



## Finance and Performance Sub Committee 15<sup>th</sup> April 2020

### Office Transformation Programme and Associated works

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#### Purpose of report

To advise and seek authorisation from Members for the funding needed to deliver all elements of Phase 2 of the Office Transformation Programme and Associated works, the Customer Experience Enhancement Programme and the Future Northants development.

#### Attachments:

**Appendix 1** – Programme scope infographic

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#### 1.0 Background

1.1 The Office Transformation Programmes (OTP) core mandate is to adapt and improve the look and functionality of the office spaces at the ENC Cedar Drive facility. This has been and will be delivered through refurbishment and improvement of the infrastructure, fixtures and fittings and the provision of new furniture, equipment and technology all compliant with modern standards.

1.2 OTP has also assisted in reducing the footprint of ENC's use of the facility through emptying the Red Brick section enabling it to be leased to help pay for the improvements and provide ENC with additional income.

1.3 This is the last agreed phase of the Office Transformation Programme. The scope of works associated with the delivery has grown considerably since its conception. As well as Phase 2 of the OTP having grown to encapsulate considerable aspects of the Facilities Management Plan and ICT Transformation Programme. In addition two other schemes with similar principles have been considered, evaluated and included in the procurement package. These are:

- The Customer Experience Enhancement Programme (CEEP)
- A Future Northants development (FN)

1.4 The areas in scope of all of these works are illustrated in Appendix 1.

#### 2.0 OTP Phase 2

2.1 The scope of OTP phase 2 is focused on the northern lower and upper ground floors of the modern element of the Cedar Drive facility where Environmental Services and Revenues & Benefits are situated.

2.2 The OTP budget includes but is not limited to:

- Sound inhibiting walls and pods
- Desks,
- Glass screens,

- I.T equipment,
- Various items of furniture and accessories

### **3.0 Asset Management Works and Air Handling Unit (AHU)**

3.1 The Asset Management Works and AHU are also focused on the northern lower and upper ground floors of the modern element of the Cedar Drive facility where Environmental Services and Revenues & Benefits are situated.

3.2 The Asset Management budget associated with this implementation includes but is not limited to:

- Lighting
- Electrical works
- Flooring and decoration
- Blinds
- Alarms
- Internal Wall configuration
- CCTV
- Ceiling tiles
- Doors
- Flooring and decoration
- Replacement desks/furniture

3.3 The option for taking forward the AHU was agreed at the Finance and Performance Committee on 16<sup>th</sup> Dec 2019.

### **4.0 Customer Experience Enhancement Centre (CEEP)**

4.1 The aim of the CEEP is to redevelop the atrium (the glass concourse associated with the reception area) into a modern informal collaborative staff space with touchdown areas, sound inhibiting sections and enabling technology. It will be decorated in a fashion that promotes East Northamptonshire as it is viewable from the public area.

4.2 It also aims to update the Customer Services area to provide a modern, corporate and fresh look whilst delivering compliance in regards to Display Screen Equipment (DSE) for staff and the Equalities Act for both staff and customers. It will also be designed to best suit East Northants' customer demographic. One example of this is the soft customer seating in the CEEP being firm and neither too high nor low to be comfortably used. It will also include public, sensitive and confidential spaces and again branded in a fashion that promotes East Northamptonshire, as it is the main customer-facing area at Cedar Drive.

4.3 The two formal interview rooms will be retained as confidential customer spaces but with a less formal design (mainly through removal of the central glass partition). The existing technology will remain but the furniture will be changed to continue to deliver the function with a modern, corporate space meeting legislative needs (HSE, DSE and Equalities Act requirements).

4.4 G15 (the old cash office) is to be redesigned to enlarge the space publicly accessible through the reception area. The aim is to create a multi functional conference space that can be used to engage with or present to members of the public, councillors, partners or, if needed, for internal use.

## **5.0 Future Northants (FN)**

5.1 The current 'staff room' is to be redesigned as a Future Northants collaborative partnership working space to allow the Future Northants Programme staff to complete their work whilst at Cedar Drive and to share it with colleagues and project stakeholders.

