

**MANCHESTER CITY COUNCIL  
REPORT FOR RESOLUTION**

**REPORT TO:** Resource & Governance Overview & Scrutiny Committee  
The Executive

**DATE:** 5 February 2009  
11 February 2009

**SUBJECT:** Town Hall Complex Programme – Transforming Customer Experience

**REPORT OF:** Elaine Bowker, Strategic Director, MIP  
Richard Paver, City Treasurer

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**1. BACKGROUND:**

- 1.1 A Report for Resolution on proposals to improve the functioning and condition of the Town Hall Complex was presented to the Executive in July 2008. The Report was noted and endorsed, and it was agreed that further work was to be undertaken to: develop the strategy and report back on the detailed specifications.
- 1.2 In August 2008, the Town Hall Complex Refurbishment Programme Board was formed and they progressed the proposals and submitted an Interim Report to the Executive in October 2008. A further update on progress was presented to the Executive on 17th December 2008. A Members' Seminar was also held in November to brief Members on the planned improvements, the look and feel of the physical environment and how this can effect cultural change.

**2. PURPOSE OF REPORT:**

- 2.1 This Report describes how the future working environment and culture of the Town Hall Complex will deliver improved, more accessible services to the Council's customers. It also details the costs, overall benefits and timescales of the refurbishment.

**3. RECOMMENDATIONS:**

- 3.1 The Executive are recommended to:
- Agree that the Town Hall Complex Refurbishment Programme, as described within this Report, should proceed.
  - Approve the proposed governance structures, as set out in the report, including the establishment of a Members' Review Panel.

- Agree that authority be delegated to the City Treasurer and Head of Corporate Property in consultation with the Executive Member for Finance and Human Resources to enter into agreements for leasing of temporary accommodation for decant purposes, as set out in the report.

#### **4. FINANCIAL CONSEQUENCES FOR THE REVENUE BUDGET**

- 4.1 As a result of the proposed works and improved usage of existing space, the Council can withdraw from a number of City Centre offices that it leases. This will provide annual revenue savings in rent, service charges, business rates and running costs of £1.7m. These savings will be realised when the refurbished Town Hall extension reopens, as more desk spaces will have been created and the overall space is used more efficiently. However, the estimated dilapidation costs of £1.2m will be offset from the savings in 2014/15. Thereafter, the savings will be available to meet part of the capital financing costs.
- 4.2 The estimated cost of leasing in suitable premises for office and library uses is included within capital costs.
- 4.3 There will be revenue savings in business rates and running costs during the period of closure. These savings have therefore been offset against the decant cost to reduce the total scheme capital cost.
- 4.4 More sustainable, efficient services will lead to reduced energy costs in the refurbished buildings.
- 4.5 The costs of funding the borrowing required to finance the project is as follows; £321k in 2009/10, £1,219k in 2010/11, £2,516k in 2011/12, £4,543k in 2012/13 and £6,525k in 2013/14. Revenue savings are expected to accrue from 2014/15 to reduce the cost of borrowing from £10m to circa £8.3m. To the extent that assets are disposed of, or further resources identified, the annual ongoing costs will be reduced. The costs of the three years to 2011/12 are included in the current Medium Term Financial Strategy.

#### **5. FINANCIAL CONSEQUENCES FOR THE CAPITAL BUDGET**

- 5.1.1 The total investment in the Town Hall Complex is estimated to be up to £175m, with a current best estimate capital cost of £165m. This figure is based on current known conditions and when detailed design has been completed and, as part of this process, detailed surveys undertaken, after which an accurate final cost will be available. However, the budget does not currently reflect the potential procurement efficiencies which, given current market conditions, are expected to be in the order of at least 10% on the build costs. The project will be phased over a period of up to five years (with a decant period of approximately four years and a detailed profile of the capital spend has been prepared indicating the extent of capital investment required in the financial

years 2009/2010 to 2013/14 of £165m. The profile of spend is likely to be as follows:

	Sub Total	2009/10	2010/11	2011/12	2012/13	2013/14
	£m	£m	£m	£m	£m	£m
Total Capital Project Cost	165.0	19.1	21.4	41.3	51.3	31.9

- 5.2 The longer-term strategy for funding the programme of works envisages the disposal of certain assets to offset part of these costs, but in current market conditions the scale and timing of these is uncertain. The funding strategy therefore currently assumes that the whole programme is funded through prudential borrowing. Each £10m of disposals would reduce the long term funding costs by around £600,000.
- 5.3 There is a current programme of works for the Town Hall Complex through the AMP programme. The yearly spend is circa £2M per annum. This will reduce once the buildings enter the refurbishment phase. However, additional AMP funding will be needed to maintain a programme of planned maintenance for the Old Town Hall.
- 5.4 There will be a capital value for the space that becomes permanently vacant within the Ground Floor of the Town Hall Extension and Central Library. The covering of Library Walk will further increase the value generated by creating a more attractive enclosed environment.
- 5.5 There will be a number of Section 106 payments as a result of developments across the City Centre and these will be used to offset the overall capital costs of the improvements to St. Peter's Square

## 6. CONTACT OFFICERS:

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## 7. BACKGROUND DOCUMENTS:

- 7.1 Town Hall Complex Strategy, 21<sup>st</sup> July 2008, 23rd July 2008, from The Chief Executive and City Treasurer
- 7.2 Working Without Walls, An Insight into Transforming Government Workplace, Office of Government Commerce, 2004
- 7.3 Update on Activities within the Town Hall Complex Refurbishment Programme, 22<sup>nd</sup> October 2008, from the Strategic Director, Manchester Improvement Programme

- 7.4 Summary information regarding the Town Hall Complex, Stephenson Bell Architects, October 2008
- 7.5 Presentation to Members, 27<sup>th</sup> November from Elaine Bowker – Strategic Director
- 7.6 Update on Activities within the Town Hall Complex Refurbishment Programme, 17<sup>th</sup> December 2008

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**8. WARDS AFFECTED:**

All

**9. IMPLICATIONS FOR:**

Anti-Poverty	Equal Opportunities	Environment	Employment
No	No	Yes	Yes

## **1. Introduction**

- 1.1 Manchester's Town Hall is a building of international architectural significance and a work of exceptional quality and craftsmanship. The Town Hall Extension and Central Library are buildings of national significance, among the best examples of the architecture of their period, innovative, sophisticated and constructed to high standards. Albert Square and St Peter's Square are major public spaces at the heart of the city, that provide the setting for these important civic buildings, as well as a number of key developments that are proposed in the vicinity of the Town Hall. Together these three buildings and two spaces comprise the Town Hall Complex, the finest civic complex in any British city outside of London.
- 1.2 Whilst the Complex has been maintained over the years, it is now necessary to carry out extensive works to prepare the Complex for many more years of civic duty and to meet the Council's commitment to reducing its carbon footprint.
- 1.3 In addition, the Council is currently developing a Customer Services Strategy, the first draft of which will be submitted to Scrutiny Committee on 5<sup>th</sup> March 2009. Its purpose is to define how the various Directorates can improve service provision to the customers (citizens, businesses, visitors amongst others) of Manchester. Excellent customer service depends upon two key Council capabilities - effective means of customer access to Council Services and effective service delivery.
- 1.4 Refurbishment of the Town Hall Complex will enable these capabilities to be developed, through, for example, easier access to Customer Services via the Town Hall Service Centre, the Central Library and other public areas. As a result, our customers will find the Council approachable and focussed upon their needs, whether they wish to pay their Council Tax, receive information on a Central Library exhibition, understand how to become a Councillor, or all of these.
- 1.5 The refurbishment programme has cultural and behavioural change at its heart, which will ensure that when the Town Hall Complex is re-opened, it will be for the benefit of all of the citizens of Manchester. The office space will lend itself to more modern, flexible working arrangements, more desk spaces will be created enabling vacation of leased-in premises leading to financial savings.

