



Three Rivers District Council

BATCHWORTH DEPOT REPLACEMENT OFFICES AND OTHER WORKS

PROJECT INITIATION DOCUMENT (P.I.D. Lite)

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Batchworth Depot: Replacement Offices and Works - PID

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1. Introduction

1.1. Purpose of the document

This document sets out the high-level case for carrying out significant works at the Batchworth Depot site. It includes a brief overview of the rationale, options considered, the order of magnitude of estimated project costs, and therefore the likely additional funding required to deliver the project.

1.2. Executive Summary

- 1.2.1. Batchworth Depot Site - the office building and facilities have become dilapidated and in part are probably not fit for use. The proposal is to build a new modular office and storage area within the existing compound, and to upgrade the external operational areas.
- 1.2.2. The indicative order of cost at this planning design stage of providing a new office building plus carrying out substantial works to the operational areas is estimated to be £1,412,000 plus £13,000 of non-construction costs, giving a total of £1,425,000.
- 1.2.3. The additional funding requirement is only £925,000 owing to a capital allocation of circa £500,000 for refurbishment works and non-construction costs already existing within current budgets. This allocation was made some years ago and is clearly no longer sufficient. It was not index linked and has not been spent as it was anticipated an alternative site might be secured, however this has not been the case.

1.3. Project Objectives

- 1.3.1. The objectives are to:
 - Replace an obsolete and failing building,
 - Improve the operational functionality of the site by maximising space and create more efficient working practices for non-office based operational activities,
 - Update the infrastructure and to install new systems to 'future-proof' the site against advancements in technology and equipment,
 - Reduce the current higher levels of risk for health & safety and employers liability that persist and continue to increase with time,
 - Allow the site to comply with the Equalities Act 2010 (formerly covered by the 'Disability Discrimination Act'),
 - Make significant improvement to the environmental performance and sustainability of the site from its current very low level of performance stemming from the age and specification of the building, and
 - Reduce the annual costs arising from energy consumption and repair & maintenance.

1.4. Current issues and priorities

- 1.4.1. Current issues regarding the office building include:
 - The building was constructed in 1984 and is currently in a very poor state of repair. The roof is in need of significant work as it has a number of leaks which drip down into the offices below, and some roofing panels lift in high winds.

- The mechanical and electrical systems (such as they are) are also poor at heating the office space, the lighting is sub-standard, and there is a proliferation of loose and trailing wires for small power and data/telephones.
- There is little insulation in the structure so causing the office environment to fluctuate with the seasons between a fridge and oven making it highly energy inefficient and expensive to run owing to the proliferation of heaters and fans.
- Its configuration is no longer fit for purpose as it no longer suits the functions and modern ways of working making it highly inefficient. There are several spaces which are unused or used only very occasionally.
- There is only one female toilet in the entire building, it is in a very poor condition, and there are currently 10 female members of staff. There is no disabled toilet. The shower area for use by the Loaders has been condemned as being not fit for purpose and therefore is not in use.
- Vermin are a constant nuisance as they easily penetrate the external walls. When they become trapped between the external and internal skins of the walls and subsequently die, very unpleasant odours permeate the building.

1.4.2. Current issues regarding the operational space outside the office building include:

- Vehicle movements take place on every part of the site, and include some where manoeuvring space is tight and always require guiding / banksmen for safety and damage avoidance.
- Office users have to use the same areas for their pedestrian access of the building which creates a situation of material additional risk to their personal safety.
- There are no external power points which would be needed in the event the operational vehicles changed to hybrid/electrical power (which is likely to be a legal requirement in the future).

1.4.3. The priority for the site is to remedy the very poor office building. Despite the office users stoical resilience in enduring the poor working conditions, they should not have to endure them for much longer. However, investment in the office building would achieve better value for money if refurbishment and improvements were also made to the operational open spaces and infrastructure thereon, as these would be included in a single set of works with benefits in cost, synchronicity where interdependencies between the two areas arise, and actual delivery happening as opposed to being subject to further deferral. In that respect the priority is for the whole site, not just the office building.