5.2 As a consequence of utilising the current ENC staff room, a new staff room is to be established. This is to be provided in L15 (currently Central Licensing), which will be emptied as a benefit of OTP Phase 2. The new room will be a mixture of soft seating and hard seating accompanied by varying height applicable tables. There will also be a food preparation area with microwave, kettle, fridge and bin.

## **6.0 Privacy Impact Implications (PIA)**

6.1 PIA's have been completed and signed off in regards to all aspects of this programme of works and are available upon request.

## **7.0 Health Impact Assessments (HIA)**

7.1 HIA's have been completed in regards to all aspects of this programme of works and are available upon request.

## **8.0 Equalities Impact Assessment (EIA)**

8.1 EIA's have been completed in regards to all aspects of this programme of works and are available upon request. The only negative impact is accessibility of the building for staff during the construction phase which is out weighed by the significant benefits for all users and will be managed by the project team and appointed contractors

## **9.0 Legal Implications**

9.1 This implementation associated with the funding requested for in this paper will allow ENC to meet a number of legal obligations and associated audit recommendations. These include but are not limited to:

### 9.1.1 Fire safety

- The repair or replacement of fire doors
- The inclusion and improvement of fire stopping materials
- Applicable storage for items/materials deemed high risk

### 9.1.2 Health and Safety

- The replacement of our current lighting to meet minimum lumen levels
- The improvement of workstations to meet DSE standards

### 9.1.3 Equalities Act

- The redesign and configuration of office spaces to be meet current requirements in regards to accessibility.

### 9.1.4 Building regulations

- The refurbishment, improvement and re-utilisation of the AHU to meet building regulations in regards to air provision and circulation

## **10.0 Risk Management**

10.1 The three main risks considered at this juncture are:

- **Covid-19**  
How to proceed with the implementation of the OTP Phase 2, CEEP and the FN works considering the many and varied impacts of Covid-19
- **Varied Financial Support**  
Financial support being agreed for some aspects of this programme but not others and the impact on the procurement process and interdependent nature of the works
- **Low quotes and fluctuating market**  
The lowest bidder has provided quotes in certain areas that are considerably less than expected in regards to estimated cost. This, combined with the unknown affects of Covid-19 on the industry, create a high risk that these financial estimates cannot be met.

## **10.2 Covid-19**

10.2.1 Careful consideration has been given to the legal, procedural, logistical and feasible way to continue to deliver this programme in the current climate. These discussions have involved the Welland Procurement Unit, LGSS Law, the programme's Quantity Surveyor and ENC Senior Management.

10.2.2 If the funding is supported by this Committee, the intention is to progress this programme to the point of advising applicants for both associated tenders whether they are successful or not and provide the winning bidders an intention to award a contract. However, the contract cannot and will not be signed until both ENC and the contractor are in a place to fulfil it. The tender prices will then be held for 90 days and the process may need to be reviewed in light of Covid-19.

## **10.3 Varied financial support**

10.3.1 The Welland Procurement Unit has made it very clear that if any of the three core aspects of the procurement package (OTP, CEEP, FN) are not supported and therefore removed from scope it would act as a material amendment to the tender documentation and the procurement process would have to begin again.

10.3.2 In addition there are physical interdependencies in regards to the designs included in the tender.

## **10.4. Low quotes and fluctuating market**

10.4.1 As the quotes for OTP and associated asset management costs (pre final tender response clarification) have come in considerably less than the £217k estimated and budgeted for in the 2020-2021 development pool. It's recommended that a 30% financial redundancy is included in this budget to offset this risk.

## **11.0 Resource and Financial Implications**

11.1 At the point of writing this report, initial quotes have been received from applicants for both active tenders relating to the OTP and associated works.

However, the tender process is currently in the clarification stage and the deadline for the applicants' responses is 6th April, which is after the circulation deadline for this report. Until final clarification is received, final figures regarding three elements of the following section cannot be completed; these are:

- 11.3 – Asset Management Works
- 11.5 – Customer Experience Enhancement Centre
- 11.6 – Future Northants

It has been established that the quotes received regarding these elements are within the estimates that have been outlined in previous papers to Finance and Performance and Transformation Committees and were agreed at the Budget Working Group for the overall Capital Programme and Asset Management on the 29th January.

