

**MANCHESTER CITY COUNCIL
REPORT FOR RESOLUTION**

REPORT TO: Resources and Governance Overview and Scrutiny Committee
The Executive

DATE: 22 July 2008
23 July 2008

SUBJECT Town Hall Complex Strategy

REPORT OF: The Chief Executive and the City Treasurer

1. Purpose of the Report

To advise Members of proposals to improve the functioning and setting of the Town Hall Complex, to provide an enhanced visitor destination and improved access to facilities for customers and citizens. Work has been undertaken to develop a long-term strategy for the complex and to evaluate the options for repair and refurbishment to bring the buildings into good condition and create a key gateway destination.

2. Recommendations

The Executive is recommended to note and endorse the content of this report, and agree that further work be done to develop the strategy for report back on the detailed specifications for each element of the scheme along with firm funding and financing proposals.

3. Financial Consequences for the Capital Budget

The proposals require significant capital investment. The funding strategy outlines how the capital element could be identified to support the proposals.

4. Financial Consequences for the Revenue Budget

There are substantial revenue savings generated by more efficient use of the office space. These will be needed to secure a capital contribution to the funding of the work. There is a timing issue in that temporary capital funding will be required ahead of the saving being realised. There will be some loss of income when properties are disposed of as part of the property review.

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6. Background Documents

Stephenson Bell Architects – *Town Hall Complex Space Utilisation Study*.
Available from Room 4017

7. Wards Affected

City Centre

8. Implications for Key Council Policies

Anti-Poverty	Equal Opportunities	Environment	Economic
No	Yes	Yes	Yes

1. Introduction

- 1.1 The Town Hall Complex, which includes the Town Hall, the Town Hall Extension, Central Library and St Peters Square have unique heritage value, forming the major administrative and civic hub for the City Council and providing a key entry point for visitors to the City and users of Council services. However, the buildings require major repair and refurbishment to improve their condition, function and effectiveness (in particular to improve the availability and delivery of services) and to preserve their heritage.
- 1.2 The role and function of the St Peter's Square area has changed significantly since the introduction of the Metrolink system. The area is now a major gateway, and a public transport interchange, and for many people represents their first impression of the city centre. The Square requires significant enhancement to provide an appropriate setting for the City's civic assets, and to improve the functioning and amenity provision, and employment potential in this area.
- 1.3 The wider area has experienced considerable levels of investment, largely associated with Council-related regeneration projects including the Bridgewater Hall, Manchester Central, the Manchester Art Gallery, the Central Business District and Mosley Street. In addition to this, the Square itself will soon become the focus for major new investment as a result of developments at Elizabeth House, the Odeon Cinema and other properties to the east of the Square and at Mosley Street and Princess Street.
- 1.4 The area is also a key anchor for the Oxford Road Corridor, which is already experiencing unprecedented levels of investment and development by the University of Manchester, Manchester Metropolitan University, the Hospital Trust and, lately, through the support of the City South Partnership. The area represents one of the biggest opportunities to drive the future economic growth and development of the City.
- 1.5 The improvements proposed for the Town Hall Complex (THC) emphasise the need to address this range of functional, environmental, transport and regeneration issues both within the Square and around the wider area, if we are to protect these heritage assets, bring the whole complex into modern and efficient use, and revitalise this important part of the city centre.

2. Drivers for Improvement

- 2.1 The proposals set out in this report seek to preserve and renew the City's key heritage and civic assets, while creating world class public services. The options contained within the proposals are primarily intended to underpin this by providing better access to and delivery of services to residents and visitors including a greatly improved customer experience throughout the complex.
- 2.2 Work is in progress to develop a range of improvement proposals for the whole Town Hall complex. Information about how we deliver services, and emerging information about the condition of the facilities in the complex are being jointly assessed to inform how cost effective improvements to both service delivery and the fabric of the building can be achieved.

