

Individual Cabinet Member Report – including transfer of capital scheme from provisional to approved programme

(If any background papers attached to this request are exempt please add the following paragraph here: The attached background papers are NOT FOR PUBLICATION in accordance with paragraphs.....of Schedule 12A of Part 1 of the Local Government Act 1972. PLEASE DO NOT INCLUDE ANY EXEMPT INFORMATION ON THIS FORM).

Name of Cabinet Member	Leigh Rawlins
Delegations Checked and certified by	James Carpenter
Name of officer requesting the decision	Mark Foster
Contact details	Mark.foster@southandvale.gov.uk 07510 921696
Details of decision required	<ol style="list-style-type: none"> 1) To agree to meet 50 per cent of the costs of the move from the council's offices at 135 Eastern Avenue Milton Park occupied by both the council and Vale of White Horse District Council to the Vale owned building at Abbey House, Abingdon on a business continuity basis and the ongoing running costs of occupation thereafter on that basis. 2) To transfer £90,000 from the essential capital works capital scheme in the council's provisional capital programme to the Operational Property Assets – essential works capital scheme in the approved capital programme. This is to fund 50 per cent of the capital works, estimated at £110,226 required in respect of the move to Abbey House Abingdon 3) To agree to fund 50 per cent of the project revenue costs amounting to £11,074 (full project Revenue costs are £22,148)
Recommended Action	To agree to meet 50 per cent of the costs set out above and to the transfer of capital funds to allow the move to Abbey House on an interim business continuity basis.
Reasons for recommending decision	Notice has been served on current main office 135 Milton Park and we need to vacate by 18 th October 2022. To enable this works are required at Abbey House to allow the interim relocation occupation

Financial details	See appendix 2
Alternative options considered and rejected	<p>Staying at 135 Milton Park was expensive (Circa £1m p.a.) and post Covid the space was identified as being too big for the hybrid model office requirements.</p> <p>A search of the local office market did not produce any viable alternative options.</p>

Details of background documents	None			
Declarations / conflict of interest	None			
Consultation (officers/ward councillors) <i>Legal, HR, Agenda 21 and finance should be consulted regarding the proposals. Ward Councillors, other Cabinet Members and officers should be consulted if the proposals will have an impact on their service area/ward.</i>	Section	Name	Outcome	Date
	Ward Councillors			
	Legal legal@southandvale.gov.uk	Pat Connell	Comments incorporated	13/7/22
	Finance Finance@southandvale.gov.uk	Simon Hewings	Comments incorporated	13/7/22
	Procurement Procurement@southandvale.gov.uk	Angela Cox	Comments incorporated	13/7/22
	Diversity and Equality equalities@southandvale.gov.uk	Chloe Bunting	Supportive. Comments to be included in project delivery about promoting public transport and reducing car use to staff.	11/7/22
	Climate and ecology climateaction@southandvale.gov.uk	Lynne Mitchell	Agree with proposals	7/7/22
	Risk and insurance risk@southandvale.gov.uk	Allison Holliday	Agreed	13.07.2022
	Communications communications@southandvale.gov.uk	Andy Roberts	Noted for information	13/7/22
Senior Management Team ExecutiveSupportS@Southandvale.gov.uk	SMT	Agreed	15/07/22	
Head of Service Approval	James Carpenter			15/07/22
Cabinet Member's approval	Cllr Leigh Rawlings			15/07/22
Reasons for making decision	As set out in report			

