

Divisions Affected – Jericho and Osney

DELEGATED DECISIONS BY CABINET MEMBER FOR FINANCE

13 September 2024

SPEEDWELL HOUSE – EXPANSION AND REFURBISHMENT PROJECT

**Report of Executive Director of Resources and Section 151
Officer**

RECOMMENDATION

The Cabinet Member is **RECOMMENDED** to:

- a) **Approve entering the first part of a two-stage contact with Willmott Dixon for them to carry out pre-construction services on the expansion and refurbishment of Speedwell House under a Pre-Construction Service Agreement (PCSA).**
- b) **Delegate authority to the Director of Property in consultation with the Head of Legal Services and Deputy Monitoring Officer to complete all necessary legal documentation to give effect to this contract award.**

Executive Summary

1. The City Centre Accommodation Strategy was approved at Cabinet on 23rd January 2024, which sanctioned the expansion and refurbishment of Speedwell House to achieve a single, city centre headquarters to accommodate the Council's corporate and democratic services.
2. The Initial Business Case (IBC) for this project was approved by Cabinet on 19 March 2024 and the project entered the capital programme (£22.680m).
3. The building strip-out works have commenced and will be completed by the end of September 2024 meaning that the contractor will have a safe blank slate for this project.
4. Whilst the strip-out works have been progressing, the Council has tendered the extension and refurbishment of Speedwell House which involves two-stages of appointment. Under the first stage, the contractor is appointed to work under a Pre-contract Services Agreement (PCSA) to develop the design. As part of the second stage, the contractor submits their final offer and programme to deliver the works based on the detail of design they have agreed to develop. Whilst it

was always envisaged that a key-decision would be required for the second stage due to the estimated value of the construction works, the evaluation of the tenders has resulted in the value of the PCSA being above £1m hence the reason for now seeking an urgent key decision. The Council is committed to delivering Speedwell House at pace so it also important to have a key decision as soon as possible to formally appoint the successful contractor and for them to commence with the first stage of their appointment. The second stage of the appointment will be considered following the approval of a Full Business Case which will be prepared in conjunction with the contractor as part of the development of the design.

Corporate Policies and Priorities

5. This proposed course of action supports the Council's Strategic Plan 2023-25 of making Oxfordshire a greener, fairer and healthier county. In particular, it supports the Property Strategy's strategic objectives by a) enabling agile working and rationalisation of the estate, b) facilitating service delivery and c) decarbonising our corporate buildings.

Financial Implications

6. The total project budget has already been approved as part of the capital programme which amply covers the cost of the PCSA. A further key decision will be sort before entering the second contract for the construction works.
7. Should the recommended course of action not be followed, the project is likely to incur additional costs in the form of inflation costs due to delay in entering contract. It would also hinder the ability for OCC to delivery to the required timeline.

Comments checked by:

Drew Hodgson, Strategic Finance Business Partner,
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Legal Implications

8. The decision will enable legal services to draft and finalise the relevant contractual documentation on behalf of the Council so that the project can proceed.

Comments checked by:

Paul Grant, Head of Legal and Deputy Monitoring Officer,
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Staff Implications

9. The project budget includes allowance for internal staff costs for a Project Lead in the Major Projects team to ensure the project is delivered to the required standards within the project programme and budget agreed in the Initial Business Case.

Equality & Inclusion Implications

10. This project will support Oxfordshire as an exciting, diverse county where everyone has a chance to thrive. The refurbishment of Speedwell House will result in an inclusive office design creating spaces where everyone's needs are being catered to, so staff feel comfortable and able to do their best work respecting and incorporating diversity and individuality thereby helping to deliver the highest standard of service to our residents.

Sustainability Implications

11. The intention is to create new net zero headquarters for the Council using sustainable technologies including air source heat pumps. To support the Council's Biodiversity Net Gain (BNG) aspirations, baseline reports will be produced at the outset by the contractor to model post development scenarios to focus on areas that will have the highest impact. In addition, the 20% BNG will be met for this project as per the Oxfordshire Climate and Natural Environment Policy Statement.

Risk Management

12. Outside of the standard design and construction risks which are managed by the Project Lead, the key project risks are:

Description of areas or sources of risk and impact on project	Mitigation
This project forms part of a wider City Centre Accommodation Strategy and will be ultimately funded from the disposal of County Hall.	Market testing and engagement to determine the likely sale value of County Hall is currently taking place. Early contractor involvement will deliver greater cost certainty as the contractor will have the opportunity during the pre-construction phase, to assess the risks of the project and tender key sub-contract packages transparently.
This project brings together a number of interlinked transformation strategies across the Council.	A transformation and communications team has been established to ensure that Council staff are updated and consulted with as much as possible.

Consultations

13. A key component of this project is to work with colleagues, local businesses and our residents to ensure continued provision of our services in a manner that is expected for residents. Colleagues have been and will continue to be engaged with to provide input and feedback into the development of Speedwell House. In addition, local businesses and organisations both private, public and charity sectors have been identified and will be provided opportunities to meet with the project and consultant team to raise any ideas or concerns relevant to the project to support the highest standard of success.

Report by Lorna Baxter
Executive Director of Resources

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Annex:

Other Documents: [Oxford Accommodation Strategy Outline Business Case \(oxfordshire.gov.uk\)](#)

September 2024