Programme/Project/Service Redesign Information	
Programme/Project/Service Redesign Name	Hollingdean Depot Office Accommodation project
Directorate/Service	EEC
Full Business Case Author (Name and job title)	Francesca Hodgson (Programme Manager)
Date Full Business Case drafted	18/10/22
Senior Responsible Owner/ Project Executive (Name and job title)	Ian Greene / Rachel Chasseaud (Head of Fleet Management / AD City Environment)
Programme or Project Manager (Name and job title)	Francesca Hodgson (Programme Manager)

1. Executive Summary & Recommendations

Provide a summary of key points of the Business Case and recommendations for the governance group to consider

A Modular building is seen as the best option for the following reasons;

- Limits site disturbance
- Maximises opportunity for off-site construction and minimises construction time on-site, limiting consequential disruption to depot operations
- Minimal delays due to weather and unforeseen site disruptions
- Increased quality control and programme certainty
- Variety of external finishes possible (incl brick skin/ brick slip cladding or metal rainscreen cladding) if required for Planning or sense of "permanence"
- Turn-key procurement options available from modular suppliers as part of the crown commercial frameworks portal
- Reduced construction waste
- Better cost assurance through volumetric modular construction due to limited design changes in construction phase and utilising contractors design portions of works

Given the budget position of the council, other options were explored which include;
- A new build brick/block traditional construction
- A hybrid build over extension to existing building

Although the first option is viable, it is not preferrable. The second option is discounted as it is not viable.

A new build brick/block traditional construction would mean;

- Extended design and procurement period
- Increased site works and works in the ground- cost and programme risk
- Longer on-site construction programme - and disruption to depot operations
- Demolition and site prep could move ahead – separately as an enabling phase

A hybrid build over extension to existing building would mean;

- The existing building has significant problems - from the ground up and there is no real benefit in trying to retain any element of its superstructure
- Introduction of steel frame likely to add un-necessary cost and complexity
- Demolition could not go ahead as an enabling package – so no programme benefit to be gained by an enabling package

The last 12 months have been spent exploring the options listed above, and some progress has already been made. £2m was originally allocated to the project, and £100k was earmarked for the below pieces of work before being in a position to produce this business case;

- Comms room re-location
- Feasibility study (still awaiting the final report which is due in February)
- Some existing office enhancements – new meeting rooms and new technology

As stated, £2m was previously assigned to deliver the project, however a detailed cost exercise was not done to reach this sum. A thorough cost analysis piece of work has been undertaken to ascertain the estimated spend for the project to be delivered as preferred. Having done this piece of work, we estimate a further £950k will be required. As mentioned above, the feasibility study is still being finalised, so at this point the building surveying team have provided a cost estimate based on the best information they have available. It is therefore important to note that this figure is subject to change.

On the 13th February, a report was taken to PAB to confirm the preferred procurement route for procuring the modular build. PAB authorised the preferred route to market which is through a framework such as the crown commercial framework, or Fusion21.

2. Objectives
What will the programme or project achieve/what changes will it bring about?

This project seeks to;

- Modernise the office accommodation on site
- Bring in workstyles principles such as clear desk policy and team areas
- Enable the co-location of teams in one building (excluding Fleet)
- Deliver a hybrid enabled office, with new tech in meeting rooms
- Remove the portacabins on site making way for site re-development & electric vehicle parking / charging spaces (excluding fleet mess room)
- Improve working conditions for staff as it is established the existing portacabins have water ingress, mould and rodent problems.

3. Background and context
What events, policies, issues, risks or opportunities have prompted it?

Asbestos fibres were detected in the old office building and due to health and safety concerns, staff were moved out and re-located to portacabins on site. Staff have been in temporary office accommodation since early 2020. The portacabins are no longer fit for purpose, and staff have outgrown the space currently available.

In delivering a new building, the Depot will save money on portacabin rent. The portacabins will be removed post project, making way for further site development. The building will be more environmentally friendly, as it will be far more efficient than existing portacabins.

We are aware that the site is heavily unionised, and we are mindful of potential industrial relations on site. The unions are being kept in the loop of all developments.

The new building will provide a space to train staff and will enable large staff meetings to take place for operational colleagues.

Which corporate principles and priorities (as outlined in the Corporate Plan) will it help deliver?

2.18 Corporate Plan Link 7.3 - Deliver the Corporate Modernisation Programme - Workstyles 4

4.9 Corporate Plan Link 5.1- Where possible we will recycle building materials

4.13 Corporate Plan Link 5.1.10 - Reduce CO_2 emissions from council owned properties and vehicles, with an energy efficiency audit of all council buildings

What other programmes, projects or services does it link to?

- EV Charging points on site – upgrading charging facilities to make way for the modernised fleet of electric vehicles,
- Depot Masterplan – a piece of work to look at the whole site and how to best make use of space once portacabins are removed. Also looks at resurfacing of the site.
- Future ways of working Programme – seeking to enable a hybrid workplace.

