

# Nottingham City Council

## Outline Business Case

**Project Title:**

**Loxley House Work Place and Hub Phase 2**

**Lead Directorate:**

**Strategic Assets and Property**



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## 1 PURPOSE OF DOCUMENT

This document sets out the Outline Business Case for a second phase of works to maximise the potential of Loxley House. The document sets out the projects that are currently in scope, the benefits of these projects and how they will be financed if they are approved. The document also proposes changes to improve the efficiency of the building by looking at agile working methodologies and outlines how these could release space within the building that could be shared with others under a license agreement that may bring in additional revenue.

## 2 EXECUTIVE SUMMARY

### Introduction

This Outline Business Case sets out the initial case for the launch of a programme of works for Loxley House. The project is driven by links to both the Council's Strategic Regeneration Programme through the facilitation of the anticipated disposal of two sites, Angel Row Library (subject to consultation) and Housing Aid and the Corporate Asset Management Plan, through the optimisation of use of existing operational buildings.

### Proposals

The selected option will see Nottingham Revenues and Benefits (NRB) and Housing Aid relocated to Loxley House, along with colleagues based at other sites such as Henry Whipple. Nottingham Revenues and Benefits is currently co-located with the Central Library on Angel Row and there is currently a consultation taking place to determine the location of a new Central Library.

Unless it is decided that no works are to take place to the Angel Row building, Nottingham Revenues and Benefits will be required to relocate to allow development to take place and the deadline for the building to be vacated is December 2019. In order to accommodate this, work must now take place to ensure that the building can be vacated within the required timeline. The outcome of the consultation will be monitored and any adjustments to the proposals will be considered.

In order to accommodate the relocation of NRB and Housing Aid, reconfiguration works are required on the ground floor alongside the movement of various teams in the building, including relocating partners. In order to create sufficient space for the proposals and to create a more suitable working environment within the building some desks will be removed and new collaborative working spaces will be introduced. This will be underpinned by a move away from the current 1:1 desk ratio to a 7:10 ratio. Any surplus desk capacity will either be let to external organisations or used to further consolidate colleagues into the building from alternative sites.

### Affordability

Initial costings for the scheme have been calculated, largely based on feasibility studies for an earlier project, Loxley Phase 1b, which did not proceed. Fees for advisors alongside suitable contingencies have been added to give a realistic estimate of likely project costs. These have been matched against income streams arising from future

rentals from existing tenants, capital receipts and operational budget savings from buildings no longer required. Overall both best and medium case scenarios, both of which are prudently modelled, are showing positive net present values over a ten year period.

### Approval and Delivery

This Outline Business Case will be used to support an Executive Board report, scheduled for October 2018, which will seek approval to deliver the project and secure the necessary resources for implementation. A project team has already been formed and the project is expected to be completed by the end of 2019.

## **3 BACKGROUND TO THE PROJECT**

### **3.1 Loxley House –Phase 1 works**

A previous phase of works was undertaken to allow the Department of Work and Pensions (DWP) to establish a customer-facing service on the ground floor of Loxley House. This project was completed in February 2018 as part of an initiative between the Council and the DWP and supported by the One Public Estate Programme to expand the public facing services available at Loxley House and, where possible, providing back office space. Other options to allow DWP to expand their occupancy were explored at the time. The first phase required the relocation of several other teams within Loxley House, both to facilitate the DWP move and to take advantage of the opportunity to bring teams together and maximise the efficiency of desk space, where possible.

Originally, the intention was to include the relocation of the Nottingham Revenue and Benefits service (NRB) as part of this first phase. This service is currently located in Angel Row Library. It was anticipated that a project to redevelop the library would coincide with the first phase of Loxley House but this was not the case and the decision was made to move NRB at a later stage.

The first phase also included three studies into the wider use of the building. Two of these, which were commissioned from a consultant, looked at maximising the occupancy of the building and associated reconfiguration works. The third was a desktop study undertaken using the information available, assessing current desk numbers and layouts with a view to increasing the ratio of colleagues to desks. This exercise looked at options for maximising the use of desks in the building without reducing the overall desk provision. The outcome of this study meant that significant infrastructure works would still be required.

The outcomes of all three studies were deemed to be unviable financially. This led to a decision not to continue looking to increase the numbers of people in the building but to look at more efficient ways of working across the building and to improve the working environment.