## **2. Background**

- 2.1 In July 2008, a report was submitted by the Chief Executive and the City Treasurer to the Executive, which provided some proposals on how the Town Hall Complex could be developed, the benefits that this would provide and the associated costs.
- 2.2 This report was approved and a request was made to develop:
  - How changes to the physical environment will drive cultural change that will improve the customer experience and employee satisfaction

- A detailed funding strategy aligned to a procurement strategy and expected expenditure
  - Further detail on the works required for the Old Town Hall
- 2.3 The Executive requested that a further Report be produced and submitted in December. In the light of the above, a Programme Board was set up to enable cross-Council input into the production of the Report.
- 2.4 The Report to the Executive of 22<sup>nd</sup> October 2008 described how a Programme Board had been established to produce a detailed definition of the Town Hall Complex Refurbishment. The Programme Board had, as their primary objectives, to:
- Improve outcomes for the customers and employees of the Council in line with the Community Strategy.
  - Ensure that St Peter's Square complements and enhances the civic buildings and provides a high quality setting for the proposed new developments around the Square, thus creating a dynamic new civic quarter.
  - Ensure these new developments will help to create new jobs.
- 2.5 The Report also described the actions required to achieve these objectives:
- Improving the quality of the Town Hall Complex buildings to boost civic pride
  - Developing the St Peter's Square environment through an International Design Competition
  - Improving customer access to Council services through the Town Hall Customer Service Centre and the Central Library works
  - Improving the provision of Council Services and employee working conditions through improved physical environments
  - Increasing commercial use of surplus parts of the complex
  - Increasing the energy efficiency of the buildings
  - Improving the condition of the buildings
  - Reducing the number of offices that the Council leases in the city centre
  - Reducing the costs of supporting the city centre buildings portfolio
- 2.6 A further Report was submitted to Executive in December providing further details on the refinement of proposals. A Member's Seminar was also held in November and the Member's comments and concerns were captured and are reflected in the body of this report.
- 2.7 This Report will describe how the refurbishment will improve outcomes for our customers and employees through an improved physical environment. It also describes the costs, benefits and the implementation plan for achieving these outcomes.
- 3. THE PROFILE OF COST**

- 3.1 The total estimated cost for the Refurbishment Programme is £175m over a five-year period, commencing in 2009 and completing in 2014, which will be partly offset by revenue cost savings.
- 3.2 The total capital cost is currently estimated to be £165m as outlined in the following table and includes construction, decant capital costs, fees and contingencies. It does not include any works to the Old Town Hall, a new location for the Library Theatre or potential cost avoidance of £11m on construction costs due to the likelihood of market deflation.

	Sub Total £ 000	2009/10 £ 000	2010/11 £ 000	2011/12 £ 000	2012/13 £ 000	2013/14 £ 000
<i>Town Hall Extension</i>	73,070	5,000	12,178	24,357	21,357	10,178
<i>Decant Capital Costs</i>	13,546	8,868	1,074	1,074	1,074	1,457
<i>Central Library</i>	46,876	1,000	7,713	15,425	16,025	6,713
<i>Decant Capital Costs</i>	6,646	4,269	460	460	850	607
<i>Library Walk</i>	3,824				1,912	1,912
<i>St Peters Square &amp; Pavilion</i>	20,261				10,131	10,131
<i>Lloyd Street Re-surfacing</i>	861					861
<b>Total Capital Project Cost</b>	<b>165,085</b>	<b>19,138</b>	<b>21,425</b>	<b>41,316</b>	<b>51,348</b>	<b>31,859</b>

- 3.3 There will be revenue savings in business rates and running costs during the period of closure. These savings have therefore been offset against the decant cost to reduce the total scheme capital cost.
- 3.4 As a result of the proposed works and improved usage of existing space, the Council can withdraw from a number of City Centre offices that it leases. This will provide annual revenue savings in rent, service charges, business rates and running costs of £1.7m. These savings will be realised when the refurbished Town Hall extension reopens, as more desk spaces will have been created and the overall space is used more efficiently. However, the estimated dilapidation costs of £1.2m will be offset from the savings in 2014/15. Thereafter the savings will be available to meet part of the capital financing costs.

Revenue Cost Implications	2009/10 £ 000	2010/11 £ 000	2011/12 £ 000	2012/13 £ 000	2013/14 £ 000	2014/15 £ 000
Cost of Capital Borrowing	321	1,219	2,516	4,543	6,525	10,000
Rental Savings						1,718
	321	1,219	2,516	4,543	6,525	8,282

#### 4. THE BENEFITS FOR OUR CUSTOMERS

- 4.1 A key element of improved Customer Access is the inclusion of a Customer Service Centre within the refurbished Complex. Within this Service Centre (THSC), there will be an integrated Council approach to our customers by co-locating key services, which will enable customers to resolve disparate queries in a single visit.
- 4.2 The services will be provided in an environment which demonstrates investment in our customers and an understanding of their needs through the provision of:
- Durable, comfortable and consistent furnishings throughout
  - Adequate waiting areas, clearly sign posted with waiting times and seating
  - Play facilities for families with small children and discreet mother and baby areas
  - Mother and baby changing facilities
  - Refreshment facilities
  - Appropriate pram/trolley/shopping storage facilities
  - Clean open spaces with floor and wall coverings that promote hygiene and deliver long-term maintenance benefits.
- 4.3 The Council's respect for their customers' privacy will be demonstrated by providing rooms for confidential consultation where appropriate.
- 4.4 There will be improved access to specialist services, such as planning officers through the introduction of an open diary policy and booking system, our THSC staff will be able to book appointments for customers to resolve complex queries through the THSC.
- 4.5 Where appropriate, barriers will be removed and open information counters will be provided with friendly approachable staff, to ensure visitors and customers are greeted and directed to the most appropriate channels to resolve all their queries, without feeling in any way intimidated.
- 4.6 Customers will be provided with accurate, up to date information, both electronically and written. In addition, there will be trained, customer focused support staff on hand to help.
- 4.7 The THSC is the key to the segregation of general public, and other building users, in order to achieve an effective security model. Customers requiring access to services will be limited to the THSC. Meetings with customers in the line of general service provision may take place in other designated areas of the Town Hall Extension, but they will be received at the THSC.
- 4.8 Visitors, event attendees, those observing the democratic process, and tourists wishing to enter the TH will be received at a reception desk in the TH. Security solutions in the THX will be technology-lead (within the limitations of a listed building) whereas in the TH they will be people-lead because of the listed status of the building.

- 4.9 The co-location of the family and community Library with the THSC will enable libraries staff to encourage our customers to achieve self-service by offering training and support in relation to accessing on-line services.
- 4.10 There will be increased accessibility to services in the Town Hall Extension and Library through a better understanding our customer needs and by having:
- Opening hours which meet with customer requirements
  - Offering other self-service channels 24 hours a day
- 4.11 Customers' access needs will be met within the design by:
- Ensuring that entrances to services are located next to the most appropriate parking areas for customers, members and staff with access challenges
  - Using appropriate floor surfaces and lighting or use of sound instruments, recognising the diversity of our customers and respecting individuals rights to independence
  - Ensuring that the THSC has the appropriate ramps, lifts and hand rails
  - Emergency / support buttons strategically placed in key areas to provide additional security to vulnerable customers
  - Better signage will be set at heights appropriate for all our customers which also provide for visually impaired customers
  - Technology will be available which enables visually impaired customers to translate written correspondence into spoken text or other forms of media, as appropriate
  - Technological assistance will also be available for customers with hearing impairments.
- 4.12 The development of Library Walk into a semi-enclosed, glass galleria with actively encouraged public access will further boost civic pride.
- 4.13 Appropriate commercial opportunities will be developed in Library Walk. These will include restaurant facilities which will meet the needs of our diverse community and will cater for both public and staff, creating an inclusive and welcoming environment.
- 4.14 The history of Manchester will be brought to life and pride in the City will be strengthened through the effective use of the Libraries exhibition space.

## **5. THE BENEFITS FOR OUR EMPLOYEES**

- 5.1 The Council's employees are at the heart of excellent customer services provision. The physical working environment plays an essential role in ensuring that our employees can work more effectively and provide excellent services.
- 5.2 Throughout the Complex, but particularly in the Town Hall Extension, there will be open spaces lit with natural lighting and natural ventilation where possible. This will enable much more efficient temperature control and so provide a healthy environment, which will be crucial to personal good health and mental alertness.

