

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET - TUESDAY, 4 FEBRUARY 2020



Title of Report	CORPORATE ACCOMMODATION UPDATE	
Presented by	Councillor Roger Bayliss, Portfolio Holder for Housing and Customer Services	
Background Papers	N/A	Public Report: Yes
		Key Decision: No
Financial Implications	As detailed in the report	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	As detailed in the report	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	None	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	<p>To advise members on the condition of the Council's office accommodation at Whitwick road following a detailed condition survey.</p> <p>To outline the scale of work required and associated costs.</p> <p>To outline potential alternative options for members to consider.</p>	
Reason for Decision	The Council has had a full condition survey completed which details several £m of work required.	
Recommendations	<p>1) THAT CABINET MEMBERS NOTE THE CONTENT OF THIS REPORT.</p> <p>2) THAT CABINET MEMBERS COMMISSION AN INFORMAL PROPORTIONAL CROSS PARTY WORKING GROUP, CHAIRED BY THE PORTFOLIO HOLDER FOR HOUSING AND CUSTOMER SERVICES AND SUPPORTED BY THE STRATEGIC DIRECTOR OF PLACE AND OFFICERS OF HIS DELEGATION.</p>	

	THE INITIAL OBJECTIVE OF THE WORKING GROUP WILL BE TO EXPLORE THE OPTIONS AROUND CORPORATE ACCOMMODATION AND TO PROVIDE A RECOMMENDATION BACK TO CABINET.
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1.0 INTRODUCTION

- 1.1 The Council's corporate accommodation on Whitwick Road has not benefited from substantial refurbishment for a significant period of time. In many cases it features original finishes.
- 1.2 Many components of the building are evidently at the end of their useful life; windows and glazing, walkways, interior decoration, roof coverings etc.
- 1.3 The building was constructed to a design of the time, offering compartmental office accommodation and dedicated circulatory space, which does not compliment modern ways of collaborative working.
- 1.4 In 2019 the Council declared a climate emergency, making a commitment to become carbon neutral. The Council's accommodation in its present state is not energy efficient, with uninsulated cavities, single glazing and traditional sources of space heating and power.
- 1.5 A full condition survey has been completed which outlines the scale and estimated cost of remedial and preventative maintenance required, to keep the building operational in its current state.
- 1.6 The value of this work, particularly considered against the climate emergency and modern ways of working aspirations, is significant. On this basis Officers of the Council have explored the availability of alternative options.

2.0 STRATEGIC LINKS

- 2.1 The Council's future accommodation plans or decisions around this theme, link or potentially link with the following strategic aims or policies:
 - 2.1.1 Council Priorities:
 - 2.1.1.1 Supporting Coalville to be a more vibrant, family-friendly town.
 - 2.1.1.2 Developing a clean and green district.
 - 2.1.1.3 Our communities are safe healthy and connected.
 - 2.1.2 One Public Estate.
 - 2.1.3 Asset Management Strategy.
 - 2.1.4 Customer Experience Strategy.
 - 2.1.5 Climate Emergency – Net zero commitment.
 - 2.1.6 Medium Term Financial Strategy.

3.0 CONDITION SURVEY

3.1 A full condition survey has been completed by an external contractor. It covers:

Stenson House
The 1980's building (Main building)
The 1990's extension (Bowls club end)

3.2 The contractor was asked to profile this work over a 10-year and 25-year lifecycle, based on the present position, component lifespans and typical planned preventative maintenance cycles.

3.3 The external contractors appointed are professionally qualified (BSc/ MSc) and benefit from proper accreditation (i.e. MRICS), certification and indemnity, giving a good level of confidence in the values presented. Though it is of note that the survey was completed on a non-invasive basis.

3.4 The costings have been calculated from enquiries with specialist contractors and suppliers and from the use of BCIS and Spon's (recognised industry standards for pricing of works). They do not make allowances for main contractor's overheads and profits, prelims, specialist access, contingency sums, statutory fees, professional fees and VAT.

3.4.1 It is of note that the cost of works when tendered can vary considerably depending on individual contractors and the phasing and nature of the works tendered.