### **3.2 Loxley House Work Place and Hub Phase 2**

The Council's use of assets are governed by the Corporate Asset Management Plan, which was approved by the Council in April 2018 (Appendix A). This includes within it an objective to maximise the use of key sites, such as Loxley House.

As part of the Strategic Property and Assets Directorate's lead role in implementing this plan; and as work to develop Angel Row library resumes, a new phase of work is proposed to further develop Loxley House. It is anticipated that works to Loxley House will need to be undertaken to facilitate the development of the Angel Row building, the scope of which will be determined following a consultation process that concludes at the end of September. This will not only look at relocating certain services into Loxley House, but also re-introduce agile working practices to improve desk utilisation rates within the building. These objectives link to those set out in the Corporate Asset Management Plan, namely:

To ensure that:

- Operational property is appropriate for the delivery of services to citizens that is accessible in terms of location and provides a suitable working environment for colleagues.
- Operational property is optimised through proactive management and new ways of working.

The project will be funded by the appropriation of parts of capital receipts where applicable and the use of revenue streams from budgets relating to buildings no longer required after this project and / or rental streams from the licencing of surplus desk space.

Discussions with senior leadership have taken place to ensure this meets the strategic ambitions of the Council. The information in this document sets out the outline business case to take the project forward to implementation stage.

With the exception of additional customer toilets and necessary service connections, works to the wider building's mechanical and electrical (M&E) or welfare provision are out of scope of this project and business case, but will instead be considered through the Forward Maintenance Plan.

Should a decision be taken to carry out these works then the scope of this project would need to be re-evaluated since there would be some benefit in running the works as one contract. Any amalgamation of works would affect approvals, timelines, cost and the procurement strategy.

## **4 STRATEGIC FIT**

### **4.1 Scope and objectives of projects**

There are several projects included in this OBC. The scope and objectives of each of these projects is set out below. The detail of how to deliver these objectives and define the scope for the project are outlined in Section 5 (Options Appraisal).

#### **4.1.1 Nottingham Revenue and Benefits Service relocation**

As part of the redevelopment of Angel Row Library (ARL), the Nottingham Revenue and Benefits service (NRB) front facing service will be relocated to the ground floor of Loxley House and back office staff will be relocated within Loxley House. It is anticipated that this relocation is required to facilitate the redevelopment of the current ARL building where,

NRB are currently located. This is subject to the outcome of a consultation that will conclude at the end of September.

This will displace a number of existing teams and services on the ground floor and works will be required to ensure that NRB can deliver an effective service.

The objectives of this project are to:

- Relocate the service in time for the planned redevelopment of the ARL building.
- Provide an improved service offer for citizens by locating NRB alongside other services they need to use, in a convenient location.
- To encourage citizens to use and engage with Loxley House, as the heart of Nottingham City Council operations, where no other alternative exists (for example phone, on line).

The relocation of NRB from Angel Row Library is within the scope of this project, the decommissioning of the Library is not.

#### **4.1.2 Housing Aid relocation**

The second project is to relocate the Housing Aid service from Lower Parliament Street into Loxley House. Customer facing staff will operate on the ground floor. This project has similar objectives to the NRB project in that it will provide a one-stop shop for citizens, co-locating complementary services in one place to make them easy to access.

This project will require the movement of several existing services and facilities.

The objectives of this project are to:

- Relocate the service to allow for the sale of the current Housing Aid building for redevelopment.
- Provide an improved service offer for citizens by locating NRB alongside other services they may need to use, in a convenient location.
- Avoid a significant investment in a building (Housing Aid) to allow it to continue to be used for its current purpose.

The decommissioning of the existing Housing Aid building will also form part of the scope of this project, with allowance made in the affordability section for carrying out this work.

#### **4.1.3 Agile working in Loxley House**

The third and final project is the ambition to change working practices in Loxley House, both to improve services and to maximise the efficiency of the building. For the purposes of this project, only desks occupied by Nottingham City Council (NCC) staff will be taken into consideration. Desks already licenced to partner organisations will be excluded from desk or capacity calculations as there is no expectation the number of desks or staff will change in the near future in these areas.

The scope of this project is to facilitate a new way of working in Loxley House, improving the working environment and, where possible, licencing space to partner organisations on a per-desk basis, to bring in additional revenue and maximise the efficient use of the building.

