

Agenda item:

Decision maker: Cabinet Member for Resources Portfolio

Subject: Merefield House: Relocation of Service and Customer Access Improvements to the Civic Offices - Capital Scheme Approval

Date of decision: 24 March 2011

Report by: Head of Asset Management Service

Wards affected: ALL

Key decision: YES

Budget & policy framework decision: NO

1. Summary

- 1.1 This report is to secure the approval of the portfolio holder to proceed with the implementation of the capital scheme to close and dispose of Merefield House, transfer the staff and associated services to the Civic Offices, carry out major alterations to the Civic Offices to accommodate the staff and provide new reception facilities on the ground floor.

2. Purpose of report

- 2.1 To seek the approval of the Portfolio Holder for Resources to release the capital budget of £616,000 from the approved capital programme to enable the Head of Asset Management to proceed with the implementation of the scheme to relocate the Children's Services staff from Merefield House to the Civic Offices and the reconfiguration of the ground floor reception to meet the requirements of both Social Services and Customer Services Departments.

3. Background

- 3.1 The City Council at a meeting held on 9 February 2010 approved a report on the "Capital Programme 2009/10 to 2014/15" that included capital estimate provision of £200,000 to meet the costs associated with the closure and disposal of Merefield House, Landport and Darby House, Cosham. This initial budget allocation was a provisional sum pending completion of a more detailed assessment of the needs of the service that was to be relocated to the Civic Offices.
- 3.2 Following a review of the implications associated with the transfer of Children's Social Services staff from Merefield House to the Civic Offices it was established that a number of building alterations needed to be made to facilitate the move of other departments, so that the 125 Social Services staff could be accommodated in a suitable location within the Civic Offices. This work could not be contained within the original budget of £200,000. Therefore a capital bid was submitted for a further sum of £416,000.

- 3.3 The City Council at the budget meeting held on 8 February 2011 approved a revised capital estimate of £616,000 in order to fund the implementation of this scheme. This investment will improve standards of service provision to users of Children's Social Services, assist in the co-ordination of work within Social Services and other departments of the City Council, avoids costs associated with the refurbishment of Merefield House and realise an ongoing saving in revenue running costs at Merefield House.

4. Recommendations

- 4.1 That the Head of Asset Management Services be authorised to proceed with the implementation of this capital scheme at an estimated cost of £616,000 funded from the capital estimate provision for this scheme contained with the approved capital programme.
- 4.2 That the Head of Asset Management be authorised to proceed to invite competitive tenders for the relevant parcels of work, in order to secure best value in the completion of this scheme.

5. Reasons for recommendations

- 5.1 To obtain approval of the Portfolio holder to proceed with the implementation of this scheme.
- 5.2 To ensure that the Head of Service complies with standing orders and secures best value in the selection of contractors and the award of the relevant construction contracts associated with this scheme.

6. Duty to involve

- 6.1 There has been full consultation with the relevant stakeholders both internal and external prior to confirming the decision to proceed with closure of Merefield House and to transfer the Children's Social Services team to the Civic Offices.
- 6.2 A Project Board has been established and the scheme will be implemented in accordance with PRINCE II project management procedures.

7. Corporate priorities

This report and the project it refers to contribute to the following Corporate Priorities:

- Increase availability and quality of housing
- Protect and support our most vulnerable residents
- Improve efficiency and encourage involvement
- Regenerate the city

8. Equality impact assessment (EIA)

- 8.1 A full Equality Impact Assessment (EIA) is in progress and will be finalised once the consultation has finished.

9. Legal implications

- 9.1 The City Solicitor is satisfied that it is within the powers of the Resources Portfolio holder to approve the recommendations as set out in this report.

10. Head of Finance's comments

- 10.1 The rationale behind this proposal is to avoid significant costs associated with the refurbishment of Merefield House, as there is a maintenance and repair backlog of some £324,000. In addition, there is a need to provide three new interview areas that meet current Health and Safety requirements and a third meeting room for staff use. These are estimated to cost £100,000. Closure of the building and disposal of the site will generate a valuable capital receipt and realise annual cashable savings of £60,000 in respect of a reduction in utility costs. These savings have been built into the recommended revenue budget savings for the Children's Services Portfolio from 2012/13 and subsequent years.
- 10.2 The approved capital budget for this scheme has been increased from £200,000 to £616,000 in order to provide sufficient funding resource to deliver the various objectives associated with the scheme.
- 10.3 It is a requirement of the scheme of delegation to officers and financial rules that a report is submitted to the service Portfolio Holder to secure approval to proceed with the implementation of this scheme.
- 10.4 An exempt Financial Appraisal is attached as Appendix 1.

11. Reason for the matter being dealt with if urgent

This report has been brought to this Portfolio meeting as the Project Plan has targeted a completion date of 31 December 2011. If scheme approval is not secured at the March Portfolio meeting, the next Resources Portfolio meeting is not until June 2011, a three month delay could see a similar delay in completion of the scheme.

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Signed by:
Head of Asset Management Services

Appendices:**Exempt Appendix 1 - Financial Appraisal****Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
1 Merefield House Project File	Office of Head of Financial Services
2 Merefield House Project File	Office of Head of Asset Management

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by Resources Portfolio Holder on 24 March 2011.

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Signed by: **Cabinet Member for Resources Portfolio**