- 5.3 There will be a consistent look and feel throughout the buildings, which will promote equality in the workplace and promote mutual respect, regardless of status and hierarchy within the organisation as well as strengthening the Council's brand.
- 5.4 The environment will reinforce the Council's values and provide an excellent opportunity to strengthen the employer-employee relationship, which is essential for linking individual commitment and activity to the attainment of organisational plans.
- 5.5 Rather than having a single standardised approach to office space allocation, staff will have their individual requirements (including adequate storage space) determined. This will have a positive effect on their perception of how the Council values its staff. However, the overall look and feel will be consistent and standardised and space will be fairly allocated.
- 5.6 By integrating the Information Technology into the building infrastructure, we will encourage staff mobility, improve aesthetics and reduce the risk of industrial accidents. Through the use of latest thin client technology the Council can reduce energy consumption and enable delivery of the Information Strategy by encouraging collaborative sharing of data and reduced risk of data loss from personal hard drives.
- 5.7 A document management system will be implemented (co-ordinated from within the Information Strategy Implementation) which will encourage collaborative working across the Council and with our partners. This will further reduce the risks of data loss and support data security requirements. It will also increase the amount of office space available by reducing the number of filing cabinets.
- 5.8 A number of technologies will be implemented which will enable more efficient working. An example of these is telephone technology, which will allow staff to record their working time and accept calls on their personal number, regardless of where they are physically located.
- 5.9 The use of web-meeting technology that allows employees to meet online, rather than in a conference room, will enable them to better manage their time and reduce the amount of travelling required.
- 5.10 Managers will be able to speedily communicate with greater numbers of staff with the introduction of web-meeting technology. The same technology can be used by SMT members and Councillors to supplement face to face communication where appropriate with consistent, interactive communication with the ability to broadcast to whole departments in real-time.
- 5.11 The interdependencies and working relationships between departments will be examined when we allocate office space to departments, which will encourage further collaborative working.
- 5.12 Social spaces, some with centrally owned and maintained food preparation and drink making facilities, will encourage staff to congregate, communicate and

build relationships. They will also have static and electronic notice boards to increase internal communications and create a more transparent working environment. The commercial facilities in the Rates Hall and Library Walk will also provide the staff with a social meeting space and a choice of catering facilities outside of the office environment. This will provide an opportunity for Council employees and members of the public to mix and share facilities, thereby breaking down the barriers and creating a welcoming environment.

- 5.13 The use of electronic notice boards will also assist in communications and reduce the need for paper posters (responding to the sustainability agenda). This approach will provide both time and financial savings whilst ensuring consistency of messaging across the Council.
- 5.14 Individual storage space (movable pedestals & rolling storage lockers), will mean better use of space, increased security and the ability to reallocate space quickly to enable project working in collaborative teams.
- 5.15 An open diary policy, supported by the appropriate technology, will provide transparency of team and manager whereabouts, which will build trust and break down hierarchal barriers.

## **6. HOW SERVICES WILL LOOK AND FEEL**

- 6.1 The emphasis for the Old Town Hall is the preservation of a uniquely important building that forms the heart of the Council's civic and administrative functions. Any significant changes to the building would not be appropriate and the approach is to ensure that the Council's responsibilities to maintain the building adequately, as the custodian of an asset for future generations, is properly planned and funded.
- 6.2 Proposals to improve public access to the original building have been developed and there will be improved security in the building. A programme of planned maintenance is proposed. These works will ensure that the fabric of the building is protected and the necessary upgrades to mechanical and electrical systems are planned. It is proposed that these works are undertaken as a part of ongoing, long term Asset Management Programme and are not associated with the capital works described above. As such, there are no costings for these works included in the Cost Plan.
- 6.3 The exception to this rule is that the historic importance of the organ within the Great Hall is recognised and a strategy for its restoration is being developed. However, costings for the restoration have not been included in this Report.
- 6.4 The Town Hall Extension is the Council's largest administrative base and also houses a number of customer-facing services. The customer experience is currently not a good one with access to services difficult and fragmented. The building is in poor condition and the mechanical and electrical services are reaching the end of their useful lives.
- 6.5 A complete renovation of the Town Hall Extension is proposed rather than a piecemeal approach to repair and refurbishment. This is because a piecemeal

approach would not provide any benefits in terms of transforming the delivery of services and is likely, ultimately to require a similar level of investment. The longevity, accessibility and usefulness of the building will be greatly improved as a result of these works.

- 6.6 One of the key outputs will be a new Customer Service Centre on the ground floor of the building co-located with the family and community lending library. This will enable a comprehensive range of services to be provided to the public in a modern, friendly setting. This will change the image of the building completely and will transform the way services are provided for the benefit of the people of Manchester, helping to make Manchester a better city, both to work and invest in.
- 6.7 In response to the outcomes from the Member's Seminar, Lloyd Street's current function will not be changed. However, it will receive some aesthetic improvements and improved parking layout, which will form part of the development proposals.
- 6.8 The ground floor of the Town Hall Extension, with its controlled access to the public, will also be configured so that it can quickly become an area for dealing with a City emergency. This will provide relatives and friends with a location to seek information in the event of a major emergency.
- 6.9 The curved façade of the Rates Hall and large arcaded windows of Central Library currently form a walkway between St. Peter's Square and Mount St. Library Walk has the potential to be a major attraction within the Town Hall Complex and given that the space will not be required for customer service or office space, it is proposed that it is transformed into a semi-enclosed 'galleria' suitable for appropriate commercial use.
- 6.10 The space will be semi-enclosed using a glass roof and accessed at either end through a glazed façade with the ability to close off the area in order to improve the ambience of the space and its security. The design will take into account the sensitivities associated with two such architecturally significant buildings as well as seeking to preserve the beauty and character of the Rates Hall. The potential impact of the design of this area is so significant that it is proposed to put the design out to international competition, in conjunction with the competition for the re-design of St. Peter's Square.
- 6.11 The Rates Hall will be used as a public bar/restaurant accessed directly from Library Walk, and there will be additional commercial activities accommodated within a part of the Library's modified ground floor. These commercial catering facilities will provide an important focal and mixing point for staff and the public and the space will be restored to its former glory.
- 6.12 Level 3 of the Town Hall Extension houses a number of committee rooms. These will largely remain unchanged but the presentation of the rooms will be improved. In a similar way, the Council chamber on the third floor will be unchanged, however, any maintenance issues will be addressed. There will be improvements to the Members' facilities on the third floor to better meet the Members' needs. In response to concerns raised at the Member's Seminar,

arrangement will be made to ensure that the Council Chamber and Committee Rooms on the 3<sup>rd</sup> floor of the Town Hall Extension will remain operational throughout the refurbishment.

- 6.13 The vision for the remainder of the office space is to utilise the buildings spaces much more effectively by opening up the floors through removing internal corridors and room divisions. This will transform the office environment and will be very important in changing the way services are delivered.
- 6.14 For the new Town Hall Extension to work effectively, the office space will need to be well managed, with sufficient break out and meeting space. Kitchen and breakout facilities on each floor will provide further informal meeting space. There are many examples of where this open-plan, modern office layout works well and can help bring about increased performance levels and changed behaviour.
- 6.15 Heron House is a good example of a productive working environment and it is hoped that, with appropriate use of modern technology, this can be taken a step further to provide bright, modern, efficient office space within the Town Hall Extension. All existing reception space on the upper floors will be unnecessary, as customers will access services in one place, the Customer Service Centre. The proposals will lead to the creation of up to 400 additional desk spaces in the building.
- 6.16 This new layout provides the opportunity to withdraw from a number of City Centre offices that are leased, as more desk spaces will be created and space used more efficiently. This will provide revenue savings and also will improve service delivery as the location and standard of existing leased-in office space is not ideal.
- 6.17 There is an opportunity to look at advertising wraps on the building during construction. If this is considered appropriate it would generate revenue income. Alternatively, it will be possible to use these wraps to promote the benefits to our customers of refurbishing the Complex.

## **7. CENTRAL LIBRARY SERVICES**

- 7.1 Restoring the Central Library offers the opportunity to reshape the way library, information and archive services are delivered in central Manchester. The newly refurbished Central Library will provide the majority of the historic, academic and treasured services.
- 7.2 There will also be a newer, vibrant, family and community library, based in the ground floor of the Town Hall Extension, building on the success of the new community libraries throughout the city. It is proposed to name the new facility 'City Library'. This gives it a clear link to the Community Library Strategy of co-locating libraries and access to wider Council services, as piloted in North City Library.
- 7.3 Consultation with residents on the emerging Customer Strategy has indicated that collocating libraries with access to other Council Services is proving

popular. There are natural synergies between the information services provided by the Library and Information Service and those of the wider Customer Service Centre. The presence of the Library public ICT suite will further enhance the services of the THSC.

- 7.4 The Library Theatre needs to be relocated to a new home to enable it to expand its programme and audiences. The Theatre has outgrown its current venue in the basement of the library and required updated facilities to support its expanding education work. It needs a larger auditorium and more scope for rehearsal and Green Room space.
- 7.5 An options appraisal is currently being prepared to examine the options for the relocation of the Library Theatre to a new permanent home. It will look at potential locations, associated costs and identify possible synergies with other partners in the City. The appraisal will take into account earlier work undertaken in 2005 on its current location in coming to a possible viable option. The work is scheduled for completion at the beginning of March and will be subject to a separate report to the Executive in April.
- 7.6 In the unlikely event of not finding an alternative location to accommodate the Library Theatre, then it will have to remain in its current location. The impact will be that it will not be able to realise its full potential owing to limited audience capacity.
- 7.7 The current building will offer more than the traditional range of library services offered in the current building – it will be one of Manchester’s must-see destinations and will retain the name, ‘Central Library.’
- 7.8 The building will be restored sympathetically, enhancing the original Grade 2\* listed features and creating a beautifully designed space in which to showcase services. The layout and guiding will be clear and simple to use, ensuring natural flow of customers in their journeys throughout the building.
- 7.9 Shakespeare Hall with its entrance hall on the ground floor, will be restored to its former elegance, revealing the original stone floor. The Henry Watson Music Library, celebrating the City’s rich musical history and contemporary scene, will be returned to its original location on the ground floor. The outer ring of the first floor will house the main book collections and have study spaces, using the original furniture where possible.
- 7.10 On the first floor, it is proposed that the magnificent Great Hall will house:
- The Archive Reading Room, bringing together Greater Manchester County Records Office, Manchester Archives & Local Studies and complementary partners into a combined archive offer, providing high quality customer services and maximising the benefit of improved public access to Greater Manchester’s unique archival heritage.
  - Treasures and Special Collections – the gems of the library collection will be securely displayed and there will be an exhibition area for in-house and external displays.