When the City Council first occupied Loxley House, the intention was to implement a new way of working, sharing desks on a 7:10 ratio (7 desks for 10 people) with a desk booking facility to support this. On this basis, the original building as occupied by NCC in 2010 had 1,657 desks to support 2,250 staff. Over time, various changes (including staff reductions) has meant that generally there is one desk per person and this has become the norm for staff. As at March 2018 there were 2,016 desks for 2,003 people and this has led to many areas feeling too cramped.

Data from the entry barrier suggests that the peak occupancy of Loxley House by staff is around 1,500 per day, indicating that around 500 desks may not be utilised on a daily basis.

An assessment of maximising the capacity of the building by increasing desk numbers and operating on a 7:10 ratio was previously undertaken by AECOM. However to achieve this they concluded that the building could only remain suitable if significant works to the infrastructure of the building, including M&E installations, lifts and welfare facilities were undertaken.

This assessment informed the previous project but proved cost prohibitive and was stopped. This revised project reflects the constraints of the building, recognising the need to work within a limited occupancy figure and working smarter without affecting the infrastructure of the building. Consequently there is an aspiration to reduce the numbers of desks within the building both to make it feel less overcrowded and also to enhance the numbers and types of suitable working areas.

In line with the Corporate Asset Management Plan this aspiration is coupled with a desire to increase the number of daily users in the building, above the peak occupancy of 1,500 per day. By focussing on both of these areas utilisation rates should improve whilst at the same time providing a more suitable and flexible working environment.

The overall outcome of the introduction of agile working and the rebalancing of desk provision will have the effect of:

- Removing desks from overcrowded areas to improve the working environment.
- Releasing desks for use by others (either licencing to partners or bringing more NCC colleagues into the building).
- Creating c20+ alternative working and collaboration spaces, which will have a capacity of c300.

The scope includes the provision of additional visitor toilets on the ground floor.

The objectives of this project are to:

- ensure a high quality, professional, efficient and effective working environment for colleagues at Loxley House
- where possible, to bring in additional revenue by leasing space to partners on a per-desk licence basis or decommissioning other Council offices.
- to increase the provision of break out and touch down spaces to allow for more flexible working, particularly for collaborative working for small groups and those in the office for shorter periods.

- to release pressure on meeting rooms by providing alternatives, such as privacy pods for two or four people to meet. These will be located on each floor (above ground floor).

The proposed changes will leave NCC with 1,566 available desks, which under the 7:10 ratio equates to the accommodation of 2,237 NCC colleagues overall (excluding partner organisation numbers).

There are a number of moves planned to bring colleagues into Loxley in addition to those based at NRB, Housing Aid and Henry Whipple. Once these are taken into account then based on a current understanding of team requirements this will leave c42 NCC controlled desks unallocated.

At present a full audit of NCC requirements has yet to be undertaken and may be impacted from proposals in the budget. High level FTE impacts falling out of the 2019/20 budget process have been requested, but the information is unfortunately not available for this project. This will be revised as the project develops, but is only likely to increase the numbers of desks available for alternative use, so the 42 assumed remains a realistic forecast.

In order to support the implementation of agile working and the relocation projects, two change managers will be recruited on fixed term contracts through the Council's Vacancy Approval process and recruitment processes. Having evaluated the requirements, the assessment has been made that 1 FTE I grade and 1 FTE H grade post will be created, either as a secondment or as a new post for a fixed term. The posts will be required from November 2018 to December 2019.

The scope of this project will also include the decommissioning of the current Henry Whipple base alongside some potential works at Southglade Children's Centre in order to facilitate these moves. These have been allowed for in the financial model.

## 4.2 Benefits and Outcomes

The benefits of the project are:

- Facilitating an investment and a regeneration opportunity for the Council through the disposal and redevelopment of Angel Row Library.
- Facilitating a capital receipt and a contribution to the wider regeneration of the Sneinton Market area through the disposal of the current Housing Aid site.
- Contribute to the objectives of the Corporate Asset Management Plan, including the optimisation of operational property and ensuring it is appropriate for the delivery of services.
- Delivering improvements to Citizens through the co-location of services within Loxley House
- Introducing more flexible ways of working to improve the working environment for staff at Loxley House
- Continuing to support the DWP consolidation of services and employment within the City
- Creating additional revenue through rental income from partners relocating to Loxley House

- Savings through reduction in operational costs associated with operating assets in poor condition, consolidating these services within Loxley House.

