

Report to the Leader of the Council

1 September 2021

Subject:	Workplace Vision Phase 7A&B
Cabinet Member:	Cabinet Member for Strong and Inclusive Economy Councillor Iqbal Padda
Director:	Director of Finance Simone Hines
Key Decision:	Yes
Contact Officer:	Mark Drake, Strategic Lead Design Manager Mark_drake@sandwell.gov.uk

1 Recommendations







- 1.1 That approval is given for £1.490m to be brought forward from future year's budgets (£0.734m from 2022/23 and £0.756m from 2023/24) funded from available capital receipts.

2 Reasons for Recommendations

- 2.1 A decision to bring forward funding is a matter for the executive to determine.
- 2.2 Bringing forward additional funding from future years to the current workplace vision budget for 21-22 will enable the programme to continue to schedule.



3 The Council's WPV helps to underpin the Council's Corporate Plan and the associated aspirations.

	Best start in life for children and young people
	People live well and age well
	Strong resilient communities
	Quality homes in thriving neighbourhoods
	A strong and inclusive economy
	A connected and accessible Sandwell

4 Context and Key Issues

4.1 Contract Phase 7A&B Award – The purpose of this report is to seek approval to bring forward to 2021/22 an additional £1.49m of budget to enable the contract award to Overbury for Phase 7A&B, within the Construction West Midlands framework contract. This is in addition to the £2m budget increase set out in the Q1 Budget Monitoring Report. By bringing this budget forward to the current financial year the overall programme budget for WPV will not increase.

4.2 Once the budget is approved the Phase7 A&B contracts within the overarching WPV contract will be approved by the Work Place Vision Board and Section 151 officer in accordance with the delegations set out in the minute of the Cabinet meeting held on 17th October 2018 which approved to grant delegated authority to the Director – Regeneration and Growth, in consultation with the Executive Director – Resources (Section 151 Officer) to award a contractual agreement for the capital works for Phases 2 to 8.



4.3 Prior to this, in June 2017 Cabinet approved a £1m rolling budget per annum in the Capital Programme to fund delivery of the Workplace Vision works. In order to bring forward the works as set out at 4.5 below, funding will need to be brought forward into 2021/22 from future years allocations. This can be funded from the available capital receipts that were set aside for use each year to fund the WPV rolling programme.

4.3 The Q1 Budget Monitoring 2021/22 (reported to Cabinet on 1st September 2021) reports a £2m increase in the Regeneration & Growth budget, mainly in respect of additional funding from earmarked balances to support the refurbishment of the Sandwell Council House at Oldbury. However, due to factors listed in paragraph 4.5 below, an additional budget of £1.49m is now required in addition to this £2m.

4.4 This is summarised below:

Total Costs	£4.306m
HRA Contribution (21%)	£0.816m
RCCO Reserves	£2.000m (Requested as part of Q1 Monitoring)
Shortfall	£1.490m

This Urgent Action Report requests approval for £1.490m to be brought forward from future year's budgets (£0.734m from 2022/23 and £0.756m from 2023/24) funded from available capital receipts.

4.5 The additional costs have arisen due to:

- Build cost inflation
- The need to accelerate the work programme to meet the requirements of service areas returning to work post-Covid.
- The need to provide additional technology to enable flexible working post-Covid.
- Additional works arising from changes to the original plans which were not in the original budgets.

4.6 Overbury were procured and appointed as the main contractor in 2019 from the construction West Midlands Framework. Now that they are already on site it is important for SMBC to issue instructions for each phase promptly and without delay in order that they can programme resources. Failure to do this will cause increases in site running costs and risks significant delays.



- 4.7 Minute of the Cabinet meeting held on 17th October 2018 approved that the Director - Law and Governance and Monitoring Officer enter into or execute under seal any documentation in relation to award of Phase 2-8, on an individual Phase contracts and/or other agreements as may be deemed necessary. This delegation is sufficient to address any future requirements.

5 Alternative Options

- 5.1 Delay the Phase 7A&B until next financial year. The WPV vision of new ways of working would not be implemented fully in Sandwell Council house this year. Staff were due come back, in line with the council's new operating principals, from the end of January 2022. Any delay in the scheduled return would impact on service delivery moving forward.
- 5.2 In addition, any delay in approving Phase 7A&B will have an impact on being able to retain our current contractor and them being able to remobilise required resources to support a programme which provides completion of these current Phases in time to suit wider council restart of services. There is also an industry cost rise set for the 1st September 2021 where material price increases are due which will impact on current costs.



6 Implications

Resources:	Additional capital receipts to be used of £1,490m. £ 0.734m from 2022/23 and £0.755m from 2023/24. These are already set aside to be used towards the WPV programme.
Legal and Governance:	Whilst funds have already been ringfenced for the project the funding for 2022/23 cannot be brought forward to this financial year without authority to do so. A procurement process was followed to award the works, this did not provide a timescale for each phase of the works. If funds are brought forward the council will need to enter into a contractual relationship with the contractors who are conducting the next phase and ensure that the adequate legal protections in relation to contract delivery are in place in line with the procurement process that was completed. There are no further legal implications in relation to the proposal.
Risk:	Refurbishment of Phase 7A&B are required to be operational for the proposed return to work of staff to SCH under the new way of working.
Equality:	An equality impact assessment (initial screening) has been completed and no issues preventing the recommendations in this report found.
Health and Wellbeing:	The re purposing of the refurbishment will have a positive impact on health and wellbeing staff.
Social Value	The Construction West Midlands framework contract provides for local labour & services to be used by the contractor wherever possible.

7. Appendices

None

8. Background Papers

None

