

Office Accommodation

APPENDIX A




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Risk Code	TR51	Risk Title	Office Accommodation
Risk Owner	Howard Crompton	Updated By	Howard Crompton
Year Identified	2013	Corporate Priority	Responsive and Efficient
Risk Description	<p>As a result of failure to:</p> <ul style="list-style-type: none"> - Create more open plan space - Minimise disturbance caused by refurbishment works - Have suitable and safe temporary accommodation - Fully anticipate all the costs of the project - Fully engage all staff and Members - Reduce physical storage requirements - Provide sufficient IT and telephony requirements and a suitable public reception in Town Lodge - Have sufficient capacity to deliver the project - Ensure the financial health and competence of the manufacturer/contractor <p>There is a risk that there is:</p> <ul style="list-style-type: none"> - Failure to complete the project on time, to cost and within the specification - Failure to refurbish the offices as outlined in the original Business Case - Failure to make additional revenue savings/gains from letting - Inability to repair the exterior of the DCO in the long term - Deterioration in services provided to the public - Failure to moderate internal temperatures - Difficult working conditions leading to a deterioration in officers performance - Failure to attract other partners to share the building that could lead to underutilised office space - Failure to manage expectations 		
Opportunities	<p>Purchasing and refurbishment of the DCO provides the following opportunities:</p> <ul style="list-style-type: none"> - Reduction in revenue expenditure for annual rent - Significant investment with the opportunity of providing employment during the construction phase of the project - More open plan arrangements encourages closer working between directorates and the removal of internal walls facilitates increased desk densities and greater workspace flexibility - Improvements to temperature issues will assist in achieving improved productivity - Long-term commitment to remain in Letchworth town centre - Environmental benefits through reduced CO2 emissions, both from the refurbished building and compared to those generated by a new build scheme - To provide a civic centre for a range of services - Other public sector users would provide a rental income; third sector users could facilitate grant reductions due to provision of subsidised space - Commercial rentals 		
Consequences	<p>The consequences of these risks include the following:</p> <ul style="list-style-type: none"> - Continued energy inefficiencies resulting in lack of reduction in emissions and increased utility bills - Current office conditions do not improve - Negative impact on service delivery and morale leading to increase in complaints from the public - Increase in staff complaints, particularly during the temporary decant - Project costs exceed the approved budget - Business Case benefits are not realised 		

Office Accommodation

<p>Work Completed</p>	<ul style="list-style-type: none"> - Home working now embedded reducing the need for office space - Full Council approved purchase and early refurbishment plan for DCO on 18 July 2013 - Start-up documents for next project phase (refurbishment works) approved by Project Board and SMT - Established officer project group following Council approval to proceed - Additional questions regarding office accommodation incorporated into 2014 staff survey - Architectural services commissioned from Stevenage BC - Space planning consultancy advice commissioned - Agreement to use Town Lodge and the Letchworth Museum building as temporary accommodation for the duration of the works - Two staff briefings held to date - External designs have Planning and LGCHF approval - Specification for internal works agreed - Finalised agreement for Letchworth storage facility (Unit 3) - Council approved revised budget and final scheme requirements on 14 July 2016 - No responses received to the original tender - Subsequently entered into a Scape framework agreement, the principal contractor being Willmott Dixon - Property Services and IT met with teams to determine storage requirements and to review the possibility of electronic storage - Decant to Town Lodge/Letchworth Museum completed in early December 2016 - Completed negotiations/value engineering with Willmott Dixon regarding the level of works achievable within the approved budget available - Modifications to design/specification required - Contract signed in February 2017 (total contract value including removal of all identified asbestos is £5,633,382.80) - Willmott Dixon completed a site survey of the DCO regarding asbestos removal - Site survey identified substantially more asbestos in the building than initially expected (£250k of additional work) - Confirmed contingency/security arrangements during the works relating to the servers - DCO cleared ready for the commencement of works - Willmott Dixon commenced work on site on 6 March 2017 - Removal of asbestos completed by specialist contractors - Required demolition works completed - Construction phase commenced - The Council took possession of the DCO and the ground area around it on 26 January 2018, with the exception of the lifts and the lift shafts (sectional completion) 		
<p>Ongoing Work</p>	<ul style="list-style-type: none"> - Continue to explore opportunities for potential partners to use some of the office space in the DCO - Clear top level buy-in regarding refurbishment proposals, including more open plan and hot-desking provision, along with temperature moderation measures - Staff consultation and engagement ongoing, e.g. regular email updates to staff and councillors, with representatives from service areas being involved in the project - Where necessary, external skills and advice will be obtained - Willmott Dixon responsible for sub-contractor works (including outstanding works to the lifts) - Effective working relationship with Willmott Dixon - Any unforeseen issues identified from surveys or during the works are assessed, with appropriate solutions approved and financed from existing budgets - Works now expected to be completed by 31 March 2018 (Willmott Dixon received assurance from the supplier that at least one lift will be fully operational and commissioned by 9 February 2018, although it may take a few more weeks before the second one is fully operational) - Return to the DCO to commence in February 2018 and due to be completed by 31 March 2018 - Property Services working with managers regarding their requirements for the return to the DCO - Property Services and IT preparing the DCO for the move back - Tours of the DCO being held for staff and Members 		
<p>Current Impact Score</p>	<p>2</p>	<p>Current Likelihood Score</p>	<p>1</p>