### 4.3 Constraints

Project Constraints include:

- Loxley House can only accommodate a fixed number of desks and people without affecting the infrastructure and safety of the building. This number cannot be exceeded without a significant investment in new facilities for the building.
- Impact on services offered to citizens should be limited during the construction and relocation phases.
- The project must be self-financing (via elements of capital receipt / utilisation of income streams).
- The project will contain a mixture of capital and revenue elements, which will have to have the correct type of funding available to them (capital / revenue)
- Where existing partners are occupying desks under licence the impact on their operations should be minimised.
- Moving NRB into Loxley House must be timed to take into consideration both the operational peaks and troughs of the service and the timescales required by the disposal of Angel Row Library.
- Moving Housing Aid into Loxley House must be timed to take into consideration the operational needs of the service.

### 4.4 Dependencies

This project is linked to several other projects being delivered. These dependencies are set out below:

- Agreement to the sale of Angel Row Library creates a dependency both on making a capital receipt and also on the timings of any relocation.
- Agreement to the inclusion of Housing Aid to facilitate the redevelopment of their existing site creates a dependency both on the level and timing on any capital receipt that can be appropriated (for this reason the receipt is currently excluded from the financial model). In addition consideration will also have to be given to how the vacant building will be managed for an interim period and also on the service being able to relocate at a suitable time.
- The release of Henry Whipple for educational use will require the dispersion of colleagues to a number of sites. This project will be dependent on this happening and there being budget available to facilitate this (this has been included in the financial model).
- There is a dependency on existing occupiers under licence being moved under the terms of those licences.
- Any income generation requirements will be dependent on the availability of new tenants to come into the building both in the required timescales and the required rental values.
- The project impacts on services across Loxley House, both in terms of their required input into the project and also the level of moves envisaged over the building. This will create a number of dependencies on service needs / pressures (for example the

elections in May 2019) to ensuring the movement and configuration of any specialist kit and equipment.

- There is also a dependency on whether a decision is taken to carry out any planned maintenance work to address certain M&E / welfare issues within Loxley, alongside this project. Due to the potential for efficiencies in running both projects as one, this would have a significant impact on both the scope of this project and the business case.
- There will be a major refresh of IT equipment deployed with colleagues in Loxley at the same time that this project is being delivered. The intention will be to combine work programmes to maximise the benefits of the IT programme in relation to the delivery of agile working.

#### 4.5 Key Risks

An initial risk register will be developed as the project proceeds; however the following are currently identified as key project risks:

- **Timelines for the vacation of existing Council buildings (Angel Row, Housing Aid and Henry Whipple) are inconsistent with those required by this project.** Continued engagement with the Sponsor whose team has oversight over all three developments will be used to ensure timelines are consistent and workable.
- **Staff resistance to accommodate new styles of working.** It is proposed as part of the business case to recruit Change Managers to work with staff in dealing with changes to the workplace environment.
- **That some teams are unable to accommodate the 7:10 desk ratio requirement,** this will be managed through securing CLT buy in via the Executive Board report and potentially linking the project to the Council's requirement to drive down costs. This will be followed with on the ground stakeholder engagement to minimise the risk of this either happening or if it does its overall impact on desk numbers.
- **Affordability is not proven in either absolute or cashflow terms.** A detailed financial model has been created which can facilitate scenario modelling and sensitivity analysis. Finances will be scrutinised and the project considered with the appropriate level of contingency and knowledge of likely cashflows to allow informed decisions on risk mitigation to take place.
- **That the DWP exercise their break clause in advance of the time envisaged by the financial model.** This will be managed through a mixture of engagement with the DWP and also through the scenario modelling and sensitivity analysis which is taking place through the financial model. This will ensure decision makers are taking those decisions in as well informed a way as possible.
- **That capital receipts and / or revenue budgets do not materialise.** This will be examined through the scenario analysis and the outlining of what if scenarios. The project is due to go to Executive Board in October, which should provide an opportunity for ensuring that these items can definitely be ruled in or out of the project.
- **Phasing has a disproportionate impact on colleagues / service delivery.** Agreeing a phasing plan to accommodate any necessary moves is an issue that will need to be resolved. The current plan is that staff will only move a maximum of once.
- **Assumptions around IT and Equipment are inconsistent with the Council's Medium Term Financial Plan (MTFP) assumptions.** There will be early engagement

with IT to understand their flexible working programme and budget savings incorporated into the MTFP, alongside what may be required to deliver this project.