1.5. Implications of project not being complete

- 1.5.1. The poor state of the office building is creating a situation of unacceptable risk to the Council and the services that are controlled from the site, which if allowed to persist could give rise to a major liability for the Council.
- 1.5.2. From the list of issues above, it is obvious that the risk to business continuity from the premises unable to be occupied in whole or in part or from electrical or ICT systems failure from water penetration is real and reaching significant levels.
- 1.5.3. Similarly, the potential for a claim of breach of employers' health and safety obligations or failure to comply with statutory requirements is a persistent risk that in many respects cannot be actively addressed without significant investment.

2. Business Case

2.1. Overview of the Batchworth Depot

- 2.1.1. The depot site has been occupied by TRDC since the 1970s and is used to deliver Environmental Services including Waste and Recycling Services, Garden Waste, Grounds Maintenance, Street Cleansing, Animal Control, Cemetery Management, and Fly Tipping Enforcement.
- 2.1.2. The depot is situated in the centre of the District and ideally placed to deliver the services required. The site accommodates 20 office based staff and provides welfare space for non-office based staff, parking for 41 operational vehicles, storage for the maintenance team's equipment, spare bins, salt and sand. It also houses a vehicle washing unit and a diesel fuel pump.
- 2.1.3. Within the curtilage of the site there are two other occupiers:
 - Thames Water has a pumping station and electricity sub-station in the centre of the site which it owns freehold, although TRDC has an agreed right to pass over the land between the pumping station and the canal.
 - There is a tenancy to a truck repair garage ('Plantec') which is next to the pumping station. The lease is short term but has security of tenure under the Landlord and Tenant Act 1954.
- 2.1.4. The shape of the site is therefore in two parts, although joined by a section of hard standing which is currently unable to be built upon. A plan of the site is in Annex A.

2.2. The Depot as a location for Environmental Services and alternative uses

- 2.2.1. The constraints imposed by the Thames Water pumping station are very influential in how the site is used for its current function and also with regard to alternative uses by either TRDC or a potential purchaser.
- 2.2.2. From a planning perspective, when the current Local Plan was determined, the site had been put forward for housing use but this was dismissed by the inspector who considered that the proposal should be "deleted for soundness" as there was no alternative replacement site identified. However, given the changes in attitudes and imperatives since then, it is thought this objection could be overcome in the next Local Plan.
- 2.2.3. For alternative use to be viable, not only would the site need to have some value to be realised from its redevelopment but also a suitable new depot site would need to be found and created.
- 2.2.4. With regard to its redevelopment, exploratory discussions have been held with a foodstore operator who did express a keen interest in trading from the site location. However, once the constraints and the costs of relocating the pumping station and sub-station had been investigated and high-level cost estimate taken into account, the residual land value of the site was negligible and therefore unable to contribute to offsetting the cost of re-locating the Depot elsewhere in the District. As a result, no further exploratory activities are planned for the foreseeable future.
- 2.2.5. With regard to an alternative location for the depot, there has been some investigation to find a new site, although currently there are no tangible proposals. In the event that

such a situation did present itself, there would be a need for an extensive feasibility study and options appraisal to determine whether the proposal shows value for money. For any scenario, the timescale for bringing a new depot into commission is likely to take a number of years.

- 2.2.6. Given the above factors, there is every likelihood that the Environmental Services will need to operate out of the Batchworth depot site for at least the medium term, if not longer.

2.3. Options for remedial works

- 2.3.1. There are a range of options for works at the site. These are:

Continue as is ('Do nothing')

- 2.3.2. This would be where the current situation persists until the building suffers a failure and is put out of commission permanently. In this scenario, the disaster recovery plan would therefore become 'business as usual'. In the run up to the building being taken out of use, it is highly likely that there would be occasional service disruptions or degradations as staff continue to attempt to "make do and mend" the failing building. The cost of reacting to and the long term remedy to such an event would be greater and more disruptive owing to its "emergency" nature and not being properly planned.

