

**Report to the Deputy Leader of the County Council**  
**Report submitted by: Head of Service Facilities Management**  
**Date 9 March 2017**

**Part I**

Electoral Division affected:  
Preston City

## **County Hall Complex**

Contact for further information:  
Clare Joynson, (01772) 533403, Head of Facilities Management,  
clare.joynson@lancashire.gov.uk

### **Executive Summary**

This report:

- outlines several elements of works classified as in need of immediate attention due to a high risk of failure, or as a regulatory requirement of the redevelopment works currently underway to the County Hall Old Building as part of the ongoing redevelopment of the County Hall Complex; and
- how these works will be funded.

This is deemed to be a Key Decision and the provisions of Standing Order 25 have been complied with.

### **Recommendation**

The Deputy Leader of the Council is recommended to approve:

- (i) The investment of £1.586m in order to fund several elements of works classified as in need of immediate attention due to a high risk of failure, or as a regulatory requirement of the redevelopment works currently underway to the County Hall Old Building as part of the ongoing redevelopment of the County Hall Complex; and:
- (ii) The use of three funding sources as set out in the table in section 2 of the report to fund this investment.

### **Background and Advice**

Over the past four years, two key refurbishment/remodelling projects of work have been undertaken across the county hall complex of buildings as part of the Preston property review. The projects enable the closure of 9 properties.

The first phase of construction and refurbishment work was undertaken in Christ Church Precinct and Lancashire Point. The level of investment in County Hall Old Building (CHOB) was not as significant at that time, as the future utilisation of the building was expected to reduce as the organisation reduced in staffing numbers.

Phase one of the CHOB project was partially completed early in 2015, however it was temporarily paused in order to review the outstanding works in the context of the corporate property strategy and the wider organisational transformation. Part of the process in developing the property strategy proposals involved an assessment to identify the suitability and condition of the retained portfolio.

The remainder of the refurbishment works in CHOB was incorporated into a budget option proposal (BOP050 – closure of Woodlands, Alston Hall and Leyland Learning Centre), which sought to secure additional capital investment for CHOB. The increased investment proposal would enable greater utilisation of the space and enable the closure of these three facilities. The budget option proposal was subsequently approved, which committed £3.6m of capital to deliver the scheme.

It is important to note that at the time of preparing the budget option proposal, there was limited information known on any other essential or urgent repair and maintenance works required at CHOB.

As a consequence of the commitment to invest further capital into CHOB, the Design and Construction (D&C) service initiated a condition survey to ensure the sustainability of the building in line with the level of capital investment and future occupancy plans. The D&C service were concerned that the condition survey for CHOB was out of date and did not reflect up to date information to inform the current condition or future planned maintenance items that may be required.

As part of the feasibility stage, building control and the County Council's fire consultant highlighted the requirement for an additional emergency stairwell due to the change of use/occupancy figures to ensure compliance. The estimated budget for the stairwell was £0.155m and it was discussed by officers that this could be met from the revenue repair and maintenance budget and would not form part of the financial business case for BOP50. However, this allocation was not made from the revenue, repair and maintenance budget which was used to fund other repair and maintenance requirements.

The rationale for the costs being met from the repair and maintenance revenue budget was due to the fact that there had been long standing fire safety issues on D floor in CHOB, i.e. the means of evacuation meant that occupiers had to travel upwards through the building before being able to safely evacuate downwards via another stairwell. The change of use and level of occupancy exacerbated this situation further. The building control officer raised an issue regarding the numbers in occupation on the committee floor and it was highlighted that the rear Chamber evacuation stairwell was inadequate for the numbers that would in future be evacuating through that elevation of county hall.

The condition survey was completed early in April 2016 and the information available enabled the D & C service to develop a 5-year planned programme of essential maintenance in order to ensure the sustainability of the building and develop a

planned, rather than reactive, approach to maintenance, which had been in practice for some considerable years, with condition surveys not being maintained.