3.4.2 Urgent and essential works are profiled in the near future, to prevent any further deterioration, increased future expense or impact on business continuity.

3.5 This condition survey prescribes renewal works, only where economical maintenance is not viable. It offers only superficial systematic improvements to the building or energy efficiency, limited to the benefits associated with newer materials or mechanical and engineering components. Preventative maintenance has been programmed in line with industry standards. Renewal is on a like for like or equivalent alternative basis.

3.6 The scale of work is large due to historical pauses in planned preventative maintenance and the extension of serviceable life of key components, generating a backlog of work. In part this is due to previous ambitions around alternative uses and schemes relating to corporate accommodation.

3.7 High value works include areas such as ; wholesale external glazing renewal, roof repairs, aerial walkway renewal and various mechanical / engineering components.

3.8 The condition survey profiles the work at:

Year	1980 and 1990 Building	1930's building	Total
Year 1	£864,369.00	£6,250.00	£870,619.00
Year 2	£423,652.00	£118,121.00	£541,773.00
Year 3	£486,860.00	£44,001.50	£530,861.50

Year 4	£664,882.00	£3,466.50	£668,348.50
Year 5	£825,099.00	£16,390.00	£841,489.00
Year 6-10	£155,500.00	£173,937.00	£329,437.00
Year 11-15	£10,500.00	£10,303.00	£20,803.00
Year 16-20	£10,500.00	£51,927.50	£62,427.50
Year 21-25	£3,125,871.00	£84,878.00	£3,210,749.00

25 years	£6,567,233.00	£509,274.50	£7,076,507.50
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3.9 Furthermore, a sub-consultant has been engaged, to profile any associated mechanical and engineering works:

Year	Total
Year 1	£177,900.00
Year 2	£31,950.00
Year 3	£26,950.00
Year 4	£21,950.00
Year 5	£12,900.00
Year 6-10	£107,855.00

10 years	£379,505.00
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3.10 These works have been limited to a 10 year forecast due to the close links with environmental plans and the level of uncertainty around future statutory standards.

3.11 The compiled total as below:

Year	Combined Total
1-10	£4,162,033.00
0-25	£7,456,012.50*

*Mechanical and engineering costs years 10-25 not included.

3.12 As the status quo option this work is in part reflected in future capital programmes and is the minimum investment that the building requires to remain serviceable.

4.0 SUSTAINABILITY / CARBON NEUTRAL

4.1 The Council has obtained initial advice from industry experts around the opportunity to offer net carbon zero office accommodation.

4.2 The view is that the existing accommodation can benefit from significant retrospective efficiency and renewable investment. This will lead to significant improvement but is

unlikely to ever become carbon neutral due to the inherent limitations of the building design.

- 4.3 Carbon neutrality is most typically achieved in the design and construction of new buildings, utilising modern materials, practices and design methodologies.

5.0 ALTERNATIVE OPTIONS / OPPORTUNITIES

- 5.1 The Council has had initial engagement with design, architectural and quantity surveying professionals around alternative options.

- 5.2 The brief in principle has been linked to the Council's:

Ambitions to work in a more modern manner.
The condition of the current accommodation.
Commitment to become carbon neutral.
Need to be economically prudent with the public purse.

- 5.3 On this basis the following alternatives have been presented as potential options for further exploration:

5.4 Wholesale refurbishment

- 5.4.1 The building could be fully refurbished, providing the following key benefits:

Removal of internal walls, generating open plan accommodation
Renewal and consolidation of customer space
Increased building occupancy / efficiency
Renewed Council chamber
Complete renewal and refurbishment of all internal finishes
Renewal of external finishes and building components.
Increased energy efficiency.
Best use of the existing office accommodation.

- 5.4.2 This could be phased to maintain building occupancy and business continuity.

- 5.4.3 The estimated value of this work is £7,300,000.

- 5.4.4 There would also be an element of the planned / preventative maintenance costs from section 3 over the 10/25-year life.

5.5 New build

- 5.5.1 A new building could be commissioned, providing the following key benefits:

Reduced foot print, through space efficiency.
Carbon neutral by design.
BREAM standard excellent design.
WELL rated.
Modern, open design which links closely with modern ways of working.
Turn key solution, reducing operational impact.
Reduce cost of operation and maintenance.

