

29th June 2016

Ordinary Council

Town Hall Hub

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

Wards Affected: *All*

This report is: *Public*

1. Executive Summary

- 1.1 This report informs Members of the progresses on the creation of the Town Hall Hub. It asks Members to approve expenditure in relation to critical factors such as the remodelling of the area to be occupied by the Town Hall Hub and the provision of new windows to the north side of the Town Hall.
- 1.2 The report continues to support the development of a hub, effective and efficient back office space for the Council and development of the second and third floor as a revenue stream..

2. Recommendation(s)

- 2.1 **To agree to progress the formation of the Town Hall Hub (Service Delivery Hub).**
- 2.2 **To bring to Full Council for approval the business case for the remainder of the Town Hall (including the associated options analysis see para. 12.19) in October 2016 before progressing to implementation.**
- 2.3 **To agree up to £40,000 expenditure for the replacement of windows on the north side of the building and those within the area to be leased on the lower ground floor.**

3. Introduction

- 3.1 This document progresses the planning and definition of the Town Hall Hub phase of the Town Hall project.

4. **Background Summary**

- 4.1 During 2010 and 2011, the Council reviewed a number of options for its requirements in order to reduce overheads be relevant and sustainable. This included a review of the future of the Town Hall.
- 4.2 Following this consideration, it became apparent that the existing space within the Town Hall building was not being used effectively and because very little had been spent on maintaining the building over the years, the running costs were considerably high. The building was no longer fit for a modern office and was in need of a refurbishment. This was supported by the report presented at Ordinary Council in July 2011. Having considered various options, the Council decided to retain the Town Hall (Minute 123).
- 4.3 In July 2012, Ordinary Council agreed to pursue an option for part remodelling of the building, allowing for a lease agreement with a third party tenant (Minute 137). By September 2013, further details regarding the selected Outline Business Case option was agreed by Extraordinary Council (Minute 156).
- 4.4 In December 2014, a revised scope to keep the project within the agreed budget was resolved by Ordinary Council (Minute 322). Separate business cases for works outside of this scope were requested.
- 4.5 During 2015, discussions took place with key public and third sector organisations. This led to a number of groups agreeing in principal to co-locate and significantly altered the overall make up requirement of the Town Hall; developing the community space further into what is now termed as a Service Delivery Hub.
- 4.6 Those agreeing in principle include:
- Job Centre Plus
 - Police
 - Mind
 - Citizens Advice
 - Council for Voluntary Services
 - One other major contributor

4.7 Continuing the work to develop the Town Hall project, the options for the space were reviewed. The project envelope contains four distinct elements:

- Council Services
- Service Delivery Hub
- Back Office Service Delivery Hub (the Police), and
- Commercial/residential

5. **Scope of the Town Hall Hub**

5.1 The scope of the project has been established by the approval to proceed at committee and subsequent approvals at Extraordinary Council in September 2013, Ordinary Council in December 2014 and the Policy, Finance and Resources Committee in November 2015.

5.2 From these approvals, the headline scope of the project 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

6. **Current Town Hall Costs**

6.1 The Town Hall has had little investment in the past. All premises related running costs are considered to be high; in excess of £350k per annum, excluding business rates. To reduce these costs, work to the structure and infrastructure is required, alongside better use of the building through more effective and efficient use of space by the Council.

6.2 Improving the building's structure and the introduction of modern equipment; boilers, lighting etc. will enable a far more efficient building that would realise a significant reduction in running costs, which will be quantified in the final business case. This would also deliver environmental improvements that will reduce our carbon footprint.

7. **Floor Area**

- 7.1 An assessment of floor areas were undertaken in January 2012 which confirms the space available within the Town Hall that is useable in its present state as 42,677sqft. As set out in the chart at Appendix A.
- 7.2 The chart identifies the space in both metres and feet confirming:
- The 'gross space' on each floor in total which includes areas for plant, walls, storage space, electric ducts etc.
 - The 'general space' which is the actual space being utilised for 'work'
 - The 'circulation space', the corridors and access spaces not utilised for office or being put to work.
- 7.3 This gives an indication of the efficiency of the space within the Town Hall. At present, the total efficiency of space is 68.45%. i.e. the total percentage of space being used for productive work. This project would seek to increase this to around circa 80%. The remaining 20% would be circulation space, plant, storage space, ducts etc.
- 7.4 Greater space creation would be achieved by alterations to the internal structure and layout to make the use of space much more effective.

8. **Current Use**

- 8.1 The number of Council staff working from the Town Hall offices has reduced over the last 10 years, from around 350 employees to approximately 180 employees. The amount of space presently occupied by the Council is spread over 4 floors and utilises approximately 25,000sqft gross internal area. Efforts have been made over recent years to utilise space better, however it is envisaged much more can be achieved with remodeling, modern space planning and new furniture.
- 8.2 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.

