

19th October 2016

Ordinary Council

Town Hall Remodelling

Report of: *Greg Campbell, Project and Programme Manager*

Wards Affected: *All*

This report is: *Public*

1. Executive Summary

- 1.1 This report asks Members to consider the options within this report, supported by the business case attached at Appendix A, to determine whether to remodel the Town Hall to:
- form a service delivery Hub, including the transformation of front and back office Council service space and delivery;
 - develop commercial or residential lease accommodation on the second and third floor of the Town Hall building
- 1.2 Both business options are financially viable. However, they require an investment and are based on a long term financial plan. Both options will realise a saving against the current revenue expenditure of the Town Hall after the third year of delivery dependent on the decision taken.
- 1.3 Further, the Council will continue to work with groups to seek early adopters and revenue where appropriate.

2. Recommendations

- 2.1 Agree to Option 1A as set out in section 17.6 of the report and methods to relocate out of the Town Hall while construction work is undertaken
- 2.2 Delegate authority to the Chief Executive and Section 151 Officer in consultation with the Leader, Deputy Leader and the Leaders of the Opposition groups to make decisions at the appropriate procurement points.
- 2.3 Agree that reports are provided to Policy, Finance & Resources Committee to enable monitoring of the progress of the project and report as appropriate to Council of any major financial variances for the duration of the project.

3. Introduction

- 3.1 This document seeks the Council's approval of the business model for the future of the Town Hall. This will set the parameters and scope of the finances, which in turn will enable progression to the specification, procurement and implementation processes to begin. This report and the supporting business case at Appendix A sets out the two options.

4. Background Summary

- 4.1 Since 2010, the Council has reviewed a number of options for the redevelopment of the Town Hall. This has led to decisions by Council at committees, most recently at Ordinary Council in June 2016, to seek to:
- Create a service delivery hub
 - Reduce expenditure, and
 - Create revenue streams.
- 4.2 This will be achieved by significant remodelling of the Town Hall and making better use of space by reducing the Council service footprint, leading to reduced running costs, and by the creation of a Service Delivery Hub, which will create revenue streams and enhance the customer experience.
- 4.3 Those agreeing in principle to join the Hub so far are listed below:
- Job Centre Plus
 - Essex Police
 - Mind
 - ECC
 - Citizens Advice Brentwood
 - Council for Voluntary Services
- 4.4 Working together, Essex and Brentwood councils are committing to consider opportunities to expand the use of the Hub through the deployment of services to the Hub. This work is considering services both County led or locally led in order that Brentwood residents continue to benefit from the most efficient service
- 4.5 Although both organisations accept there is much to discuss, the main focus will be based upon:
- A willingness to work together
 - A need to add value and achieve value for the services
 - A desire to enhance the customer experience
- 4.6 Brentwood Council is presently working with the Police who are seeking relocation to the Town Hall lower ground space. It is anticipated that

contracts should be signed during the coming weeks and preparations for their relocation are being made.

4.7 The Ordinary Council meeting held in June 2016 agreed to progress the Hub and bring to this meeting a business case that would enable the project to move to the specification, procurement and implementation stage.

4.8 The scope of the project established by the approvals to proceed at committee can be identified as:

- Create a service delivery hub that will deliver financial, economic and service benefits to those organisations within the hub and our customers
- Improve the overall utilisation of the space within the Town Hall building
- Identify methods to be sustainable
- Reduce overheads to the Council
- Create revenue streams for the Council
- Develop, modernise and improve the methods of working by the Council

5. Strategic Fit

5.1 The creation of a Service Delivery Hub fits with a number of corporate objectives, as set out in Vision for Brentwood 2016-19:

- Review the Town Hall project to deliver a community hub, shared by others
- Consider how Council assets can be utilised to promote sustainable development in the Borough
- Maximise Council assets to deliver corporate objectives and ensure community benefit
- Review our asset management governance strategy
- Develop new ways of working for the Council, improving service delivery and reducing costs and unnecessary bureaucracy
- Explore alternative methods of service delivery, including shared services and outsourcing