- 7.11 The second floor will contain a performance area for the many author and poet events; public meeting rooms and private study spaces.
- 7.12 In addition, there will be a state of the art Mediatheque facility from the British Film Institute and the collections of the NW Film Archive. These services will complement the high quality access and interpretation facilities of the archives offering, which include an ICT suite, cinema, learning spaces and breakout areas. The location of this facility is subject to the overall detailed layout design and space planning.
- 7.13 Floors 3 and 4 of the library, which are currently used as storage and staff offices, will be retained for future commercial opportunities and in the meantime could be transformed into a suite of civic meeting rooms to compliment the meeting rooms for residents on the 2<sup>nd</sup> floor. Ultimately, the remedial works required to these floors can be funded from room hire fees. For reasons of Health & Safety and ease of access, any future commercial development would be dependent on an independent access being created to enable safe access to the upper floors.
- 7.14 A community and family friendly, 21<sup>st</sup> Century, City Library will be provided in the Town Hall Extension. This will act a showcase for City Council Services, integrating with the THSC and will be accessible to the public 24/7.
- 7.15 This is to be achieved by:
- Maximising the potential of the newly refurbished building to create a state of the art lending, library service
  - Providing facilities for customers who are in a hurry, customers wanting a 24hr service and those customers who want to linger
  - Being attractive, simple to use, single floor layout
  - Having clear guidance throughout, including links to the Central Library offer.
  - Having a clear customer focus rather than a stock or service focus
  - Being integrated with the Customer Service Centre, developing the role of libraries as access points to wider Council services and having easy access between the two facilities.
- 7.16 An express lending and information service will be provided, designed to reflect retail bookshop display and promotional solutions, having comfortable soft seating for customers to reflect and linger, whilst perhaps enjoying a coffee. The area will house a large lending offer reflecting popular non-fiction, contemporary fiction and best sellers in both film and music.
- 7.17 There will be collections to reflect Manchester's diverse communities to include languages such as Chinese, Somali, Polish, French, Farsi/Persian, Bengali, Arabic, Urdu, Vietnamese and many more.

## **8. LIBRARY THEATRE COMPANY**

- 8.1 The Library Theatre Company (LTC) has operated from the basement of Central Library since 1952. With a capacity of 312, LTC is the only theatre

- producer in England to be managed and funded from within a local authority. It is recognised regionally and nationally for the quality of its work, last year playing to 54,500 people with an average attendance of 65%.
- 8.2 The LTC's current location however is deemed to be inadequate for a modern theatre in a leading European city. A study undertaken in 2005 by independent consultants concluded that the LTC's current location in the Library was hindering their capacity to develop both in artistic and audience development terms. In particular, there is little scope to expand the crucial front and back of house facilities required for a 21st century theatre. There is, for example, potential to offer a greatly expanded education programme building on the company's excellent track record but this is limited by a lack of facilities.
- 8.3 The capacity of the auditorium cannot be increased and therefore restricts the company's ability to exploit its successful productions and grow its audience; back of house facilities and services are extremely poor and customer services, despite every effort by the LTC, are not of a standard expected by today's audiences.
- 8.4 The refurbishment programme provides an opportunity to relocate the Library Theatre to a new home to enable it to expand its programme. Members of the Council, staff, funders and stakeholders and many customers are supportive of the decision to seek a new location for the LTC. An options appraisal has therefore been commissioned to review alternative locations and to provide indicative capital costs along with potential investment partners and funding sources, both public and private. This work will take into account the earlier work undertaken on its current location in the basement of the Library in coming to a conclusion on possible viable options. A further report will be submitted to the Executive in April.
- 8.5 LTC are actively preparing for a period without a permanent base, which will converge with the closure of Central Library for refurbishment. This includes negotiations with the Lowry Theatre to stage up to 3 shows per year from the Quays Theatre, including a Christmas production and innovative productions utilising non-theatre locations in the City Centre.
- 8.6 The Community and Education Service of LTC will continue its highly regarded outreach programme of work with children and young people and with older people in specific regeneration areas of the city.
- 8.7 Further consideration is being given to the requirements for an administrative base for the company as part of the overall decant arrangements.
- 8.8 The space created by the Theatre enhancement will enable the relocation of the County Record Office from the Northern Quarter into Central Library. A new state of the art Archives Centre will be created by bringing together Manchester's Archive Service with a range of partners including the County Record Office, the University Race Archives Centre, the historic collection of Manchester Registrar Service and the Manchester and Lancashire Family History Society. The collections will be further advanced by relocating the

Mediatheque facility from the British Film Institute in London as well as the North West Film Archive.

## **9. ST. PETER'S SQUARE**

- 9.1 St. Peter's Square is one of the most significant areas of open space within the City Centre. The area is a major gateway, and as a key arrival point, it is an integral part of the local transport network. The Square occupies a key strategic location between the City Gallery, Midland Hotel and Town Hall Complex, and the buildings alongside West Mosley Street, several of which, including Elisabeth House, are proposed for redevelopment. The Square does not currently act as a unifying element for the buildings that frame it, and does not provide an appropriate setting for the historically significant town hall complex.
- 9.2 A regenerated Square would create a distinctive public space, which would link together the various public buildings along its perimeter and provide a major townscape asset. The Council's ambition is to create a public space of international significance.
- 9.3 It is therefore proposed to undertake an international design competition in order to attract architects of world standing. Due to the proximity and need for synergy between the design of St. Peter's Square and Library Walk, it is proposed that both areas will be included in the design competition. It is also envisaged that the Members' Review Panel, key Executive Members and stakeholders such as neighbouring landowners, English Heritage etc., would be involved in developing and shaping the brief for the competition.
- 9.4 The Square will act as a focal point for both the Council Complex and the surrounding commercial businesses and as such occupies a key strategic location, in terms of providing a catalyst for regeneration of the area. The newly designed Square will compliment and enhance the surrounding high quality commercial developments and as such, there is a requirement to reduce the activity of buses and general traffic within the Square. To achieve this, a new Bus Station will need to be developed to serve the needs of buses in the east of the City Centre and a funding solution will need to be developed to deliver this.
- 9.5 In response to concerns raised at the Member's Seminar, it is intended that the Peace Gardens will remain a feature of St. Peter's Square, however, they will be included in the proposed international design competition and, as such, they will be enhanced and possibly raised up to ground level to create a more welcoming environment. Also, the Cenotaph will not be affected by the re-design of the Square and changed traffic management arrangements and will remain in its current position. Every effort will be made to allow access to the Memorial during the construction phase for the annual commemoration ceremony.
- 9.6 Following an initial feasibility study to explore a programme of public art commissions across the city on the theme of Radical Manchester, Members have indicated a wish to see an appropriate, contemporary commemoration of

the Peterloo Massacre as part of the redevelopment of the St. Peter's Square site. This will be achieved through the selection and appointment of an artist of international reputation as part of the overall brief for the site. The artist will play a key part in the design process, which will create an outstanding and iconic public space and make a major statement about one of the most significant events in the city's and the country's history.

- 9.7 The proposed planned and costed works for St Peter's Square are detailed in a later section. Of particular note is the Pavilion, which could become an iconic building, symbolising the modernism of Manchester. The Pavilion will house the crèche and could also accommodate the Tourist Information Centre. The public toilets from the Town Hall Extension will also be relocated here.

