
**Manchester City Council
Report for Resolution**

Report to: Resources and Governance Overview and Scrutiny Committee –
10 March 2011

Subject: Town Hall Complex Transformation Programme – Update

Report of: Elaine Bowker, Strategic Director (Transformation)
Richard Paver, City Treasurer

Summary

This report outlines the progress made to date on implementing the Town Hall Complex Transformation Programme and includes details of how council services will be accessed remotely, the use of district hubs and proposals to extend the Customer Relationship Management (CRM) systems. It also describes how the energy inefficiency of the Town Hall Extension will be addressed.

Recommendations

The Committee is recommended to note the progress made on the Town Hall Complex Transformation Programme to date. The Committee is further asked to note that the Chair will be asked to exempt the following key decisions from call in: capital approval for Advance Works Order Number 2 and the Main Refurbishment Contract.

Wards Affected:

All

Contact Officers:

Name:	Elaine Bowker	Name:	Richard Paver
Position:	Strategic Director (Transformation)	Position:	City Treasurer
Telephone:	0161 219 6958	Telephone:	0161 245 3564
E-mail:	e.bowker@manchester.gov.uk	E-mail:	r.paver@manchester.gov.uk

Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Town Hall Complex Transformation Programme – Update

9 September 2010, report to the Resources and Governance Overview and Scrutiny Committee from the Strategic Director of Transformation, Head of Programme and Head of Transformation

Town Hall Complex Transformation Programme – Construction Contractor Appointment

22 July 2010, report to the Resources and Governance Overview and Scrutiny Committee from the Strategic Director of Transformation

Town Hall Complex Transformation Programme – Progress Update

21 October 2009, report to the Executive from the Chief Executive, Strategic Director of Transformation and City Treasurer

Town Hall Complex Programme – Transforming the Customer Experience

11 February 2009, report to the Executive from the Chief Executive, Strategic Director of Transformation and City Treasurer

Update on Activities within the Town Hall Complex Refurbishment Programme

22 October 2008, report to the Executive from the Strategic Director of the Manchester Improvement Programme

Town Hall Complex Strategy

23 July 2008, report to the Executive from the Chief Executive and City Treasurer

1.0 Introduction

- 1.1 The Town Hall Complex Transformation Programme is an ambitious programme of transformation which will not only see some of Manchester's most loved buildings sympathetically restored to their full glory but will also significantly transform the way we deliver services to customers and the way in which our staff work.
- 1.2 In February 2009, a report was submitted to the Executive formally recommending that the Town Hall Complex Transformation Programme should proceed, including approval of governance arrangements and the establishment of a Members' Review Panel.
- 1.3 The report described how the transformation of the Town Hall Extension and Central Library would improve outcomes for our customers and employees through an improved physical environment and through the opportunity to provide genuine cultural and behavioural change. It also described the costs, benefits and a basic implementation plan for achieving these outcomes.
- 1.4 The transformation programme has 2 key strands:
- To transform the way in which services are provided to customers, delivering efficiencies together with an excellent end-to-end customer experience and improving outcomes for customers in line with the ambitions of our community strategy.
 - To transform the working environment for staff, improving employee culture and ensuring that the Town Hall complex is regarded by all as a great place to work.
- 1.5 The programme sees improvements made to the Town Hall Extension, Central Library, Library Walk and St. Peter's Square. Together with the Town Hall itself, these two civic buildings and two external spaces comprise the Town Hall complex. The existing services from Central Library and the Town Hall Extension have successfully decanted to new premises at One First Street, Elliot House, Universal Square and Marshall Street, from which interim services will continue to be delivered until completion of the Town Hall Complex Transformation Programme in 2013.
- 1.6 This report seeks to inform the committee on progress to date.

2.0 Customer Service Centre

- 2.1 The Customer Service Centre opened its doors on 1 June 2010. Since opening, the average number of customers receiving face-to-face services has been between 3,500 and 4,000 a month. Queue times for these transactions have reduced from a starting average of 22 minutes to 14 minutes, with an average service time of 20 minutes. The cash office processes 3,500 transactions per month with a value averaging c.£1.5M. The lending library in the CSC continues to be popular with staff carrying out c.1,000 transactions

per month and a further c.1,000 self-service transactions being made by customers. The self-service PCs provided are also well used with nearly 1,000 self-service sessions per month.