9. **Strategic Fit**

- 9.1 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

10. **Town Hall Hub Phase - Project Objectives**

10.1 The project's objectives, as defined in the July 2012 Outline Business Case are:

- Provide a modern, economic civic building
- Improve the overall utilisation of space within the Town Hall
- Provision of flexible space for community sector use
- Availability of flexible commercial office space

10.2 However, guidance from our specialist project management advisors Millbridge Group suggest a residential option should be considered alongside the commercial option.

11. **Expected Outcomes**

11.1 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 revenue
- Improved utilisation of office space
- Improved working environment for colleagues

11.2 This report updates the Council on the work of the Town Hall Remodelling project towards final options and recommendations so that a final business case can be brought before committee in October 2016. This will enable the procurement process to commence and work to start next year.

11.3 With little or no investment, the Town Hall building has deteriorated over the years and is no longer fit as a modern business premise. The space is not used to its full capacity and the running costs are relatively high. The Town Hall remodelling project has sought to change this by developing the building into a modern, efficient and effective workplace; where space is used to its maximum, thereby reducing costs and creating revenue streams.

11.4 The project seeks to develop the building as a central point for community and third sector organisations by the development of space for a Service Delivery Hub.

11.5 This report asks members to note the elements that will work within the Town Hall are:

- Council Services
- Service Delivery Hub
- Back Office Service Delivery Hub

12. **How the Service Delivery Hub, Council Services and Remaining Space will be developed**

12.1 ***The Hub - Lower Ground and Ground Floors:***

12.2 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 the maximisation to enhance the customers journey (where appropriate). It will also provide back office space for groups such as Council for Voluntary Service, Citizens Advice Brentwood and Mind.

12.3 Meeting space of different sizes will be provided which will enable privacy. The Service Delivery Hub will allow community interaction for groups and enable further integration with other community groups if and when required.

12.4 The Hub is being created with initially two major partners the Police and one other. The Police will relocate to the Lower Ground with the other major organisation forming part of the Hub and in fact take up the majority of space on the Ground Floor.

12.5 The other users of space in the Hub besides the Contact Centre and CCTV will include the Council's front of house service which will include delivery of:

- Revenues and Benefits
- Housing
- Planning,
- Environment Health and Licensing

12.6 Work with the groups involved in the Hub continues and discussions are ongoing as to how operators within the Hub will assist each other.

12.7 An indicative indication of space requirements for the users of the hub have been provided which in turn has enabled the creation of a draft layout plan attached at Appendix B.

12.8 The space likely to be provided to each group within the Service Delivery Hub Lower and Ground Floors is set out below:

12.9

Organisation	Space Required in sqft	
Ground		
Mind	500	
Job Centre Plus	650	
Citizens Advice	500	
Registrars	400	
Major Organisation	4,768	
Council For Voluntary Services	200	
Contact Centre CCTV and Council Front Line	1,984	
Total	9,002	
Lower Ground		
The Police	4,300	
Overall Total	13,302	

12.10 Initial indications will result in a likely revenue generation from the Hub only of approximately £400,000 per annum

12.11 The space allocation and firming up of the revenue costs which include rent, rates and service charge (except the Police who's do not include rates) still needs to be agreed as does the manner in which each group

can work together to make the experience for the customer far better and to reduce costs overall.

12.12 Council Back Office - First Floor:

12.13 The Council's back office will be reducing from approximately 25,000sqft to 10,000sqft and reducing its desk provision from approximately 200 to 100 with break out space providing an additional 30 spaces.

12.14 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 kitchen facility would also be provided. A draft layout of this floor is attached at Appendix C.

12.15 The offices will run a clear desk policy for all which will enable increased desk utilisation. Staff working remotely will be able to use touch down stations within the breakout areas of the Town Hall keeping many desks free for those who need them.

12.16 A reduction of such significant numbers can only be achieved if this physical change is matched by equivalent cultural change. This is supported by the project to introduce New Ways of Working and other service delivery projects such as the Customer Access Strategy. These and other projects will develop the agile space culture and working methods that are part of a modern organisation, enabling officers to work remotely and from home.

12.17 Those staff whose requirement is to be out in the field will be provided with the right equipment to 'do the job' and provided with space at the Town Hall to drop in and utilise desks when necessary.

12.18 This proposal will be developed in the final business case. However, from the information and progress so far, it is considered that these numbers and shift in provision is achievable.

12.19 Use of the remainder of the Town Hall Building - Floors Two and Three:

12.20 There are primarily two options. Both options are fundamentally similar in that they create the Hub and back office space as detailed above, however the options differ in that:

- Option 1 considers residential space for the top floors, with the Council receiving a revenue

- Option 2 offers the space as commercial let property, again, with the Council receiving an income

12.21 A commercial/private lease is expected of both options.

12.22 Both options could be delivered as a joint venture with a commercial partner. This will be considered as part of the final business case, enabling the Council to understand fully the likely financial benefits of each option.

