

## **BOURNE HALL WINDOWS PHASE 2**

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<b>Wards affected:</b>	(Ewell Village Ward);
<b>Appendices (attached):</b>	Appendix 1 – Bourne Hall Windows Phase 2 Detailed Proposal

### **Summary**

This report seeks approval of capital budget to fund phase 2 of replacement of windows at Bourne Hall. Approval is being sought ahead of the usual capital programme cycle, due to be brought to Council in February 2025, to enable the scheme to be coordinated with phase 1 of the windows replacement, being funded by UK Shared Prosperity Funding, so that cost savings may be realised through undertaking works concurrently.

### **Recommendation (s)**

#### **The Council is asked to:**

- (1) Approve a capital expenditure budget of £410,000 for phase 2 of the replacement of windows at Bourne Hall.**

## **1 Reason for Recommendation**

- 1.1 To approve the capital budget for phase 2 of the replacement of windows at Bourne Hall to enable economies of scale to be realised by aligning the works with phase 1 of the scheme, already approved as part of the UK Shared Prosperity Fund programme for 2024/25.

## **2 Background**

- 2.1 The Council received a capital allocation of UK Shared Prosperity Funding for 2024/25 of which £201,000 was allocated for a first phase of replacement windows at Bourne Hall.
- 2.2 The building has high running costs as it is extremely energy inefficient. Replacing existing windows with double glazed, solar resistant glass would contribute towards the Council's climate change action plan and reduce energy costs of the building.

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- 2.3 In December 2023 the Council approved plans to move out of the current Town Hall with Council meetings to be held at Bourne Hall. This has increased the importance of ensuring the ongoing efficiency and operational functionality of the building.
- 2.4 In order to realise the full benefits of replacing the windows, phase 2 needs to be undertaken. The Council's Senior Surveyor sought indicative quotes for the full window replacement in order to submit a proposal for consideration under the 2025/26 capital programme. Initial capital proposals were considered by Financial Strategy Advisory Group (FSAG) in September, where Members asked for clarification as to whether combining phases 1 and 2 would result in cost savings for the Council.
- 2.5 The Capital Programme for 2025/26 will be brought to Full Council in February 2025 for approval. This approval would come after the date by when the order needs to be placed for phase 1 of the windows, preventing the cost savings realisation.
- 2.6 At the November FSAG meeting, the Senior Surveyor confirmed that up to £50,000 could be saved by expediting the phase 2 scheme and undertaking these works alongside phase 1. FSAG Members recommended officers take a report to Full Council in December to enable the two phases to be combined and cost savings realised. The original proposal that went to FSAG in November is included as Appendix 1 to this report.

### **3 Procurement Exercise**

- 3.1 In August a specialist architects firm prepared a design for the replacement windows, and submitted a listed building consent application, which was approved in early October. A restricted tendering process was run alongside this with 7 companies invited to submit tenders. In November four tenders were received, ranging from £0.5m to £1.2m. These are currently being assessed against the quality and financial scoring criteria.
- 3.2 During initial investigations, it became clear that asbestos, situated within the window frames, would need to be removed during the window replacement. This will require a separate contract and a high-level estimate of the cost of removing the asbestos was received at £85,000. These works are currently out to open tender, and due to be returned by early December.
- 3.3 The assessment of the main works tenders is due to conclude by the end of November, but award of contract will be postponed until it is clear whether the second phase has been approved. The next steps will then be a procurement report followed by the drawing-up of a legal contract.

### **4 Risk Assessment**

Legal or other duties

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### 4.1 Equality Impact Assessment

4.1.1 None for the purposes of this report.

### 4.2 Crime & Disorder

4.2.1 None for the purposes of this report.

### 4.3 Safeguarding

4.3.1 None for the purposes of this report.

### 4.4 Dependencies

4.4.1 None for the purposes of this report.

### 4.5 Other

4.5.1 None for the purposes of this report.

## 5 Financial Implications

5.1 £201,000 of UKSPF funding has been allocated to phase 1 of the Bourne Hall window replacement scheme. Including an allowance for contingency and the asbestos removal, both phases require a capital budget of £611,000. To undertake both phases at the same time requires additional capital budget of £410,000 to be approved.

5.2 The phase 2 proposal considered by FSAG in November was for £390,000, as papers were produced before tenders had been returned, and the asbestos removal quote had been received. The total budget being requested has increased slightly, but should the contingency not be utilised, and the open tender exercise result in lower price for asbestos removal, then the full budget may not be required.

5.3 If only phase 1 of the windows replacement is to progress, the additional budget required in 2025/26 could increase by up to £50,000 as there would be additional costs involved in duplicating activity, such as scaffolding and project management costs.

5.4 The current gas bills at Bourne Hall cost £48,000 annually. A 20% saving on this cost would equate to £9,600 a year. Additional cost savings are expected from the future installation of energy efficient heating.

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- 5.5 The uncommitted balance of capital receipts is forecast to stand at £2.375m after financing the 2024/25 programme. At its meeting on 22 November, FSAG proposed schemes requiring corporate funding of £878,000, excluding the Bourne Hall windows, to be recommended to Policy Committees in January 2025 for consideration. The MTFS includes a budgeted contribution from revenue of £475,000 to fund the 2025/26 programme. This means that if all schemes recommended by FSAG are approved, they will require capital receipt funding of £403,000.
- 5.6 If Council approve the £410,000 capital budget for phase 2 of the Bourne Hall windows, this will reduce the balance of uncommitted capital receipts to £1.965m. Members have committed to retaining a balance of £1m in the capital receipts reserve, which means a balance of £0.965m remains to fund future capital schemes. This balance would reduce further to £0.562m after funding the potential 2025/26 capital programme requirement of £403,000 detailed in 5.5.
- 5.7 **Section 151 Officer's comments:** The financial implications are set out in the body of the report.

## 6 Legal Implications

- 6.1 **Legal Officer's comments:** None arising from the contents of this report.

## 7 Policies, Plans & Partnerships

- 7.1 **Council's Key Priorities:** The following Key Priorities are engaged:
- Green and Vibrant
- 7.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 7.3 **Climate & Environmental Impact of recommendations:** The scheme will support delivery of the Council's Climate Change Action Plan, aligning with the actions to identify & implement opportunities to reduce energy consumption from Council owned and operated buildings and reduce CO2 emissions caused by gas and other fossil fuel powered heating systems. It will also contribute towards achieving the Council's 2035 net zero target.
- 7.4 Bourne Hall is currently the second highest energy user and highest gas user of all Council operated buildings. It contributes to 14% of all the Council's operational carbon emissions. This scheme will support a more energy efficient building and reduction in the heating requirement, with an expected reduction of at least 15 tonnes of carbon emissions. In addition, it will support the future replacement of the heating system with a more energy efficient system which is expected to make a further significant contribution to reducing carbon emissions.
- 7.5 **Sustainability Policy & Community Safety Implications:** None for the purposes of this report.

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7.5.1 **Partnerships:** None for the purposes of this report.

**8 Background papers**

8.1 The documents referred to in compiling this report are as follows:

**Previous reports:**

- None.

**Other papers:**

- [Initial Capital Proposals 2025/26](#), Financial Strategy Advisory Group  
– 27 September 2024
- [Final Capital Proposals 2025/26](#), Financial Strategy Advisory Group  
– 22 November 2024