Appendix 1: Detailed capital scheme appraisal report

Ownership of report/ scheme	<i>Details of the responsible Cabinet member and officer Leigh Rawlins</i>
Details of the scheme	<ul style="list-style-type: none"> • The Small Works required to prepare Abbey House to a business continuity footing ready for the move of the Council Offices from Building 135, Milton Park • The IT infrastructure works <p><i>Details of whether the scheme will be carried out in partnership with other organisations or local authorities.</i></p> <ul style="list-style-type: none"> • This is a joint South Oxfordshire and Vale of White Horse District Councils project <p><i>Details of who will be managing the scheme.</i></p> <ul style="list-style-type: none"> • The works will be managed by Mark Foster and Rory Pavelin. The works will fall under CDM regulations and these will be managed by CMI Workplace <p><i>Details of anticipated start and practical completion* dates.</i></p> <ul style="list-style-type: none"> • It is expected that the works will have started by the beginning of August and are expected to take 6 to 8 weeks. The aim is to have the building works and moves completed by mid-September and be clear of Building 135 by the end of September <p><i>* practical completion is when construction / work on site is finished. This does not include periods for “snagging”, returning for repairs or periods of warranty</i></p>
Strategic objectives	<p><i>How does the scheme fit in with the Council’s strategic objectives and performance targets?</i></p> <ul style="list-style-type: none"> • These works form part of the South and Vale Office Property roadmap.

Purpose of the scheme	<p><i>What are the objectives (both general and measurable) of the scheme?</i></p> <ul style="list-style-type: none"> To provide Business Continuity office space for South and Vale staff <p><i>Why should the Council pay for the scheme?</i></p> <ul style="list-style-type: none"> We are vacating Building 135 and making a saving of approximately £1million per year The Abbey House building is owned by Vale of White Horse District Council. These works will facilitate both councils being able to use the offices. <p><i>What other options have been considered?</i></p> <ul style="list-style-type: none"> A review of the local market took place and there was no suitable office found <p><i>Can the objectives be achieved in another way?</i></p> <ul style="list-style-type: none"> No, given the current property market in the area this is deemed the most suitable solution
Benefits of the Scheme	<p><i>Who will benefit by the scheme being supported (for example, residents across the district or just in one area? children or people of all ages? Etc). Linked back to strategic objectives and performance targets where appropriate.</i></p> <ul style="list-style-type: none"> The staff of South and Vale District Councils
Measuring the success of the scheme	<p><i>How can this be measured? For example, through targets, BVPIs, usage figures?</i></p> <ul style="list-style-type: none"> The saving of £1000K per annum
Financial details	<p>Financial details are shown in appendix 2</p>
Hurdles to be overcome	<p><i>What issues need to be addressed which may impact on the progress of the scheme? For example the need for planning approval.</i></p> <ul style="list-style-type: none"> We are obtaining building control approval and will work with the supplier to achieve this We are working with Oxfordshire County Council to ensure that their needs are also met

Appendix 2: Financial details

<p>The capital cost of the scheme</p>	<p>The capital cost of this scheme is £90,000 which will be funded from the council's reserves. The council will lose interest of £1,125 a year (assuming an average rate of return of 1.25%) by spending this money rather than investing it as it does at the moment. If the council wished to replenish the reserves over the estimated life of the scheme (4 years), then the revenue cost of this scheme will increase to £23,210 per annum.</p> <p>Full cost of project capital £220,452. Of this 50 per cent is proposed to be funded by SODC = £110,226</p> <p>It is proposed to fund £20,226 from existing cost code for Operational Property Assets essential works in the approved capital scheme. The remaining £90k is requested to be transferred from the essential capital works capital scheme in provisional capital programme.</p>
<p>The profile of that expenditure</p>	<p>Fees and legal costs - £39k IT infrastructure - £30k Building works £151,452</p>
<p>The revenue consequences of the scheme (expenditure and income)</p>	<ul style="list-style-type: none"> • Reduction of the rental bill by vacating 135 Milton Park of £1m. • There is a requirement to fund revenue project cost of £11,074 by South. (Full project revenue budget is £22,148)
<p>Details of any specific sources of external finance available for this scheme</p>	<p>It is not considered that this scheme is eligible for any outside capital funding source.</p>
<p>Any VAT implications of the scheme</p>	<p>None</p>
<p>Any financial risks associated with the scheme</p>	<p>None</p>
<p>Details of any financial return on the investment</p>	<p>The capital outlay will be recouped by reduction in rent of 135 Milton Park within 3 months.</p>