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| Report Title: | York House Refurbishment |
| Contains Confidential or Exempt Information? | YES - Appendix A Part II Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. |
| Member reporting: | Cllr Jack Rankin, Lead Member for Economic Development and Property |
| Meeting and Date: | Council 25 July 2017 |
| Responsible Officer(s): | Russell O'Keefe, Executive Director |
| Wards affected: | Castle Without |

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REPORT SUMMARY

- 1 Following the report to Cabinet Regeneration Sub Committee on 13th December 2016, this report seeks final approval for the capital budget of £9,618,995 to cover the contractor costs for the refurbishment and extension works to York House, Windsor.
- 2 This development will create an accessible, multifunctional customer service hub for Windsor residents, and improved office accommodation for council staff and partner organisations.
- 3 Following the Grenfell Tower Tragedy, a review was carried out of the proposed cladding to be used and whilst it was not the same product as used at Grenfell Tower, it is now recommended a completely different system of cladding is utilised. This will result in an additional cost of £400,000 and add to the timeline for completion of the project.

1 DETAILS OF RECOMMENDATION

RECOMMENDATION: That Council notes the report and:

- i) Approves capital budget of £9,618,995 for the York House project, split between £6,400,000 in 2017/18 and £3,218,995 in 2018/19.
- ii) This budget allocation reflects the project timeline, with completion scheduled for 30th November 2018.

2 REASON FOR RECOMMENDATION AND OPTIONS CONSIDERED

- 2.1 The current York House building comprises approximately 19,000 square foot of office accommodation for staff combined with customer access and has been the Council's main office base in Windsor.
- 2.2 In 2015/16 the Council carried out feasibility and appraisal work to assess the options for the future of York House. The work looked at a range of options including redevelopment and refurbishment. The work demonstrated the best option would be to refurbish and add a further storey to the existing two storey building.
- 2.3 Further work during 2016/17 on the Council's building demonstrated that in its current state it would be worth circa £4,000,000. The refurbishment including the additional

floor would cost approximately £9,218,995 and that the Council's new refurbished office would have a capital value of circa £17,500,000 and a rental value of circa £1,000,000 per annum if let on the market.

2.4 Very importantly, it will also allow the Council to:

- Create a modern, accessible, multifunctional customer service hub for Windsor resident that provides the full range of face to face customer services in line with the Council's agreed model for resident services.
- Continue to have a significant customer facing office base in Windsor.
- Ensure the site can continue to provide public parking to support the town centre outside of office hours.
- Provide 28,000 square foot of improved office accommodation for Windsor based council staff and partners.
- Significantly improve the visual appearance of the building in this important area of the town.

2.5 The planned scheme costs were set out at £9,218,995 in the paper approved in December 2016 by the Cabinet Regeneration Sub Committee and this amount was included in the Council's capital cash flow that was outlined as part of the of the budget in February 2017.

2.6 In April 2017 a planning application was approved for the refurbishment. A copy of the designs for the building are included at Appendix B

2.7 A contractor was sourced through an approved OJEU compliant procurement framework. The contractor's sum and other professional fees are now finalised and confirm the costs for the original design and specification at £9,218,995.

2.8 However, following the Grenfell Tower Tragedy, a review was carried out of the proposed cladding to be used and whilst it was not the same product as used at Grenfell Tower, it is now recommended a completely different system of cladding is utilised. The additional cost of including a different 100% non combustible cladding system adds a further £400,000 giving a new total of £9,618,995.

2.9 All of the costs have all been assessed by the Council's external advisers and are deemed to be appropriate and reasonable for the necessary works.

2.10 It is planned that the refurbished office accommodation will be utilised by 300 staff and that these will predominantly be made up of employees from the Council's partnerships with Optalis and Achieving for Children and from the Council's Resident Services Team who will operate the multi functional customer services hub for the Town.

2.11 Alongside work on the Council's building, discussions and work was carried out with TVP over the potential to include a Police Station at the side/rear of the existing office. While developing initial concept designs, the Council confirmed that TVP's indicative building would be likely to cause significant concerns for councillors, council officers and local residents due to the heritage environment and the 24/7 nature of police operations. It was therefore considered unlikely that TVP's planning application would be supported. On this basis TVP and the Council jointly agreed that TVP should not progress with the submission of a formal planning application for the York House site.