- 2.2 The implementation of a meet and greet model has seen wait times for services excluding advice reduce to under seven minutes in January. Planned improvements to Housing Options and Advice Services are being progressed in review with key stakeholders.
- 2.3 Plans are being drawn up to move the lending library to a more central area of the CSC, with the aim of increasing both stock lending and self-service PC sessions.
- 2.4 A number of partners have been engaged with a view to using space within the CSC on the ground floor of the Town Hall Extension. They include:
 - Greater Manchester Police
 - Manchester College
 - Job Centre Plus
 - Manchester Primary Care Trust
 - Post Office Ltd

Where practical, pilots of partnership working will be run at the First Street CSC.

- 2.5 In addition to using MCC buildings our partners will be encouraged to deliver relevant services e.g. Housing Associations assisting customers with housing benefit claims.
- 2.6 In partnership with Salford City Council MCC Services will be available at their new customer hub in Broughton when it opens in July 2011.
- 2.7 Access to Council services at a neighbourhood level is being delivered through a number of sites but primarily six District libraries. A phased roll out of providing additional services through the six District Libraries will begin in Wythenshawe later this year.

3.0 Customer Self Service

- 3.1 As detailed in previous reports, the average cost of face-to-face transactions is significantly higher than telephone or web contact. Improving the take up of customer self-service is therefore a key workstream, reducing the cost of service delivery and improving the customer experience providing 24/7 access.
- 3.2 The Council's website has been improved and now provides access to online customer self-service from the homepage. The approach has been to provide access to self-service through the use of large on screen buttons that give a text and visual indication of the service on offer. This improves the navigation to the required service and also lends itself to touch screen technology.

- 3.3 Online access to Council's services is being improved on an ongoing basis, for example we have seen a significant take up from customers of the ability to order a copy of a birth, death or marriage certificate online.
- 3.4 September 2010 saw the go-live of Manchester's Digital TV service, "Looking Local". The service allows those residents who subscribe to Sky, Virgin, or who have broadband enabled Freeview, to access a wide range of Council services via their TV sets. The service is targeted specifically at those residents who would normally encounter difficulty in contacting the Council or low income families without a computer or internet.
- 3.5 In addition to this, Looking Local made these services available for download on an iPhone application in January 2011 and further smartphone applications are in planning stage.

Residents with access to the service can:

- Browse a wide range of information on Council services
- Keep up to date on the latest events happening in Manchester
- Search for jobs in Manchester
- Report problems such as a missed bin, pot hole, fly tipping or graffiti
- Request items such as bulky waste collection, a blue badge application, library item renewal or a vote form

New services are being added to this access channel on an ongoing basis.

- 3.6 Customers can also access Council services through self service kiosks in Chorlton Library and the Ben Brierley Centre. This access will extend to kiosks in all Community Legal Advice Centres and a pilot at Gorton Market

4.0 Customer Relationship Management System (CRM)

- 4.1 Phase 1 of the CRM went live in June 2010 to support the opening of the Customer Service Centre.
- 4.2 Phase 2 of the CRM goes live in March 2011 to support the opening of a Corporate Contact Centre (CCC) and provide access to Environmental Services at the CSC.

Services include:

- Waste & Recycling
- Environmental Health (Including Public Protection, Environmental Protection, Food and Health and Safety)
- Street Lighting
- Highways
- Taxi Licensing / All other licenses
- Pest Control
- Street Scene

- Parking and Fixed Penalty Notices
- Trading Standards
- Green Spaces
- Travel Coordination Unit
- Emergency Control Team

4.3 Phase 3 of the CRM will support remaining services and be developed through 2011/12.

4.4 The CRM will also be used to provide a corporate complaint handling process replacing individual directorate systems.

