

# Norfolk County Council

## Record of Individual Cabinet Member Decision

<b>Responsible Cabinet Member: Councillor Greg Peck</b> <b>Cabinet Member for Commercial Services and Asset Management</b>	
<b>Background and Purpose:</b> <p>This cladding to the South Wing is time expired with failure of some areas having already occurred and sections have been removed where there is an immediate risk of failure and the elevations protected by fencing. It is anticipated the remainder of the cladding will fail posing significant risk of damage and disruption and the very real risk of personal injury and is therefore in the process of being removed. The removal of the cladding has left exposed the concrete frame and sub structure of the building. This report outlines an approach to deal with this issue in a timely manner that will also contribute to maintaining the health, safety and welfare of staff working at and visitors to the County Hall site. The decision will involve substantially extending the value of an existing works contract and therefore it was considered appropriate to involve the Cabinet Member for Commercial Services and Asset Management in the decision.</p>	
<b>Decisions:</b> <b>To agree to the extension of the contract with Mace Interiors Group Ltd to undertake works to replace the cladding to the South Wing of County Hall.</b>	
Is it a key decision?	Yes
Is it subject to call in?	Yes
If Yes – Deadline for Call in	Date: 4pm, Tuesday 27 April 2021
<b>Impact of the Decision:</b> <p>The South Wing cladding works will be undertaken by a known competent contractor, there will clear responsibility for the design and installation and the works will be completed far sooner thereby reducing the disruption to the County Hall site.</p>	
<b>Evidence and reason for the decision:</b> <p>As set out in the attached report.</p>	
<b>Alternative options considered and rejected:</b> <p>As set out in the attached report.</p>	
<b>Financial, Resource or other implications considered:</b> <p>As set out in the attached report.</p>	
<b>Record of any conflict of interest:</b>  	

<b>Background Document</b> <ul style="list-style-type: none"> <li>County Hall Refurbishment Works report, Cabinet Member Decision 23 February 2021.</li> </ul>	
<b>Date of Decision:</b>	<b>13 April 2021</b>
<b>Publication date of decision:</b>	<b>20 April 2021</b>
<b>Signed by Cabinet member:</b>  I confirm that I have made the decision set out above, for the reasons also set out  <b>Signed:</b> <b>Cllr Greg Peck</b>  <b>Print name:</b> <b>Greg Peck</b>  <b>Date:</b> <b>13 April 2021</b>	
<b>Accompanying Documents:</b> <ul style="list-style-type: none"> <li>County Hall – South Wing cladding replacement</li> </ul>	

Once you have completed your internal department clearance process and obtained agreement of the Cabinet Member, send your completed decision notice together with the report and green form to [committees@norfolk.gov.uk](mailto:committees@norfolk.gov.uk)

\\norfolk.gov.uk\nccdfs1\CorporateProperty\CPT ADMIN & MANAGEMENT\Meetings & Groups\Committees\CABINET Member delegation\2021-22\County Hall South Wing Cladding\21.04.06 Individual Cabinet Member Decision notice C Hall South wing etc(rfiwb) FINAL 1.0.docx

# Individual Cabinet Member Decision Report

Item No:

<b>Decision making report title:</b>	<b>County Hall – South Wing cladding replacement</b>
<b>Date of meeting:</b>	<b>Not applicable</b>
<b>Responsible Cabinet Member:</b>	<b>Councillor Greg Peck Cabinet Member for Commercial Services and Asset Management.</b>
<b>Responsible Director:</b>	<b>Simon George Executive Director for Finance and Commercial Services.</b>
<b>Is this a key decision?</b>	<b>Yes</b>
<b>If this is a key decision, date added to the Forward Plan of Key Decisions.</b>	<b>9 March 2021</b>

## **Introduction from Cabinet Member**

The cladding on the South Wing has failed after approximately 50 years exposure to the elements. There have been instances where materials has fallen away from the building and the time has now arrived to replace it. This report outlines an approach to deal with this issue in a timely manner.