Due to the practice of reactive maintenance, rather than planned, the D&C service also undertook to ascertain the level of investment in repairs and maintenance works at County Hall over the past ten years; the findings of which illustrated that since 2005 as little as £0.800m has been expended on planned and reactive major maintenance. For a building of this size, complexity and age, the limited level of repairs and maintenance investment over the previous ten-year period does explain the number of urgent and essential elements now presented in the current condition survey.

The outcome of the condition survey highlighted significant essential works to both the fabric and infrastructure of the building. This includes some urgent works required to be undertaken in Year 1 (2016/17) of the 5-year plan that are classified as in need of immediate attention due to a high risk of failure, or as a regulatory requirement of the redevelopment works underway.

The cost of all works categorised as 'essential' or 'urgent and essential' is estimated in the region of £4m over a period of 5 years. Of this sum, the urgent essential works to be completed in Year 1 are estimated to be a cost of £1.586m including internal design and construction costs together of £0.150m. The various work items (excluding the internal design and construction costs) can be summarised as follows:

- **Stairwell:** The increased usage of County Hall means that a new fire risk assessment was required. The Arthur Street elevation has previously been identified as an area of weakness given that, in the event of a fire, staff on D floor need to exit the building by walking up to E floor before they can descend to the ground floor. In addition the stairwell to the rear of the Council Chamber is not adequate in terms of size or the access to reach the stairwell, which has been carefully managed in the past by monitoring levels of occupancy. However the future occupancy levels in County Hall meant that to comply with fire regulations, a new stairwell would be needed. This has been planned for at an initial cost of £0.155m. Without a new stairwell, the Council will not be able to increase the occupancy of the building. As the preparatory work started, it was established that additional foundation requirements, drainage and electrical service diversions and ventilation to internal areas of the building that will become land locked due to the location of the stairwell would be required. Additionally it was necessary to review the choice of building materials to ensure speed of construction, minimizing disturbance. The additional costs associated with this were not originally anticipated and have been found to be essential following the preparatory and investigatory surveys undertaken. The overall cost has therefore increased to £0.360m.

- Pitt Street Lift/Reflections Lift:** The Pitt Street lift is at 'end of life' and needs replacing. The Reflections lift needs minor upgrade works to car and controls. These lifts are essential in ensuring disabled access to the committee floors and to support easy access to the new conferencing and training facility on 'E' floor when it opens in June 2017. It will also address some disability access to 'A' floor as there will be level access from the rear doors in Pitt Street lift. The Reflections lift is likely to be used more due to higher staff occupation on the Arthur Street elevation and will also be used extensively to transport food to the committee floor and the new conferencing facility so therefore may not be sufficient to meet business needs in the event of Pitt Street lift failure The cost of this work is £0.220m.
- Condition Survey** A full condition survey for County Hall Old Building was commissioned as it was established that the works to the building had been of a reactive nature rather than a planned approach to maintenance. It was felt that a position on the building would be beneficial in ensuring that a more accurate position on the potential call on the revenue R&M budget in future years could be established and planned for. This work was completed in April 2016 and from this, urgent works relating to asbestos, roof, emergency lighting, fire alarm and electrical wiring was identified. The total cost of this work is £0.856m.

Details	Measure	Comments
Asbestos Related Works	1	Critical: asbestos removal, also impact on other works and programme. Extent of works unknown at outset.
Emergency Lighting and Fire Detection Corridors and stairwells only	1	Critical: due to fire strategy following new fire risk assessment undertaken as a requirement of significant change of use in building Fire Regulatory Order 2005. Extent of works unknown at outset.