4. Preferred Option
Indicate which is the preferred option of those described

The preferred option would be to use a modular building to replace the existing office accommodation building on site. The building will be constructed over the existing footprint of the building to minimise disruption to on-site provisions and operations.

5. Legal implications
Please include comments from Orbis Public Law (Legal Services) on your business case. These comments are mandatory.

The procurement of the contracts will need to comply with the Council's Contract Standing Orders and public procurement legislation.

6. Financial implications
Please include comments from Finance on your business case. These comments are mandatory.

£2.00m capital funding has been approved for this project with £0.100m planned spend in the current year 2022/23 and the remainder in 2023/24, as set out the Capital Strategy for 2023/24 being reported within the General Fund Revenue Budget, Capital & Treasury Management Strategy 2023/24 to Policy &Resources Committee on 9th February and to Council on 28th February.

Where estimates and contingencies have been applied to the cost analysis work undertaken, this has increased the estimated cost of the preferred option for this project to £2.950m. For this project to go ahead, additional funding will need to be sought either from additional borrowing funded corporately, to be approved by Policy and Resources Committee, or through unsupported borrowings where service budget can be identified to fund interest and capital

repayments. Assuming a 25 year life of the asset and interest rates of 4%, Interest and Capital costs would equate to an estimated £0.060m per annum over the lift of the borrowing.

7. Procurement implications

Please include comments from Procurement on your business case. These comments are mandatory.

The project specific procurements will be conducted in line with Public Contracts regulations (PCR) 2015, and will comply with the City Councils contract standing Orders (CSO's). All project specific procurements will comply with the 2012 Social Value act., and as a minimum will include a 10% evaluation weighting for Social Value and a 10% evaluation weighting for a Sustainability criteria. The Service area has indicated that once the new comms room is in operation, the existing building will be demolished to make way for the new modular building. The demolition will happen under a separate procurement exercise from the modular build so the project moves on with pace. The modular building will be tendered on a framework and it will allow for competitive quotes to be returned, from a pre vetted approved cohort of experienced suppliers. The work will be appointed to one main contractor who will be responsible for the build. A planning application will be submitted to confirm if the building passes building regulations. All competitions for commissioned work require a regulation 84 report to be completed, then approved and signed by the Executive Director for Economy Environment and Culture Tourism and Sport, displaying a transparent and fair procurement process and ensuring value for money has been sought before any contracts for supplies/services or works under this project are awarded.

8. Engagement with other support services

Please include details of engagement with other support services, eg.HR, IT&D.

An IT&D project manager has been working closely on the project and has fed in to the overall costs, risks and issues and timelines for the project.

A building surveyor is working on the project, developing the floorplans and tendering out and then managing the works.

A couple of meetings with a project group have been held which includes support services such as comms, HR, Finance, Procurement and Premises. These meetings will continue as the project hits the delivery phase.

OPTION 1

1. Description of the option
Describe the option that is being explored. Including any evidence base, this should include benchmarking data and needs analysis undertaken.

Demolish the existing building and replace this with a modular building built off-site.

In order for this to happen, the comms room which is currently located within the old office building needs to be re-located. A separate sub project is already looking at this and is in the delivery phase. The comms room is being re-located to the back of the red brick building and at the same time, the red brick building is being re-cabled as the existing cabling was at the end of life and recommended by IT. The building surveying team have managed the build of the room through a tender exercise, and IT are managing the fit out of the room and the re-cabling of the building. We estimate it to be completed by March 2023.

Once the new comms room is in operation, the existing building will be demolished to make way for the new modular building. The demolition will happen under a separate procurement exercise from the modular build so that we can act with pace. This will utilise local contractors whom work closely with BHCC already.

Floorplans have already been agreed with the service, and feasibility studies have been carried out by the building surveying team to establish the cost estimates and any potential constraints of the site. We are currently waiting for the full results of the feasibility study, and they are due in February.

The modular building will be tendered out on a framework and it will allow for competitive quotes to be returned. The work will be appointed to one main contractor who will be responsible for the build. A planning application will be done to confirm if the building passes building regulations.

The modular building will house all staff working on site, with the exception of the fleet team who have recently had their accommodation upgraded. We estimate the works will be completed in Spring 2024, with staff moving in during Summer 2024.

2. Is this the preferred option?
Yes or no and a brief explanation why.

Yes for the following reasons;
- Quickest timeframe to enable staff to have upgraded office accommodation
- Operationally this would work best for the site, as the building will be constructed off site and shipped in, meaning the least amount of construction happening on site

Other reasons as outlined in the first section.

3. Cashable benefits
What are the anticipated financial savings from the programme or project? Profile the savings over the lifetime of the programme or project.