6. Expected Outcomes

6.1 The project expects to deliver the following outcomes:

- Improved customer experience
- Increased take up of both Council and other services located within the Hub
- Reduced running costs
- Increased energy efficiencies and reduced carbon footprint

- Increased revenue
- Improved utilisation of office space
- Improved working environment for colleagues
- Provision of commercial space and / or residential accommodation

6.2 The expected tangible outcomes can therefore be described as:

- Development of a Hub
- Reduction in utility costs by at least 25%
- Increase in revenue to potentially £380k from the Hub
- Increase in revenue to potentially £239k residential occupation or £285k commercial occupation

6.3 The above is dependent on the option chosen.

7. The Options

7.1 To deliver the scope, two options have been developed. Both options deliver:

- Space for a Hub
- Space for Council Services
- The choice of either residential (option 1) or commercial space (option 2) to deliver a revenue stream.

7.2 Further, the Council needs to determine whether services completely relocate out of the building or partially relocate when construction commences

8. Town Hall Efficiencies, Utilisation and Current Costs

8.1 The Town Hall has had little investment in the past. All premises related running costs are considered to be high; in the region of a little over £310k (with the current usage of the Town Hall), excluding business rates. The recommended proposals in both options 1 and 2 within this report include changes to the infrastructure which will not only enable better control of facilities and reduced utility costs by at least 25% but improve the Council's carbon footprint and energy rating.

8.2 Infrastructure changes include replacement of the roof, windows, boilers and radiators which are already inefficient or past their life expectancy and would need replacing. As well as the installation of mechanical ventilation and comfort cooling/heating, the measure also includes new and refurbished lifts, replacement of lighting and remodelled reception area.

8.3 The space within the Town Hall is not used to its efficient best, with utilisation at present at 68%. Opening up the building, as in Option 1 and

2, will optimise utilisation of the space. Which in turn will have a positive effect on efficiency and the likely revenue.

- 8.4 Greater space creation will be achieved by alterations to the internal structure underpinned by steels to open up the core of the building throughout to create a sub structure which will make the use of space much more effective.

9. Environmental Consideration

- 9.1 As an organisation that supports green sustainable initiatives, the work proposed will include a package of works that deliver a reduction in the carbon footprint and therefore benefit the environment. These not only assist the environment now and in the future but help to reduce the overall running costs of the building.

- 9.2 Consideration of the best and most appropriate methods to reduce carbon emissions and improve the efficiency have been considered by all those involved in the design, structure and workings of the proposed remodelled Town Hall. The package of changes delivers the best reductions and improvements appropriate for this development.

- 9.3 The items which will be included in Options 1 & 2 are listed in Table 1.0:

| Area | Item | Comment / Impact |
|----------------|--|--|
| Infrastructure | Heating | Highly energy efficient system - for every 1kW of electricity used 3kW of heating or cooling is achieved |
| | Hot water provision | Boiler fumes drive a turbine which generates electricity which is either used on site or exported to the grid |
| | Roof replacement with increased insulation | Increased levels of insulation to new standards retains heating/cooling and thereby reduces heat emissions |
| | Lighting | High efficiency LED lighting reduces energy consumption |
| | Photovoltaics | 110m ² would generate approx. 15kW with estimated annual output of 12,500kWh (saving 145 tonnes of CO ² over 25 years - approx. worth £24.5k). |
| | Window replacement | Reduce heat emissions and introducing air flow system to reduce need for cooling and other types of ventilation |
| | Toilet accommodation | Reduced water consumption through smaller flush volumes to minimise |