Attractive space for partners.
Quality building in Coalville Centre – could link to wider regeneration plans.
Relinquished former site for demolition and redevelopment
Refurbishment of Stenson House.

- 5.5.2 The estimated value of this work is £7,800,000. This is based on a number of high level assumptions around requirements and occupancy and is indicative only.
- 5.5.3 This value is inclusive on demolition of the 1990's and 1980's buildings (£0.25m).
- 5.5.4 This value is inclusive of the refurbishment of Stenson House (£0.75m).
- 5.5.5 There would be a reduced maintenance profile over the 10/25-year range.
- 5.5.6 All options are cursory only, and require full and complete feasibility work, before a formal decision could be presented.

6.0 OTHER CONSIDERATIONS

- 6.1 There are other forces, factors or opportunities of consideration in this decision situation.
- 6.2 At this point they are for note only but will require full articulation and investigation as the programme progresses.
- 6.3 Agile working
 - 6.3.1 Ways of working are changing at an ever-increasing pace.
 - 6.3.2 As a workforce we are becoming more agile naturally, with remote working and alternative working patterns becoming more prevalent.
 - 6.3.3 This is reflective of the wider labour markets, with home and agile working becoming normality for many.
 - 6.3.4 Equally technology is enabling this to be achieved more readily, at little additional cost.
 - 6.3.5 Noting these systemic changes, it is likely that naturally the requirement for office accommodation will diminish, with desk / officer ratios shrinking from 1:1 to 10:7 relatively easily.
 - 6.3.6 Furthermore, the organisation is considering its strategy around this and conceivably, with deliberate intention, this could be extended further to 10:5 ratios.
 - 6.3.7 This clearly has significant impact on the size of accommodation needed and has a bearing on future potential costs.
- 6.4 Community hub
 - 6.4.1 There is a significant public service presence in Coalville. Initial conversations have suggested that there may be interest in co-location, particularly in a new build.

6.4.2 This is in keeping with the One Public Estate agenda.

6.4.3 Potential partners may include:

Police
DWP
NHS / Health / Primary Care
Leicestershire County Council
Citizens Advice
Money Advice
Registrars
Social enterprises... community café's etc.

6.4.4 Any future work should begin to explore these opportunities in detail.

6.5 Alternative uses of existing site

6.5.1 Any move away from the existing London Road / Whitwick Road site may release the land and carparks for redevelopment.

6.5.2 It is of note, that the site, adjacent to existing domestic dwellings, is potentially suitable for Housing.

7.0 **WORK ONGOING**

7.1 Essential reactive and preventative maintenance work will continue on the existing accommodation.

7.2 Large capital works may be delayed until a direction is confirmed but this will need to be balanced with the need to safeguard health and safety / operational continuity.

7.3 Further work will be completed around the current utilisation and occupation of the building, in particular the current desk/staff/occupancy ratios and meeting room utilisations.

8.0 **NEXT STEPS**

8.1 The future of the Council's office accommodation is clearly a significant decision which effects a range of stakeholders, and most notably the Council's customers.

8.2 This report also outlines that there a number of potentially viable options around the way forward.

8.3 To account for all views the Council's Cabinet should commission a cross party working group, supported by key Council officers, and chaired by the Portfolio Holder for Housing and Customer Services.

8.4 This is with a view for the group to then feedback to Cabinet a summary of their observations and recommendations for a decision around the future accommodation direction.

Policies and other considerations, as appropriate	
Council Priorities:	Insert relevant Council Priorities: <ul style="list-style-type: none"> - Supporting Coalville to be a more vibrant, family-friendly town - Developing a clean and green district - Our communities are safe, healthy and connected
Policy Considerations:	As detailed in the report.
Safeguarding:	None at this time.
Equalities/Diversity:	None at this time.
Customer Impact:	Not known at this time
Economic and Social Impact:	As detailed in the report.
Environment and Climate Change:	As detailed in the report.
Consultation/Community Engagement:	As detailed in the report.
Risks:	Not known.
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