12.23 However an agreement already exists with a commercial company for the potential 'commercial let' option 2. Although following a review by DTZ, a renegotiation of the heads of terms would be undertaken if this option was pursued as DTZ “recommended that the Council do not proceed and the terms be renegotiated”.

Floor	Organisations	Hub	Council	TBC	Expected Residency Date
Lower Ground	Police, Council	4,300	1,199	0	December 2016
Ground	Council, Mind, CVS,JCP, CAB, Other Major Contributor Registrars	7,018	1,984	0	Mid September 2016 The remainder following redevelopment Jan 2018
First	Council including Civic Space		10,972		Following Redevelopment Jan 2018
Second	Unknown at Present			10,972	Following Redevelopment Jan 2018
Third	Unknown at Present			4897	Following Redevelopment Jan 2018

13. **Conclusion:**

13.1 The detail in 12.1 to 12.23 above sets out how the Town Hall building will/could be developed in the future.

14. Financials

- 14.1 The proposal will be considered in more detail in the final business case in October 2016.

15. Other Property Related Matters

- 15.1 **Title:** The legal title to the Town Hall is comprised of five separate registered parcels of land; the Council being registered freeholder of each parcel with title absolute. There are a number of subsequent agreements with rights reserved associated with subsequently agreed access arrangements. Also associated with title are a number of known and unknown covenants and unknown rights. The Council may wish to consider an insurance policy against these unknown covenants and rights.

- 15.2 The Council will need to resolve a discrepancy on the land adjacent to the garages in the North Car Park and the current layout, although it is unlikely to affect any current proposals for the Town Hall.

15.3 Leases and Licences:

- 15.4 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	3rd Floor
Foodbank	3rd Floor
Brentwood Council for Voluntary Services	Ground Floor
Registrars	Ground Floor
Talking Newspaper	Lower Ground Floor

- 15.5 In addition to the above, the Council is working with Essex Police to agree Heads of Terms to occupy the Lower Ground Floor. Both parties are working towards a relocation within the year

- 15.6 Further, at the Policy Finance and Resources Committee 21.06.2016 it has been agreed to lease space to Mind with immediate effect. Mind will take up residency on the second floor relocating to the Hub when the building work is complete.

- 15.7 CVS, Mind, Talking Newspaper for the Blind, Registrars and the Police will be part of the remodelled Town Hall building and, as such, every effort

will be made to reduce impact whilst work is undertaken to the building. However, this cannot be guaranteed and therefore some groups may need to relocate temporarily

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

15.9 Immediate Works

- 15.10 Although the work to the Town Hall will include some significant alterations there are some items or areas which cannot wait. Within this bracket is the windows that need repairing, none more so than those on the north face of the building. It is recommended that these windows on the north face of the building are replaced as soon as is possible

- 15.11 Further, there will be a need to improve the security and replace the windows if the Police lease out the Lower Ground areas at the Town Hall. Council is requested for permission to carry this out when the need arises.

- 15.12 The cost for these works is estimated to be no more than £40,000.

16. Project Resource

- 16.1 Subject to Members' agreement, the project is moving into a feasibility and development stage, which will seek final agreement for the project before implementation. As such further work needs to be undertaken to develop reviews, layouts and to scrutinise the costs and design. The cost to deliver this phase of the project is in the region of £125k to £145k.

17. Reasons for Recommendation

- 17.1 Will enable clear lines of decision making enabling agreement on direction and general guidance.

- 17.2 Identifies the next appropriate decision making point.

18. Consultation

- 18.1 No consultations have been carried out

19. **References to Corporate Plan**

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- Consider how Council assets can be utilised to promote sustainable development in the Borough
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20. **Implications**

Financial Implications

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- 20.1 A detailed business case for each option will be prepared by October 2016 for consideration.
- 20.2 The cost of providing additional resources for the project will be funded from the Town Hall capital budget, where accounting convention allows, and from the Organisational Transformation Reserve.
- 20.3 The expenditure of £40k for replacement windows will be funded from the existing Town Hall capital budget.

Legal Implications

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- 20.4 The primary legal implications arising from this report are that legal advice and assistance would need to be obtained in delivering this project including any proposed leases, licences, agreements or contract procurement requirements, when further details emerge. This would need to be in readiness when the matter is reported back to Full Council in October.

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

- 20.5 Both options (residential and commercial) would create employment and benefit the Town Centre by creating an increased footfall on the edge of town.
- 20.6 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 or maximise efficiencies. These would be performance measured
- 20.7 The residential option would also assist the Council to deliver its local development plan 'Housing' requirements.

21. **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

22. **Appendices to this report**

Appendix A - Floor Area Assessment
Appendix B - Draft Hub Layout Plan
Appendix C - Draft First Floor Layout Plan

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