

Cabinet Meeting	
Meeting Date	16 December 2020
Report Title	Swale House refurbishment project – progress report
Cabinet Member	Cllr Monique Bonney, Cabinet Member for Property and Economy
SMT Lead	Nick Vickers, Chief Financial Officer
Head of Service	Anne Adams, Head of Property Services
Lead Officer	Anne Adams, Head of Property Services
Key Decision	No
Classification	Open
Recommendations	<p>Cabinet is recommended to:</p> <ol style="list-style-type: none"> 1. Note the progress made on the design and feasibility stages of the project, and 2. Delegate authority to the Head of Property Services in consultation with the Cabinet Member for Property and Economy, subject to a successful grant application, to carry out certain carbon reduction works fully funded from grant funding in advance of the decision to allocate capital funding to the project.

1 Purpose of Report and Executive Summary

- 1.1 The purpose of this report is to update members on the progress made so far with the design and feasibility work for the proposed Swale House refurbishment project and to seek delegated authority to carry out certain works fully funded by grant money in advance of the decision to allocate capital funding to the project.

2 Background

- 2.1 Swale Borough Council has declared a climate change emergency and as part of the Borough's Climate and Ecological Emergency Action Plan, our intention is to carry out a low carbon refurbishment of Swale House together with an internal refurbishment to create greater scope for renting space to third party occupiers. From work carried out by the Carbon Trust on behalf of Swale Borough Council in 2019, Swale House was estimated in their report to account for 12% of the CO₂ emissions within the Borough's assets and services for which the Council themselves have control over. According to the Climate and Ecological Emergency Action Plan the carbon reduction target for Swale House needs to be or in excess of 186 tCO₂e/annum and the works need to be complete by 2025.

- 2.2 The project will also support the Council's Economic Improvement and Recovery Plan by providing opportunities for businesses to locate at Swale house. This will result in a positive economic impact on the town centre.
- 2.3 The government has recently announced the Public Sector Decarbonisation Grant fund which is accessible to potentially part-fund the project. The timescale for submitting a grant application is very short and certain actions have already been carried out and are being proposed to maximise the chances of a successful bid. The deadline for submitting the application is 11 January 2021.
- 2.4 At the Cabinet meeting on 18 March 2020 members approved a capital budget of £250,000 to fund the initial feasibility and design work for the project. This was approved on the basis that a full business case would be provided in due course.

3 Proposals

- 3.1 This report is a progress update report. It is proposed to provide a more detailed report to Cabinet on 10 February 2021. That report will provide the business case for the project and will recommend that members approve a capital allocation to deliver the project.
- 3.2 The scope of the project and amount of funding to be recommended will be dependent upon whether the grant application has been successful. It is anticipated that a decision on the application will have been made by the time of the next report and this will inform the recommendation.
- 3.3 As well as a short timescale for submission of the application, the grant scheme also places a deadline of the completion of the low-carbon works. In order to be able to meet the deadline imposed, it is proposed to carry out certain works in advance of the main project works. This would only happen in the event that the grant application is successful and the procurement of any works would comply with the Council's standing orders.
- 3.4 The following is a summary of progress to date and proposed next steps:

Appointment of project/consultancy team

- 3.5 *Quartz Project Services* – this company has been appointed as Project Managers and Quantity Surveyors. They will be responsible for ensuring that the project is delivered to the required specification and quality, on time and within the approved budget. They are also responsible for managing the rest of the consultancy team.
- 3.6 *Spacelab Ltd* – this company is the appointed architects and they are responsible for designing the carbon reduction works and the internal refurbishment. This includes the workplace planning process to support the Council in assessing its office accommodation requirements, taking into account any long-term changes to working practices arising as a result of Covid-19.

- 3.7 *Elementa Ltd* – this company is the appointed sustainability/MEP consultants and they are responsible for designing the electrical and mechanical installations and measuring the environmental impacts of the proposed carbon reduction measures.
- 3.8 Other consultants such as structural engineers will be appointed as and when required as the project develops.

BREEAM accreditation

- 3.9 Whilst there are a number of ways of measuring environmental efficiency in buildings, it is recommended that BREEAM is used as it is a widely recognised accreditation scheme which allows comparisons to be made against other buildings. The intention is to aim for the BREEAM Excellent rating although it is recognised that budgetary constraints may prevent this being achieved, in which case the BREEAM Very Good rating will be the target.
- 3.10 The BREEAM accreditation is a comprehensive measure of a building's performance and includes management, health and wellbeing, energy, transport, water, materials, waste, land use and ecology, pollution and innovation.

Workplace appraisal

- 3.11 As mentioned above, Spacelab have been appointed to support the Council in assessing and designing its workplace requirements. Spacelab's Engagement Plan will involve an initial visioning workshop in November followed by one to one interviews with senior managers and an all-staff survey to establish the views of staff. An example of the Engagement Plan is attached as Appendix I.
- 3.12 Factors to be taken into account in establishing the long-term office space requirements will include:

- Current and future organisational structure,
- Benefits in changing working practices,
- Creating space for third party occupiers,
- Visitor/customer needs,
- Use of common spaces,
- Meetings,
- Storage requirements,
- Waste and recycling strategy, and
- Building security.

Business Case

- 3.13 It is proposed to present a business case to members in the report to be presented to the February Cabinet meeting. This will contain a detailed budget estimate of the estimated costs associated with achieving the objective of a BREEAM Excellent or Very Good rating together with the internal refurbishment and alterations required to achieve the required office space.

3.14 In the event that the estimated costs exceed the available budget, members will be asked to prioritise the work to ensure that the budget is spent on the most important areas and that the benefits achieved are maximised. The amount that can be achieved from the project will depend to a significant extent on the success of the grant application.

4 Alternative Options

4.1 *Not to carry out any refurbishment works:* This is not recommended because the building would continue to be environmentally inefficient and any scope to increase rental income from third party occupiers would not be realised.

5 Consultation Undertaken or Proposed

5.1 The Cabinet Member for Property and Economy and the Deputy Cabinet Member for Property and Economy are members of the project steering group and fully support this project.

5.2 The Chief Financial Officer is a member of the project steering group and fully supports this project.

5.3 SMT has been consulted and fully supports this project.

6 Implications

Issue	Implications
Corporate Plan	This project meets the corporate priority to address the climate and ecological emergency by reducing carbon emissions from Swale House. It also meets the priority to reduce dependence on government-controlled funding sources by increasing the amount of space available for renting out to third party occupiers.
Financial, Resource and Property	This report does not have any direct financial implications as this will be the subject of a future report. Any works carried out to the building prior to the approval of a capital budget will be fully funded by grant funding.
Legal, Statutory and Procurement	Due to the tight timescales imposed by the grant application, a number of different approaches have been adopted in relation to the procurement of the project team. Where it has not been possible to meet contract standing orders, a waiver has been obtained.

Crime and Disorder	None identified at this stage.
Environment and Climate/Ecological Emergency	The environmental implications are set out in the report.
Health and Wellbeing	This will be addressed in the next report and will discuss the implications on staff's wellbeing arising from a revised flexible and home working policy.
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage.

7 Appendices

7.1 Appendix I: Spacelab – Engagement Plan

8 Background Papers

None.