Do minimal works

- 2.3.3. Some basic remedial work is carried out to the structure of the office building only. Whilst the fabric of the structure might have its wants of repair dealt with, the space and energy inefficiencies of the building would remain along with a poor and unpleasant working environment. The operational parts of the site would remain untouched and continue to be tired, shabby and still in need of modernisation.
- 2.3.4. A cost assessment for works on a repair only basis was carried out in 2015 which estimated repairs to the office building and to the site at circa £350,000 (not including VAT or professional fees). However, these figures do not represent the whole cost of this option as indexation since 2015 will need to be applied, some additional backlog maintenance matters have arisen and the need for temporary decant of the office staff would be required.

Do substantive works

- 2.3.5. This would involve the replacement of the office building, resurfacing the operational areas and ensuring the infrastructure such as the fuel station and electrical supply points are adapted to allow better use of the site. A plan of the upgraded site and a schedule of requirements is found in Annex B. A summary of indicative costs of £1,425,000 is at Annex C but it must be borne in mind that the advancement of the project has only reached the design planning stage where certainty of costs is not as strong as that, say, following full design and the tender for the building contract.
- 2.3.6. Given the new office building would not be on the same footprint as the existing building, no temporary decant of office staff would be necessary.

Do maximum works

- 2.3.7. The scope of the substantive works would be increased to include the parts of the site not currently in the possession of the Council i.e. the Plantec workshop and the pumping station. In effect the option would create a much larger site unconstrained by other occupiers currently in its middle. This would allow greater scope of what to do

with the site, and the flexibility to either dispose, act as own developer for a mixed use scheme, or dispose part and continue to occupy the remainder as a depot.

- 2.3.8. The cost for this level of works has not been formerly assessed but given the many new options that would open up for the future of the site, a separate feasibility study and more detailed costed options appraisal would be needed to determine the value for money in such a significant and complex undertaking. Much of the currently uncertain facts and complexity of project stems from the necessary re-provision of the Thames Water pumping facility, an electricity sub-station, as well as the depot function.
- 2.3.9. Given that doing nothing is not a realistic option and that seeking to redevelop the whole site is unlikely to show acceptable value for money, the short list of options is between doing minimal and substantial works. As doing minimal works will only put off the need for further investment by a short time, and will not deliver many new benefits, the recommended option is for carrying out substantial refurbishment works.

2.4. Project benefits

- 2.4.1. The project should deliver the following beneficial outputs and outcomes:
- New, fit-for purpose office building asset that will have the following qualities:
 - Modular construction, allowing for flexibility in longer term,
 - Compliant with Equalities Act legislation and less risky in terms of health & safety matters,
 - A more sustainable and energy efficient building, and
 - A building capable of supporting modern, agile ways of working allowing for a reduction in internal area.
 - Segregation of operational areas from the office areas so that parking and lorry movements are streamlined and office users have a dedicated car parking area.
 - Installation of electric charging points to accommodate future innovations in industrial vehicles.
 - Reduction in annual running costs for repair and maintenance, and energy.
 - Improved working environment for staff.

2.5. Project measurement of success

- 2.5.1. The project will be regarded as successful in the event of the following outcomes:
- Business continuity of current services is maintained during the construction works and relocation to the new building.
 - Environmental and energy performance ratings are assessed at better levels than existing levels.
 - A more efficient and pleasant environment for staff
 - The absence of negative publicity.
 - An upgraded Depot site delivered on time and within budget.

3. Project Costs and Delivery

3.1. One off project costs

3.1.1. A summary of indicative costs for carrying out significant works to the Depot are shown in Table 1 below. The construction works costs are estimates provided by Calfordseadon (quantity surveyors) where their certainty reflects the current advancement of the project, which is only at the design planning stage. The 'Order of Cost' estimate is likely to change following progression of design and subsequent tender for the building contract and if this should put pressure on the overall budget, some 'value engineering' would be necessary to ensure that budget overrun is avoided.

