
Town Hall Refurbishment Report

Relevant Portfolio Holder	Councillor Dormer Councillor Court
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton
Report Authors	Head of Finance and Customer Services Claire.felton@bromsgroveandredditch.gov.uk
Wards Affected	All Wards
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	All
Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	
This report contains exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. 1. RECOMMENDATIONS

The Executive is asked to RECOMMEND to Council that:

- 1) The Town Hall Refurbishment Capital Budget is increased to £6.2m.**
- 2) That the £1m difference from the original approved budget is funded through PWLB debt financed via the additional income, over and above what is in the MTFP, being delivered.**
- 3) Authority be delegated to the Interim Director of Finance and Resource to enter into the consequential contractual arrangements.**

2. BACKGROUND

- 2.1 Following the report to Executive on the 11th October 2022, this report sets out progress on the repurposing of the Town Hall, which had already started at that time of that report with the closure of the cashiers' service as a community hub. The overall aim is to provide a range of services to Redditch residents in one location whilst reducing the overall operational costs to the Council for running the Town Hall and facilitating the use of £4.2m of Towns' Funding at the existing Library site.

- 2.2 The County Council approved the movement of the Library at its Cabinet Meeting on the 20th July 2023 from its existing site to being housed in the Town Hall with other services.
- 2.3 This report sets out
- The final design of the redeveloped Town Hall, including the movement of the Civic Suite from the Ground to the Second floor.
 - The development of the design and costs and agreements with the County Council to move its services from the Library to the Town Hall.
 - The development, design and agreement of the ground and first floor space with the NHS.
 - The decant and movement of services as building works take place through to final delivery at the end of December 2024.

3. DETAILED REFURBISHMENT BREAKDOWN

Final Design – Town Hall

- 3.1 The closure of the Cashiers in September (Executive Report “Future Use of the Town Hall and Customer Access” on the 12th July) set out that the Town Hall would be turned into a “public sector hub”.
- 3.2 In assessing the best use of the building as a result of implementing more agile working, the Council’s office space requirement has reduced significantly and can now be contained within the second and third floors of the Town Hall. This would include the Members’ Suite, which would move from its present ground floor location to the second floor in a new “future proofed” space which will be designed to facilitate agile and virtual working.
- 3.3 This would leave the basement, ground, first and fourth floors available to other public sector organisations.
- 3.4 The Government document “The Growing Network of Government Hubs” set out the benefits of housing multiple government and voluntary sector services within a single location. This includes:
- Increased productivity of services.
 - A greater sense of community across the services.
 - Greater collaboration leading to increased public engagement.
 - Increased wellbeing.
 - Greater ability to future proof.
- This is in addition to the savings that the Council will make from fully utilising redundant space.

- 3.5 As mentioned in the July and October 2022 reports, the Council have been in negotiations with the NHS for use of the Cashiers' side of the building, covering both the ground and first floors. As part of this arrangement, the NHS have invested a significant sum in the building to ensure it meets their standards. This is set out in a later section with the site starting to be used with clients in September 2023.

Non-NHS Space

- 3.6 For the remainder of the Ground Floor, First Floor and Basement the Council have been in negotiation with the County Council on the possible move of services presently delivered in the library. This would obviously be subject to a public consultation but if it were to happen, it would open-up the use of the existing Library space for wider Public Realm use for which £4.2m of "Towns Fund" financing is available.
- 3.7 The Council is following as RIBA 4 stage design and build process. The Council are using Eddisons as the Project Managers, with Mac Consulting and AEW Architects undertaking the technical design. In parallel to the County Council library move decision process, discussions have taken place with the County Council and its tenant the DWP on their requirements. This process intensified over the summer of 2023 as the draft costs crystallised into actual costs as requirements of each party became understood and defined.
- 3.8 Part of the process included ensuring that there was no reduction in space or facilities for the Library and the DWP and that the ongoing revenue costs the County Council would be paying would be no higher (linked to yearly to inflation) than what it paid in the 2022/23 financial year for the existing library. However, any additional requirements would be chargeable to the County Council.
- 3.9 We have now reached RIBA Stage 3 where the design and costs are at a stage where they can be used for tenders to prospective contractors. At RIBA Stage 3 RBC, WCC and DWP have formally approved the stage 3 design documentation. The Stage 4 design documentation is in production until mid-September. Redline lease boundaries have been agreed with Heads of Terms formally signed off. Future requested changes to the design will be subject to a formal change request process.