## **10. ADDITIONAL BENEFITS OF IMPROVING THE PHYSICAL ENVIRONMENT**

- 10.1 The buildings within the Town Hall Complex are of unique historic importance and form a key part of Manchester's heritage. The approach to the proposed works to the buildings is to ensure that heritage is preserved whilst opening up the facilities to provide more accessible services to the people of Manchester in a modern, efficient and friendly environment that complements the historic setting of the buildings.
- 10.2 There are some particular aspects of the buildings such as the former Rates Hall on the ground floor of the Town Hall Extension and much of Central Library and the Town Hall that are of enormous heritage importance and require investment to ensure that heritage is preserved. In addition, the spaces will be showcased to boost civic pride in the complex. The proposals have been discussed with conservation architects, in principle, along with English Heritage, and they will remain key stakeholders as the detail of the project is worked up.
- 10.3 The refurbishment of the Town Hall complex enables significant reductions to be made both in terms of the Council's carbon footprint, and its energy bills. This will also help the Council to achieve NI185 – the reduction in CO2 from a local authorities' own estate.
- 10.4 The Council will be able to lead by example in the City's ambition to become the greenest in Britain. This will be particularly impressive considering the complexity of refurbishing such a historical site.
- 10.5 The refurbishment will employ as many environmentally sound measures as possible, within the allocated capital budget.
- 10.6 As buildings designed in the first half of the 20<sup>th</sup> Century neither the Town Hall Extension nor the Central Library conforms to modern ideas of Health & Safety or Accessibility. Central Library, in particular, has had issues with regards to access, which are difficult to address without wholesale changes to the building. Also, the buildings' electrical and heating systems have been modified, added to and repaired over many years providing a legacy which is both difficult and expensive to maintain.

- 10.7 A further benefit therefore to these proposals is that it is an opportunity to address these long standing issues in a co-ordinated, cost effective fashion, as part of the overall design.
- 10.8 The Council leases space in five city centre offices, namely Overseas House, Salisbury House, Barlow House, Basil House and Express Networks. Approximately 600 staff from a number of different services are housed in these offices. In most cases the office environment is poor and staff would benefit from being co-located with other Council services. This has not been possible until now as, although there is some spare capacity in Heron House, there has been no space capacity in the Town Hall Complex where they would be most appropriately located.
- 10.9 Opening up the space in the Town Hall Extension to provide more desk spaces along with adopting more flexible ways of working and a more managed approach to the use of office space will accommodate the staff currently located in leased accommodation. There are also approximately 80 office-based staff in Central Library who can be relocated to the new Town Hall Extension. There is some spare capacity at Heron House for approximately 150 desks, which will also be used to accommodate staff ahead of the decant to reduce the number of staff to be relocated. Discussions are taking place with services to understand their operational requirements in terms of the timing of decanting staff.
- 10.10 The revenue costs of leasing these five offices are approximately £1.5M per annum. This includes rent, service charges, business rates and running costs. These savings will be realised once the Town Hall Extension re-opens.
- 10.11 The revenue savings from the withdrawal of leased offices could be used to contribute to the capital costs of the Town Hall Complex proposals by partly funding prudential borrowing.
- 10.12 The vision for 2015 is of Manchester as a World Class City that meets and exceeds the needs of all residents, with particular regard to those residents who have been socially excluded. It will be a city that is inspirational, welcoming and inclusive. By redeveloping the Town Hall Complex as the public face of the Council we are making a strong and visible statement of our key role in delivering this vision.
- 10.13 The Corporate Plan sets out the Council's organisational priorities that will help it to deliver its part of the Local Area Agreement. The THCR will support these priorities by:
- Creating a welcoming environment that meets the needs of our citizens. Our communities will feel an increased sense of pride in their City and Council.
  - Increasing the value for money our service provides. This will apply to our face to face operations, as well as the back office by utilising the space more effectively and encouraging cross departmental working.

The redesign will also realise operational efficiencies by ensuring that the customer need visit only once, reducing time and costs for both the Council and the customer.

- Providing physical support to the Council's transformation agenda of the Manchester Improvement Programme
- Providing our workforce with a high quality environment from which they can deliver high quality services
- Ensuring the Council's central operations are customer focussed and that they provide equal access to services.

10.14 The Council is currently developing and implementing its Customer, People, IT and Information strategies. These are key enablers for the Council to become more effective in delivering its services. Together they will support departments to deliver to the priorities, targets and measures of the Corporate Plan, Community Strategy, and the Comprehensive Area Assessment (CAA).

- **The Customer Strategy:** The refurbished Town Hall Complex will provide an environment that is designed around the Customer's needs. It will be modern, easy to navigate and accessible to all. It will draw all of the Council's service offerings into a coherent whole making them accessible and joined-up.
- **The People Strategy:** The working environment for our staff will be designed to promote a positive working culture where staff feel valued and able to provide a professional and productive service, no matter where their role sits in the organisation.
- **The Information Strategy:** Such a fundamental refurbishment of the entire complex gives a unique opportunity to build a technology infrastructure that supports the key concepts and principles of the Information Strategy, including a single view of the customer, providing self service access points for customers and creating a culture that values, trusts and shares quality information effectively.
- **The IT Strategy:** The IT Strategy will be integrated with, and supportive of, the Customer Services Strategy through providing a single view of the customer, an Electronic Data Management System, interactive, flexible telephony, virtual conferencing facilities and interactive web services

10.15 Wider national agendas and trends:

- The Comprehensive Area Assessment (CAA) will be implemented in 2009. It focuses on an area's ability to deliver its community outcomes through its partnerships as well as the Council as an organisation. The THCR gives an excellent opportunity to do more than simply align partner organisations' service delivery targets; it provides opportunities to co-locate with our partner organisations improving the accessibility of services, and increasing opportunities for agencies to work together on a day-to-day basis.
- The Varney Review, published December 2006, talked of the need for face-to-face services to be targeted towards the more vulnerable. It recognises that service transformation is built on treating different citizens differently, and recognises use of different channels for different purposes and under different

circumstances. The Town Hall Service Centre complements the Corporate Contact Centre and Internet as a complete package for accessibility of Council services.

- In 2004 the OGC published a paper entitled 'Working Without Walls - An insight into the Transforming Government Workplace'. This sets out the vision of the workplace as a facilitator of business, organisational and culture change to 'significantly enhance the effectiveness of public service delivery.'

## **11. THE THSC'S ROLE IN DELIVERING COMMUNITIES IN CONTROL**

11.1 In July 2008 the Government issued a White Paper (Communities in Control) setting out the proposals for areas where central and local government can devolve more power to citizens.

11.2 Shifting power, influence and responsibility away from the centre should generate a vibrant participatory democracy, but will be conditional on attracting an effective level of representation and involvement across the community.

11.3 The aim is to give local communities and citizens the power to influence, control and own the decisions and services, which shape their lives and supporting them to become more active citizens or volunteers.

11.4 There are 7 principal areas which need to be addressed, from the individual's perspective, to achieve the aims of the White Paper:

- Being active in your community
- Access to information
- Having an influence
- Challenge
- Redress
- Standing for office
- Ownership and control

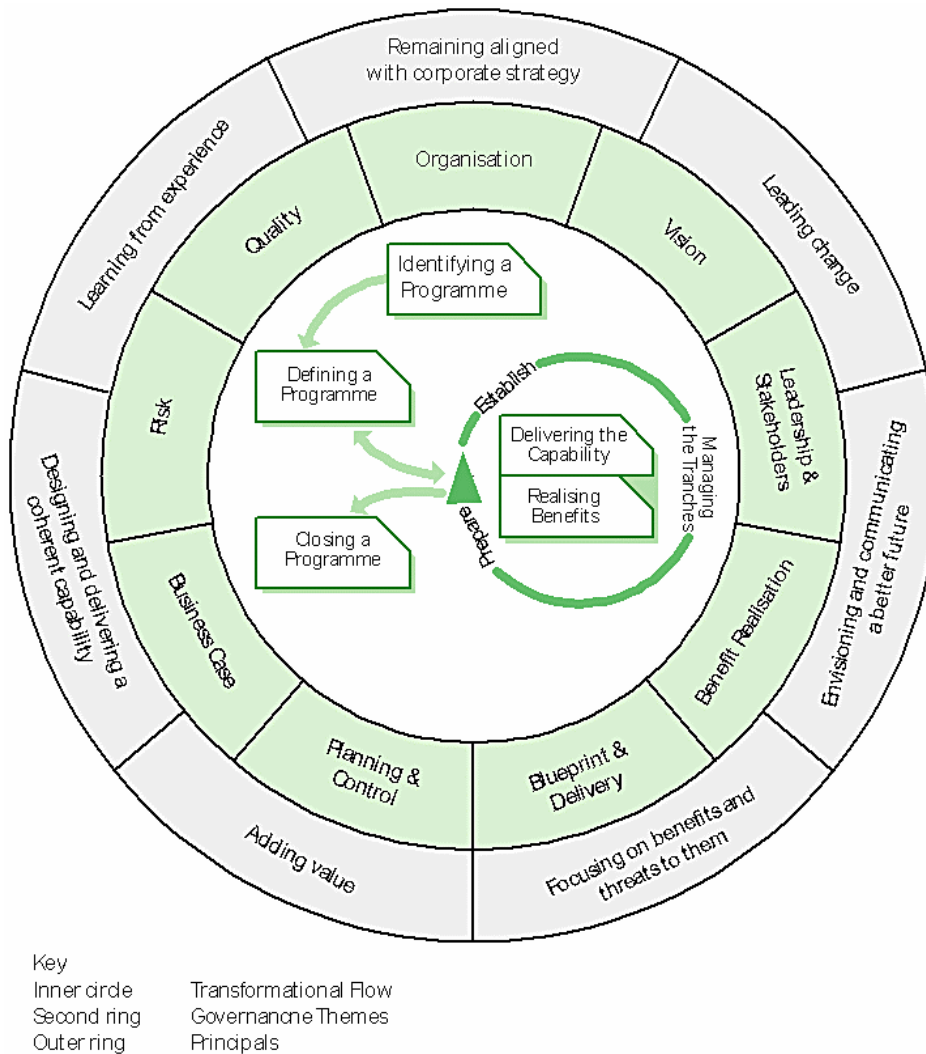
11.5 Local Councils remain at the heart of local democracy and with the introduction of a "duty to promote democracy" we need to play a pivotal role in driving through these aims.