Table 1: Options

| Option | Comments |
|--|--|
| Approve the total capital budget of £9,618,995 to refurbish and extend the Council's York House building in Windsor. This is the recommended option. | This option will allow the Council to deliver its operational objectives. |
| Do not approve a total capital budget of £9,618,995 to refurbish and extend the Council's York House building in Windsor. | This option will prevent the Council from delivering its operational objectives. |

3 KEY IMPLICATIONS

Table 2: Key implications

| Outcome | Unmet | Met | Exceeded | Significantly Exceeded | Date of delivery |
|------------------|------------------------|---------------------|-------------------------|------------------------|------------------|
| Scheme completed | After 30 November 2018 | By 30 November 2018 | Before 30 November 2018 | Before 31 October 2018 | 30 November 2018 |

4 FINANCIAL DETAILS / VALUE FOR MONEY

Table 3: Financial impact of report's recommendations

| REVENUE | 2017/18 | 2018/19 | 2019/20 |
|----------------|---------|---------|---------|
| Addition | £0 | £0 | £0 |
| Reduction | £0 | £0 | £0 |
| Net impact | £0 | £0 | £0 |

| CAPITAL | | | |
|----------------|------------|------------|----|
| Addition | £6,400,000 | £3,218,995 | £0 |
| Reduction | £0 | £0 | £0 |
| Net impact | £6,400,000 | £3,218,995 | £0 |

5 LEGAL IMPLICATIONS

5.1 The Council has a duty to efficiently manage its assets.

6 RISK MANAGEMENT

Table 4: Impact of risk and mitigation

| Risks | Uncontrolled Risk | Controls | Controlled Risk |
|--|-------------------|---|-----------------|
| Scheme may take longer to deliver than | Medium | Property service will maintain effective project management | Low |

| Risks | Uncontrolled Risk | Controls | Controlled Risk |
|---|--------------------------|---|------------------------|
| planned | | protocols | |
| Scheme may cost more than approved budget | Medium | Property service will maintain effective project management protocols | Low |

7 POTENTIAL IMPACTS

7.1 An Equality Impact Assessment Initial Screening has been undertaken and concludes the proposals contained in this report will not unlawfully discriminate against any group or individual, or provide the grounds for such discrimination.

8 CONSULTATION

8.1 Consultation was carried out as part of the planning process.

9 TIMETABLE FOR IMPLEMENTATION

9.1 The contractors have now begun initial intrusive preparatory works on the site which has identified issues not on the original plans from when the building was first built and when combined with the change in cladding system to be procured and installed will mean the redevelopment will now be completed at the end of November 2018.

Table 5: Implementation timetable

| Date | Details |
|------------------|---|
| 30 November 2018 | Contractors hand over completed office building |

10 APPENDICES

10.1 Appendix A – Project cost report – Part II

10.2 Appendix B – Scheme designs

11 CONSULTATION (MANDATORY)

| Name of consultee | Post held | Date sent | Commented & returned |
|--------------------------|---|------------------|---------------------------------|
| Cllr Jack Rankin | Lead Member for Economic Development and Property | 16.07.2017 | 17.07.2017 |
| Alison Alexander | Managing Director | 16.07.2017 | 17.07.2017 |
| Russell O’Keefe | Executive Director | 16.07.2017 | 17.07.2017 |
| Andy Jeffs | Executive Director | 16.07.2017 | 17.07.2017 |
| Rob Stubbs | Section 151 Officer | 16.07.2017 | 17.07.2017 |

| Name of consultee | Post held | Date sent | Commented & returned |
|--------------------------|----------------------------|------------------|---------------------------------|
| | | 7 | |
| Terry Baldwin | Head of HR | 16.07.2017 | 17.07.2017 |
| Mary Kilner | Head of Law and Governance | 16.07.2017 | 17.07.2017 |
| | Other e.g. external | | |

REPORT HISTORY

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|---|----------------------------|
| Decision type: Non-key decision | Urgency item? No |
| Report Author: Rob Large, Property Service Lead, 01628 796082 | |