- 2.3 Through this there is an opportunity to look at making the best use of the assets to create more efficient buildings and to explore how, if at all, the private sector could add value to our objectives. Use of surplus space for complementary commercial uses, particularly around the perimeter of the Town Hall Extension and along Library Walk, could re-invigorate the currently drab link between Albert Square and St Peter's Square, enhance the complex as a visitor destination and provide some of the funds needed for the work as a whole.
- 2.4 The overall strategy is intended to drive significant efficiency gains by making better and greater use of the Council's assets and refocusing the delivery of services. This will reduce the number of offices that the Council leases in the wider city centre area leading to significant savings that can, in part, underpin capital financing costs savings and a more efficient, central base for Council services. There is also the opportunity to make the complex more environmentally sound by improving energy efficiency, reducing energy costs and by improving recycling.
- 2.5 The improvements will also help to deliver the Council's People Strategy of valuing the workforce by providing a better physical and functional environment for staff. The experience of services moving to open plan layout and improved working conditions in Heron House is that it leads to more efficient working with reduced sickness levels and greater productivity.

3. Vision for the Town Hall Complex

- 3.1 The complex is of enormous significance to the City and its heritage value cannot be overestimated. In examining the options for securing major improvements of foremost importance is to ensure that the civic core is connected to the wider city centre, to create a destination for visitors and a welcoming venue for service users; to create new, first class public access to services; create a world-class public library service; and to improve the quality of provision of public services.
- 3.2 The current buildings are a constraint to delivering these improvements in their existing form and, therefore, options have been considered to provide:
- a programme of essential repairs to the buildings;
 - a modern interface with customers by better use of the Town Hall Extension. This will create a first class customer experience and derive benefits from new and potentially complementary commercial opportunities, to develop a much improved visitor experience and better quality, more efficient office accommodation;
 - radical improvement to the quality of service provision and sustainability of the Central Library, increased public space and improved customer access by combining the modern lending library activities with other customer services proposed for the Town Hall Extension;
 - preservation and improvement of the Town Hall fabric by a planned programme of maintenance including security improvements;
 - the repositioning and remodeling of St Peters Square. This will enable better facilities and first class public realm as part of a wider, comprehensive

regeneration of the area as a key gateway to the City and to the Oxford Road Corridor, to support the very significant public and private sector investment in the area, and to provide an appropriate setting for the civic complex;

- examine options for the creation of better performance and viewing space, to enable the Library Theatre to expand and reach new audiences by relocation to a more appropriate venue; and
- the opportunity to locate the County Records Office within Central Library, to maximise the benefit of improved public access to a unique collection about Manchester.

3.3 The work on these options has highlighted the potential for achieving these improved outcomes, but also confirmed that delivering them will require very substantial investment from the Council to meet maintenance responsibilities and to improve the assets.

4. Summary Proposals for the Town Hall Complex

The Town Hall

- 4.1 The Town Hall is grade 1 listed. It requires investment and a planned maintenance programme to maintain its functions as an administrative and civic centre recognising its immense heritage importance. Due to the listing of the building and its layout it is very difficult to reconfigure the space. However it is in reasonably good condition and the priority is to prevent deterioration of the building and keep it safe and compliant with statutory obligations.
- 4.2 The security of the building needs to be improved and public access needs to be better controlled. All visitors other than those wishing to view the building would be directed to the customer service centre in the Town Hall Extension.

The Town Hall Extension

- 4.3 The Town Hall Extension is Grade 2 listed. Approximately 1,450 staff work in the building, over floorspace that covers 342,500 sq ft. It is in need of extensive repair to elements of the fabric of the building and services as it is reaching the end of its economic life. The need for extensive refurbishment provides an opportunity to reconfigure the building to provide more modern, flexible and efficient workspace whilst improving access to customers including providing a single point of contact through a new Customer Service Centre on the ground floor.
- 4.4 The proposed Customer Service Centre will bring together front line staff in one place and will deliver enormous improvements in customer services. Customers will be clear about which entrance to go through and will be able to have many of their queries answered on the spot. There are a number of options for this but the most effective configuration looks to be one based on the establishment of a new entrance off Lloyd Street, which would be further enhanced by the pedestrianisation of Lloyd Street as an integrated part of the proposed new public realm. All existing reception areas will be removed so there will be a single, clearly signposted and easily accessed entrance. This will not only free up office space but will enable customers to deal with several enquiries from one point of contact without having to visit different parts of the building.

