

Cabinet – 22 March 2023

Walsall Civic Centre and Council House Improvement Works

Portfolio: Councillor Ferguson – Internal Services

Related portfolios: All

Service: Corporate Landlord

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

- 1.1 To ensure that the Civic Centre and Council House are maintained to a satisfactory level and improve its energy efficiency and working environment for staff, members and visitors.
- 1.2 To ensure that the Civic Centre and Council House are fit for purpose for the new hybrid working methods and as future proofed as possible for the medium term.

2. Summary

- 2.1 The Civic Centre was constructed in the early 1970's, and has undergone internal alterations to the open plan environment circa 2012. The Council House has mainly remained unaltered in recent years.
- 2.2 The strategic asset plan (SAP) was approved in December 2021 by Cabinet and resulted in the council reviewing the best utilisation of our corporate estate and maximising use of our assets, repurposing to service needs and disposing of high cost/low or no usage surplus assets. This has resulted in the disposal of 7 assets generating £2.6m of capital receipts and £1m of revenue benefits from reduced maintenance, utilities and security/staff management costs since the SAP was approved, with a further £1.5m expected ongoing benefits in 2023/24 and planned disposal of a further 12 assets forecast to generate £2.5m capital receipts by the end of 2024/25.
- 2.3 The council has also been successful in being awarded £3.7m towards our £4.2m of energy efficiency upgrades through the Public Sector Decarbonisation Scheme (PSDS) which will greatly contribute towards our overall improvement

plans and net carbon zero ambitions and also drive reduced energy usage and costs.

- 2.4 To ensure that the Civic Centre and Council House remain suitable office and meeting spaces for the 21st century, and are in line with the new hybrid working practices and energy efficiency requirements, a suite of building improvements have been agreed.
- 2.5 These improvements include:
Replacement of external doors and windows in the Civic Centre
New heating and ventilations systems for the Council House and Civic Centre
Replacement fire alarm systems for the Council House and Civic Centre
The Civic Centre ground floor office space will be refurbished for a new Registrars service offer including an enhanced Wedding Venue as well as an improved children's service delivery area.
- 2.6 The fore mentioned schemes will improve service provisions, improve energy efficiency and work towards the council commitment for de-carbonisation by 2041.
- 2.7 The tendering process for each element will vary, including mini competition through approved frameworks and open tenders to enable local SME's to bid, each of the procurement process will be undertaken by the procurement department to ensure compliance with all financial and council regulations.
- 2.8 The timeframe for all the works to be completed is estimated to be 31st March 2025, due to the nature of the works and interdependencies they will be managed by an external consultant to ensure timescales and co-ordination is achieved.

3. Recommendations

- 3.1 That Cabinet delegate authority to the Director of Finance, Corporate Landlord & Assurance to award the contract to the successful tender applicant to undertake the supply and installation of the new replacement windows, frames and doors in the Civic Centre complex.
- 3.2 That Cabinet delegate authority to the Director of Finance, Corporate Landlord & Assurance to award the contract to the successful tender applicant to undertake the supply and installation of the new air source heating and ventilation systems in the Civic Centre and Council House.
- 3.3 That Cabinet delegate authority to the Director of Finance, Corporate Landlord & Assurance to award the contract to the successful tender applicant to undertake the supply and installation of the new replacement hybrid fire alarm detection system in the Civic Centre and Council House.
- 3.4 That Cabinet delegate authority to the Director of Finance, Corporate Landlord & Assurance to award the contract to the successful tender applicant to undertake the refurbishment of the Civic Centre ground floor.

- 3.5 That Cabinet delegate authority to the Director of Finance, Corporate Landlord & Assurance to subsequently authorise the sealing of Deeds and/or signing of contracts and any other related documents for the provision of such services as well as any variation of the contractual arrangements or other related documents should this be required throughout the duration of the contract.

4. Report detail - know

Context

- 4.1 Both the Civic Centre and Council House have aged infrastructure and building elements which have come to the end of their economic life.
- Council House boilers circa 1980's
 - Council House radiators circa 1960's
 - Council House Fire Alarm circa 1980's
 - Civic Centre heating and ventilation 1972
 - Civic Centre fire alarm 2008
 - Civic Centre windows 1972

The age and condition of the above elements have increased the number of leaks and system failures.