Details	Measure	Comments
Replace electrical circuit distribution boards with metering facility, and undertake enabling infrastructure works.	2	The existing distribution boards are beyond their expected life and are not repairable. Critical internal and external infrastructure works are required within the timeframe of CHOB Phase 2, as it involves intrusive excavation works to the inner courtyard to prepare underground containment and to offices/corridors to undertake installation. The level of disruption for staff and tenants will be considerable if the work is not undertaken as part of current project, and would require relocation of staff. The electrical engineering programme of replacement had not been incorporated into planned R&M works.
Investigatory in-depth surveys to ascertain full scope of works required to external building envelope. Whilst undertaking surveys, utilising resources to carry out critical guttering repairs.	2	Works essential following initial condition survey which identified issues with chimney stocks, flat roof, slate roof repairs, which may be required in near future as part of planned programme of maintenance. Added value in attending to critical guttering works as part of existing contact, as saves the cost of re-hire of high level access equipment.
Decommissioning of heating and cooling system F Floor and relocation of plant.	1	Due to redesign of F floor plant to accommodate comfort cooling for all meeting rooms on Pitt Street elevation and new E floor conferencing facility. Works unknown at outset, as originally planned for inner courtyard, however since fire strategy and building control requires an additional emergency stairwell to support change of use and occupancy levels, a new location for plant was required, hence the costs associated with F floor adaptation works.
Energy efficiency measures and environmental improvements to working conditions in line with H&S	1	Required in order to comply with Health and Safety due to excessive heat gain/solar gain in a number of offices, which make the working conditions intolerable for staff due to poor ventilation and opening windows causing atmospheric and noise pollution, thus exacerbating discomfort levels. The works will have an energy efficiency benefit in winter months as it will protect from heat loss and support a more controlled working environment.

Measure 1: Works that were unknown at the outset and are now identified as critical and/or essential to ensure the county council meets its statutory obligations.

Measure 2: Works that will provide a more sustainable building and/or are essential to be undertaken to mitigate risks associated with business continuity.

A detailed review of the current CHOB programme was undertaken to identify how much of this additional urgent maintenance work could be incorporated into the existing programme and remain within the current timeline for completion of end March 2017. The review indicated that the majority of the repairs and maintenance works could be completed by end March 2017 and these works were commissioned. The Council has been able to undertake a large proportion of the work concurrently within the existing programme, with minimal additional prelim costs to complete the repairs and maintenance works. This has supported the delivery of BOP050; avoided having to commission the urgent and essential works through a different contract following the completion of the current CHOB programme; and avoided considerable further disruption to council business through an extended programme of intrusive works. It is estimated that all works will be completed by mid-May 2017.

## 1. Funding

Below is a table summarising the costs and proposing how these Year 1 2016/17 CHOB R and M works will be funded:

	£m	£m
Stairwell	0.360	
Pitt Street and Reflections lifts	0.220	
Urgent works as a result of condition survey-asbestos, roof, emergency lighting, fire alarms, electrical wiring	0.856	
Internal design and construction costs	0.150	
Total forecast estimated outturn inclusive of fees (note 1)	1.586	
<b>Funding Sources</b>		
Addition to the Corporate Block included within the addition of £1.428m identified in the 19 <sup>th</sup> January 2017 Money Matters Report		0.613
Contribution from the Corporate Block Capital Rand M Budget 16/17		0.933
Contribution from Green energy fund		0.040
Total funding sources		1.586

## 2. Summary

Following a detailed analysis and review of the condition survey, the different elements have been categorised as either 'essential' or 'urgent and essential'. The survey findings have been scheduled into a 5-year programme of planned preventative maintenance.

The review has confirmed that the 5-year plan is the most appropriate approach, taking account of the intrusive nature of works, and the impact on council business. The planned programme has also been aligned to works that have inter-

dependencies with other planned works, to deliver the most cost efficient programme. This is particularly relevant in Year 1, and it should be noted that cost estimates would be subject to inflation year on year for the remainder of the programme plan.

The urgent and essential maintenance works are being undertaken and managed concurrently by the contractors already on site, within the proposed programme timeframe, in order to avoid any risks to the overall programme and negate future avoidable preliminary costs.

### **Consultations**

N/A

### **Implications**

This item has the following implications, as indicated:

### **Risk management**

The risks to the County Council in not following the recommendation set out in this report would create a health and safety risk for the occupiers and users of the County Hall Old Building by not undertaking works classified as in need of immediate attention due to a high risk of failure, or as a regulatory requirement of the redevelopment works underway.

### **Financial**

The financial implications of this report are as set out in the costs and funding table in section 2 above.

### **List of Background Papers**

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A