4.5 The feedback from visitors is that the current arrangements give a very poor impression of the Council and are extremely frustrating and inefficient. Some of the Library front of house functions can also be integrated with the Customer Service Centre. This will increase the overall amount of library public space.

4.6 In summary the key proposals would include:

- Consolidating all existing reception spaces in one place with a clear entrance for the public and a separate staff entrance. This would improve public access and security and improve the image of the building;
- Create approx 300 additional workspaces, which would reduce the need to lease other buildings in the city centre, thereby increasing operational efficiencies and reducing costs;
- Improvements in working conditions for Members and officers, with continuing access to catering and meeting spaces and improved IT links;
- Create opportunities, where this is feasible and appropriate, for some complementary commercial uses around the perimeter of the building which would encourage additional visitors to the building, bring more animation and life to Library Walk, make the complex less imposing and encourage greater use of the Square. This could also help to offset some of the costs of refurbishment;
- Significantly reduce annual maintenance and repair costs, which could be used to offset the capital costs of refurbishment; and
- Make better use of storage space in the basement and potential revenue savings by creating a more green, energy efficient environment.

4.7 More work is still needed to draw up detailed specifications for proposals and a cost validation exercise is underway.

Central Library

4.8 Central Library is Grade 2* listed and a world-class reference and lending library. Its prominence provides a key focal point in the Square, is of significant heritage value and a unique and treasured asset for the City.

4.9 Measures to bring the Library into a safe and satisfactory condition will require significant public sector investment. This will include removal of asbestos, complete renewal of services, improvements to fire safety and compliance with the Disability Discrimination Act, as well as some Library refurbishment. The sensitivity and extent of these works means that the Library could be closed for 2 to 3 years.

4.10 The proposals for the Library focus on maximising service improvements to the customer. They also seek to maximise the potential of the building in the context of a revitalised St Peter's Square and the improved Town Hall Complex proposals by investing in, protecting and preserving this important heritage asset. The intention is that the building will remain a world-class library with the reading room retained and with better access, showcasing special collections

unique to Manchester. Other, less accessible and useable space would be released for other uses. As a result of these proposals there will be a greater level of publicly accessible space across the complex for library users.

- 4.11 The current condition of the building and configuration of the space, both in terms of the parts of the building open to the public and the offices on the upper floors, mean that the space cannot be used efficiently and the standard of service to customers is difficult to improve.
- 4.12 The upper floors of the library are not suitable for groups of staff that ideally need to be in open plan space. The offices are compartmentalised and are very inefficiently laid out. The proposal to relocate appropriate staff into the Town Hall Extension will provide the opportunity to co-locate staff who work in similar areas leading to more efficient working, and better working conditions for staff.
- 4.13 During the time when the Library is closed, the service will look at providing alternative provision in the city centre. Additionally, extensive storage and workplace facilities will be required during the closure. Once the refurbishment is completed, a modern lending library could be housed in the ground floor of the Extension integrated with the customer service centre. This could also incorporate some well-presented meeting space for use by a wide range of community groups.
- 4.14 Options to reconfigure the top floors of the Library for commercial office space could be considered if the wider proposals for the Town Hall Extension are progressed. The space on the ground floor fronting Library Walk could also be better utilised, and would make Library Walk a more vibrant and usable space, creating a hub of activity and an attractive environment, connecting and enhancing St Peters Square and Albert Square.
- 4.15 The Library Theatre is currently in a wholly inadequate location for a modern theatre fit for a leading European regional city. It needs a contemporary, flexible space and the potential to develop the theatre as a venue for community and cultural events. Alternative venues in the city centre are being evaluated, and a report on the outcome of this work will be brought forward in due course. The relocation would release the basement of the Library for use by the County Records Office, which could save costs elsewhere, and bring together a unique collection and service focused on Manchester. This may attract some Heritage Lottery funding.