3.1.2. The costs for ICT are also estimates provided by IT Shared Services and again are subject to market testing.

ITEM	ITEM COST	TOTAL
Design and Construction costs		
Demolition of office building and removal of asbestos	88,000	
Construction of new modular office building, including 'Cat B' fit-out and installation of utilities	465,000	
Works to external operational areas	377,000	
Preliminaries @ 10%	93,000	
Overheads @ 5%	51,000	
Design & Build Contractors design fees @ 4%	43,000	
Construction Risk (contingency) @ 15%	167,000	
Tender Price Inflation	20,000	
Design, planning, and professional fees	108,000	
Design and construction Sub-Total		1,412,000
Non-construction works		
ICT connection and infrastructure	8,000	
Office furniture and new equipment	5,000	
Relocation	£nil	
Non-works Sub-Total		13,000
Total		1,425,000

Table 1 – Cost summary of works to the Depot

3.1.3. The cost of relocation is £nil as the office contents can be moved by Environmental Services staff.

3.2. VAT

3.2.1. The costs above do not include VAT on the presumption that all VAT is reclaimable. For this to be the case, the property will need to be opted to tax.

3.3. Funding requirement

3.3.1. The capital allocation of £497,000 that is already present in the current annual budget for the Depot was made many years ago but has been rolled-over every year owing to uncertainty of the future of the site. The original purpose of the capital allocation was for new offices, so the proposed project is not seeking to depart from this intention. However, given that the sum was calculated some time ago and has not been subject to any form of indexation, and that the scope of the project has expanded to include the whole site, the sum is not sufficient to cover the construction works.

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- 3.3.2. The cost of new ICT equipment is not included in the costs as this is already planned for roll-out, and budgeted for, irrespective of the proposed works. However, the cost of installing new connectivity both to the new building and also to the internal data ports is not currently budgeted for, and so will need to be added to the funding requirement.
- 3.3.3. The cost of new office furniture and equipment can be covered by existing budgets held by Environmental Protection.
- 3.3.4. Taking into account the sums already within existing budgets, a net additional capital funding requirement of £925,000 is required.
- 3.3.5. There will also be an additional annual charge to the revenue account of £49,000 to cover borrowing costs, assuming an interest rate of 2.72% and Minimum Revenue Payments over 40 years.

3.4. Resources and skills

- 3.4.1. Project Management jointly undertaken in house by the Property Team (Tracy Langley and David Saunders). This will be supplemented with external professional services such as quantity surveyors and architects.
- 3.4.2. Specific site surveys and investigations e.g. utility and drainage will be commissioned as required to inform the design process.

3.5. Programme

- 3.5.1. The key milestones for delivery are:

Date	Milestone
Jan – Apr 2019	Design to RIBA stage 3
Apr – Jul 2019	Planning
Jul – Oct 2019	Build Contract tender process
Nov 2019 – May 2020	Construction

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3.6. Approvals

Has the project been agreed by the Head of ICT?

Yes	x
No	

3.7. Equalities

Is this project responding to an Equality Impact Assessment?

Yes	
No	x

If yes, please provide brief details of the EIA.

Has an Equality Impact Assessment been undertaken for this project?