- 3.10 The timescales for the remainder of the process are set out in **Appendix A**. The key dates are:
- ITT issued through Proactis Portal – 18th August 2023
 - Stage 1 tender period - Provisionally 18th August 2023 to 29th September 2023 – 6 week tender period for Stage 1 tender
 - Stage 4a design ongoing from 18th August 2023 through to 13th October 2023 – 8 weeks – By AEW, Civic, Kennedy Redford and Stannah Lifts employed by the Authority – To be completed during the Stage 1 tender stage
 - Stage 1 tender return date – 12 noon 29th September 2023
 - Evaluation of tenders – 29th September 2023 to 16th October 2023
 - Notification of JCT PCSA contract award decision and appointment Provisionally 20th October 2023 or sooner
 - Bidder mobilisation and start on site – Provisionally from 20th October 2023 or sooner where possible
 - Stage 2 tender period – Provisionally 20th October 2023 to 1st December 2023 – 6 week tender period for Stage 2 tender
 - Notification of JCT D&B contract award decision and appointment Provisionally 11th December 2023 or sooner
 - Continued mobilisation, design development and site works – From 11th December 2023
 - Completion of works 20th December 2024
- 3.11 The Design has gone through a number of iterations over the past 6 months. The final design sees:
- The construction of a new entrance and reception to “invite” stakeholders into the building.
 - The construction of a new feature “public” staircase and lift opposite the Palace Theatre.
 - Moving the Civic Suite from the Ground Floor to the second Floor with additional meeting rooms for Council and external business. This Civic Suite includes the Mayors Office and both Group Rooms
 - The Library moving from its present location to the ground and first floors
 - The DWP moving from its present location in the Library to the basement and also taking space on the 4th floor.
- 3.12 The present designs are set out in **Appendix B, which shows the floor plans, and Appendix C which give internal and external views**. Linking to the Government’s aspirations for Hub as set out in 3.4 above, the designs look to these designs take account of the

following concepts designed to make the building more welcoming to all customers:

- Ensuring the design is inclusive and accessible to all. This ensures the requirements of visual and hearing impaired customers, wheelchair users, Pram users, and Parent and child facilities are catered for.
- That the design is based on a 'street' walkway concept, with a central communal space of the 'community hub' and a shared user journey through the building, This includes digital interaction, inclusive way finding, engaging display and merchandising.
- The scheme will have requirements for new furniture elements across key feature areas. Some opportunities to enhance the offering within the shared and community spaces includes consideration being given to: durability, fabric grade, type, flexibility, and ease of use.
- Lighting will be a key element of the design. The majority of the space is very open plan and due to the nature of the building the occupiers will need sufficient lighting both functionally and to enhance the experience. The design has given significant consideration to the exposed ceilings and ensuring the space feels seamless. Simple architectural lighting in crisp colours will be introduced. Through engagement with lighting specialists, we can ensure lighting specifications work in line with project requirements.

3.13 Key considerations to Services users are where they are located and how their services will operate. The floor layouts in Appendix C reflect the approach set out in 3.12 in terms of how the space will be used.

3.14 Of significant impact on the working of the Council will be the move of the Council Chamber from the Ground to the Second Floor. This free's up the more "usable" and "accessible" parts of the building for customer based services. However, the move gives the Council the scope to reassess the use of its Civic Space, including audio visual improvements. Work is underway with potential ICT providers for the best option of delivery for Members and once this is secured consultation will be carried out. It should be noted that the present Group Rooms and the Mayors Office will all move to the second floor.

3.15 Planning Permission for the changes was agreed on the 27th July (**Appendix D**). There were a number of requirements linked to design

which are set out in the appendix, however the main customer facing issue will be improvements of access to the building from the disabled parking bays.