	Year 1	*Year 2*	*Year 3*	*Year 4*	*Total*
Rent for portacabins			£7,280	£7,280	£14,560

4.	Non-cashable benefits		
Every non-cashable benefit (or improvement) should be expressed in measurable terms, and the current situation understood and baselined before the programme or project is implemented. Include benefits from the perspective of the customer			
Current situation	**Benefit expected**	**Measured outcome that you hope to achieve**	**How will the benefit be measured?**
Staff work across a variety of portacabins / buildings, so meetings happening across different buildings, causing more time to get between meetings	Less time travelling between meetings, and more time spent on doing work in meetings.	Teams are co-located and can meet without travelling.	Baseline how many hours are spent travelling currently for meetings across a week.
Some rooms are hybrid enabled, but a lot of rooms still lack the technology.	Staff will be able to take hybrid meetings from all rooms on site, spending less time with technology that doesn't support hybrid meetings.	All rooms have hybrid technology that is ready to plug and play.	Baseline how much time spent a week on looking for a room with hybrid technology, and time spent whilst in a room trying to get it to work for a hybrid meeting.
Poor heating and cooling on site, with some damp in portacabins.	A new system would lower the risk to staff welfare, as less damp and mould would be present.	A working heating and cooling system, allowing for adequate ventilation.	H&S risk register for the site would be reduced and any risks closed for damp & mould.
Water efficiency not as efficient as it could be, owing to point of use water heating.	A reduction in water usage.	Water cylinders instead of point of use water heating, which is both more energy efficient, but also more water efficient.	Baseline current water usage.
Heating and cooling efficiencies could be improved.	Reduction in carbon emissions.	The new building will be more energy efficient, as it will have double glazing, insulation etc	Baseline energy bills and usage.
Parking is difficult on site, and staff park on the street, taking resident spaces.	More parking for electric council vehicles	The portacabins will be removed, allowing more space to develop for parking.	Baseline current number of spaces.
Furniture on site is nearing end of life or is no longer corporate standard	Saving in carbon emissions from sharing with charities or recycling.	Furniture will be recycled or shared with charities or those who need it.	Work out the saving in carbon emissions if furniture is recycled.
Staff wellbeing could be improved, with low morale and sickness issues	Reduction in sickness rates	A new building providing a pleasant and conducive working environment so that staff feel valued.	Baseline sickness levels and compare post move in date.

5.	Costs (capital and revenue)

What are the capital and revenue costs of the programme or project? Profile these costs over the lifetime of the programme or project.					
	Year 1	*Year 2*	*Year 3*	*Total*	
Capital costs					
Comms room re-location	£100,000			£100,000	
Feasibility Study	£20,000			£20,000	
Demolition		£130,408.17		£130,408.17	
IT costs		£112,602		£112,602	
Re-build costs		£2,491,715.69		£2,491,715.69	
Furniture			£100,000	£100,000	
Staffing Costs		£20,000	£20,000	£40,000	
Totals (per year) & grand total	£120,000	£2,754,725.86	£120,280.50	**£2,994,725.86**	
When will payback occur? What is the Return on Capital Employed?					
Finance to confirm					

6. Funding

Have the budgets to fund the programme or project been identified? Specify which budgets.

Yes - £2m assigned to the Depot from cost code 4EV536, but this will not cover the whole project

Will the programme or project be in receipt of any funding? Profile the funding over the lifetime of the programme or project.

	Year 1	*Year 2*	*Year 3*	*Year 4*	*Total*
Funding	£100k	£1.9m			

Please identify the funding source(s)

Unsupported borrowing

7. Resources

What staffing resources are required to deliver the programme or project?

Service	*Why are they required?*	*Quantify the requirement (fte)*	*When are they required?*	*Has the service been consulted and what did they say?*	*Are the staff available?*
Operational staff	To feed into the overall design and requirements of the building. To aid moving staff from current	1 fte	Throughout lifecycle of project	Yes, they are on board with this	TBC on which staff are chosen, but the service supports this

	building to the new one. To help disseminate comms to staff members.				
Communications	To support with wider communications about the project	Minimal	Throughout lifecycle of project	Yes, Adrian Ashwell sits on project group	Yes, but temporarily until replacement for Lucy Watsham
Communities, Equalities & Third Sector	To support with writing an EIA	Minimal	Early 2023	Yes, Eric Page is supporting	Yes
Customer Experience					
Finance	To support with reconciling budget codes	0.1 fte	Throughout lifecycle of project	Yes, James Lack sits on project group	Yes
Human Resources & Organisational Development	To support with any potential union issues or consultation – HR advisory	0.1 fte	Throughout lifecycle of project	Yes, Vicky Baldwin sits on project group	Yes
IT&D	To inform us on any IT related issues, such as how many data points / sort of IT kit that we could use	0.25 fte	Throughout lifecycle of project	Yes – awaiting news on if we need to pay a fee to IT	TBC but in theory yes
Internal Audit					
International Team					
Legal & Democratic Services	To support with contract management and feed into the business case	Minimal	Early 2023	Only for support with the business case and any legal advice with contracts	TBC
Customer, Modernisation & Performance Insight					
Policy					
Public Health					
Procurement	To provide support on the best way to procure contracts	0.1 fte	At the beginning of delivery whilst we understand route to market	Yes, James Breen sits on project group	Yes
Property & Design	Building surveying team to manage the contractors	0.5 fte	Throughout lifecycle of project	Yes, Harry is already assigned and Will Davis overseeing	Yes
	Premises team to help in identifying new security procedures and any building management queries	0.1 fte	Throughout lifecycle of project	Yes, Mike Bayton sits on project group	Yes

