

PC21 Draft Determination NI Water Response

Annex 5.26 – SP20d Estate H&S FM Overlaps

PC21 Draft Determination Response - Westland Estate H&S Overlaps

UR DD Annex I

Paragraph 6.238 *We are concerned that there may be an overlap between the expenditure for the Westland Campus, the proposed construction of the IOC (SP20f), Health and Safety expenditure (SP20e) and the proposed construction of new labs (SP20b). We will engage with NI Water on these issues prior to the publication of the final determination. In the meantime we have accepted NI Water's proposals subject to GRA of 6.7%.*

NI Water Response

Introduction. There is no significant overlap between the expenditure for the Westland Campus, the proposed construction of the IOC (SP20f), Health & Safety Expenditure (SP20e) and the proposed construction of the new labs (SP20b). The only potential overlap identified is in relation to health and safety (Facilities Management) and proposed works at the Westland site. However any overlap is likely to be negligible due to the factors outlined in the following text.

Westland Campus / Intelligent Operations Centre Business Cases

The Intelligent Operations Centre (IOC) forms part of a wider Westland Campus development, comprised of three main elements:

- Creation of new IOC Building;
- Upgrading the wider Westland Campus i.e. parking, landscaping, pedestrianization etc;
- Upgrading the existing buildings on the Westland Campus.

There are no synergies between these proposals and the proposed laboratory at Westland and this is discussed further below. The only components where there is a potential overlap are the upgrades to the existing buildings at Westland and the Health and Safety (Facilities Management) project, though this is anticipated to be negligible as demonstrated in the Health and Safety section below.

Analytical Services Resilience (ASR) Project Facilities Strategy Business Case

There are no synergies between this proposed development (particularly Westland Labs) and the Head Office/ IOC proposal or Health and Safety Facilities Management for the following reasons:

- The proposed Westland Lab is to be located on a different geographical area within the Westland campus to other existing buildings and proposed IOC;
- No allowance has been made for upgrading vehicular and pedestrian access in the campus within the Labs project. Access to the proposed laboratory premises is by existing roads and footpaths;
- The laboratory needs dedicated parking and loading areas for delivery of equipment and consumables as well as to facilitate sample delivery / collection. This is included in the labs project not any of the other projects;
- Any upgrade of services allowances are specific to laboratories;
- Any upgrade of drainage (SuDS) will be specific and local to the laboratory premises and included within the costs of the lab project; and
- Health and Safety Facilities Management relates to existing buildings only therefore there is no overlap with costs for the labs.

Two options were considered within the ASR project that incorporated the Westland labs into the IOC but both options were considered not feasible.

Health & Safety: Facilities Management and Legal Compliance Business Case

The key facts in relation to Health and Safety Facilities Management costs are summarised below:

- Estimated costs are for existing buildings only. The potential costs for maintaining new buildings have not yet been accounted for. Routine statutory maintenance will be required however, once the new buildings become operational;
- Estimated facilities management costs are associated with maintenance of existing assets in situ and are not for general office refurbishment projects;
- Estimated costs within the business case included all facilities managed by NI Water including the existing facilities at the Westland Site. This amounts to over 871 different buildings with an area of approximately 180,000m²;
- For the purposes of the business case minimum (£6/m²), median (18/m²) and maximum (£25/m²) Facilities Management (FM) costs were calculated for each square metre. The figure chosen to complete the costs for the PC21 business case was between the minimum and the median figure and a sum of £18m was estimated for the 6 year period;
- Although the business case cost for FM is £18.0m, the figure included in IPAC (records 2603 and 2604) is £10.0m. The decision to include this reduced figure was due to internal challenge by NI Water; and
- The Westland site is only a very small percentage of the overall estate and the lower scale cost per square metre was used in the cost projections so any overlap would not be significant.

Therefore, even though the existing facilities at Westland were included in the initial business case calculations, the proportion of floor space is relatively small compared to the overall NI Water estate. Also the figure used in calculating the cost per square metre was between the minimum and median estimations. The overall sum was then also dropped by £8.0m due to internal challenge. Any potential overlaps are therefore considered negligible.