- 4.2 The heating and ventilation replacement in the Civic Centre and Council House will improve the energy efficiency of both buildings with the implementation of an integrated building management system.
- 4.3 The heating and ventilation schemes have been to the market previously, but the tender returns exceed the available budgets assigned. It was agreed to combine the two buildings into a single scheme and modify the delivery model from night time installation to normal hour working to reduce costs.
- 4.4 A grant bid has recently been awarded by Central Government via the Salix funding stream for the sum of £3.7m, which has enabled a new approach for the heating and ventilation schemes to be adopted by utilising air source heat pumps. Using this technology will enable the disconnection of gas supplies to the Council House and Civic Centre, assisting the authority to reach its goal of the de-carbonisation of the two buildings, in line with the council's targets as well as providing reduced energy requirements thus reducing our costs and carbon footprint.
- 4.5 The external window and door replacement in the Civic Centre are required due to the number of failed glazing units and water ingress through the frames. A new curtain wall system and energy efficient glazing will aid in the reduction of heat loss and make the building more energy efficient. Due to being in a

conservation area there is a requirement to install a visually similar design and colour match.

- 4.6 The fire alarms in the Council House and Civic Centre are in need of replacement, this is due to the age and the non-serviceability of the radio system and changes to radio signal legislation. The new systems shall retain the two building functionality but will be able to be monitored from a single location, this will ensure safe evacuation processes for both buildings are managed efficiently. The fire alarm system will be a hybrid system using both wired and wireless technology, due to the signal limitations in the Council House basement areas. The new fire alarm system will meet all statutory requirements and will be compliant to the new Fire Safety Act requirements.
- 4.7 With the Council adopting the flexible working approach, and closing the First Stop Shop to customers, the area has been re-assigned to become a new improved births, deaths and marriage venue, with the former area to become a children's service delivery area. These improvements are part of a wider improvement and service delivery model for the Civic Centre as a whole.
- 4.8 The co-dependencies and scheduling of these works require all contracts to be delivered in the same time period, this will help reduce the duplication of works, minimise disruption to staff and service users and help efficiencies within the delivery of the schemes.
- 4.9 The key benefits of the four areas of work will be improved energy efficiency, reduced costs, better controllability of the work environment, improved work environment and a safe and compliant work space.
- 4.10 The procurement route for each element of works are varied dependant on specialisms and time scales to enable works to have a co-ordinated installation.
 - Heating and Ventilation – 2 stage mini completion through framework provider, design and installation separated.
 - Civic Centre window replacement – open tender to enable local suppliers to bid.
 - Fire Alarm replacement – open tender to enable local suppliers to bid
 - Civic ground floor refurbishment - open tender to enable local suppliers to bid
- 4.11 The procurement process is being undertaken with a collaboration of Procurement and Corporate Landlord staff.
- 4.12 The condensed timeline between procurement and works delivery timeline is tight but achievable, but would not give adequate time for a report to be presented at Cabinet for approval of each contract. This would leave the council potentially at risk for the grant funding to be spent in the agreed timeline of 2 years.
- 13 The request for Delegated authority for the Director of Finance, Corporate Landlord & Assurance to appoint the successful tenderers would ensure the

timeline for funding expenditure and co-ordination of the schemes to be delivered can be met.

Council Plan priorities

- 4.14 The Council House and Civic Centre improvement schemes link with the Council Plan 2022 - 2025, Economic Growth section by “creating an environment where business invests and everyone who wants a job can access one”. Achieved by allowing local Small and Medium Companies to tender for the contracts, this would enable Walsall pound to be kept within the local economy.
- 4.15 The internal focus – “internal services deliver quality and adapt to meet the needs of customer facing services”, the combining of the contracts will lead to more efficient buildings, and improved customer interaction through the new customer focused services in the Civic Centre ground floor.

Risk management

- 4.16 The risks in awarding these contracts are low, given that the contracts will have been procured in accordance the Council’s financial and procurement rules. There is a reasonable expectation that the tender exercise will enable the council to enter into a viable contracts for the service delivery of the four contracts.
- 4.17 The risk of delivering all works in a combined manner are medium, the risks would be slippage in the programme and contractor overlap, these risks are mitigated through external project management, regular site meetings and pre agreed works schedules.
- 4.18 The financial risks are low, the form of contract and measured works for additional elements will be closely monitored through externally appointed quantity surveyors, therefore costs are envisaged to remain with the pre agreed capital funds