| | | |
|--------|--|--|
| | | water wastage and reduce water bills. Energy efficient hand dryers |
| ICT | Increased use of Cloud-based servers reducing the use of servers on site | Reduces the space requirement at the Town Hall and the carbon footprint of the building and the requirement to have a Disaster Recovery Site at the Brentwood Centre |
| | Reduced number of PCs in the building | As there are fewer workspaces provided, there will be fewer static PCs |
| | Fewer Multi-Functional Devices | Reducing space occupied and creating one floor of back office will reduce the need for separate printers, scanners and copiers. These items will be fewer and concentrated to reduce emissions and heat generation throughout the building |
| | Paper-light working | Greater impetus for using technology to reduce paper usage, thereby reducing energy consumption and deforestation |
| Office | Remote Working | Fewer vehicle movements will reduce congestion and CO ² emissions. |
| | Cycle storage and showers | Installation of shower facilities and cycle storage to encourage cycling to work |

Table 1.0: Environmental considerations

- 9.4 These measures, along with the consequential improvements, will deliver a far more carbon friendly building. It is envisaged that the introduction of these improvements following standard building practices will significantly increase the Council's Environmental Impact Score.

10. Council Services

- 10.1 This project is not only about the remodelling of the Town Hall; it will also affect the way back office services will be provided. The space occupied by Council services will reduce from approximately 25,000sqft to 10,000sqft and from four floors to one. Desks will be replaced by multi-purpose workspaces, allowing different methods of use. The old style desks, of which there are approximately 180, will be replaced with 120 workspaces.
- 10.2 Future developments with other organisations and bodies will deliver joint working and partnerships which will see the workforce fluctuate. The

proposed opening up of the building creating flexible space and the modern way of working will facilitate the management of these variabilities.

10.3 The three main uses of the Town Hall which need to be retained and improved are:

- Public access for customer service
- The civic and democratic functions of the Council
- The administrative functions of the Council.

10.4 Office space will be open plan with meeting rooms and individual office cells for quiet working. There will only be four cellular offices for senior officers. A centralised print area and a kitchen facility would also be provided. A draft layout of this floor is included within the appendices of the attached business case Appendix A.

10.5 A reduction of such significant numbers will be achieved not only by a physical change but an equivalent cultural change, supported by projects to introduce 'New Ways of Working' and other service delivery projects such as the 'Customer Access Strategy'. These and other projects will enable the uptake of the agile space culture and working methods that are part of a modern organisation, enabling officers to work remotely and from home.

10.6 Those staff whose requirement is to be out in the field will be provided with the right equipment and provided with workspace at the Town Hall to utilise when necessary.

10.7 A pilot has commenced with Planning, Environmental Health and Licensing to refine the new ways of working methods which will feed into the ongoing development and delivery of this project

10.8 The civic space will be re-decorated and new flexible furniture will be installed to enable greater utilisation of the space. Political groups will no longer have individual meeting space but will be given priority when booking meeting rooms via the booking system. In the same way, individual members will be able to book space for appointments with residents when necessary. Further, a locker and secure space/cloak room facility will be provided for members.

11. The Hub - Lower Ground and Ground Floors

11.1 The Hub will comprise a combination of organisations co-locating in a modern accessible building on the Ground Floor, providing customers

who often have similar or related issues a place to resolve or interact. It will provide opportunities for joined up working and seamless referrals, working to modern methods using digital delivery to reduce inefficiencies and enhance the customer journey (where appropriate). It will also provide back office space for groups such as Council for Voluntary Service, Citizens Advice Brentwood and Mind.

- 11.2 Meeting space of different sizes will be provided which will enable privacy. The Service Delivery Hub will allow community interaction and enable further integration with other community groups if and when required.
- 11.3 The space in the Hub will include the Council's front of house services including delivery of:
 - Revenues and Benefits
 - Housing
 - Planning
 - Environment Health and Licensing
- 11.4 Work with those groups involved in the Hub continues and discussions are ongoing as the project develops into the detailed stage as to how operators within the Hub will assist each other.
- 11.5 An indicative outline of space requirements for the users of the Hub have been provided which in turn has enabled the creation of a draft layout plan which forms part of the attached business case appendices.