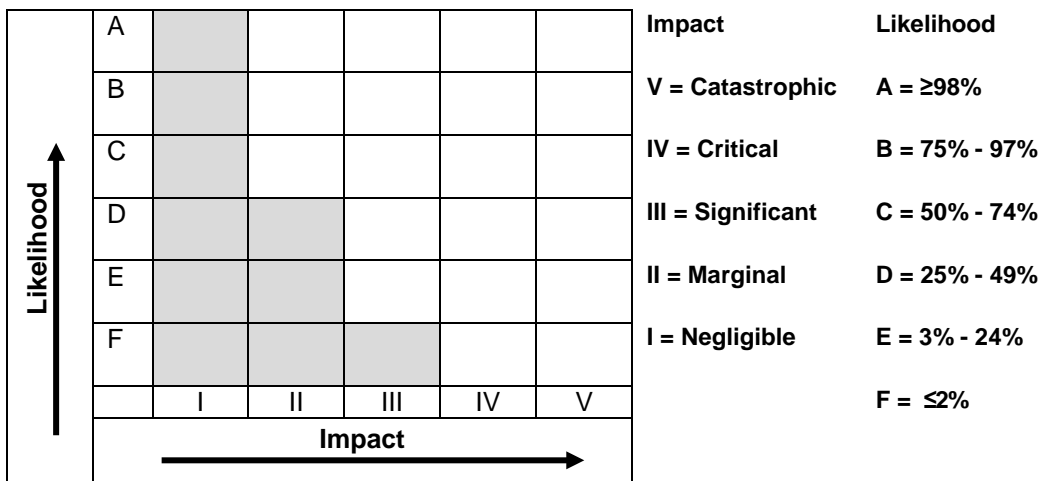
Yes	
No	x

If yes, what are the outcomes and how do these link to the project?

