

Decision Maker: EXECUTIVE

Date: Wednesday 11 July 2018

Decision Type: Non-Urgent Executive Key

Title: CIVIC CENTRE PROGRAMME AND OFFICE
ACCOMMODATION PROPOSALS

Contact Officer: Catherine Pimm, Senior Property Manager, TFM Client Team
Tel: 020 8461 7834 E-mail: Catherine.Pimm@bromley.gov.uk

Chief Officer: Director of Regeneration

Ward: Bromley Town;

1. Reason for report

To up-date Members on the latest proposals for office accommodation at the Civic Centre and the Central Depot, and to seek approval to:

- to appoint consultants to undertake a feasibility study and
 - for the disposal of Ann Springman and Joseph Lancaster Halls
-

2 RECOMMENDATION(S)

Members are asked to approve:

- 2.1 The scope of work proposed for the feasibility study for the Civic Centre and Central Depot.
- 2.2 The appointment of consultancy services from the ESPO Property, Building and Infrastructure Advice and Management Services Framework to carry out a feasibility study for the proposed works to the Civic Centre and Central Depot as outlined in the report.
- 2.3 The allocation of £122.2k from the £14.1m held in the Capital Programme for Civic Centre Development Strategy.
- 2.4 The disposal of Ann Springman and Joseph Lancaster Halls (AS/JL) on the basis outlined in paragraphs 3.15 – 3.17.

- 2.5 To fund the marketing costs of £65k from the future capital receipts that may be generated from the disposal of the site.**
- 2.6 The commissioning of consultancy services for the disposal of Ann Springman and Joseph Lancaster Halls, the costs of which will be deducted from the capital receipt.**

Impact on Vulnerable Adults and Children

1. Summary of Impact:
-

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Excellent Council
-

Financial

1. Cost of proposal: Estimated Cost: £162k
 2. Ongoing costs: Non-Recurring Cost
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £14.1m
 5. Source of funding: Capital Programme
-

Personnel

1. Number of staff (current and additional): Not applicable
 2. If from existing staff resources, number of staff hours: Not applicable
-

Legal

1. Legal Requirement: None
 2. Call-in: Applicable
-

Procurement

1. Summary of Procurement Implications: Appointment of consultancy services using OJEU compliant frameworks.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Boroughwide
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments:

Ward Councillors support the proposals and confirm that their priority for Ann Springman and Joseph Lancaster Halls would be a low density redevelopment reflecting the family home character of the surrounding area.

3. COMMENTARY

- 3.1 In May 2016 the Executive agreed a Development Strategy for the Civic Centre site and £14.1m was added to the capital programme to deliver the strategy.
- 3.2 The Strategy approved the retention of North Block, Stockwell Building and Reception and the demolition and rebuilding of the Great Hall/ Adventure Kingdom to create a new Democratic Hub/ multi-purpose space. The remaining site area was divided between an area of open space to be formally appropriated as a park and a developable area to be disposed of on a conditional, subject to planning disposal. Stockwell Building would be refurbished and its desk capacity increased.
- 3.3 In March 2017 the development agreement for the disposal of the Old Town Hall/ Exchequer House (OTH) was terminated and officers were asked to consider if it could be utilised as part of the Civic Centre Development Strategy. Further feasibility work was undertaken and the results reported to the Executive in December 2017, where it was decided that the OTH could not be utilised. Members also approved the consideration of another Development Strategy option, which would retain the Council Chamber, the Palace and East and West Wings and dispose of the Adventure Kingdom together with the Great Hall which may result in a higher capital receipt. This would create three distinct development zones for the Civic Centre site;
- 1) Ann Springman and Joseph Lancaster Halls
 - 2) Adventure Kingdom and Great Hall
 - 3) St Blaise Building and St Blaise Car Park
- 3.4 Under this option some refurbishment, in particular to the Stockwell Building, together with maintenance backlog works and some works to site connectivity could be achieved via a phased development plan.
- 3.5 The proposed scope for the feasibility study at the Civic Centre is as follows:

Stockwell Building	Refurbishment to increase density of occupation including new furniture layout, new IT Infrastructure additional toilet and refreshment facilities and alterations to the mechanical and electrical equipment, including the provision of mechanical ventilation or comfort cooling.
West Wing/ Old Palace (Ground Floor only)	Medium refurbishment to improve appearance of public spaces and to provide modern IT/AV equipment
Signage	New signage throughout site
CCTV Relocation	The CCTV monitoring station is located in St Blaise Building and will have to be relocated.
Reception/Essential Ancillary Spaces and Meeting rooms	Alternative accommodation provided for essential service spaces currently located in buildings that are being disposed of. Refurbishment, reconfiguration and extension of current reception(s) will have to be reviewed.
Separation of Buildings	There are physical, M&E and IT connections between buildings earmarked for retention and disposal
New Attendants' Lodge	Optional demolition/ rebuild of North Lodge
Infill North Block (Ground floor)	Possible infill of ground floor to provide additional accommodation
Demolition of Telephone exchange building	To provide alternative emergency vehicular access if infill to North Block Ground floor is undertaken