12. The Town Hall Building - Floors Two and Three

- 12.1 There are primarily two options for the second and third floor.
 - Option 1 considers the development of 19 residential units on the second and third floor which will be rented privately through the Council
 - Option 2 offers the space as commercial let property, creating 19,000sqft rented privately through the Council
- 12.2 Both options stimulate the economy of the town centre and surrounding area by providing employment, creating an economy by day or night and / or assist the Council to deliver against the emerging Local Development Plan (LDP).
- 12.3 **It should be noted** that if a commercial option is pursued, the Council will foremost need to engage with Chromex, a company it has previously been in discussions with on a commercial provision, to see if they will

consider renegotiating the original terms, as recommended by a DTZ report.

13. Overall Breakdown of Space

13.1 The approximate breakdown of useable space in sqft is set out in table 2.0:

| Floor | Organisations | Hub | Council | TBC | Expected Residency Date |
|--------------|--|------------|----------------|------------|--|
| Lower Ground | Police, Council | 4,300 | 2,200 | 0 | Early 2017 |
| Ground | Council, Mind, CVS, JCP, CAB, Other Major Contributor Registrars | 8,000 | 3,000 | 0 | Mind - August 2016 The remainder following redevelopment – April 2019 |
| First | Council including Civic Space | | 14,000 | 0 | Following redevelopment – April 2019 |
| Second | Commercial / Residential TBD | | | 13,500 | Following redevelopment - April 2019 |
| Third | Commercial / Residential TBD | | | 4,500 | Following redevelopment - April 2019 |

Table 2.0 Approximate Breakdown of Space to be Utilised

14. Parking

14.1 Any alterations to the building in its use and capacity will have an impact on the parking requirements.

14.2 The parking for residential or commercial, the Police and Council within this business case are adequate in terms of planning requirements. The existing provision on site meets the proposed demands. This is made possible as the requirement for Council staff parking will reduce from its present number. A revised staff parking policy will be required that considers needs and requirements of the Council. This will be developed and implemented prior to the remodelled Town Hall completion.

14.3 However, the number of visitors to the Town Hall will increase and consideration of visitor parking is required.

- 14.4 The Hub in itself will naturally increase the total number of visitors to the Town Hall. It is anticipated that organisations in the hub will double the number of visits to the building.
- 14.5 None of the organisations within the Hub currently provide visitor car parks, however it does not follow that customers do not drive to other nearby locations to attend their appointments.
- 14.6 Whilst the Town Hall is approximately 300 metres from the end of the High Street and there are bus links in both directions, it must be accepted that some customers will wish to drive to the Hub.
- 14.7 Work is ongoing to predict the present customer parking pinch points; however, it has been noted that weddings often take up a lot of parking when they occur. It is considered that an increase in visitor parking is warranted, which will mirror and be created next to the present visitor parking and increasing this by 100% (14 spaces) which considering the overall increase in likely visitors would seem appropriate.

15. Planning and Building Regulations

- 15.1 Planning permission for change of use from office to residential will be required, if Option 1 is pursued. The Planning Department advise that formal pre-application advice be sought to inform any planning application (if required). The principle of Options 1 and 2 for internal redevelopment of the existing Town Hall building is considered acceptable subject to broad issues identified above.
- 15.2 Initial discussions with Building Control have taken place and will continue through the lifecycle of the project. The proposals include improving efficiencies, reduce carbon emissions, sustainable techniques as well as an overall fire strategy.
- 15.3 Further discussions with Building Control officers will include all aspects of compliance with building regulations.