These discussed/agreed budgets are as follows:

CEEP	£109,153
Future Northants	£35,384
Asset Management	£217,000

A supplementary report will be submitted to the Committee detailing the final requested figures after financial clarification has been received from all applicants and a winning bidder has been identified.

## **11.2 OTP Phase 2**

- 11.2.1 There is £77.4k of agreed OTP budget still available. (£45k revenue and £32.4k Capital). This is in the 2019-20 Revenue Budget and Capital Programme. For technical purposes a request will be made to carry over these budgets to 2020-21 as part of the outturn report considered by Policy and Resources Committee.

## **11.3 Asset Management Works**

- 11.3.1 £217k has been requested to deliver asset management works associated with the implementation of OTP and has been budgeted as part of the £1.25 million associated with the Asset Management Plan for 2020-21. It is currently in the 2020-21 Development Pool.

Authorisation will be requested to move a proportion of the £217,000 into the Capital Programme.

In addition, a proportion of the budget will be returned from the Development Pool to reserves and subsequently drawn on as a supplementary estimate from reserves to act as revenue funding.

The final figures associated with the above requests will be included in the supplementary paper.

## **11.4 Air Handling Unit (AHU)**

- 11.4.1 The remaining £142.6k of the AHU budget is in the 2019-20 Capital Programme.

For technical purposes a request will be made to carry over this budget to 2020-21 as part of the outturn report considered by Policy and Resources Committee.

- 11.4.2 A further £155k for the AHU is in the 2020-21 Development Pool and requires approval to move it into the Capital Programme.

## **11.5 Customer Experience Enhancement Centre**

- 11.5.1 The £109k budgeted for CEEP is in the 2019-20 Development Pool. For technical purposes a request will be made to carry over this budget to 2020-21 as part of the outturn report considered by Policy and Resources Committee.

Authorisation will be requested to move a proportion of the £109,000 into the Capital Programme

In addition a proportion of the budget will be returned from the Development Pool to reserves and subsequently drawn up as a supplementary estimate from reserves to act as revenue funding

The final figures associated with the above requests will be included in the supplementary paper.

## **11.6 Future Northants**

- 11.6.1 The £35.4k for the Future Northants development is part of the £1.25 million associated with the Asset Management Plan for 2020-21 and is in the 2020-21 Development Pool. It therefore requires authorisation to move into the Capital Programme.

- 11.6.2 Authorisation will be requested to move a proportion of the £109,000 into the Capital Programme.

In addition a proportion of the budget will be returned from the Development Pool to reserves and subsequently drawn up as a supplementary estimate from reserves to act as revenue funding.

The final figures associated with the above requests will be included in the supplementary paper.

## **11.7 ICT Transformation Budget**

- 11.7.1 The ICT Transformation budget associated with cabling has £50.2k in the 2019-20 Capital Programme, 28k of which is needed for the cat 6 cabling and switches associated with the OTP Phase 2 implementation. For technical purposes a request will be made to carry over this budget to 2020-21 as part of the outturn report considered by Policy and Resources Committee.

## 11.8 Financial Summary

	Existing Funds	Estimated budgets	Fund Location	Request
OTP Phase 2	45k Rev + 32.4k Cap	45k Rev + 32.4k Cap	2019-2020 Development Pool/Capital Programme	1) Carry over these budgets to 2020-21 as part of the outturn report considered by Policy and Resources Committee.
Asset Management Works	N/A	217k	2020-2021 development pool.	2) Authorisation required to move amount detailed in the supplementary paper into the Capital Programme 3) Authorisation required to return the amount detailed in the supplementary paper from the Development pool to the reserves 4) Authorisation required to draw the amount detailed in the supplementary paper as Asset Management Revenue funding
AHU	£142.6k	£155k additional £192.6k overall	1) The existing 142.6k is in the 2019-2020 Capital Programme 2) The requested £155k for the AHU is in the 2020-2021 development pool	5) Recommendation required to carry over the AHU funds to Policy and Resources Committee. 6) Authorisation required to move the requested AHU funds into the Capital Programme
CEEP	N/A	£109,153	2019-2020 Capital Programme	7) Recommendation required to carry over the CEEP funds to Policy and Resources Committee. 8) Authorisation required to move amount detailed in the supplementary paper into the Capital Programme 9) Authorisation required to return the amount detailed in the supplementary paper from the Development pool to the reserves 10) Authorisation required to draw the amount detailed in the supplementary paper as Asset Management Revenue funding
FN	N/A	£35,384	2020-2021 development pool.	11) Authorisation required to move amount detailed in the supplementary paper into the Capital Programme 12) Authorisation required to return the amount detailed in the supplementary paper from the Development pool to the reserves 13) Authorisation required to draw the amount detailed in the supplementary paper as Asset Management Revenue funding
ICT Network Cabling Budget	£50,236.20	£28k	2019-2020 Capital Programme	14) Request to recommend carry over of this budget to 2020-21 as part of the outturn report considered by Policy and Resources Committee.

