Allocation

1. Context (or background)

- 1.1 The City Council's primary operational depot is located in Whitley and houses the following functions: waste management, vehicle workshops, highways, building services, and passenger transport.
- 1.2 Approximately 500 frontline employees are deployed from Whitley on daily basis to carry out the above functions. The site also provides a waste transfer station and is home to the majority of the City Council's fleet of vehicles.
- 1.3 Apart from the existing vehicle workshops the welfare and administration facilities at Whitley Depot are made up of porta cabins (installed in 2004/05) and a post war former workshop building converted into office space.
- 1.4 Both of the existing buildings are thermally inefficient and are heated from oil fired heating. Neither building is accessible as defined in 2010 equalities act, and the welfare facilities for 500 are inadequate.
- 1.5 In 2018 Cabinet resolved to fund a project to replace the welfare and administration building at Whitley by combining the existing provision at Whitley Depot and the provision at the City Council's 24 hour communications centre at Jackson Road (Holbrooks). The replacement building would be provided at Whitley Depot, leaving the Jackson Road available for alternative uses.
- 1.6 Following a detailed design exercise, planning consultation and tendering for the construction of a new welfare and administration building at Whitley Depot there remains a shortfall in capital. This report therefore seeks the allocation of an additional £0.48m of capital resource to the project.

2. Options considered and recommended proposal

- 2.1 The tendered price for the replacement welfare and administration building at Whitley Depot is £0.72m higher than the allocated budget for the project.
- 2.2 In order to close the above funding gap, the project team have reduced the overall size of the building by 10%, predominantly removing administrative office space. In addition, and in consultation with colleagues in the planning and highways teams several of the external finishes to the proposed building have been downgraded. This has reduced the funding gap to £0.48m.
- 2.3 The two options therefore left the project are to seek additional capital funding of £0.48m or to abandon the rebuild and remain with the current building stock.
- 2.4 The recommended option is to allocate £475k of additional funding to the project, as abandoning the rebuild project would leave the existing mix of temporary and permanent buildings that are beyond their economic and practical life.
- 2.5 The recommended option also continues to offer a revenue saving to the City Council of £207k per annum compared to continuing to maintain and heat the existing building stock at Whitley Depot and Jackson Road.

3. Results of consultation undertaken

- 3.1 Initial staff consultation with staff and Trade Unions on the provision of a new welfare and administration building at Whitely took place in 2019.
- 3.2 Further consultation on the final design and timetable will take place during July and August 2020.

4. Timetable for implementing this decision

- 4.1 If the above recommendations are approved the contract for construction will be awarded on 17th July 2020, with new building being operational by June 2021.
- 4.2 To delay contract award risks the project having to be retendered and the capital costs increasing.

5. Comments from Director of Finance and Director of Law and Governance

5.1 Financial implications

The original project has a Medium Term financial strategy target net saving of £227k per year which could be achieved as a result of no longer incurring the high running and repair costs of the old buildings, net of the borrowing costs and more efficient running costs of the new accommodation.

The higher borrowing costs resulting from the additional £0.48m capital resources needed to fund the gap would reduce the achievable savings by £20k per year over the life of the buildings. These savings would need to be identified from other sources.

To abort the project would result in the full £227k per year not being achieved.

5.2 Legal implications

- 5.2.1 The Council can use its powers under the Local Government Act 2003 for prudential borrowing.
- 5.2.2 The Council has undertaken a tender to deliver project in accordance with Council's Rules for Contracts due to the value of the Works being below OJEU threshold.

6. Other implications

Any other specific implications

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

- 6.1.1 The council is committed to the regeneration and growth of the city in general. In addition to this, the existing council estate is continuing to deteriorate and requires investment. The redevelopment of Whitley Depot is part of a plan to rationalise the number of office buildings the Council currently operates from. It will deliver significant benefits both in terms of an improved working environment for employees, provide a more flexible working environment and enable agile working environments. Working from fewer buildings in a more efficient way means that the Council will save money.

6.2 How is risk being managed?

6.2.1 Risk will be managed in accordance with the Council's risk management arrangements. The Governance arrangements will include regular review of risks associated with the project and this has been actively managed to date through the Project Team and Project Board.

6.3 What is the impact on the organisation?

6.3.1 The allocation of additional funding has no impact on the organisation other the financial implications considered in section 5.1 of this report.

6.3.2 The provision of a modern building will however, dramatically improve the welfare facilities for the City Council's frontline workforce. In addition the provision of a new building will reduce the on-going cost of maintaining series of temporary and permanent structures that are beyond their economic life.

6.4 Equality Impact Assessment (EIA)

6.4.1 The allocation of additional funding has no equality impacts.

6.4.2 The construction of the new building will primarily impact on staff. The new building (unlike the existing one) will be fully compliant with the provisions of the Equalities Act 2010 (in terms of access to persons who are have a physical disability or other relevant protected characteristics) and include dedicated disabled parking on site

6.5 Implications for (or impact on) climate change and the environment

None

6.6 Implications for partner organisations?

None

Report author(s): Andrew Walster

Name and job title: Director of Streetscene and Regulatory Services

Directorate: Streetscene and Regulatory Services

Tel and email contact: andrew.walster@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/approver name	Title	Service Area	Date doc sent out	Date response received or approved
Contributors:				
Suzanne Bennet	Governance Services Officer	Law and Governance	6 th July 2020	6 th July 2020
Nicola Williams	Project Manager	Project Delivery Team	6 th July 2020	6 th July 2020
Names of approvers for submission: (officers and members)				
Finance: Phil Helm	Finance Manager	Finance	6 th July 2020	6 th July 2020
Legal: Gorbinder Singh Sangha	Corporate and Commercial Lawyer	Law and Governance	6 th July 2020	6 th July 2020
Director: Andrew Walster	Director of Streetscene and Regulatory Services	Streetscene and Regulatory Services	6 th July 2020	6 th July 2020
Members: Cllr J O'Boyle	Cabinet Member for Jobs and Regeneration			

This report is published on the council's website:
www.coventry.gov.uk/councilmeetings