- 3.16 The final design has been assessed by our Programme Team and their quantity Surveyors. The final costs have risen from the original £5.2m to £6.2m. (20%). A further analysis of costs funding and other overall affect on the Councils budget are set out in Section 4 below. The present cost plan is set out in **Appendix E** and exempt financial information in **Appendix G**.
- 3.17 The Contingency and Inflation amounts have reduced from the initial stages of the project as design requirements of all the partners have been agreed as set out in 3.9 above. Work is still continuing on ICT requirements (non Members) for which after a number of workshops a budget of £250k has been assumed.
- 3.18 The Borough Council and the County Council have entered into the following agreements following the approval by its Cabinet of the proposed Library move:
- Reciprocating Heads of Terms
 - Sets out services delivered at the town hall for County Council services to be located there and other public sector sublets.
 - Reciprocating 125 year lease agreements
 - This is for the present Library site and the use of the Town Hall for County Council services and public sector sublets.

NHS Use of the Ground and First Floors

- 3.19 The NHS have been updating the Ground and first floors to the west side of the building which will be used to deliver mental health services. They are fully funding all the upgrade works to the building to ensure that are to the correct standards. This includes the new entrance via Walter Stranz Square.
- 3.20 The NHS lease is a full repairing and insuring lease for a term of 15 years with tenant only break options on a 5 yearly basis subject to 6 months prior written notice. In addition to this the NHS have a secondary lease for 70 car parking spaces, 5 at the Town Hall, 65 at the Trafford Car Park.

- 3.21 There will be a rent free period of 10 years from commencement of the lease. For the avoidance of doubt this will apply to the rent only and the service charge will be paid upon completion/occupation, whichever the earlier. The rent free period compensates the NHS for the investment they have made in the building. The plans for the Ground and First Floors are shown in **Appendix F**
- 3.22 Works started earlier this year and the NHS are expected to take “occupation” of the area in September 2023.

Interim Arrangements

- 3.23 There are two specific periods where Officer, Member and Public requirements need to be assessed during the construction phase. These are:
- The delivery of Council Meetings during the Building Phase
 - The movement/Decanting of services into the Town Hall once the works have been completed and signed off.
- 3.24 The Council is presently sourcing other locations for Civic duties such as Council and Committee Meetings. Members will be updated on options in a future meeting.
- 3.25 The final decant of staff from their present locations will be planned with partners over the next 2 months so that there is full transparency for partners, users and customers on the process.

4. FINANCIAL IMPLICATIONS

- 4.1 In October 2022 in the Town Hall Hub report to Executive it was set out that the estimated costs of the refurbishment would be circa £5.2m (funded from Capital Receipts from Farmore Lane, Easemore Road and Web Heath) with £400k of savings built into the budget from 2025/6 financial year. At this point detailed conversations had not taken place with the Library or the DWP over their requirements or account taken of increases in utilities due to the conflict in Ukraine.
- 4.2 We now have got to the stage where the detailed requirements of the refurbished Town Hall Hub, including the Library and DWP are known at today’s prices which include inflation. Costs now are circa £6.2m. This is £1m more than the original estimate (20%) but takes into account detailed user requirements at present day prices. (All Towns Fund project estimates still have uplifts for price increases as they are delivered by ringfenced grants). This increase is 20% and is inline with

buildings inflationary increases over the 2 year period (in fact it is slightly less)

- 4.3 As part of this process, Council staff will be using less space in the Town Hall to deliver Council Services. This will lead to a reduction in the Service Charge/Rent invoiced to Bromsgrove of £70k a year which needs to be factored into the calculation.
- 4.4 In addition, £250k has now been built into the budget for programmed buildings maintenance for 23/4 ongoing. There was a revenue budget of £200k a year for all buildings. This can now be reduced by £100k to give an ongoing building maintenance budget (capital and revenue) for all sites of £350k a year.
- 4.5 Overall – this gives net savings of 490k. This is £90k better than target.
- 4.6 The £1m increase in costs if we were to fund externally over 40 years via the Public Works Loan Board (PWLb) would be at 5.54% - giving a capital cost of (£55.4K + £25k) = 80.4k. This can be funded from the over recovery of income compared to budget and still ensure the schemes remain within the overall revenue budget target.
- 4.7 In terms of the remainder of the scheme (£5.2m) this was expected to be funded from the disposal of the following sites: Farmore Lane, Easemore Road and Webheath. The present situation on the delivery of these capital receipts of all 3 is £5.05m to £6.2m