4.5 Providing customer profiling and management information is an important aspect of the CRM. Initial management information will support the CSC and CCC, and will include service requests received by Ward for Councillors

5.0 New Ways of Working and Back Office

5.1 Flexible working / One First Street occupation

The use of flexible working and reduced staff numbers has presented an opportunity to release the 5th floor of One First Street. This will be made possible by moving to a 7:10 desk to staff ratio (based on existing staff numbers) and moving some teams to different floors within the building. The Directorate of Transformation will also move from Heron House to One First Street, releasing the second floor of Heron House to rent.

5.2 One First Street

A new visitor and security process has been introduced since the last update to committee. All council visitors (except customer service centre customers) are now directed to the main atrium reception, where they are met by an MCC employee who has access to an online database, populated directly by staff using a new online visitor notification form.

The number of disabled staff now requesting free disabled parking at First Street exceeds the number of bays we have secured and funded. The number of free car parking bays available for disabled staff based at First Street remains at 20 and these continue to be allocated on a first come first served basis (no priority judgements made) and a waiting list compiled. Staff members who have not been allocated a pass can use the free on street parking or pay to use the extra Q Park disabled bays. We are however engaging with highways to identify opportunities to provide more on street blue bay parking close by.

6.0 Central Library and City Library

6.1 City and Central Library

The Central Library decant has been completed and the building handed over to the contractor. The new City Library at Elliot House continues to be well received by customers and is attracting traditional Central Library customers as well as new customers. The library is open 64 hours per week and is being well used. The library is bright, airy and very attractive, with customers enjoying the excellent range of services on offer.

The first four months of operation the new City Library offer has witnessed over **111,000** visitors, **4000** new library members, over **118,000** items being borrowed and over **66,000** enquiries have been answered. There have been **40,000** PC bookings made and the use of all services within the City Library offer is growing month on month.

6.2 One First Street Library Provision

Staff have been developing a procedures guide and training sheets for CSC staff to support the library offer and will be undertaking a proactive recruitment drive to maximise the use of the library provision. A weekly ICT support session for customers who are not ICT literate and require additional support is being arranged.

6.3 RFID

RFID Customer Self Service has been well received by customers and staff alike and is now available at five libraries across the city. Use at City Library continues to rise with 68% of those transactions being carried out by customers and a constant 54% of those at One First Street.

6.4 Archives+

A pre application to fund Archives+ at Central Library has been submitted to the Heritage Lottery Fund (HLF) for a total value of £2.1 million of which MCC will provide £0.5 million in match funding and the proposed balance funded by the HLF (2013).

HLF are enthusiastic about the project vision and have advised a number of actions to ensure the project has a realistic chance of securing funding. These have been built into a project plan and an HLF Project Board has been established, chaired by the Strategic Director for Neighbourhood Services with representatives from the Universities, Galleries and other cultural organisations.

A Memorandum of Understanding is being developed in order to establish the principal terms and conditions agreed, and the next steps required, towards the creation of Archives+, a new partnership archive centre within Manchester Central Library. This will involve the following partner organisations:

- Greater Manchester County Record Office
- Manchester Library & Information Service, Manchester City Council
- North West Film Archive
- Ahmed Iqbal Ullah Race Relations Resource Centre
- Manchester and Lancashire Family History Society
- British Film Institute
- Manchester Registration Service
- Genealogical Society of Utah

An Archives+ governance model is being developed and an Archives+ Board has been established and initial meeting held in January.

6.5 Cataloguing

Retrospective cataloguing processes have begun at Universal Square to catalogue the extensive Central Library collections. There is a risk that due to a previous change in the decant programme and the inability to carry out any cataloguing pre decant that the task will not be completed within the current timescales. Mitigating actions have been put in place to address this risk and accelerate the cataloguing process.

7.0 Town Hall Extension and Central Library Design

7.1 Work on the Town Hall Extension and Central Library design has progressed well. The design team have continued to refine the design towards RIBA Stage E which represents client sign off. . The office accommodation will be consistent across all floors (referred to as the 'standard offer'). The 'standard offer' space is generally open plan with a variety of desk types, personal and function related stage with associated meeting, touchdown and break out spaces. Specific user requirements will be accommodated to meet departmental needs whilst maintaining maximum flexibility.