16. Relocation During Construction Works

- 16.1 During the construction works Council services provided from the Town Hall will need to relocate. There are two options:
- Option A: Relocate to other Council premises and privately rented accommodation during the construction lifecycle of the project
 - Option B: Relocate the majority of services to the South End of the Town Hall building and utilise Council premises and some private

rental accommodation, if needs be, during the construction lifecycle of the project

- 16.2 Both options would require the Civic meeting space to relocate out of the building for a period. Working with the contractors, the disturbance to this end of the building is hoped to be kept to a minimum. Alternative local options are being sought for Council meetings. Likewise, weddings and civil ceremonies which also take place within the civic space will have to cease for a short period from this location and alternatives will be sought. Again, working with the contractor, the disruption will be kept to a minimum.
- 16.3 If option A was agreed, the Council in the foremost would seek to utilise other council offices before private rental office accommodation. It would also, as a priority, seek to retain a front of house (face to face) reception near to the present site or the Town Centre.
- 16.4 Both options have advantages and disadvantages which are set out in table 3 below:

| Option | Advantages | Disadvantages |
|----------|---|---|
| A | Quicker project delivery Use relocation to implement New Ways of Working Revenue streams start earlier Police continue to lease lower ground with little disturbance from Council staff Reduced phasing | Accommodation of rental space costs increase including parking Reception and other groups leasing space within the building will need to relocate |
| B | Less money spent on private rented accommodation. Continuity of focal point of Town Hall for staff, members and the public remain | Revenue from commercial or residential will start later Project will take longer Cost to deliver project will increase Increased phasing Potential health and safety issues |

Table 3.0 Breakdown of Space

17. Financial Analysis of the Options

- 17.1 **Capital Costs** - The estimated capital cost of the options are outlined in Table 4.0.

| Option | Scheme | Capital Cost £'M |
|--------|--|---------------------|
| 1A | Residential and vacate the building | 9.8 |
| 1B | Residential and partially relocate out of the building | 10.15 |
| 2A | Commercial and vacate the building | 9.2 |
| 2B | Commercial and partially relocate out of the building | 9.55 |

Table 4.0 Estimated Capital Cost

17.2 These range from £9.2m to 10.2m, depending on which option is decided.

17.3 It should be noted that if the Council remained partially in the building during the construction (Options 1B & 2B), the works would take longer and in addition cost the Council a further £350k.

17.4 **Revenue Implications**

17.5 The tables below show the implications for the Council if any of the 4 options are adopted. The growth/(savings) shown for each year are a comparison against the current 2016/17 budget for the Town Hall.

17.6 Option 1A - Residential on upper floors and vacate the building

| | Budget 2016/17 | Forecast | | | | |
|--|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|
| | | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 | Full Year £'000 |
| Gross Expenditure | 589 | 726 | 856 | 929 | 973 | 973 |
| Gross Income | (13) | (31) | (208) | (571) | (636) | (636) |
| Net cash Flow | 576 | 695 | 648 | 358 | 337 | 337 |
| Growth/(Savings) against 2016/17 budget | | 118 | 71 | (219) | (239) | (239) |

Table 5.0: Option 1A – Residential on upper floors and vacate the building

17.7 Option 1B - Residential on upper floors and partially relocate out of the building

| | Budget 2016/17 | Forecast | | | | |
|--|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|
| | | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 | Full Year £'000 |
| Gross Expenditure | 589 | 726 | 858 | 941 | 987 | 987 |
| Gross Income | (13) | (31) | (208) | (377) | (636) | (636) |
| Net cash Flow | 576 | 695 | 650 | 564 | 351 | 351 |
| Growth/(Savings) against 2016/17 budget | | 118 | 73 | (13) | (225) | (225) |

Table 6.0: Option 1B – Residential on upper floors and partially relocate out of the building

17.8 Option 2A - Commercial on upper floors and vacate the building

| | Budget 2016/17 | Forecast | | | | |
|--|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|
| | | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 | Full Year £'000 |
| Gross Expenditure | 589 | 726 | 852 | 903 | 918 | 918 |
| Gross Income | (13) | (31) | (208) | (498) | (627) | (627) |
| Net cash Flow | 576 | 695 | 644 | 405 | 291 | 291 |
| Growth/(Savings) against 2016/17 budget | | 118 | 68 | (171) | (285) | (285) |

