

Operational Decision Record

Publication Date 25 January 2024	Decision Reference Number 5082
Decision Title	
Eastcroft Depot Humber Building Welfare Project Upgrade	
Decision Value	
£185,000	
Revenue or Capital Spend?	
Revenue	
Department	
Fleet & Depot Operations	
Contact Officer (Name, job title, and contact details)	
Ken France – Head of Fleet & Depot Operations	
Decision Taken	
<p>To approve revenue spend from Resident Services Depot Services budget N13511 of £85k in conjunction with £100k approval from FMP budget for Humber Building welfare refurbishment works, for a total spend of £185k in FY23/24. This will enable £78k MTFP revenue savings for 2023/2024 financial year and in successive years.</p> <p>To enable the permanent closure of Medway Building & Tyne Building on Eastcroft depot in line with asset rationalisation principles as set out by the councils Corporate Landlord transformation programme.</p> <p>To enable a fit for purpose welfare facility for c450 frontline colleagues which meets the standards as set out by the HSAW 1974 in order for the council to discharge their legal duties.</p> <p>To note that this spend has been approved by the Section 151 Officer through the spend control board (decision reference: 5221)</p>	
Reasons for Decision and Background Information	
Short-term revenue savings opportunities were identified in FY22/23 including consolidation of non-depot staff from Eastcroft depot to Loxley House and	

mothballing Tyne and Medway buildings. The existing welfare facilities in Tyne building would need to be replaced elsewhere at Eastcroft.

Revenue is required for the following:

1. Refurbishment of Humber building to create new staff welfare facilities and learning zone (relocated from Medway building) – the specification is annexed to this report;
2. Purchase and installation of a modular shower/toilet block to be placed in the yard area to replace shower and toilet facilities in Medway building.

Both packages of work have been through a three quote exercise to provide costing for the project however when funding is approved the packages will be re quoted in line with procurement to evidence best value in accordance with financial and procurement rules.

A programme of 16-weeks is anticipated including approvals, appointing and mobilising contractors and completing works. Tyne building can close as soon as works to create the new welfare facilities are complete. Medway building would close as office moves are complete which based on current scheduling could be in 11-13 weeks.

Consideration has been given to cost reduction opportunities (e.g. works include replacing rotten windows in Humber building with new uPVC windows) but these would place a greater burden on reactive maintenance budgets in the near term.

Annual savings of £78k are anticipated as follows:

Eastcroft Building Closures	Medway	Tyne
Cleaning Costs	£14,000	£14,000
Energy Costs*	£18,000	£7,500
R&M Costs	£13,000	£12,000
Total Annual Savings	£45,000	£33,500

* Savings figures in relation to utilities need to be reviewed as any reduction in usage equates to a loss of revenue income for Energy.

Tyne and Medway buildings are both in poor condition. The cost for refurbishing these to an acceptable minimum standard is estimated at £500k. Mothballing is likely to be a precursor to potential demolition in the medium-term as part of a wider depot strategy to reconfigure parking and circulation at Eastcroft. This will deliver benefits

including on-site operational improvements, enable the Council to preserve rental income from Rushcliffe Council and allow the Council to give-up land that is currently leased-in from a third party (Hartwells plc) generating further revenue savings.

In addition to the improvements in the welfare facilities, a number of teams that are not directly connected to depot operations (Energy, Parking Services, FM/Catering) will move from Eastcroft depot to Loxley House to enable Tyne and Medway to be mothballed. No capital or revenue is expected to be required for the moves from Eastcroft depot to Loxley House. Approvals for the project to consolidate teams within Loxley House and move teams from Byron House and Eastcroft depot will be dealt with separately as that project moves forward

Other Options Considered and why these were rejected

Do nothing - rejected as this will not release the ongoing revenue savings

Keep open Medway and Tyne Buildings - rejected due to Corporate Landlord and corporate rationalisation of buildings to reduce expenditure across the portfolio. This would lead to increase revenue lifecycle costs.

HSAW 1974 requires organisations to provide fit for purpose welfare conditions for all colleagues currently the welfare facilities on Eastcroft depot are not fit for purpose.

Reasons why this decision is classified as operational

Project will improve current welfare facilities for operational teams working out of Eastcroft depot c450 colleagues.

Additional Information

Finance comments:

The purpose of the decision is to incur expenditure to enable a fit for purpose welfare facility at Humber Building and subsequently close Medway and Tyne building at Eastcroft Depot as part of asset rationalisation.

The value of the decision is £185k, with £85k already identified in Depot services budgets and the remainder to be provided by the Forward Maintenance Planned Budget. The expenditure would only be incurred as a one-off in year as the programme of works is expected to take 16 weeks, but service area would need to ensure that any further costs relating to the refurbishment works are met within their budget responsibility.

The closure of these sites would generate an annual savings of an estimated £78k from ending the cleaning, energy and repairs/maintenance costs. This has already been included in previous MTFP savings.

Best value has been considered as the works have gone through a 3-quote exercise and consideration has been given to reducing expenditure with replacements/repairs of the two sites but this would create a larger burden on the repairs and maintenance in the long term rather than generate savings from closure costs.

There are no VAT implications to be considered and there are no HRA/Grant conditions required to ensure procedures and policies are adhered to.

Advice provided by
Sohaib Chaudhry
Senior Commercial Business Partner
22nd January 2024

Decision Maker (Name and Job Title)

Mary Lester - Director of Operational & Resident Services

Scheme of Delegation Reference Number

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Date Decision Taken

22-01-2024