11.6 The refurbishment of the Town Hall Complex provides a substantial opportunity to drive all these aims from a customer perspective, as well as forming an integral part of the wider Customer Services Strategy for Manchester's communities.

11.7 The Town Hall Complex will help to promote and support our citizens to become more informed and empowered through better access to information. This will help them to make decisions and become more involved at a local level.

## **12. PROGRAMME PLAN**

- 12.1 The Town Hall Complex Refurbishment demands a rigorous and co-ordinated approach to ensure that the programme management, communications and change management of the refurbishment give rise to the required outcomes.
- 12.2 Management of the overall programme will be driven by the need for cultural change in delivering improved access to better services for our customers and will demand significant skill, control and rigour in managing the delivery of the key elements. A wide range of different suppliers, including project personnel, architects, building contractors, technology vendors and regulatory bodies, will undertake work. Use of industry standard methodologies for the planning and progress monitoring of the programme and its constituent workstreams will provide a structured framework against which to plan, and subsequently monitor the progress of the project, to ensure delivery to the constraints of time and budget.
- 12.3 Success will be delivered through:
- Significant SMT and Executive support
  - Strong leadership from the Programme Board, Project Board and an integrated delivery Team
  - Realistic understanding of the organisational capacity and capability to change
  - Focus on benefits
  - A clearly defined and communicated vision
  - An emphasis on culture change
  - Significant engagement of stakeholders.
- 12.4 Effective leadership of the programme will be achieved through informed decision-making and a flexible management regime. The key roles involved are:
- Chief Executive - Senior Responsible Owner (SRO)
  - Elaine Bowker - Day to Day SRO
  - Programme Board – Chaired by Chief Executive
  - Project Board – Chaired by Elaine Bowker
  - Programme Director – Responsible for overall delivery of the Programme
  - Project Director – Responsible for construction & decant logistics workstreams
  - Programme Manager – Responsible for the THSC and transformational change workstreams
  - Programme Office – Responsible for overall risk management reporting, cost reporting, integrated masterplanning, integrated communications and engagement etc.
- 12.5 MIP utilises methodologies and tools that are based on industry best-practice (such as PRINCE2 for project management and MSP for programme management). The diagram below illustrates the core framework and concepts of the MSP (Managing Successful Programmes) methodology.



12.6 The Programme will have the following governance and organisational structures in place:

- The Programme Board, Chaired by the Chief Executive, and composed of Executive Member representatives and key stakeholders. The Programme Board will meet monthly to review progress and provide guidance and strategic direction.
- The Project Board, Chaired by Elaine Bowker, with members consisting of key representatives from the various workstreams and across the organisation, including but not exclusively, Capital Programme Director, Head of Corporate Property, Head of Corporate Personnel, Asst. Chief Executive, representatives from Regeneration and Planning. The Project Board would oversee delivery at a more detailed level and would meet on a monthly basis as a minimum.
- Programme Director with an overall remit to manage the Programme on a day to day basis. Work streams will include:
  - Culture Change
  - Human Resources
  - Organisational Development
  - Design and Construction

- Decant Logistics
- Communications
- Programme Office

12.7 It is also recommended that a Members Review Panel be established to oversee this highly significant change programme for the Council. This Panel would play a key role in maintaining the focus and strategic outcomes of the Programme throughout its delivery period. The following Members would form the Review Panel: Cllr. B. Priest, Executive Member for Finance & Resources, Leader of the Council, Chair of Resource & Governance Committee, 5 Back Bench Members (3 Labour & 2 Liberal Democrats), Leader of the Opposition with key Officers in attendance as appropriate.

### **13. Outline Time Line and Key Dates**

13.1 An initial high-level programme of works indicates that work in and around the Town Hall complex can be completed within fifty-one months from start to finish. There will be thirty-three months from closure of both the Library and Extension to the public and re-opening. Works to St Peter's Square will be the last element to be phased and will extend beyond this date.

13.2 Assuming a February 2009 approval, below is a project summary of key dates:-

Commence Procurement	-	March 2009
Design	-	July 2009 - Aug 2010
Decant Library	-	Sept 2009 – July 2010
Decant THX	-	March 2010 – July 2010
Commence Construction	-	Aug 2010
Re-open THX & Library	-	2013/2014
Completion of St. Peter's Square works		July 2014

13.3 The THC scheme will also have to take account of work that is currently underway to improve the Metrolink system in the city centre. This work will include the upgrade of the tram track, the introduction of new rolling stock and modifications to some tram stops including that at St Peter's Square. These proposals are currently being developed, and may include a temporary solution for the tram stop in advance of the Square being redeveloped. It is anticipated that these works will be undertaken in 2009. The final design solution will need to be in keeping with the overall high quality improvements to the Square and its importance as the setting for the Town Hall Complex.

### **14. Change Management**

14.1 A programme on the magnitude of the Town Hall Complex refurbishment will demand significant change management in order to maximise the beneficial outcomes that will be achieved. Change Management techniques will also be employed to minimise the disruption and impact felt by Council customers and staff as the programme progresses.

14.2 Staff will become committed to the delivery of this change programme through their involvement in the project at an early stage through consultation,

- exhibitions, seminars and conferences, to maximise their engagement at all levels in the Council. Activities such as these will be used throughout the life of the Town Hall Complex Refurbishment. Involvement will be designed to allow staff to shape the changes through idea generation, experience sharing and delivery of specific project tasks.
- 14.3 In addition, it is intended to introduce the physical and cultural changes, associated with the refurbishment, before and during the decant period. The programme will take advantage of this time to integrate with the Customer, People, Information and IT strategies and assist in their delivery. The wide, open plan floor plates of the decant offices provide the opportunity for very efficient use of space. However, this will only be maximised with the minimum creation of individual offices, as the layout lends itself to open plan working. Detailed space planning will be done, in conjunction with the staff, to ensure the space is used efficiently and appropriately.
- 14.4 The premises in the proposed decant location provide an opportunity for a centralised customer-facing facility as part of the decant and earlier than expected. It is therefore necessary to drive the THSC element of the Programme ahead in terms of timing of delivery. This would necessitate bringing together all of the existing reception areas into a co-ordinated and customer focused single location in approximately 12 months time, well ahead of the delivery of the new THSC in the Town Hall Extension. This provides a valuable opportunity to commence culture change around customer services as part of the delivery of the Customer Strategy. It will, however, impact on the timing of delivery of elements of the Information and Customer Strategies, in that a Customer Relationship Management system will need to be up and running within 12 months.
- 14.5 In order to achieve the highest efficiency from the decant space and keep costs to a minimum, it will be necessary to implement a Records Management solution, to ensure that unnecessary and bulky paper and files are not transported to the decant location. Where there is a statutory requirement to retain hard copy files, arrangements will be made for suitable storage space.
- 14.6 Engagement with the wider business, including functions outside of the services immediately affected by the refurbishment, will be undertaken in order to help to ensure their involvement with the refurbishment and the outcomes of it throughout the Council. Public involvement activities and external communications will also be co-ordinated to ensure clarity of message regarding the refurbishment.
- 14.7 HR will lead on those elements of change which relate to our staff. This will include negotiations with the Trade Unions over terms and conditions, throughout the period of pre-decant, decant and return to the Town Hall Complex. HR will provide their expertise in the design of the buildings and workspace environment to ensure all aspects of health and safety are best in class. In addition, HR will liaise with the Customer Services Programme and review Job Descriptions where appropriate.

14.8 Organisational Development will assist the change programme with new ways of working, supporting taking the staff through several stages of change as they move from their current office environment, through their decant locations and returning to the Town Hall Complex.