Table 7.0: Option 2A – Commercial on upper floors and vacate the building

17.9 Option 2B - Commercial on upper floors and partially relocate out of the building

| | Budget 2016/17 | Forecast | | | | |
|--|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|
| | | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 | Full Year £'000 |
| Gross Expenditure | 589 | 726 | 854 | 915 | 932 | 932 |
| Gross Income | (13) | (31) | (208) | (427) | (606) | (627) |
| Net cash Flow | 576 | 695 | 646 | 488 | 326 | 305 |
| Growth/(Savings) against 2016/17 budget | | 118 | 70 | (88) | (250) | (271) |

Table 6.0: Option 2B – Commercial on upper floors and partially relocate out of the building

17.10 The above options show that the Council will be in a position to make savings against the Town Hall's current budget from 2019/20 onwards.

17.11 In calculating the options, the following assumptions have been made:

- All costs/income have been calculated at 2016/17 price base.
- Borrowing costs have been assumed at 2.36%. For each 0.5 percentage increase/decrease in the borrowing costs the yearly variation will be plus/minus £50k.
- Gross expenditure includes the cost of borrowing from 2019/20.
- 20% contingency has been allowed for any slippage in the project.
- 3% contingency has been allowed for in the increase in the capital costs.
- All income has been presumed at current market rate.

17.12 During the construction stage, the Council will fund the capital element through 'internal' borrowing. However, as this will not be sustainable in the longer term, it is planned to replenish the internal borrowing by taking out external borrowing when it is appropriate. In this case, it is planned to do it in 2019/20.

17.13 It should be noted that if the Council relocated out of the Town Hall, while the capital works are in progress, the revenue efficiency saving from options 1A and 2A would be significantly higher in 2019/20 than if the Council opted to partially relocate out of the building.

17.14 The additional costs incurred while the project is being implemented in 2017/18 and 2018/19 will be funded from General Reserves. Officers are looking at ways of reducing these costs.

18. Risk Analysis

18.1 There are a number of risks to the project overall and the high level risks are set out in the risk matrix attached to the Business Case at Appendix A.

18.2 However, a major part of the success of the project is the leasing out and revenue achieved from the residential or commercial leases on floors two and three. This is therefore a major risk. Kemsley's, the property experts, suggest that the market for both residential and commercial are presently strong. However, the indications are that during times of economic downturn:

- the market for renting residential property is unlikely to be affected greatly. The present strong housing needs appears likely to continue.
- the market for commercial rented property is affected far more. Commercial property has historically laid unoccupied for longer periods than residential and frequently incentives are given when rented out i.e. rent free periods. Historically, during economic downturns properties have laid idle for at least 12 to 18 months.

18.3 It would appear that the risk is far greater to our income if the Council were to choose the commercial market. This would be especially so during periods of economic uncertainty.

19. Other Property Related Matters

- 19.1 The Council currently lets out parts of the building to other organisations through a formal lease or licence. These groups are:

| Organisation | Location |
|--|--------------------|
| Papworth Trust | Third Floor |
| Foodbank | Third Floor |
| Mind | Second Floor |
| Brentwood Council for Voluntary Services | Ground Floor |
| Registrars | Ground Floor |
| Talking Newspaper | Lower Ground Floor |

- 19.2 CVS, Mind, Talking Newspaper, Registrars and the Police will be part of the remodelled Town Hall building and, as such, every effort will be made to reduce impact. However, this cannot be guaranteed and therefore some groups, except the Police, may need to relocate temporarily.

- 19.3 Discussions with Papworth Trust and Foodbank, will need to be undertaken as they will be required to relocate out of the building.