3.8. Risks

Initial Risk Log

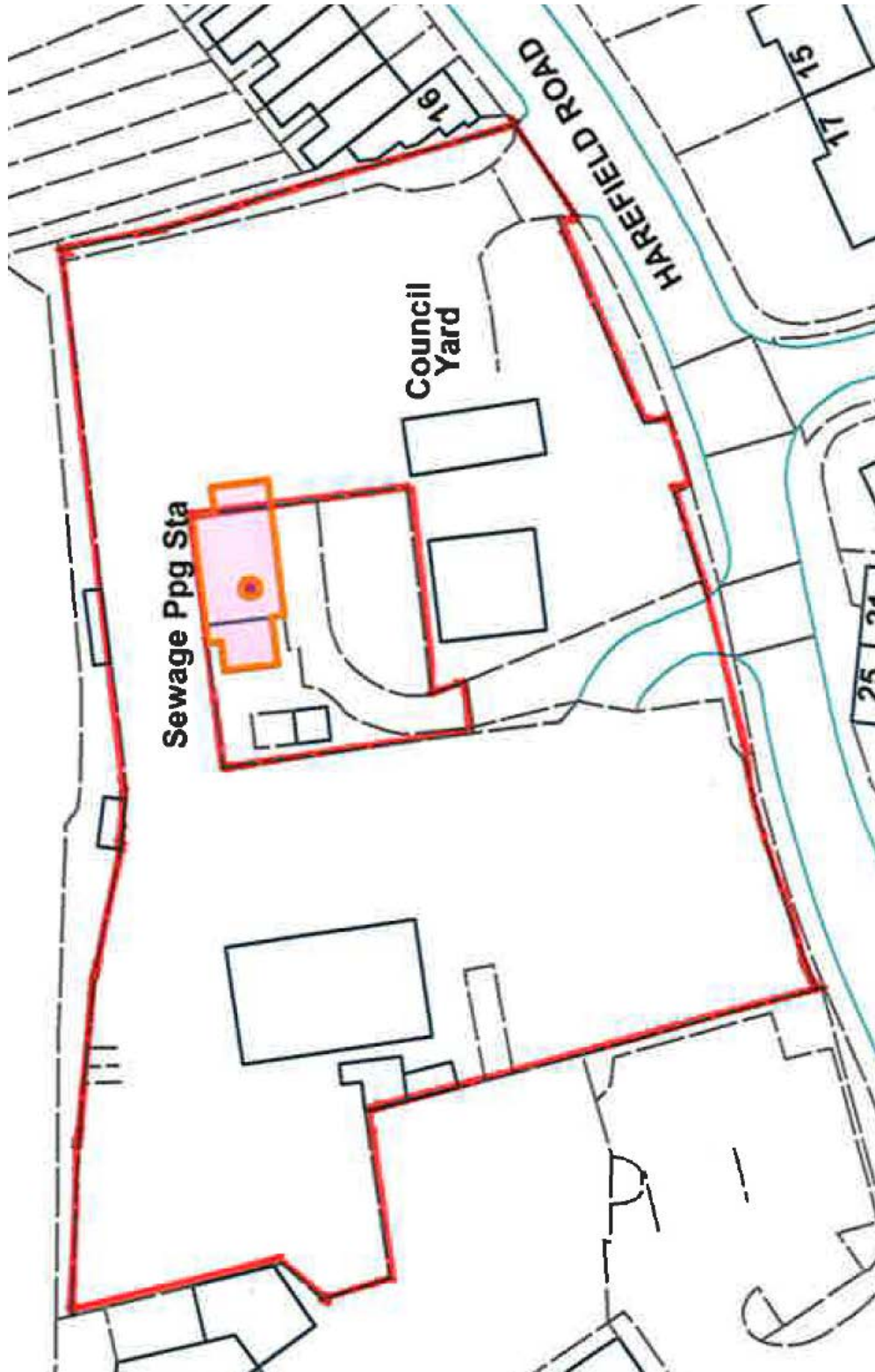
Likelihood and Probability Key



Risk	Level of Risk		Required actions	Owner
	Impact	Likelihood		
Failure to undertake the project will impact on delivery of service	IV	D	The minimum of significant repair to the office building or its re-provision is needed	TL/DS
Delivery of project impacts on service	IV	E	Robust business continuity plan	TL/DS

ANNEX A

Plan of Existing Batchworth Depot



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ANNEX B

Plan of proposed Batchworth Depot



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3D plan of proposed Batchworth Depot



Batchworth Depot Schedule of Requirements

Current storage requirements:

- Hand power tools alarmed store
- Sweeper store plus brushes
- Snow Chains and secure bike compound (This may have to remain where it is due to the effort it requires to move the snow chains.)
- Dry storage area
- Uniform and PPE equipment
- Large freezer (for dead animals)

Staff requirements:

Operational

- Operational staff desk space x 6
- Plus printer area
- Mess room/kitchen for operational staff – to include tea/coffee vending machine and snack/cold drink vending, water cooler and some seating
- Toilets for operational staff (men and women)
- Shower
- Training/meeting room
- A private interview room

Back office

- Back office staff x 13 (Support x 6, Enforcement /Animal Control x 5 Managers x 2) One closed office would be necessary, the rest open plan
- Printer area
- Toilets for back office staff (men and women), inc. disabled WC
- Mess room/kitchen for back office staff – with space for storage cupboard space, fridge, microwave, kettle, toaster, water cooler etc and some seating

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- Secure store for CCTV camera equipment / enforcement evidence
- Fire proof lockable storage for cemetery books
- A storage area for educational leaflets and merchandise

New external space requirements:

- Diesel Storage
- Provision for electrical charging points
- Vehicle washer
- Staff Parking for Operational (shifts) and office based staff
- TRDC Vehicle parking for:
 - 18x 26ton Dustcarts
 - 3x 18ton Dustcarts
 - 2x 8.5ton Dustcarts
 - 5x 7.5ton Dustcarts
 - 11x vans ranging from 1ton to 3.5ton
 - 2x Road sweepers, 18ton & 4ton
- Plantec space within the yard – reduce existing space