## 12.0 Constitutional Implications

12.1 There are no constitutional implications arising from this report.

## 13.0 Implications for our Customers

13.1 The refurbishment of the reception area will improve the experience for our customers, in general terms with the fit and finish of the area, and more specifically for wheelchair users and customers who meet our staff in the interview rooms.

12.2 The implementation period of the CEEP will have a direct impact on customer's face to face interaction with ENC Customer Services Staff. Further engagement will take place with key stakeholders when a contract start date is established to assess an alternative approach to provide this service for the duration of the works whilst maintaining a minimal impact on customers.

## 13.0 Corporate Outcomes

13.1 The proposals in this report will meet the following Corporate Outcomes:

- **Good Quality of Life** – Creating a more welcoming, and equalities compliant space for our staff, members, customers and visitors, and continuing the principles already demonstrated in earlier phases of OTP.
- **Good Value for Money** – A previous independent statement by the project QS compared ENC's expenditure for Phase 1a and 1b against industry standards. The analysis suggested that the phases were delivered at around half the cost per square metre of the industry standard figures. The quotes received from the tender exercise for OTP Phase 2, CEEP and FN suggest we can improve on our previous value for money figures.
- **Effective Partnership Working** – Creation of public space for collaborative working with other councils and partner organisations.
- **High Quality Service Delivery** – The new space will create a more modern and welcoming space for our customers and partners visiting our offices.
- **Employees and Members with the Right Knowledge, Skills and Behaviours** – This investment will create a more modern working environment for our staff and members, encouraging more modern and agile working practices that will set staff and members in good stead for the transition to unitary.



## 14.0 Recommendation

14.1 The Finance and Performance Sub-Committee is recommended to:

- Approve recommendations 1-9 as documented in 11.8 Financial Summary and supported by the supplementary paper.

*(Reason – To drive delivery of OTP programme and associated projects and works)*



<b>Legal</b>	Power:				
	Other considerations:				
<b>Background Papers:</b>					
28.08.19 Finance and Performance Sub-Committee - Office Transformation Programme Phase 2					
06.11.19 Transformation Committee – Office Transformation Programme Phase 2					
16.12.19 - Finance and Performance Sub-Committee – Asset Update					
<b>Person Originating Report:</b>					
<b>Lewis Gabb – Business Transformation Manager</b>					
☎ 01832 742022 ✉ lgabb@east-northamptonshire.gov.uk					
<b>Date: 27.03.2020</b>					
<b>CFO</b> 02/04/20		<b>MO</b>		<b>CX</b> 02/04/20	

# Programme of Works – Scope

## 2) CEEP - The Customer Services Counter and surrounding area

Needs to provide a modern, corporate and fresh look whilst delivering compliance in regards to DSE for staff and DDA for both staff and customers. Delivering Public, sensitive and confidential spaces and again branded in a fashion that promotes East Northamptonshire as it's the foremost customer facing area at Cedar Drive.

## 3) CEEP - G15

G15 is to be redeveloped to enlarge the space publicly accessible through the reception area. The aim is to create a multi functional conference space that can be used to engage with or present to members of the public, councillors, partners or even if needed for internal use.