7.2 An average 7:10 desk to staff is now being used to calculate the refurbished THX occupancy which currently stands at 2,200 staff operating from 1,650 desks.

8.0 Refurbishment Progress

8.1 Bramall Construction have been appointed to carry out preparatory works in advance of the Main Refurbishment Contract, which runs parallel to the Laing O'Rourke's Stage 1 activities (detailed below). The works have involved the following: survey works to inform design, soft strip removal of non heritage items and asbestos removal. The works completed to date have been contained within the approved capital budget. This appointment was made through the MCC Framework 109 and concludes on the 1st of April 2011, where it is anticipated that Laing O'Rourke will take possession of the site.

- 8.2 As part of the transformation programme a construction partner was appointed to deliver the main refurbishment construction and design activities. The selection of the construction partner was carried out through the North West Construction Hub Major Projects Framework, and the process reported to Committee (22 July 2011). The process concluded with the recommendation that Laing O'Rourke be appointed as the Town Hall Complex Transformation Programme Construction Partner to complete the Stage 1 pre-construction work.
- 8.3 The pre-construction period is the field of activity where the Town Hall Complex Transformation Programme is developed from design to the start of the refurbishment works on site.
- 8.4 The output of the pre-construction duties are cost, value, time and design information that will inform, direct and make up the agreed main refurbishment contract.
- 8.5 Stage 2 construction activities will deliver the refurbishment of the Town Hall Extension and Central Library buildings in accordance with the agreed budget and brief on conclusion of the Stage 1 negotiations. As outlined in a previous report to the Resources and Governance Overview and Scrutiny Committee (September 2010 – *Town Hall Complex Programme: Construction Contractor Appointment*), Stage 2 of the construction appointment is made to the successful Stage 1 contractor upon agreement of the target cost. The financial implication of the second stage appointment, i.e. commitment to construction, amounts to approximately £90 million which is contained within the overall agreed THCTP budget of £155 million.
- 8.6 In advance of the completion of contract negotiations, and to ensure progress is maintained during the period of construction partner transfer (Bramall Construction to Laing O'Rourke), a further advance works order has been requested for approval by the chair as detailed in the table below and outlined in the recommendations.
- 8.7 The main refurbishment contract will be agreed by the City Treasurer under delegated powers.
- 8.8 Key short term milestones for the programme are:

12 th February 2011	Laing O'Rourke Advance Order 1 – Value £1m – The necessary sub contractor design and preconstruction orders
15 th March 2011	Laing O'Rourke Advance Works Order 2 – Value £7m – The commencement of early structural and demolition works necessary to maintain programme prior to contract agreement (subject to the approval).
23 rd March 2011	Target Cost submission
25 th March 2011	Capital Expenditure Approval - submission Main Refurbishment Programme
21 st April 2011	Target Cost Agreement
1 st June 2011	Completion of contract negotiation and execution of contract

	documentation
--	---------------

9.0 Town Hall Extension – Energy Efficiency

- 9.1 Manchester City Council has committed to reduce its carbon emissions by 20% by April 2014, and 41% by the end of 2020. The use of energy in buildings for heating, cooling and lighting is responsible for 73% of our total current carbon footprint.
- 9.2 The rationalisation of the estate will in itself have carbon reduction benefits to MCC with further reductions to be delivered through a prioritised programme of building improvements.
- 9.3 This programme of works will have as a key objective meeting the 2014 and 2020 carbon reduction targets, as well as consideration of potential targets, post-2020. For example the UK target of at least 80% carbon reduction by 2050.
- 9.4 An absolute carbon reduction target of at least 41% has been set for the THCTP. The programme however recognises that the THC will exist post-2020, where 80+% targets may be set. The strategy is therefore based on the principle of delivering the most technically and financially viable low carbon energy scheme for the complex, ensuring that as a minimum it achieves an absolute 41% carbon reduction target.
- 9.5 The Town Hall Extension and Central Library Transformation projects combine transformation of working practices with transformation of the buildings themselves. One of the biggest challenges is to deliver an energy efficient building design, whilst working within the constraints of Grade II listed buildings. The design team is working to extremely challenging sustainability targets, incorporating the 20% low and zero carbon technology energy contribution from MCC's own planning requirements and a 41% reduction, in line with MCC commitment.
- 9.6 The principles of the energy hierarchy ("lean, mean and green") were integral to the approach. Whilst normally changes to improve the building fabric would be made to eliminate unnecessary energy demand, opportunities here are limited due to heritage constraints. However, the proposed design capitalises on some inherent energy saving features such as exposed thermal mass, good levels of natural daylight and the ability to use natural ventilation in the Town Hall Extension.
- 9.7 The building services have been designed to be as energy efficient as possible, with features such as heat recovery throughout both buildings, absence detection for the lighting systems and high efficiency plant and services.
- 9.8 The energy hierarchy structures the approach such that priority is given to reduce energy consumption, following which consideration is given to the way