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ANNEX C

Indicative costs of new office building and upgrades to external areas

Batchworth Depot
'Order of Cost' Estimate
January 2019



4.0 Elemental Summary - Residential

No. of Units		1 no 435 m2			
Gross Internal Floor Area:		Total Cost of Element	Cost/m2	Cost/Unit	% of Total Cost
		£	£	£	
Building Works					
1	Substructure				
	1.1 Foundations	67,500	155	67,500	4.78%
	1.2 Basement Excavation	-	-	-	-
	1.3 Basement Retaining Walls	-	-	-	-
	1.4 Ground Floor Construction	0	0	0	0.00%
		67,500	155	67,500	4.78%
2	Superstructure				
	2.1 Frame	0	0	0	0.00%
	2.2 Upper Floors	0	0	0	0.00%
	2.3 Roof	0	0	0	0.00%
	2.4 Stairs and ramps	0	0	0	0.00%
	2.5 External walls	0	0	0	0.00%
	2.6 Windows and external doors	0	0	0	0.00%
	2.7 Internal walls and partitions	0	0	0	0.00%
	2.8 Internal doors	0	0	0	0.00%
		0	0	0	0.00%
3	Internal finishes				
	3.1 Wall finishes	0	0	0	0.00%
	3.2 Floor finishes	0	0	0	0.00%
	3.3 Ceiling finishes	0	0	0	0.00%
		0	0	0	0.00%
4	Fittings, furnishings and equipment				
	4.1 General fittings, furnishings and equipment	10,000	23	10,000	0.71%
	4.2 Special fittings, furnishings and equipment	-	-	-	-
		10,000	23	10,000	0.71%
5	Services				
	5.1 Sanitary appliances	0	0	0	0.00%
	5.2 Services equipment	-	-	-	-
	5.3 Disposal equipment	0	0	0	0.00%
	5.4 Water installations	0	0	0	0.00%
	5.5 Heat source	31,875	73	31,875	2.26%
	5.6 Space heating and air conditioning	0	0	0	0.00%
	5.7 Ventilation systems	0	0	0	0.00%
	5.8 Electrical installations	45,625	105	45,625	3.23%
	5.9 Gas and other fuel installations	-	-	-	-
	5.10 Lift and conveyor installations	12,500	29	12,500	0.89%
	5.11 Fire and lightning protection	0	0	0	0.00%
	5.12 Communication, security and control systems	0	0	0	0.00%
	5.13 Specialist installations	37,500	86	37,500	2.66%
	5.14 BWIC with services	0	0	0	0.00%
	5.15 Testing and commissioning of services	0	0	0	0.00%
		127,500	293	127,500	9.03%
	carried forward	205,000		205,000	

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Batchworth Depot
'Order of Cost' Estimate
January 2019



4.0 Elemental Summary - Residential

No. of Units		1 no 435 m2			
Gross Internal Floor Area:		Total Cost of Element	Cost/m2	Cost/Unit	% of Total Cost
		£	£	£	
Building Works					
	brought forward	205,000		205,000	
6	Complete buildings & building units	260,000	597.70	260,000	18.41%
7	Work to existing buildings	-	-	-	-
8	External Works and drainage	376,855	866	376,855	26.69%
9	Facilitating works (including demolition)	87,705	202	87,705	6.21%
Building Works Sub-total		929,560	2,137	929,560	65.83%
10	Preliminaries	92,956	214	92,956	6.58%
Sub-total		1,022,516	2,351	1,022,516	72.42%
11	Overheads and profit	51,126	118	51,126	3.62%
Sub-total		1,073,642	2,468	1,073,642	76.04%
12	Project/Design Team Fees	42,946	99	42,946	3.04%
Sub-total		1,116,587	2,567	1,116,587	79.08%
Contingency/Risk allowances					
13	Risk				
	13.1 Risk/Contingency	167,488	385	167,488	11.86%
Sub-total		1,284,076	2,952	1,284,076	90.94%
14	Inflation				
	14.1 Tender price inflation (3Q/19)	20,001	46	20,001	1.42%
Sub-total		1,304,076	2,998	1,304,076	92.36%
15	Design/Professional/Planning Fees				
	15.1 Pre-contract design fees & reports	45,000	103	45,000	3.19%
	15.2 Planning fees	5,000	11	5,000	0.35%
	15.3 EA/QS fees	34,426	79	34,426	2.44%
	15.4 CoW fees	15,000	34	15,000	1.06%
	15.5 Principal Design fees	8,000	18	8,000	0.57%
Sub-total		107,426	247	107,426	7.61%
17	Rounding	498	1	498	0.04%
Total		1,412,000	3,246	1,412,000	100.00%