- 3.6 It is not proposed to consider the Great Hall/ Adventure Kingdom as part of this option. These buildings will be reviewed at a later stage and will form a future phase of the Civic Centre Programme.
- 3.7 The operating principles agreed as part of the original strategy will apply for any new option. They are:
- 70% desk provision
 - 50% reduction in meeting rooms with some informal meeting spaces are provided
 - Chief Executive and Directors only will have their own offices, although consideration will be given to offices for sexual health and child protection
 - Essential ancillary and support spaces have been identified and opportunities to rationalise them will be considered
 - Paper filing can and must be reduced
 - The loss of car parking spaces can be managed
- 3.8 Concurrent with the Civic Centre proposals, reviews and surveys have been undertaken at other operational sites and a number of potential building projects and building condition defects have been identified, one of which has a synergy with the Civic Centre Development Strategy and which it would be prudent to consider at the same time.
- 3.9 The Central Depot is the Council's main hub for waste services and, over the last 10 years, has been subject to various rationalisations and building projects and some services have been outsourced and relocated elsewhere. Recently some Environment and Community Services (ECS) staff have relocated to the Depot and occupy a mobile unit, which is reaching the end of its life. Adjacent to this mobile is an aged and underutilised brick building used as mess room for waste management operatives.
- 3.10 The proposed scope for the feasibility study at Central Depot is to consider the demolition of these buildings and the construction of a new building that could permanently house the majority of ECS staff and some third party suppliers, who could relocate from the Civic Centre
- 3.11 This would provide more space at the Civic Centre in North Block that could be used by other departments and which would facilitate staff displaced during refurbishment works to Stockwell Building.
- 3.12 It is proposed to consider these options first as part of the Civic Centre Programme. They will be dealt with as two projects.

Project 1 Central Depot Office Accommodation

- to increase the office space at Central Depot

Project 2 Civic Centre Office Accommodation

- to retain North Block, Stockwell Building, the Council Chamber, the Palace, East and West Wings

- to dispose of Ann Springman and Joseph Lancaster Halls and St Blaise Building and car park

- 3.13 Each project has been separately briefed and it is intended to commission the consultancy services to undertake a feasibility study including preliminary costs information. The projects will be considered jointly at feasibility stage to formulate an overall programme, but each project, if it proceeds, is expected to be developed and delivered separately in line with its own timescales and delivery method, including separate planning. The first phase of work would be Central Depot. If approved the feasibility study for the projects will cost in the region of £162k, which includes a provisional sum of £74k for any essential surveys that the consultant considers necessary to inform the feasibility study.
- 3.14 Members are asked to approve the appointment of an architect led multi-disciplinary consultancy service to carry out a feasibility study on the two projects.
- 3.15 Ann Springman and Joseph Lancaster Halls are currently vacant. Under the original Development Strategy it was proposed to decant Stockwell Building completely and move staff into AS/JL during refurbishment works. It is now proposed to refurbish Stockwell Building one floor at a time, so these buildings will not be required. Members should note that if the central Depot project does not proceed, then the provision of alternative decant space will have to be added to the Civic Centre costs.
- 3.16 Members are asked to approve the freehold disposal of Ann Springman and Joseph Lancaster Halls for low density redevelopment in keeping with the surrounding area, which comprises of family homes and marketing will be on the basis of a planning brief and with restrictive covenants to ensure that the redevelopment is in line with the planning brief. Costs will be incurred for marketing, the development of the planning brief and for legal costs associated with the covenants and sale.
- 3.17 The anticipated costs for a planning brief, legal and marketing are £65k. It is proposed to fund these costs from any eventual capital receipts that would be generated from the sale of the properties.
- 3.18 The cost information provided as part of the feasibility study will be for construction costs only. Members should also note that if the projects are approved that, as well as the construction costs, there will be other costs including:
- Professional Fees
 - Surveys (other than those undertaken as part of the feasibility)
 - Statutory and Other Costs
 - Furniture
 - Removal Costs
 - Decommissioning empty buildings
 - IT/Telephony/Data
 - Contingency
- 3.19 It is proposed to report back to Members following the completion of the feasibility study and that the report will include an assessment of all anticipated capital expenditure, anticipated revenue savings and potential capital receipts, all of which will now differ from those originally reported as a result of the amended scope, passage of time and changes to the organisation.