## 4) CEEP - The two formal interview rooms

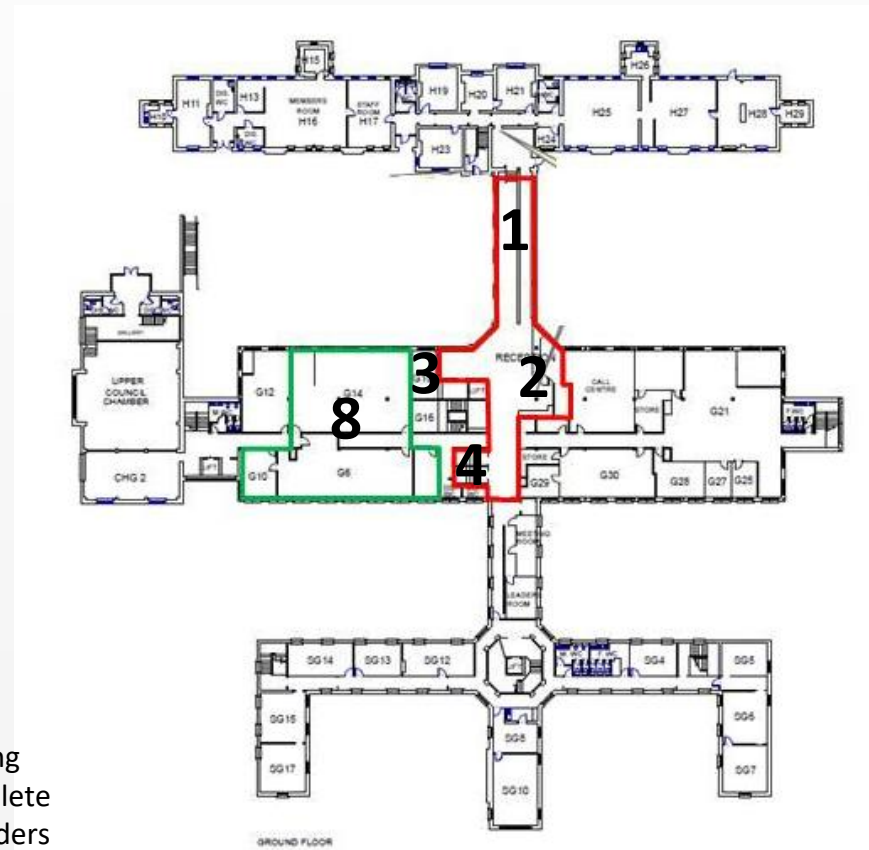
Retained as confidential customer spaces but with a less formal design (mainly through removal of the central glass partition). The existing technology should remain but the furniture be changed to continue to delivers the function with a modern, corporate space meeting legislative needs (HSE, DSE and DDA requirements)

## 5) Future Northants - The current 'staff room'

This is to be redesigned as a future Northants collaborative partnership working space. A space designed to allow the Future Northants Programme staff to complete their work whilst at Cedar Drive and to share it with colleagues, project stakeholders or management.

## 1) CEEP -The Atrium area

A modern informal collaborative staff space with touchdown areas, sound inhibiting sections and enabling technology. Decorated in a fashion that promotes East Northamptonshire as it's viewable from the public area.



## 6) Future Northants - L15

The proposed replacement staff room  
As a consequence of utilising the current ENC staff room a new staff room is to be established. This is to be achieved in L15, which will be emptied as a benefit of OTP Phase 2. The new room will be a mixture of soft seating and hard seating accompanied by varying height applicable tables. A food preparation area with microwave, kettle, fridge and bin.

## 7) OTP Phase 2 – Environmental Services

The Office Transformation Programmes (OTP) core mandate is to adapt and improve the look and functionality of the office spaces at the ENC Cedar Drive Facility. This has been and will be delivered through refurbishment and improvement of the infrastructure, fixtures and fittings and the provision of new furniture, equipment and technology all compliant with modern standards.



## 8) OTP Phase 2 – Revenues and Benefits

The Office Transformation Programmes (OTP) core mandate is to adapt and improve the look and functionality of the office spaces at the ENC Cedar Drive Facility. This has been and will be delivered through refurbishment and improvement of the infrastructure, fixtures and fittings and the provision of new furniture, equipment and technology all compliant with modern standards.