Financial implications

- 4.19 The delivery cost of each of the schemes are estimated to be delivered within the agreed capital programme funds. The figures are:
- Civic Centre and Council House Heat and ventilation - £3.2M council capital funds, £3.7M external grant funding
 - Fire Alarm Replacement - £300k Council capital funds, £150k Council Ways of working capital funds (combined £450k)
 - Civic Centre window replacement - £1.2M Council capital funding
 - Civic Centre ground floor refurbishment - £450k Council Ways of Working capital funding

- 4.20 There is an expectation that no additional funding is required, unless there are amendments to the Civic Centre ground floor design or external costs increase due to supply or inflationary pressures over and above the current known position.
- 4.21 These works will all contribute towards the Corporate Landlord 2023/24 savings requirement of £1.5m in achieving reduced energy and maintenance costs as well as improving the working environment for staff, members and customers and ensuring statutory compliance with health and safety and fire safety legislation.

Legal implications

- 4.22 The contracts will be tendered through the Procurement department and in line with the Council's Contract Rules. The services covered within the tenders are time constrained due to the grant funding and the interdependencies.
- 4.23 The form of contract for each of the schemes will be agreed with Legal services prior to commencement of the procurement process.

Procurement Implications/Social Value

- 4.24 The 4 contracts shall be procured as individual items, but shall be delivered in a co-ordinated programme.
- 4.25 The tendering exercise will be undertaken by the council's Procurement team using open plans tendering for the Fire alarm replacement, Civic Centre window replacement and Civic Centre ground floor refurbishment. The Heating and ventilation scheme will be tendered using a 2 stage mini competition through the approved framework as directed by the council's Procurement team.
- 4.26 Within the tender packages and mini competitions there is a Social Value question as part of the quality questions, this has a larger percentage of the scores of 10% being a third of the quality assessment scoring. This element of tender evaluation will focus on the services that the contractors can support in the local economy, environmental improvements and community pay back.
- 4.27 The evaluation criteria for the tenders is:
- Knowledge and Experience – 5%
 - Social Value – 10 %
 - Health and Safety Management – 10%
 - Planning and scheduling of works – 5%
- 4.28 Delegated authority is sought to enable the Director of Finance, Corporate Landlord & Assurance to enable the successful bidders for the four contracts to maximise the mobilisation time prior to services commencing. The timetable and service requirements would not enable a Cabinet report to be presented for each of the four contracts, this would leave the council exposed through the grant funding terms and conditions of expenditure.

Property implications

- 4.29 The property implications have been discussed throughout the report and the four contracts are deemed essential to ensure that the Civic Centre and Council House remain compliant and safe for staff and visitors. The current fire alarm and heating systems are at the end of their economic life and require increased repairs to failure of components, this has a direct impact to the work environment of staff and visitors.

Health and wellbeing implications

- 4.30 The heating and ventilation and window replacement contracts have a direct impact to the working conditions to staff and visitors, replacement is essential to ensure a warm and compliant work place.
- 4.31 The fire alarm contract is essential to ensure that staff and visitors to both building for safe and timely evacuation in the event of a fire. This is a statutory requirement.

Reducing Inequalities

- 4.32 The Civic Centre ground floor refurbishment design has considered all persons who will utilise the service provided from the new design, this will include the revised heights for power and light outlets, adequate led lighting and duel height reception desks and counters.
- 4.33 The remaining contracts will ensure continued delivery of the service provision to staff, members and visitors as they replace the existing services and the building's exterior fabric.

Staffing implications

- 4.34 There are no HR implications.

Climate impact

- 4.35 The heating and ventilation replacement scheme will assist in the council's de-carbonisation plans as the new scheme will be air source heating, this will enable for the disconnection of the existing gas supplies from the Civic Centre and Council House.
- 4.36 The replacement of the Civic Centre windows and doors will assist in the improvement of the building's heat and cooling retention, this will assist in the reduction of the required heating load required to keep the Civic Centre heated to the required level for comfort and maintain a healthy building environment.
- 4.37 The Civic Centre ground floor refurbishment wall be designed with LED lighting with day light and occupancy sensors, this will ensure that the lighting environment will remain at the appropriate levels for the tasks, but also as

external lighting or lack of occupancy the lighting will either reduce or switch off. This will lead to energy savings on the electricity usage and help towards the reduction of the council's carbon footprint.

Consultation

- 4.38 Consultation has been undertaken with the Procurement, Finance and Legal departments in the procurement of these contracts and comments have been included in this report. Various services have contributed towards the Civic Centre and Council House requirements through the Ways of Working group, surveys regarding service requirements and space usage and through the corporate landlord working group and board meetings.