4 IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 There is not considered to be an impact on vulnerable adults and children as a consequence of this decision.

5 POLICY IMPLICATIONS

5.1 The Council is facing challenging economic times and has to make significant savings from the budget over the next few years. It is also seeking to achieve the rejuvenation of its Town Centres. Two of the strategies that will contribute to meeting these key challenges are:

- The Council's vision for delivering services as expressed in its Corporate Operating Principles
- A robust property review process accompanied by an active acquisition and disposal programme.

5.2 The Council has outlined its future vision for the delivery of its services in Building a Better Bromley's Corporate Operating Principles. The Corporate Operating Principles describe the Council as a commissioning organisation and states its intention "to deliver services by testing the benefits of:

- Having our services delivered by others
- Commissioning in partnership with others
- Delivering services in partnership with others
- Delivering services on behalf of others"

5.3 The commissioning process is underway and will impact on the Council's future office requirements.

6 FINANCIAL IMPLICATIONS

6.1 The potential cost of the feasibility study is £162k as detailed in the table below:

	Estimated Feasibility Costs (RIBA 0-2) £'000
Project 1 Central Depot Office Accommodation	26.7
Project 2 Civic Centre Office Accommodation	61.5
Provisional Sum for Essential Surveys	74.0
Total	162.2

6.2 The Capital Programme has an allocation of £14.1m to deliver the originally approved Civic Centre scheme, which includes the sum of £1.27m for professional fees and surveys.

6.3 At the Executive on 6 December 2017, Members approved the sum of £40k from this budget to cover additional consultancy services. However, as this funding has not been utilised, Members are asked to approve that this sum together with an additional £122k to this amount be allocated from the £14.1m, to meet the feasibility study costs of £162.2k for this latest option.

- 6.4 Members are also asked to approve that the marketing costs, including planning brief and legal costs of £65k for the disposal of Ann Springman and Joseph Lancaster, be funded from the future capital receipts that may be generated from the sale of the two properties.
- 6.5 It should be noted that should the disposal not proceed then the costs will be charged back to revenue.
- 6.6 The four year forecast currently contains £620k, as the savings identified in the original Civic Centre report presented to Members in 16 May 2016.
- 6.7 It should be noted that following the completion of the feasibility study, a report will be brought back to Members with details of the estimated capital costs, the potential capital receipt and an updated position relating to the anticipated annual savings from the revised scheme.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no personnel implications at this stage, although staff implications of any decision will be assessed and appropriate consultations undertaken.

8 LEGAL IMPLICATIONS

- 8.1 There are a number of tenants and licensees, who occupy accommodation in the Civic Centre buildings. In some cases, where the Council is no longer able to accommodate them, their occupation will have to be terminated in accordance with the terms and conditions of their leases or licences. Further details will be provided in the subsequent report.

9 PROCUREMENT IMPLICATIONS

- 9.1 It is proposed to procure the multi-disciplinary consultancy services and the marketing consultancy services separately.

Multi-Disciplinary Consultancy Services

- 9.2 The Public Contracts Regulations 2015 incorporating new EU and UK Regulations have changed the procedures that must now be followed when procuring public sector contracts. For a project of this value an OJEU compliant process will have to be undertaken.
- 9.3 An alternative to OJEU is using a framework. Frameworks are usually available to public sector bodies, often within a geographical area, and the contractors on the framework are selected via an EU compliant tendering process.
- 9.4 It is proposed to use a framework for the appointment of the multi-disciplinary design team. The Council has recently signed the Access Agreement to the ESPO Property, Building and Infrastructure Advice and Management Services Framework, which commenced on 1/1/2018. It is proposed to select a consultancy service via this framework using mini competition.
- 9.5 Any construction project is delivered according to the stages laid down by the Royal Institution of British Architects (RIBA Stages 0-7). It is usual practice to ask for the consultancy services to provide a tender to carry out the project to completion (RIBA Stages 0-7) and to add break clauses at various RIBA Stages, which means that if a project does not proceed, then costs will not be incurred unnecessarily. If however the project does proceed, then the consultant is already on board and work can progress seamlessly. The first break clause is at RIBA Stage 2, which the feasibility stage.

Marketing Services

- 9.6 The consultancy service for the disposal will also be market tested against a framework. There are at least three suitable frameworks: ESPO, Crown Commercial Services and HCA Panel. The most appropriate framework will be selected in consultation with the Head of Procurement.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	Civic Centre Development Strategy Stage 2 Report: Business Case Parts One and Two Reports (18/05/16) Disposal of Old Town Hall and South Street Car Park and Impact on Civic Centre Development Strategy (06/12/17)