

Divisions Affected – St Clement’s and Cowley Marsh

## **DELEGATED DECISIONS BY CABINET MEMBER FOR FINANCE**

**13 December 2024**

### **Union Street Phase 1.5 & 2 Asset Rationalisation Programme (ARP)**

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

## **RECOMMENDATION**

The Cabinet Member is **RECOMMENDED** to

- a) **Approve the release of funding greater than £1m for the provision of construction services to carry out upcoming design and construction works as part of the Phase 1.5 & 2 Asset Rationalisation Project at the Blackbird Leys Children and Family Centre, Union Street, Oxford.**
- b) **Approve delegation of the authority to procure and award the contracts for the upcoming design, early works and construction works to the Director of Property & Assets in consultation with the Head of Legal and Deputy Monitoring Officer.**

## **Executive Summary**

1. This project will carry out the remaining work to relocate Children’s Services staff workspace into the building on Union Street. The release of funds will allow the design and construction contracts to be let to complete these works. These contracts will comprise and pre-construction services agreement for the design element followed by a construction contract. The procurement of these contracts will be undertaken using the Procure Partnerships Framework; the specific lot being used is yet to be decided.
2. The Initial Business Case recommended for this project to be included in the Capital Programme, and was presented to Cabinet on 18<sup>th</sup> June 2024, with a budget of £1.45m; the anticipated Stage 3 (Construction) budget was set at £1.176m, therefore requires a Key Decision to be taken to allow the contract for the construction works to be let.
3. The project is partially funded by external grant money based on decarbonisation works within the building; programme is a key project restraint, so delegation of the authority to let the construction contract, together with the earlier contract for design and any required contract for early works is

recommended to be given to the Director of Property & Assets to ensure this can be achieved as efficiently as possible.

## **Project Context**

4. As part of the City Centre Accommodation Strategy, it was identified that 394 workspaces would be required across the OCC estate.
5. The Phase 1 alteration works at Union Street facilitated the staff move from Nash Court, and was completed in 2022. This phase captured modifications to the front of the Union Street building, and was prioritised due to the requirement to locate the Nash Court workforce onsite urgently. Therefore, the remaining works were split into Phase 1.5 & 2 to address the other two areas of the building.
6. The Phase 1.5 & 2 works will provide a permanent location for the Knights Court staff, who are temporarily located in these spaces awaiting the modernisation of the building. This is anticipated to generate in excess of 40 workspaces in the city, reducing the burden on other OCC sites such as Speedwell House
7. The number of workspaces required by Children's Services is estimated to be around 20-25, and so the remaining workspaces (15-20) can be allocated for agile working for OCC staff from other departments as required. There is also a collaboration space planned within the renovation to promote this approach.

## **Corporate Policies and Priorities**

8. This project aligns with a number of the Council's objectives as set out in the OCC Strategic Plan, such as:
  - (a) Put Action to address the climate emergency at the heart of our work
  - (b) Create opportunities for children and young people to reach their full potential
  - (c) Support carers and the social care system
  - (d) Prioritise the health and wellbeing of residents
9. The remodelling and decarbonisation elements of this project align with the Council's Property and Assets Strategy, as below:
  - (a) Facilitating service delivery
  - (b) Supporting Oxfordshire communities
  - (c) Decarbonising our corporate buildings
  - (d) Enabling agile working and rationalisation of the estate
10. These changes will also contribute to the Council's objectives to be a Place Shaper of Choice and an Employer of Choice.

## Financial Implications

11. The funding for this project has been agreed at the IBC stage; this consists of two primary funding sources, detailed below.

|  |                |
|--|----------------|
| Asset Rationalisation Programme (OCC internal)           | £0.919m        |
| <u>Property Decarbonisation Programme (OCC external)</u> | <u>£0.531m</u> |
| Total Funding  | £1.450m        |

12. As the decarbonisation grant money is externally funded, there are conditions which need to be met to receive the funds; this forms part of a wider agreement with the external funder across more than 25 sites within the OCC portfolio.
13. The external funding requirement for this project is to begin works onsite by the end of the current financial year (March 2025). This presents a significant challenge to the project, as there is substantial design work which needs to be completed before works can begin.
14. To mitigate this risk, the professional team have identified areas of work which can be completed at an early stage of construction, as part of the Pre-Construction Services Agreement with the contractor, in order to meet this funding requirement. An example of this is upgrading the electrical supply to the Phase 1.5 & 2 areas of the building to accommodate the additional mechanical kit being introduced as part of the decarbonisation works.

Comments checked by:

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## Legal Implications

15. The procurement of the design and construction works is to follow what is known as a two-stage design and construction process. The contractor first enters into a contract known as a pre-construction services agreement with OCC to cover the first stage of undertaking the design and other preparatory activities such as tendering the necessary packages for the works phase. OCC then has the option to proceed to award a second contract to cover the construction phase of the works in the second stage. The second contract will be a design and build construction contract.
16. In addition, these contractual arrangements will need to be structured so as to allow OCC the option of instructing early works to be carried out during the first stage.

17. These contracts will be procured following a single competitive procurement process under a framework. Legal Services will support this process by advising on the suitability of the framework and advising on the procurement process and preparing suitable contract documentation.
18. The procurement of the contracts must be undertaken in compliance with procurement rules and OCC's Contract Procedure Rules.

Comments checked by: Jayne Pringle

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## **Staff Implications**

19. The project budget includes allowance for internal staff costs from the relevant teams (Major Projects, Commercial, Legal etc.) to ensure the project is delivered to the required standards.

## **Equality & Inclusion Implications**

20. The project does not have any direct equality and inclusion implications; however, the internal remodelling planned within the works should provide better access around the building for those with mobility issues. These remodelling works will also provide a better layout for the public users of the building, which will have a positive impact on their experience as a whole.

## **Sustainability Implications**

21. While this decision does not have an impact on sustainability, the ability to let the contract in an efficient manner is imperative in order to meet the funding requirements set out in the external grant. There is a strong focus on decarbonisation throughout the building, which will improve the performance of the building long term.

## **Risk Management**

22. Risks will be managed by the Project Lead throughout the project. The key risk to the Council currently is the potential loss of funding if the external funding requirement is not met. This risk is more significant than the funding allocated for this project, as the entire grant (circa £3m) could be withdrawn if not achieved.

## Consultations

23. Children's Services have been consulted throughout the project to ensure the proposed building plans are fit for purpose.
24. The neighbouring school – East Oxford Primary School – have also been engaged to ensure they are aware of the planned works and to minimise disruption. The school and premises are owned and operated by OCC, so there are no external stakeholders to engage with.
25. No further consultation has been undertaken.

**Lorna Baxter**  
**Executive Director of Resources and Section 151 Officer**

Annex: Nil.

Background papers: Nil.

Other Documents:  
OCC Strategic Plan 2022/23  
Property and Assets Strategy

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