- **New ways of working need to be compliant with GDPR and Information Management requirements:** The assumed new styles of working will restrict paper storage and could compromise data security if not managed correctly. Understanding any GDPR implications on an enlarged shared reception will also need to be understood and managed.
- **That there is insufficient engagement leading to a lack of buy in from senior leadership, colleagues and Trade Unions:** The relocation of large services into Loxley House will displace existing staff, and a planned new working method is likely to impact on most of the staff. Engagement at an early stage will be key to ensuring the success of all projects.
- **Health and safety:** risk that changes to building will impact on health and safety operations, so fire strategy will need amending (further assessment as part of management of building) and review undertaken to establish any requirements for those with additional needs (fixed desks, particular equipment, sanitary provision) for those who are affected by the move. A full Equality Impact Assessment (EIA) will be included with the approvals.
- **Procurement:** Costs received are higher than expected / included in financial plan. The contract costs may exceed those anticipated. Mitigate by working collaboratively by engaging contractor as early in design process as possible, undertake a feasibility study and any relevant surveys to fully explore scope of works before entering into contract.

## 5 OPTION APPRAISAL

### 5.1 Options

The principal options are described and evaluated below against:

- Benefits
- Cost
- Timescale
- Risk
- Deliverability

#### Option 1 - Do Nothing

The Council has significant regeneration aspirations. The relocation of NRB will facilitate both a regeneration and investment opportunity at a major city centre site (Angel Row Library). Similarly moving Housing Aid releases a site that will generate a significant capital receipt for the Council whilst also leading to the continued regeneration of the Sneinton Market area.

Moving these largely customer facing services into Loxley helps to consolidate the Council's offer to the citizen whilst maximising its resource utilisation (assisted by the introduction of agile working which is required to facilitate the movement of services into Loxley).

The do nothing option risks blocking two development opportunities whilst also missing the opportunity to increase the efficiency of usage in the Council estate. It should be noted that the 'do nothing' option is not cost neutral and there are costs associated with operating and retaining these buildings. This has been factored into the financial model for the other options, so that the impact can be understood.

Benefits	Cost	Timescale	Risk	Deliverability	Overall
Red – no benefits achieved	Red – capital receipts foregone	Green – achievable	Red – puts two significant regeneration projects at risk	Green – Achievable	Red

### Option 2 - Relocate NRB and / or Housing Aid to other buildings in the City

Alternative premises have not been identified at present for the relocation of these services. However a relocation to other premises would maintain / increase the Council's estate at a time when its strategy is to reduce the numbers of operational buildings whilst maximising utilisation in its remaining estate.

Implementation of this option would also miss the opportunity to co-locate multi agency, citizen facing services together in one location, which should lead to both an improved service for the citizen and increased opportunities for cross team / cross organisational working.

Benefits	Cost	Timescale	Risk	Deliverability	Overall
Amber – regeneration secured and alternative premises maybe available but this would not increase utilisation and / or colocation of citizen facing services	Amber – receipts secured but likely to be increased capital costs due to refurbishment of more premises and potential loss of longer term efficiencies gained through utilisation increases.	Amber – suitable premises have not yet been identified for either service and NRB will need to vacate by May 19 at the latest.	Amber – increases the number of premises required which may not initially be in our control	Amber – may be achievable if alternative locations can be secured in sufficient time	Amber

### Option 3 - Reconfigure the ground floor of Loxley House without introducing agile working

The co-location of new front line services on the ground floor at Loxley House is only possible by relocating certain back office functions provided by the DWP to elsewhere in the building. In addition to the front line staff, there are also c100 back office staff that will also need relocating from Angel Row to Loxley. Collectively this in turn creates the need to create space and improve desk utilisation ratios away from the current 1:1 for NCC staff, thereby bringing the building back into line with its original intentions.