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising as a result of this report as HOTs and Leasing Agreements have been signed and tenders are now out for evaluation for the works to be delivered.

6. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 6.1 The Strategic purposes are included in the Council's corporate plan. The following strategic purposes are linked to this project:
- Finding Somewhere to Live
 - Aspiration, Work and Financial Independence
 - Living Independent, Active and Healthy Lives
 - Communities which are Safe, Well Maintained and Green

- The Green Thread runs through the Council Plan

Climate Change Implications

- 6.2 The green thread runs through the Council plan. The design of the building will be to the latest sustainability standards. Significant investment have already been made in the Town hall over the past 2 years including window replacement and the installation of heat pumps.

7. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 7.1 The design, as set out in 3.12 above, takes account of differing equalities and diversity implications.

Operational Implications

- 7.2 The Council has significant redundant space within the Town Hall. The move to a Community Hub maximises the use of this redundant space and brings partners with similar services within the same building.

8. RISK MANAGEMENT

- 8.1 There are a number of risks which could potentially influence the project, this includes the following which are typical of this type of project::

- Stakeholder sign off.
- Stage 4 design progression.
- Commercial negotiations.
- Project cost envelope.
- Project governance.
- Programme slippage.
- ICT specification and commercials.
- Macro-economics

9. APPENDICES and BACKGROUND PAPERS

Appendix A – Project Timelines
Appendix B – Design Documents – Floorplans
Appendix C – Design Documents External and Internal Visuals
Appendix D – Planning Decision
Appendix E – RIBA Stage 3 Costings (exempt)
Appendix F – NHS Plans for the Ground and First Floors (exempt)

Appendix G – Exempt Financial Information

10. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Luke Court,	29/08/23
Lead Director / Head of Service	Peter Carpenter, Interim Director of Finance	04/09/23
Financial Services	Michelle Howell, Head of Finance and Customer Services	29/08/23
Legal Services	Claire Felton, Head of Legal, Democratic and Property Services	04/09/23

Appendix A – Project Timelines

- RIBA Stage 2 design – completed March 2023
- RIBA Stage 3 design - completed May 2023
- RIBA Stage 4 design – commenced 18th August 2023
- ITT issued through Proactis Portal – 18th August 2023
- Stage 1 tender period - Provisionally 18th August 2023 to 29th September 2023 – 6 week tender period for Stage 1 tender
- Bidders Event/Site Visit – 24th August 2023 from 10am
- Deadline for the receipt of clarification questions – 4th September 2023
- Target date for responses to clarification questions – 8th September 2023
- Stage 4a design ongoing from 18th August 2023 through to 13th October 2023 – 8 weeks – By AEW, Civic, Kennedy Redford and Stannah Lifts employed by the Authority – To be completed during the Stage 1 tender stage
- Stage 1 tender return date – 12 noon 29th September 2023
- Evaluation of tenders – 29th September 2023 to 16th October 2023
- Notification of JCT PCSA contract award decision and appointment Provisionally 20th October 2023 or sooner
- Bidder mobilisation and start on site – Provisionally from 20th October 2023 or sooner where possible
- Stage 2 tender period – Provisionally 20th October 2023 to 1st December 2023 – 6 week tender period for Stage 2 tender
- Stage 4b design ongoing from 20th October 2023 through to 1st December within the PCSA – 6 weeks – Services by consultants employed by the Contractors
- Notification of JCT D&B contract award decision and appointment Provisionally 11th December 2023 or sooner
- Continued mobilisation, design development and site works – From 11th December 2023
- Completion of works 20th December 2024