5. Decide

5.1 Civic Centre and Council House Heating and Ventilation Replacement

Option 1 – Retain original equipment, this option would reduce the capital expenditure and reduce disruption to staff and visitors. Although due to the age and general availability of spares for the heating plant and general condition of the distribution pipework this would lead to increased levels of plant being inoperative and statutory working conditions for staff and visitors could not be assured. The maintenance costs to maintain the equipment and running cost are also increasing and the Salix funding would need to be returned due to not meeting the grant conditions in place.

Option 2 – Replace the heating and ventilation system utilising gas boilers. This solution would be more affordable to undertake. Although the Salix funding received would need to be returned as the funds are for replacing gas to non-carbon options, thus, working towards the 2040 de-carbonisation goal would not be achieved.

Option 3 – Replace the current gas boilers in both the Civic Centre and Council house to environmentally friendly air source heating option, the awarded grant would offset over 50% of the installation costs, and as the two buildings are a prominent and large part of the Council portfolio the cost, efficiency and reputational benefits are advantageous.

5.2 Civic Centre and Council House Fire Alarm Replacement

Option 1 – Retain the existing system, this option would leave the council exposed potentially from a non-compliance to statutory regulations, as the current system in the Civic Centre is no longer supported and parts are not available. In the event of a system fault, failure or required alterations this could not be undertaken, and this would lead to a risk of life.

Option 2 – Replace the fire alarm systems with a wired solution in all areas. This option would increase the installation cost and time, it would also cause increased staff disruption. The Council House is a listed building, so cabling

routes would need to be selected and all works agreed with the local conservation officer.

Option 3 – To replace both the Civic Centre and Council House fire alarms with a hybrid system, this would reduce the disruption and labour costs, the initial equipment cost is higher but this is offset by the reduced installation time. Additional benefits include more flexibility for further adaptations or alteration in the future within the wireless systems.

5.3 Civic Centre External Window Replacement

Option 1 – Retain the existing windows and undertake minor repair works only. This would be an ongoing programme, due to water leaks, broken glazing and failed double glazed units. The disadvantage to this approach would be ongoing disruption to staff and visitors, the energy efficiency of the building would not be improved and the Civic Centre appearance would be detrimental to the organisation. Additionally postponing the replacement would incur higher costs in the future.

Option 2 – Replace the glazing units only. The window frames and doors are 50 years plus in age, the frames and fixing beads are corroded and the sealing putting contains asbestos. The frames fitments are in a poor condition and leaking is causing internal damage to decorations and drafts are causing some areas of the Civic Centre to be unpleasant working environment.

Option 3 – The full replacement of windows and doors would in the long term to reduce disruption to the service delivery in the Civic Centre, improve the energy efficiency of the building. This would improve the heating requirements and the associated utility invoices. As part of the larger Civic Centre and Council House works this would enable all elements to be completed in a similar time frame, this would reduce service impact issues and reduce the ongoing maintenance for a longer period.

5.4 Civic Centre – Ground Floor Refurbishment

Option 1 – Leave unaltered

The current layout is not suitable for the envisaged area use, since the public no longer use the area as alternative arrangements have been implemented. The ground floor area was not included in the original Civic Centre refurbishment, and the services within are not in line with the energy efficient lighting across other areas. The heating and ventilation has failed and is in need of replacement. Therefore the area is currently unfit for use, remaining unused could cause poor publicity to the council in addition to wasted and costly space.

Option 2 – To refurbish the ground floor

To refurbish the Civic Centre ground floor would improve the service provision in the Registrars Service for improved weddings space and facilities, funerals and birth registrations. The current Registrars area is proposed to be converted

into a Children's Service delivery area and a combined reception for the third floor, opening up additional options for the Civic Centre. Undertaking all four schemes in the same time line will reduce the staff and service disruption, and reduce external consultant costs as roles would be shared across all schemes.

6. Respond

The contracts will be awarded and confirmed as the procurement process for each tender comes to a close. All work contracts will be subject to monitoring through a range of key performance indicators and updates on progress will be provided through CMT.

7. Review

There will be monthly scheduled contract review meetings for each scheme, a combined quarterly review will also be undertaken. External project management and quantity surveying roles will be used to ensure a smooth and carefully recorded process is managed.

Background papers

None

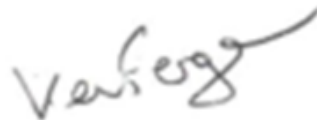
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22 March 2023



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Portfolio holder

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