Sustainability					
Are any specialist skills required to deliver the programme or project (beyond those identified above)? If so, how will these be acquired?					

8. Risks and opportunities

Assess the risks and opportunities associated with the programme or project by using the council's Risk Management Framework and risk register template. List the most significant risks in the table below and the initial mitigating actions.

Risk description	Potential consequences	Likelihood (1 = almost impossible, 5 = almost certain)	Impact (1 = insignificant, 5 = catastrophic/ fantastic)	Mitigating controls and actions
Insufficient funds granted to project	Project isn't able to commence and will impact on staff and could result in union action	3	2	Open lines of communication with Finance to confirm budget status. Business case creation to request more funding.
Condition and constraints of site	Delay to project and impact on milestones	3	3	Feasibility study will uncover condition of site
Cost increases due to pandemic/war/inflation	Cost of project will increase and could become unaffordable. Delays to the project.	5	5	Costs will have an additional uplift added to provide a worst case scenario
ISDN line might not be supported by VMB which Avaya line is dependent on	New line needed for telephony, resulting in a complete overhaul of systems. Possible that the demolition cannot take place.	4	4	Regular meetings with Tristan (IT PM) to keep track of progress and issues
Unions could invoke industrial relations	A strike could occur, meaning down time and potential delays to the overall build	5	5	Regular union meetings to take place. Unions will be factored into the comms / engagement plan.

9. Outline programme or project plan

Indicate the timeline for the programme or project with key milestones, including when decisions are needed and by whom, and deliverables.

Appendix to show high level timeline and milestones.
Completion estimated Spring 2024, with staff to move in during summer.

10. Stakeholder consultation

List any consultations with stakeholders and the findings. Examples of stakeholders include citizens, staff, partner organisations, Members.

Stakeholder mapping has been done.
Engagement with staff has been undertaken to get feedback on the office design.
See 'you said we did' attached as appendix.

11. One council

Does the programme or project involve or impact upon other council services or directorates? If so, in what way, what discussions have taken place with them and what will be done to ensure outcomes follow a 'One council' or seamless approach for customers?

The city parks team will move across to the new building from Montague House. This will enable more collaboration across teams and less time spent travelling between buildings.
There is no anticipated impact to the call centre and their customers, so they will continue to deliver a seamless service.

12. Equalities

Has an Equalities Impact Assessment been conducted for the programme or project? Is one required? When will it be undertaken?

No. It is required and will be undertaken as part of the next phase. It has already started and we are considering things such as a multi faith / breast feeding room, as well as a lift and accessible toilets.

13. Sustainability

What significant environmental impacts is the project likely to have?
Are there any implications for the local economy and local communities?

Due to asbestos fibres being detected, the roof will need to be disposed of in the safest way possible, which is likely to mean landfill.

The contents of the old building will be re-used or re-cycled where possible.

The furniture inside the old building will be re-used or re-cycled where possible and carbon savings will be recorded.

Re-use furniture will be used where possible for the new building, as well as re-use IT kit.

The new building will be more energy efficient, as the existing one is well behind where current market standards are at. It has not been decided what sort of heating or cooling system will be implemented, but ground source heat pumps are being looked at, balanced with a view on costs. If heat pumps are chosen, carbon emissions are around 1/3 of a gas boiler system.

This project will enable space to be cleared at the Depot, making way for future redevelopment to happen, which could result in more parking on site, meaning less staff parking around the site on residential streets. This would have a positive impact on the local community.

It is possible some service disruption could take place, but this will be minimised where possible for local residents phoning in to customer service lines.

14. Data Protection

Has a Data Privacy Impact Assessment been conducted for the programme or project? Is one required? When will it be undertaken?

One has not been completed, but it will be as we will be moving potential sensitive paperwork from existing office to the new one.

Authority to proceed

This business case needs to be approved via the appropriate governance route before the programme or project can be implemented. Please complete the table below to confirm where this authority was obtained. Please ensure the agreement was minuted

Meeting where authority to proceed was obtained	Date of meeting