## **15. Communication to support the project**

15.1 Effective communication with everyone affected by the changes set out in this report will be vital to the success of the project. Its objectives will include engagement of affected groups (two-way communication), fully explaining the benefits of the changes and where possible involving staff and residents in appropriate decisions which affect them.

15.2 This will be coordinated by the Programme Office, to ensure full integration of communication across all elements of the Programme. However, Corporate Communication will lead on the overall strategy, with the press office handling media liaison. The proposal is that every affected business unit will be supported to produce and deliver their own communications plan to ensure that all affected staff, residents, suppliers, partners etc are kept informed and involved.

## **16. Interim Service Delivery and Decant Proposals**

16.1 Owing to the comprehensive nature of the proposed works it will be necessary to close the Town Hall Extension and Central Library during the construction period. This is predominantly due to Health and Safety issues and a more cost-effective decant solution can be achieved if a larger amount of space is leased. The current market conditions mean that the cost of renting temporary offices is reasonably low and within the estimated cost but this might not continue if the decant period were over a longer period.

16.2 The closure of the building will involve moving a large number of service areas to a temporary location for the duration of the construction period. These include office staff, customer-facing services, such as Manchester Advice, Homeless Presentation, Exchequer, the crèche and the Visitor Information Centre. It also includes space for library front of house, space for storage and cataloguing of books and longer term storage of valuable archive material and artifacts.

16.3 The evaluation of options for office space and ancillary uses has now been completed following a rigorous appraisal of the bids submitted by the building owners. The evaluation considered the overall cost of occupation and the process and outcome was endorsed by an independent review. The preferred location is Spinningfields. The proposal submitted by Allied London provides modern, efficient office space and space for a Customer Service Centre and the crèche, close to the main offices. The Visitor Information Centre could also be accommodated adjacent to the crèche.

16.4 The total cost of these premises are within the estimated budget and gives the Council the opportunity to relocate offices that lend themselves to more modern ways of working due to their open plan layout that are also close to the Town

Hall complex. The space identified for the Customer Service Centre provides the opportunity to get the Centre up and running more quickly than anticipated, meaning that services to the public can be improved during the decant period.

- 16.5 The proposals for the library is to relocate some of the key lending library services to nearby facilities on Deansgate to enable continuity of service for residents, although at a much smaller scale. This will enable the bringing forward of some of the proposed improvements to the Archive Service by providing a co-located access point to those collections which can be housing in a large basement area. Storage space can also be accommodated in an existing Council building at Sharp House and space has been identified for items that require longer-term storage. The total cost of these facilities are also within the estimated budget, however an allowance needs to be made for removals, IT costs and fit out.
- 16.6 The Library Theatre are currently investigating touring options to enable productions to continue during the building work at the Library. This includes 3 productions at the Lowry and a number of site specific works in other locations around the City. Some of these costs are still being finalised but the total cost of the office relocation and ancillary uses and the three elements of Central Library decant will be within the estimated budget cost.

## **17. Business Continuity**

- 17.1 A business continuity plan will be drawn up to ensure that services are run adequately during the decant period which is likely to be up to three years for each of the buildings. If the works to the Town Hall Extension and Central Library are carried out at the same time, the decant period will be approximately three years for all services.
- 17.2 Discussions are taking place with Corporate Technology regarding the IT issues and they were involved in the analysis of the decant options. Logistics advisors with experience of large headquarters relocating were also consulted.

## **18. Co-dependency of Staff**

- 18.1 Prior to the decant plans being drawn up, a space utilisation study has been undertaken to understand the co-dependency between staff in the Town Hall Extension and old Town Hall. The opportunity to improve the co-location of staff will be taken in order to minimise service disruption and assist with culture change.
- 18.2 The opportunity to introduce more modern ways of working will taken, so that the temporary office space can be used as efficiently as possible and the new modern working environment is piloted with staff during the decant period. Initial discussions with the Trade Unions have taken place and have been positive.

## **19. Programme Assumptions**

- 19.1 In developing an outline construction programme three key factors have been taken into account. Firstly, that the health and safety of public and staff is paramount, secondly that disruption to services should be kept to a minimum and thirdly, that the proposal remains cost effective.
- 19.2 A number of potential options have been considered including a phased floor-by-floor approach to the Town Hall Extension and deferring Central Library until after the Extension has been completed. Both of these have been rejected due to the anticipated high level of disruption being spread over a prolonged period of time and potential difficulties in creating and maintaining a safe working environment for both public and staff. The proposed solution therefore is to undertake construction works to the Town Hall Extension and the Central Library concurrently. Although this will require both buildings to be decanted at the same time, these additional costs are more than offset by the consequent construction savings.
- 19.3 It is our intention to retain access to the Council Chamber and members facilities within the Town Hall Extension. However, some disruption will at some time be necessary as works progress in and round these facilities. Work will be planned in such a way to minimise such disruption.

## **20. Procurement Strategy**

- 20.1 Selecting the right procurement strategy will be a key factor in ensuring that the project is delivered as cost effectively as possible, taking advantage of current market conditions in the construction industry, and will make certain that project risk is assigned to the most appropriate organisation equipped to manage it successfully. A good procurement strategy will also ensure that interfaces in work scope are defined in such a way that complicated exchanges of information across organisational boundaries are kept to a minimum. With regards to the Town Hall Complex there are two key areas that strategy must address; design and construction. Ultimately, commitment to large-scale expenditure would only be made after due diligence and a full risk analysis.

## **21. Procurement of Design Services**

- 21.1 The strategy developed for the procurement of design services needs to take into account a number of critical factors;
- The very particular heritage requirements of the Town Hall Complex, two Grade 2\* buildings adjacent to a Grade 1, will demand an experienced conservation architect.
  - The improved efficiency of space envisaged for the Town Hall Extension will require commercial, space planning or even retail experience.
  - The specific service requirements required by Central Library will require very particular design and planning skills for the storage and retrieval of books for a modern IT based library service.

- St. Peter's Square will require expertise in Urban Design and Landscaping, and an appreciation of the unique role of the Square.

21.2 In order to address these potentially conflicting requirements, an overall understanding is required, together with very specific specialist input.

## **22. Procuring Construction Services**

22.1 Over the last five years the Capital Programme Division has developed both the tools and capacity to successfully deliver large value construction projects. The Buildings Schools for the Future and Academies Programmes, for example, are extremely complex programmes of new and refurbished schools totalling almost £500 million which are being delivered very successfully across the city.

22.2 Capital Programmes intend to undertake a considered review of procurement strategies in order to identify the most effective and efficient option(s) for procuring a contract or contracts of this magnitude and complexity.

## **23. Risk Management Strategy**

23.1 The Town Hall Complex Programme in the early stages of its programme lifecycle. The cost is in the region of £165m - £175m and is one of the highest value capital programmes that Manchester City Council will deliver. There is still a significant amount of work to be done before the programme gets underway - such as going out to OJEU to appoint delivery partners.

23.2 In major programmes such as this there is a need for a clear risk approach and the following activities will be undertaken.

- A 'programme' risk workshop' with key internal stakeholders (including the Senior Responsible Owner and Programme Director to identify high level risks
- Further risk workshops to take place as the programme develops
- Appropriate risk owners will be identified to ensure that mitigating actions are put in place
- A reporting mechanism developed to ensure that the programme risk log is an agenda item at all board meetings
- There could be a resource requirement to ensure that the risk management process is co-ordinated and effective. This could be incorporated within a wider quality assurance (QA) role.

23.3. The Programme will be delivered through a number of sub-projects. It is imperative that all projects within this programme manage their own risk log. Therefore the following activities will be undertaken:

- Each project within the programme undertakes its own 'project' risk workshop with clear reporting mechanism to the programme risk log
- A reporting mechanism developed to ensure that the project risk log is an agenda item at all Project Board meetings

- A clear business process to escalate sub-project risks to programme and on to overall Programme risks is developed

23.4 A process will be developed to escalate Programme Risks to Corporate Level, this will be achieved through the Programme Office reporting process and via the Programme Board. At present the Capital Programme Group is working closely with the Corporate Risk Manager to define a clear escalation route and generic risk processes.

23.5 From April 2009 the City Treasurer has directed that all capital projects and programmes are delivered using the 'Manchester Method' via the Project Management System (PMS) as this will provide collaborative working and reduce risk.

## **24. PLAN OF CONSTRUCTION WORKS FOR THE TOWN HALL COMPLEX**

24.1 Following acceptance of the report submitted in July, the Executive required officers to develop the project further in order to obtain a more detailed understanding of the costs. For this purpose, Davis Langdon Ltd. were appointed, under the Project Management Framework, to undertake a thorough review of the scope of the project and provide a more detailed analysis of cost. In addition, a number of further, specialist, building surveys have been commissioned to provide a more robust basis for the programme assumptions. This report is available as a supplementary document and its findings are summarised below.

