

Awarding of contracts in relation to the mobilisation of the Horizon Centre

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Portfolio: Leader of the Council

Ward(s) Affected: None

Purpose of the Report:

Following the Council decision to move to the Horizon Centre, Officers are working on the mobilisation of the building. As reflected in the Future Office Accommodation Project – Appraisal and Business Case cabinet report in May 2022, there is an element of fit out and works required to the building. The cost of this is subject to finalisation of the spatial design and subsequent procurement but is expected to be at a value that, under the Contract Procedure Rules, the award of the contract will require a Cabinet decision. Due to the ambitious timeline to occupy the building to minimise the costs of running the current offices, inflationary cost pressures on construction materials and to deliver the benefits of the move, this report seeks a delegation to enable the fit out and other contracts to be awarded without delay.

Recommendations:

Cabinet to agree to:

The delegation to the Director Resources in consultation with the Leader of the Council to award contracts for the fit out of the Horizon Centre and other contracts, that are over a £100,000, as long as they are within the overall budgets as outlined in section 2 of this report.

1. Summary

- 1.1 Following the decision to purchase the Horizon Centre and relocate the Council's office, there is a need to procure fit out and other contracts associated with the mobilisation. The value of some of these contracts are likely to be above the £100,000 CMLT delegation. This report seeks delegation to award these higher value contracts so as not to impede the project, given the ambitious timeline for occupation.

2. Background

- 1.2 The Council held an Extraordinary Council Meeting on the 12 May where it approved the purchase of the Horizon Centre, which will deliver significant financial and environmental benefits, as well as cultural benefits for the Officer One Team which will lead to improved performance and service delivery.
- 1.3 The business case that members considered included an element of fit out and associated mobilisation costs within the overall cost of the delivery of the building which Members approved including the related budget. As identified in Appendix P of the May 12 Future Office Accommodation Project – Appraisal and Business Case cabinet report, Wi-Fi is already included within the capital programme for replacement at current sites so will be reassigned to the Horizon Building.

In addition, the Building, Mechanical and Electrical surveys that were undertaken, identified some work that needs to be completed to deliver a fully operational building. The cost of this is contained within the capital programme in the budget for Thorpe Lodge which is to be reassigned.

3. Current position/findings

- 1.4 Officers are working to an ambitious timeline to enable the two Councils to take occupation. The reason for this, is to deliver as quickly as possible the benefits that the move will bring. In particular, the rising costs of heating & lighting the current offices and the inflationary impact on construction materials has increased the need to move quickly.
- 1.5 Under the Contract Procedure Rules, contracts over £100,000 require Cabinet approval. To mitigate the delay this would have on the mobilisation project, it is proposed that the award of fit out and other contracts are delegated to the Director of Resources in consultation with the Leader of the Council, as long as the total cost doesn't exceed the overall budgets (see section 2) for the cost of getting the building fully operational.
- 1.6 For clarity, this delegation will be sought from both South Norfolk and Broadland Cabinets as both constitutions have the same limits for their Contract Procedure Rules. If either Council does not agree to the delegation, then that will have consequences to the overall timeline for delivery.

- 1.7 As the spatial designs are not anticipated to be completed until the end of September it is not possible at the present time to estimate the value of these contracts, as the specifications for the work cannot be drawn up at the present time. However, Members can be reassured that the Procurement Team are part of the mobilisation project team and are involved in the procurement process to ensure any tendering or drawdown from frameworks is carried out in accordance with the Council's Contract Procedure Rules.

4. Other options

- 1.8 Cabinet could decide not to agree the delegation, this would mean that Officers would have to bring in a cabinet report for each contract they wish to award. Depending on the Committee meeting timetable this could require additional Cabinet and Overview & Scrutiny Committees, incurring additional costs and take up additional Officer and Members' time. As identified in 3.1 above there is also inflationary pressures on the cost of materials and the cost of keeping the two existing offices open while the Horizon Centre is mobilised.

5. Issues and risks

- 1.9 **Resource Implications** – Delays in the mobilisation timeline for occupation of the Horizon Centre will mean we will incur increased revenue running costs associated with running the two existing buildings, which are much higher than the Horizon Centre. These costs were detailed in the Cabinet report on the 12 May in the confidential appendix P. In addition, there is the potential for cost inflation on delivery of the Horizon Centre.

The involvement of the procurement team in the mobilisation project and the letting of any contracts should reassure members that due process is being followed in the award of any contracts under this delegation.

- 1.10 **Legal Implications** – None

- 1.11 **Equality Implications** – None

- 1.12 **Environmental Impact** – The Cabinet report on the 12 May outlined that there is an 84% reduction in the carbon footprint compared to the combined carbon footprint of the two existing offices. Therefore, any delay will have a negative impact on realising this benefit.

- 1.13 **Crime and Disorder** – None

6. Conclusion

- 1.14 Following the decision to purchase the Horizon Centre and relocate the Council's office, there is a need to procure fit out and other contracts associated with the mobilisation. The value of some of these contracts are likely to be above the £100,000 CMLT delegation. This report seeks delegation to award these higher

value contracts so as not to impede the project, given the ambitious timeline for occupation which will ensure the Councils' deliver the benefits of the move as quickly as possible. These benefits include significant savings in ongoing revenue costs, especially at a time when the current cost of heating and lighting the two offices will be increasing due to the rise in energy prices and to mitigate against the cost of inflation.

7. Recommendations

Cabinet to agree to:

- 1.15 The delegation to the Director Resources in consultation with the Leader of the Council to award contracts for the fit out of the Horizon Centre and other contracts, that are over a £100,000, as long as they are within the overall budgets as outlined in section 2 of this report.

Background papers

12 May 2022 Future Office Accommodation Project – Appraisal and Business Case cabinet report