## **Executive Summary**

It has been a key priority of the County Council to repair and refurbish the County Hall building to provide safe and secure accommodation for staff and visitors. To this end, following a procurement process, Mace Interiors Group Ltd (MACE) were awarded the contract to undertake the County Hall Refurbishment Phase 2 project. They are a competent contractor who are working diligently to repair and refurbish the North Wing and other parts of County Hall. MACE have proved themselves to undertake complex works on the site having commenced replacement of the cladding on the North Wing. It is therefore proposed to extend their contract to address the cladding issue to the south Wing. The work to be fully funded from the Capital programme that was approved by Full Council on 22 February 2021.

## **Recommendation:**

**The Cabinet Member for Commercial Services and Asset Management is asked to agree to the extension of the contract with Mace Interiors Group Ltd to undertake works to replace the cladding to the South Wing of County Hall.**

## **1. Background and Purpose**

1.1. County Hall was constructed in the mid 1960's and was opened in 1968. In

July 2012 the County Council made a key decision to retain County Hall as its headquarters building and to undertake a comprehensive programme of repairs and refurbishment to provides a modern fit for purpose office suite for a minimum of 25 years.

- 1.2. The initial repair and refurbishment programme concentrated on the main tower and allied areas and was completed in 2016.
- 1.3. A separate programme (Norfolk County Hall Refurbishment Phase 2) has commenced to refurbish the North Wing and remaining parts of the lower ground and basement not completed in the initial phase. Following a competitive procurement process Mace Interiors Group Ltd were appointed as Main Design and Construction Contractor. The contract was signed and recorded on the Councils contracts register as part of business as usual.
- 1.4. The phase 2 programme commenced works on site on 19 May 2020 and the contractual completion date of the final part of the works is 24 August 2021, however, the Covid 19 Pandemic has had and continues to influence progress. A revised final completion date will be agreed in accordance with the contract provisions that deals with this risk.
- 1.5. On 23 February 2021 the Cabinet Member for Commercial Services and Asset Management made the decision to extend this contract to:
  - Replace the North Wing cladding following the discovery that the poor structural integrity of this element was highly likely to result in catastrophic failure causing consequential damage and disruption and the very real risk of personal injury.
  - Undertake additional works to structural elements forming the North Wing meeting room area in County Hall.

## **2. Issues and Proposals**

- 2.1. The Corporate Property Team have investigated the cladding on the South Wing of County Hall and with the aid of MACE have opened-up the structure. This cladding is time expired with failure of some areas having already occurred and sections have been removed where there is an immediate risk of failure and the elevations protected by fencing. It is anticipated the remainder of the cladding will fail posing significant risk of damage and disruption and the very real risk of personal injury and is therefore in the process of being removed. The removal of the cladding has left exposed the concrete frame and sub structure of the building.
- 2.2. It is proposed to further extend the contract with MACE to undertake the design and build works to replace the South Wing cladding. It is acknowledged that in the usual course of undertaking significant repairs to the County Hall building it is expected to expose the opportunity to the market via a comprehensive procurement exercise. However, there are several unique factors and opportunities that support the justification to extend and vary the existing contract with MACE and thereby controlling the risks presented by such a significant building structure failure and these are outlined below.

- 2.3. As part of the design solution for the cladding on the North Wing, significant effort was made to negotiate a design that satisfied the County Council's insurers (this is an effect of the Grenfell Fire and attitude to risk arising from building cladding design and installation). The design provided by MACE for the North Wing was agreed and there is a clear division and acceptance of responsibility for the design and installation of the approved products.
- 2.4. To procure a completely new design team and new contractor would likely involve a new design for a cladding system that would need to be assessed and approved by the County Council's insurers and will delay the commencement of installation works to at least Spring 2023 and in the meantime the existing concrete supporting structure is exposed. This long delay is further exacerbated by extended procurement times for designers and contractors, time allowed for design, approvals and site set up. Furthermore, MACE would need to complete their existing works and vacate the County Hall site as there is not room for two large site set ups without severely disrupting the normal operations on the site.
- 2.5. In terms of development control the existing designers for the North Wing worked closely with the Planning Authority to agree a suitable cladding solution. Therefore, there is merit in reusing the North Wing design for the South Wing as the Planning Authority team are familiar with the products specified and how applied.
- 2.6. If the County Council were to procure a new contractor and ask them to use the solution designed by MACE this would poses some difficulties. The MACE design is copyrighted to their designers. Whilst this could be satisfactorily dealt with through paying a fee the key question of liability for the design arises together with liability for installation. This mixture of liability of design and liability for installation was allegedly one of the contributory factors to the Grenfell disaster.
- 2.7. It was discovered during market engagement with building contractors at the commencement of the procurement for Refurbishment Phase 2 project that the County Hall building itself has a poor reputation for being prone to unexpected issues relating to the original design and workmanship when it was built in the 1960's. As a result, despite having over 40 expressions of interest from the market, only three bids were made for the phase 2 project. The County Council have been very fortunate in appointing MACE as they have met the challenge and have proven to be very competent and professional and everything they have undertaken is evidenced in a very thorough manner. MACE is now very familiar with the vagaries of the building and it would take considerable time and effort for a new contractor to reach the same standard.
- 2.8. There is anecdotal evidence that some contractors are experiencing significant difficulties with their supply chains because of the COVID 19 pandemic and there is likely to be level of uncertainty whether a new contractor could be procured. Just to consider labour supply only, MACE has approximately a third less labour on site than it should for the level of work required.