20. Conclusion

- 20.1 Both options deliver against the scope, objectives and outcomes. They meet the Council's vision, provide a revenue stream and reduce our net spend on the Town Hall, thereby creating a legacy for future generations.
- 20.2 The residential options assist with the Council's delivery of housing quotas in the Local Development Plan (LDP) as well as creating a further community for the Town Centre, with associated economy.
- 20.3 Residential properties, it appears, would provide a sustainable revenue with likely reduced risk of void properties at any length. Residential is thought of to be less risky in that it appears it will be less likely to be affected by an economic downturn. Rent prices could be affected but certainly not to the same extent as commercial leases in an economic downturn.
- 20.4 The commercial option assists with creating local employment opportunities within the Borough and the creation of an economy on top of the Town Hall, albeit at different times of the day and week to that of residential. Commercial provides a sustainable revenue which could be higher than that of residential. However, it is considered that the risk associated to commercial leases is far higher.
- 20.5 During times of economic downturn commercial space can lay unoccupied for long periods. Further, the turnaround period of commercial properties

compared to residential when they are re-let is longer. A 10% void period for residential and 15% for commercial has been built into the financials but this does not take account of any economic downturn.

20.6 Both Options 1 and 2:

- are affordable and will begin to develop a reduction in the Council's expenditure from potentially year three
- deliver improved running costs and build in flexibility for the future
- require relocation of Council Services during the construction works
- are likely to meet planning requirements if needed.

21. Recommendation

21.1 Agree to Option 1A as set out in section 17.6 of the report and methods to relocate out of the Town Hall while construction work is undertaken

21.2 Delegate authority to the Chief Executive and Section 151 Officer in consultation with the Leader, Deputy Leader and the Leaders of the Opposition groups to make decisions at the appropriate procurement points.

21.3 Agree that reports are provided to Policy, Finance & Resources Committee to enable monitoring of the progress of the project and report as appropriate to Council of any major financial variances for the duration of the project.

22. Reasons for Recommendation

22.1 Although Option 1A is not the most economically advantageous, it considers the future risk against likely return. The housing market is strong and there appears no indication that this will alter for the foreseeable future. Option 1A also relocates the services out of the building to reduce the health and safety risk, speed up the process, reduce costs and accelerate the likely point at which the Council will start to generate income.

22.2 It moves the project on to a firm decision which can then be worked up into a full specification and the procurement process with delegated authority to the Chief Executive, Section 151 Officer and Deputy Chief Executive in conjunction with the Leader, Deputy Leader and opposition leaders.

23. Consultation

- 23.1 Following the decision of the Council and development of further draft layout plans of the hub, office space and civic space, consultation will be undertaken with stakeholders to ensure the most appropriate layout is designed.
- 23.2 Consultation will be through open days and presentation to stakeholder groups where necessary including Access Group(s) and will be in addition to statutory consultation as part of any Planning Application process.

24. Implications

Financial Implications

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- 24.1 The financial implications are included in paragraph 17 of this report.

Legal Implications

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- 24.2 Recommendation 2.2 proposes that decisions in relation to the procurement be delegated to the Chief Executive and Section 151 Officer in consultation with the Leader, Deputy Leader and Leaders of Opposition Groups. Decisions in relation to procurement should be undertaken in compliance with existing requirements as set out in the Public Contracts Regulations 2015 (as amended from time to time) and the Council's Constitution; in that regard Legal Services and the Council's procurement officer are available to provide advice and assistance on ongoing processes, in addition to advice on contracts, leases, licences and planning requirements that may arise in relation to the project.
- 24.3 **Other Implications** (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.
- 24.4 Both options (residential and commercial) would create employment and benefit the Town Centre by creating an increased footfall on the edge of town.
- 24.5 The work would seek to be as sustainable as possible and seek to reduce the carbon footprint of the building using modern methods and schemes to reduce inefficiencies or maximise efficiencies. These would be performance measured.

24.6 The residential option would also assist the Council to deliver its local development plan 'Housing' requirements.

25. Background Papers

- Ordinary Council report, July 2011
- Ordinary Council report, July 2012
- Extraordinary Council, September 2013
- Ordinary Council, December 2014
- DTZ report, March 2015
- Carbon Trust report, March 2015
- Policy, Finance and Resources Committee, November 2015
- Ordinary Council, June 2016

26. Appendices to this report

Appendix A - Town Hall Remodelling Business Case

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