The introduction of agile working will also create the opportunity for further revenue generating activities, through for example either allowing more services to locate into Loxley and / or offering desks on a paid licence basis to other partners.

Benefits	Cost	Timescale	Risk	Deliverability	Overall
Red – relocation couldn't happen as DWP could not move – thereby missing regeneration and colocation benefits	N/A – not deliverable	N/A – not deliverable	N/A – not deliverable	Red – option not deliverable	Red

### Option 4 – Relocation of Housing Aid and NRB to Loxley House with the introduction of agile working

The relocation of Housing Aid and NRB would allow their two current sites to be redeveloped thereby contributing both financially to the Council and also to its wider regeneration aspirations.

The co-location will also meet the aspiration for Loxley House to be more customer facing offering citizens a range of services readily accessible on the ground floor.

This aspiration only becomes possible by the introduction of agile working practices since the relocation is dependent on moving some back office DWP functions that are currently on the ground floor elsewhere in the building.

The introduction of agile has further benefits in that it will allow the Council to improve resource utilisation by moving away from its current desk allocation ratio of 1:1 to 7:10. In turn this has the double advantage of improving the working environment by allowing some desks to be removed and replaced by an increased level of break out / collaboration space whilst also creating capacity to allow either further relocations or rentals via desk licences to third parties.

In addition to the Housing Aid and NRB relocations, it is also proposed to move colleagues from Henry Whipple to Loxley House and Southglade which will also increase asset utilisation.

Benefits	Cost	Timescale	Risk	Deliverability	Overall
Green – Regeneration benefits secured, greater colocation of services and increased opportunity to create efficient use of the Council's estate and / or generate further rental incomes.	Green – the project can be delivered against the financial envelope attributed to it.	Amber – the programme is achievable in the time frame, however it is tight due to the Angel Row constraint	Amber – the tight cost envelope and programme does create an inherent risk in the programme. There is also a risk that the constrained programme will impact on the quality of the cultural change programme being implemented.	Green – Achievable	Green

## 5.2 Options Analysis

The overall assessments from Section 5.1 are summarised in the Table below:

Option	Overall Assessment
Option 1 - Do Nothing	Red
Option 2 - Relocate NRB and / or Housing Aid to other buildings in the City	Amber
Option 3 - Reconfigure the ground floor of Loxley House without introducing agile working	Red
Option 4 – Relocation of Housing Aid and NRB to Loxley House with the introduction of agile working	Green

Option 4 is therefore the chosen option based on the above evaluation as this was the only option that was deliverable and achieved the key project outcomes within the time and cost parameters.

## 6 COMMERCIAL / FINANCE CASE

The Commercial / Finance Case focuses on how viable the chosen option will be in the context of the marketplace, via the procurement strategy and rental viability; whilst also taking into account some internal commercial considerations for the Council (HR and Legal).

### 6.1 Procurement Strategy

For the purposes of the business case it is assumed that procurement activities will be restricted to that of a contractor to carry out the reconfiguration works on the ground floor. It is assumed that all other services will be provided in house.

The works consist of general refurbishment, M&E and the creation of new meeting rooms / toilets. The works contract is anticipated to be in the region of £1.823m and there is nothing within the works package which is particularly specialist or unusual to the market. Consequently there will be a large pool of companies who could potentially undertake this work on relatively standard terms and conditions.

There are two main procurement routes that could be considered:

#### 1. Tender

A tendering process, which could take several forms, would give the Council the best opportunity to engage widely in the marketplace. Based on current experience this route is likely to bring the most competitive price for the works, though this is not guaranteed and this route does not allow for the opportunity to engage with a contractor at an earlier stage to assess and clarify the costs of key elements of the work, such as the new Trent Street entrance.

There would need to be a level of up front work to go to tender and it would take longer to get a contractor to financial close due to the procurement process (probably c.4 months)

#### 2. Framework

The Council has access to a number of Frameworks Agreements. These can be accessed relatively quickly and easily and if the Scape Framework was used then an initial period of free feasibility could be secured now. The Framework contractor for this level of works is GF Tomlinson who undertook Phase 1a of the Loxley works, so have knowledge of the building and some of the wider aspirations of the first phase

Due to the timescales and complexities involved in the delivery of this scheme a recommendation has been made to use Scape's Midlands North Intermediate Framework with GF Tomlinson to undertake the works.