## **25. Old Town Hall**

25.1 It is proposed that all works required for the Old Town Hall will be undertaken as a part of ongoing, long term Asset Management Programme and, as such, there are no costings for these works included in the Cost Plan.

25.2 A model is being developed which would allow the installation of efficient heating and potentially cooling systems within the Town Hall, Town Hall Extension and Central Library and a feasibility report is due to be completed in early February. The model, although flexible, is similar to the one recently used by the Natural History Museum which is also a Waterhouse building.

25.3 Any works to be undertaken within the Old Town Hall as a result of the feasibility study will be funded by either AMP funding or spend to save investment. Funding has been included in this programme for heating systems to the Town Hall Extension and Central Library.

## **26. Town Hall Extension.**

26.1 The scope of building works will include;

- The development of a new Customer Service Centre across the majority of the ground floor area including some library services relocated from Central Library.

- Provision of new office space on the first floor accessed directly from the ground floor public entrance. This would include bookable meeting rooms co-located with services with a high level of public contact such as the planning department
- Heritage elements such as the Council Chamber and Member's suite on the second floor, including the decorated corridor, would remain unaltered other than some careful restoration where necessary.
- The strip out and removal of corridor walls on all the remaining floors allowing for open plan offices and associated facilities. This will create approximately 350 additional desk spaces
- Complete replacement of existing mechanical and electrical systems with new energy efficient designs. Replacement of toilets and sanitary facilities (durable and water saving).
- Floors, walls and ceilings refurbished and made good to basic office standard. Windows will be refurbished where necessary.
- Creation of a number of appropriately designed meeting rooms.
- Repair and replacement of the roof as necessary. Minimal treatment to the external stonework, again as required.
- The installation of furniture, fittings and new IT infrastructure.

## **27. Central Library**

27.1 Construction works for Central Library will include:

- Refurbishment and development of the book stack areas on both the basement and basement-mezzanine levels.
- Refurbishment of both the ground level and ground-mezzanine floors, with the perimeter spaces adjacent to Library Walk released for commercial use.
- Creation of a new Archive Service into Central Library.
- Improved accessibility through remodelling of the existing lift shafts and facilities, introduction of a link corridor on the ground floor to the rear of Shakespeare Hall and refurbishment and improvement to finishes.
- Acoustic treatment of the central dome area and removal of asbestos from this and other areas of the building.
- Complete replacement of existing mechanical and electrical systems with new energy efficient designs.

- Electrical segregation from the Town Hall Extension and replacement of the existing boiler plant. Replacement of toilets and sanitary facilities (durable and water saving).
- Improved fire safety and compartmentalisation.
- Floors, walls and ceilings refurbished and made good. Windows will be refurbished where necessary.
- Repair and replacement of the roof as necessary. Minimal treatment to the external stonework, again as required.
- The installation of furniture, fittings and new IT infrastructure.

## **28 Library Walk**

28.1 Construction works to create the proposed 'galleria' for Library Walk will include;

- Fitted out restaurant and bar (including kitchen facilities) located in the Rates Hall and Central Library accessed from Library Walk.
- A lightweight glazed roof suspended between the extension and library.
- Glazed curtain walling at either end.
- Mechanical and electrical services as required.

## **29. St. Peter's Square.**

29.1 Whilst the brief for the International Design competition for St. Peter's Square is still being developed, the following works have been costed for this Report. These are deemed to be those elements of the landscaping which are the Council's responsibility.

29.2 Construction works will include:

- New public realm including; landscaping, street furniture and lighting (not included in these costings).
- A new 'pavilion' style building to house a relocated Children's Centre, new public toilets to replace those on Mount Street and possibly the Tourist Information Centre
- Improved public transport facilities
- Appropriate treatment of Lloyd St

29.3 The total programme costs have been valued at a figure of up to £175m. The Council's procurement strategy should result in an improvement on this price and, given current market conditions, it is expected that there should be a reduction in the order of 10% on the build costs. However, we felt it was prudent to work on the worst-case scenario.

29.4 In developing these costs the following assumptions have been made;

- These estimates are based upon the scope of works outlined in earlier sections and are valid as of December 2008. As no detailed design has been undertaken at this point estimates have been based on standard information and gross floor areas where appropriate. Construction works for both the Central Library and Town Hall Extension assume an empty building.
- Costs include a percentage allowance for preliminaries. These are costs associated with setting up, maintaining and managing a construction site and are usually expressed as a percentage of contract value.
- A correction has been made to account for construction inflation predicted over the construction period. In this case this is a negative figure indicating that due to the wider economic environment construction costs are likely to reduce over the next few years.
- A figure for 16.5% has been included for professional fees associated with the Construction Design Team. This is higher than a typical construction project but reflects the specialised heritage nature of the project and the specialised design services and survey work that this will require.
- A figure of 2.5% has been included in the professional fees schedule to fund the cost of the Programme Office and the Transformation Change Team.
- A figure of 15% has been included for Contingencies on build cost and 5% on decant. This is possibly higher than required but will allow some flexibility in this uncertain economic environment.

29.5 The last six months has seen a remarkable contraction in the construction industry in the UK. Competition for a major project such as this across the supply chain will be fierce with a consequent downward effect on prices. There is therefore a potential window of opportunity to take advantage of.

29.6 There is a differential between the estimates given in the July Executive Report and this Report. This is due to the fact that we now have much more certainty in relation to some costs, due to further refinement, feedback and a change in the economic climate, as follows:

- More detailed estimates being available, particularly with regard to fixtures and fittings
- Additional works required for the Central Library due to the current lack of a commercial partner
- The inclusion of Library facilities in the Town Hall Extension
- The inclusion of works on Library Walk and Lloyd Street
- Increased clarity on the works required in the Town Hall Extension
- Further consideration given to the complexity of work within St Peter's Square, particularly with regard to utilities and working around the tram system which will remain in operation
- The desire to create the Pavilion as an iconic building
- A slightly longer period assumed for decant to minimise risk
- Adjustment for Inflation

### **30. Planning & Development**

30.1 Throughout the life-cycle of the Programme and specifically at the planning and design stage, the Programme Team will work closely with Planning Advisors and other statutory officers, to ensure minimum risk or delay to the programme. English Heritage will be consulted at all stages and will be a key stakeholder throughout the delivery of the programme.

### **31. Implications for the Environment**

31.1 The refurbishment of the Town Hall Complex will result in a greatly improved physical environment and will significantly contribute to the Council's objective of becoming a leading, environmentally sound organisation. The Council's Carbon Footprint will be reduced through measures such as:

- An efficient boiler with a building management system
- Low energy lamps
- Sub-metering of electricity and small power devices by floor
- The use of effective electronic document management systems will reduce the requirement to process much of our work on paper

### **32. Implications for Employment**

32.1 Through the use of local contractors, the refurbishment of the Town Hall Complex will generate a significant number of jobs over the next five years. When complete, the quality of the environment will improve Manchester's attractiveness as an employer and there will be a reasonable residue of construction and support businesses. The Council will itself become a more attractive employer with modern working practices.

32.2 It is proposed that the Programme Delivery Team be made up of permanent employees, via recruitment or secondment, thus retaining the expertise and skills gained from delivery of the Programme within the Council. It is recommended that a Recruitment Strategy be agreed in conjunction with the

Head of Corporate Personnel and be deployed upon approval of the Programme.

## **Appendix A - Carbon Footprint**

Significant consideration has already been given to reducing the Council's carbon footprint and these are detailed in the Plan of Works section. A summary is provided here:

- Insulation and draft proofing which will include secondary glazing where possible
- An efficient boiler with a building management system will be employed.
- For lighting, the preference will be to use LEDs. Alternatively, there are very low energy lamps available as well as cutting edge technologies that transmit daylight into buildings. Movement and daylight sensors will again reduce the electricity used
- Voltage optimisation techniques on the mains power supply will be used
- The use of timers at points of use (e.g. toilet facilities/office kitchens) for domestic hot water heaters will ensure water is only heated when required
- The fittings in the Complex will be obtained from sustainable sources, using local materials and suppliers where possible, again reducing the complex's overall impact on the environment
- Sub-metering of electricity and small power devices by floor or wing will increase ownership of energy consumption by staff and managers.
- The use of effective electronic document management systems will reduce the requirement to process much of our work on paper
- By providing portals for our partners to access and share information, the Council can again reduce the reliance on paper.
- Web conferencing can be used to reduce the need for travel between sites (this can also be used between advisers based in the Town Hall and residents coming to local neighbourhood offices, reducing the impact of our customers travelling to visit us)