the demand is met. MCC's 41% carbon reduction target and the planning target of 20% of final site energy to be delivered by an on-site low or zero carbon technology informed the feasibility study for low carbon technologies. The conclusion is that a CCHP (Combined Cooling Heat and Power) plant would be the most suitable, as it is able to provide both low carbon heat and electricity as well as using otherwise waste heat to satisfy the limited cooling demand required for some parts of the building, such as the computer server rooms.

- 9.9 In order to calculate the projected carbon reduction figure, the baseline Town Hall Complex (THC) and transformed THC CO₂ figures are required. The 'transformed' figure is available, based on the design outlined above. However, to compare the original THC with the transformed THC would be not to compare 'like-with-like', particularly given the additional staff, opening hours, accessible areas, and other factors.
- 9.10 Work is currently underway to accommodate these factors, in particular consideration of which current buildings may be closed and CO₂ thereby reduced as a result of staff moving to the transformed THC. Calculation of the final projected CO₂ saving is scheduled to be completed before the end of Stage E in April 2011. Table 1 shows the results of the modelling process, which provides indicative figures for the size of energy demand, what can be supplied by the CCHP and how the targets can be met. It should be noted that the carbon footprint reduction is measured on a per capita basis in order to accurately reflect the increased occupancy, the longer opening hours, the expected increase in Central Library visitors and the increase in accessible floor space in both buildings. This also reflects the fact that other Council occupied buildings will no longer be occupied, thus energy consumption across the MCC's estate will further decrease. The current projection indicates a 48% carbon footprint reduction with the installation of a 500Kwe CCHP Plant (detailed below).

Table 1

	500 KWe CCHP plant (approximate figures)
Baseline Carbon Footprint (kgCO₂/annum/capita – historic average)	1313
Heat Generated (MWh/annum) by CCHP	3680
Electricity Generated (MWh/annum) by CCHP	3490
Total energy (MWh/annum) from CCHP	7170
% Total Energy Demand	45%
% Carbon Footprint Reduction	48%

10.0 Finance

10.1 The overall programme is being managed within the agreed budget and any variances contained therein.

11.0 Conclusion

11.1 The Town Hall Complex Transformation Team are making good progress with their activities to date. The occupation of Number One First Street by staff and the Customer Service Centre continues to show benefits to both staff and customers, and activity within both is being closely monitored in order to inform plans for the return to the Town Hall Complex.

11.2 New ways of working are being adopted by service areas and benefits are being realised. This is supported by a flexible ICT provision and updated working practices. The adoption of these will be promoted actively across the organisation and estate (not solely First Street) and managers will be supported by the development of a “toolkit” that will cover all aspects of flexible and mobile working practices.

11.3 The Customer Service Centre continues to develop and improve with the customer experience being the key driving force at the centre of all activities. The lessons learned from the customer interaction and feedback are being used to inform the development of the Corporate Contact Centre and the processes for both are being standardised with the support of the Customer Relationship Management system to ensure a consistent customer experience.

11.4 The refurbishment of the Town Hall Extension and Central Library is expected to lead to a projected 48% carbon footprint reduction.

12.0 Recommendations

12.1 Recommendations to the Committee are to be found at the front of this report.