The decision has been made to take advantage of the collaboration opportunities presented through the framework to help clarify the detailed scope of the project for the complex elements of the work at an early stage, mitigating financial risks later in the project.

The Scape Framework uses an NEC3 contract and the team will determine at a later stage whether to use Option A or C. It is preferable that risk should be transferred to the contractor as far as possible (as long as the cost does not exceed the perceived benefit of doing so).

## **6.2 Rental Viability**

The financial model is predicated on bringing more people into Loxley House, whilst at the same time increasing efficiency around desk utilisation. There is therefore a requirement to either move more people in from existing Council buildings, in order to release those buildings and their associated costs or to rent out more desks.

Due to the size and scale of the Council's workforce and number of operational buildings the first of these can be assumed to be within the Council's control and no issues are foreseen with generating demand from this route. The financial implications of this are picked up in Appendix B (exempt).

## **6.3 Personnel Implications**

The chosen option involves two main impacts on colleagues affected by the project. These are a change in base and therefore a relocation, the second is the introduction of new ways of working, which may change the way in which people use both the workplace and IT.

From initial discussions with HR it is unlikely that either of these would trigger any specific personnel requirements other than standard employee and Trade Union engagement and consultation.

Consequently no business case implications are anticipated, however this area will be kept under review throughout the project, particularly as more detail on IT solutions becomes available.

## **6.4 Legal Implications**

There will be some legal work required in order to bring NRB, which, whilst wholly owned by the Council is a separate legal entity, in to Loxley House under licence and preparing licences from any further occupiers.

It is unlikely that there will be any State Aid implications arising from the project unless space begins to be provided to private companies and even then only if rents are offered below market rates. Legal advice will be sought should this scenario emerge.

## 7 ACHIEVABILITY

The high level programme and details of project roles are provided in the following sections.

### 7.1 Programme

At this stage the programme is high level and indicative and will be developed further as there is further engagement with both the contractor and the detail of the move plan is developed, subject to this Outline Business Case being approved.

	Milestone	Indicative date
1.	Executive Board Approval	October 2018
2.	Surveys	October 2018
3.	Initial Move Plan	October 2018
4.	Stakeholder Engagement	December 2018
5.	Initial Design	January 2019
6.	Contractor Appointed	May 2019
7.	Commence Move Programme	June 2019
8.	Start on Site	July 2019
9.	Handover (Construction Works Complete)	October 2019
10.	Commence External Team Relocation	November 2019
11.	Decommissioning	November 2019
12.	Project Complete	December 2019

The project will be assessed by the Council's Project Assurance Group (PAG), with a review scheduled for 19<sup>th</sup> September 2018. The recommendations from that review will inform both further iterations of the business case and the Executive Board report required to gain approval for the project.

This review is part of the Council's staged gateway process undertaken by senior officers and through which projects must pass in order to progress.

### 7.2 Project Management

The key council officers delivering the project are as follows set out as far as is known in the table below. A Project Execution Plan is being developed which will address resourcing and governance in more detail and further engagement will be held with the potential project team members as the business case goes through its approval routes.

Client Team	
Project Sponsor	Tanya Najuk
Project Lead	Jason Tyler
Project Manager	Sarah White with PM TBC

<b>Project Team</b>	
Property Advice	TBC
Legal	TBC
Finance	Sarah Baker
Procurement	Sue Oliver
Change Management	Gareth Sayers
Design	Dave King
IT	Rav Ghattaora
Furniture	Dean Wheable / Brittany Lynam
FM & Security	Thérèse Flower and Brian Bussey
Customer / Citizen Journey	Lucy Lee
Angel Row Relocation	Lisa Black
Housing Aid Relocation	Debbie Richards / Tajinder Madahar
Henry Whipple Relocation	TBC
Engagement & Communication	TBC
HR	Gareth Sayers

<b>Other stakeholders</b>	
DWP	Marie Koscian
Information Management / Storage	TBC
Unions / Staff Representatives	TBC

## **8.0 SENIOR RESPONSIBLE OFFICER SIGN OFF**

**I confirm the information provided in this Business Case is the best information available to me, as SRO/Sponsor, at the time of the application.**

Signature: Tanya Najuk

Name: Tanya Najuk

Position: Head of Asset Management