Office Accommodation

Overall Risk Score	3	Current Risk Matrix	
Date Reviewed	31-Jan-2018	Next Review Date	20-Apr-2018
	<p>02-Feb-2018 Risk reviewed and updated by Howard Crompton on 31 January 2018. Sectional completion occurred on 26 January 2018. Willmott Dixon is still responsible for completion of works to the lifts and lift shafts. Howard was confident that these works would be completed in the next few weeks. Preparations for the return of staff to the DCO were underway and a schedule for the moves had been agreed and circulated. In view of the progress made regarding the construction and office moves, Howard reduced the Likelihood score to 1-Low. There remains a residual risk relating to a failure to attract a tenant to occupy the vacant floor and officers will need to consider if this should be recorded as a separate risk entry following project completion.</p>		
	<p>09-Nov-2017 Risk reviewed and updated by Howard Crompton on 9 November 2017. The project continues to progress and works are still due to be completed by 30 January 2018. The return to the DCO is still scheduled to be completed by the end of March 2018, apart from the relocation of Careline, which will be completed at a later date. Additional works not included in the original Business Case (i.e. the CSC refurbishment and the relocation of Careline) have increased project costs. A number of the risks included in the Risk Description are no longer relevant, i.e.</p> <ul style="list-style-type: none"> - Failure to refurbish the offices as outlined in the original Business Case. - Inability to repair the exterior of the DCO in the long term. - Deterioration in services provided to the public. - Failure to moderate internal temperatures. - Difficult working conditions leading to a deterioration in officers performance. <p>Officers continue to explore options for letting one floor of the DCO and in view of this, no change made to the Likelihood score.</p>		
	<p>26-Apr-2017 Risk reviewed and updated by Howard Crompton on 26 April 2017. Willmott Dixon commenced work on site on 6 March 2017 and they are currently undertaking asbestos removal and demolition works. Currently, the works are on schedule. Some unforeseen issues have been identified during the works and these are being assessed. Any solutions required will be financed from existing budgets. In view of the progress made and the Council's commitment to complete the refurbishment, Howard reduced the Likelihood risk score to "2- Medium".</p>		
	<p>01-Mar-2017 Risk reviewed and updated by Howard Crompton on 1 March 2017. NHDC has a good working relationship with Willmott Dixon and following the signing of the contract, work on site is due to commence on 6 March 2017. During the early stages of the construction phase, there is a risk that unforeseen issues might arise and that appropriate solutions might need to be approved/financed. Therefore, no changes made to the risk score at present.</p>		