- 2.9. A bid of £4.4million was been made to the capital programme to replace the cladding (estimate includes construction costs and professional fees) and the County Council, on 22 February 2021, approved the 2021/22 capital programme.

### **3. Impact of the Proposal**

- 3.1. The South Wing cladding works will be undertaken by a known competent contractor, there will clear responsibility for the design and installation and the works will be completed far sooner thereby reducing the disruption to the County Hall site.

### **4. Evidence and Reasons for Decision**

- 4.1. Essential repair and refurbishment works will be delayed should the existing contract with MACE not be extended. It is likely that the procurement of a new contractor (and new design teams) would incur additional costs estimated to be a minimum of £1million and could be as high as £1.8million. The current contractor has already factored in the risks of working on the county Hall site, is familiar with the site and can exploit the existing site set up.

### **5. Alternative Options**

- 5.1. The alternative would to procure new contractors which is rejected as argued elsewhere in this report.

### **6. Financial Implications**

- 6.1. The South Wing cladding works are fully funded following a successful bid to the 2021/2022 capital programme that was approved by Full Council on 22 February 2021.

### **7. Resource Implications**

- 7.1. **Staff:** Nil

- 7.2. **Property:** As described elsewhere in this report.

- 7.3. **IT:** Nil

### **8. Other Implications**

#### **8.1. Legal Implications**

The extension of the existing contract to undertake the additional works is accounted for in the terms and conditions of the contract. The modifications to this contract will be subject to the Public Contracts Regulations 2015, regulation 72. Notices will be published in accordance with those Regulations in the Official Journal of the European Union.

- 8.2. **Human Rights implications.** Nil

#### **8.3. Equality Impact Assessment (EqIA).**

This was undertaken as part of the initial County Hall refurbishment project. As there has been no significant change this has not been repeated for the phase 2 project (and any extensions there to).

**8.4. Health and Safety implications.**

A key aim of undertaking the work described elsewhere in this report is to reduce the risk posed by the failure of the cladding to the South Wing. Also, this is an opportune time to undertake these noisy and intrusive works as the number of people working in County Hall is very much reduced during the current Covid 19 pandemic.

**8.5. Sustainability implications.**

A key aim of the refurbishment works programme is to improve the energy efficiency of the fabric of the building and the services therein thereby contributing to the council's carbon reduction commitment.

**9. Risk Implications/Assessment**

- 9.1. Delay in carrying out the additional works described elsewhere in this report poses significant risks of damage and disruption and a very real risk of personal injury. It is fortunate that there is already a competent contractor working on the site who is familiar with the construction of the building and has the resources ready to address the issues with the building fabric.

**10. Recommendations**

- 10.1. The Cabinet Member for Commercial Services and Asset Management is asked to agree to the extension of the contract with Mace Interiors Group Ltd to undertake works to replace the cladding to the South Wing of County Hall.

**11. Background Papers**

- 11.1. County Hall Refurbishment Works report, Cabinet Member Decision 23 February 2021.

**Officer Contact**

If you have any questions about matters contained in this paper, please get in touch with:

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