St Peter's Square

- 4.16 The opportunity to re-position and re-model St Peter's Square to support the very substantial investment in the Town Hall Complex is a key part of the proposals to improve the whole civic quarter. The importance of the Square cannot be overestimated. The redevelopment of Elizabeth House, other planned commercial development along Mosley Street and in the immediate vicinity, and the opportunities presented by the link into the Oxford Road Corridor provide a major opportunity to support further significant employment creation that will benefit the City-region as a whole. However, their ability to drive this will, in part, be consequent on creating an appropriate setting that is attractive to modern occupiers and investors.

- 4.17 The Square has such great potential that it is proposed to hold an international design competition to attract world-class proposals for improvements to the public realm. In this context, of major importance is the need to ensure better integration to create maximum benefit for the area, as new development takes place. In this respect, a spatial strategy will be required to inform decisions and support the management of change.
- 4.18 The importance of the cenotaph and other historic monuments is recognised and there is no intention to move either these or the Metrolink track.
- 4.19 A key element of this will be how the form and function of the Square complements and enhances the civic buildings, provides an appropriate environmental context for proposed new developments, and a suitable termination point to Oxford Road/Street. Although the area is doing well, despite the many challenges that it faces, there is a major opportunity to provide a new asset for the City through the redefinition of spaces, connections, linkages, and traffic movement within and around the wider Square that will deliver better outcomes in terms of an improved environment, high quality accommodation, world class public and cultural facilities and open spaces, and high quality transport facilities.
- 4.20 As part of the proposed changes there is an opportunity to create space below the Peace Gardens for an underground public car park of around 230 spaces. The car park, if built, would be for public use, and could also include provision for disabled employees, but would also complement a possible pedestrianisation of Lloyd Street to improve resident access to the Town Hall and in particular the proposed new Customer Service Centre. Pedestrianisation would require relocation of current traffic from Lloyd Street including deliveries, disabled employees, councillors and contractors. Other options need to be identified and evaluated for this. It would also allow the extension of St Peter's Square and provide an essential pedestrian link through to Albert Square.
- 4.21 A new public pavilion could provide a marker and a focal point for the entrance to the Square, house the entrance to the car park, a new crèche and playground, public toilets and a visitor information centre.

5. Costs and Funding

- 5.1 The total cost of the initiatives set out above is around £150M. While this will be subject to further testing, this estimate is considered to be prudent. The estimated costs confirm that significant investment is needed to meet the Council's maintenance responsibilities. However, a number of possible funding sources are being evaluated. This could include mainstream capital investment, asset management redevelopment priorities, spend to save initiatives resulting from consolidating services and relocating staff, and third party funding where feasible and appropriate. Grant funding will also be sought where appropriate. The viability of the underground car park is still being tested, although if it were to go ahead it would have to be self-financing.
- 5.2 More work is underway to evaluate the best option for each element of the complex and this will be subject to a detailed report by the end of the year.

6. Conclusion

- 6.1 The Town Hall Complex is one of our greatest cultural and civic assets, which make a significant contribution to the heritage of the City. There is an urgent need to protect these facilities, including St Peter's Square and bring them up to modern, efficient standards to preserve their heritage. This provides an ideal opportunity to improve the way the Council delivers its services, and, as the complex represents the first impression of the Council to showcase the City as progressive and world-class.
- 6.2 The measures set out in this report, which seek to optimise public service delivery and enhance the vitality of the area, provides the most cost effective and efficient approach to addressing this considerable problem.
- 6.3 A range of new commercial developments is currently being proposed for Mosley Street and the surrounding area, including Elisabeth House. These developments will be of the highest quality and design to reflect the importance of the civic quarter, and the significance of the Square as a major visitor destination and arrival point. These new developments coupled with the link into the Oxford Road Corridor, provides the opportunity to reposition the whole area as a major destination for visitors and occupiers and to support significant new economic activity.

7. Recommendations

Recommendations can be found at the front of the report.