

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

Report to Cabinet

16 June 2015

TITLE:	Biddulph Town Hall
PORTFOLIO HOLDER:	Councillor Wain
CONTACT OFFICER:	Paul Hare, Asset Manager, Asset Management
WARDS INVOLVED:	None Specific

Appendices Attached – 1. Proposed New Layout.

1. **Reason for the Report:** To present the proposals for Biddulph Town Hall for undertaking capital works to facilitate the retention of a partner and to undertake essential maintenance works.
2. **Recommendation**

Cabinet is recommended to approve the reconfiguration of the ground floor of the Town Hall in accordance with option 2 as detailed in the report.
3. **Executive Summary**
 - 3.1 Biddulph Town Hall is owned and managed by Staffordshire Moorlands District Council (SMDC) and is used as a working town hall and offices, providing a Council Chamber, public functions and office accommodation.
 - 3.2 Biddulph Town Hall provides office accommodation for other partner agencies including the Police, along with holding a whole range of community events & activities.
 - 3.3 In 2014 the police notified SMDC that their current office accommodation within the Town Hall was not fit for purpose and they could no longer deliver their operational requirements with the current arrangements. Consequently the Asset Management department at SMDC commissioned an appraisal of the building to determine the most appropriate building configuration to maximize the potential of the Town Hall as an accommodation asset and to retain the police as tenants.
 - 3.4 Significant appraisals of the building both internally and externally were conducted to determine on a room-by-room basis the best use of the Town Hall. There were a high number of designs created to show potential alterations and alternative uses for different parts of the building.

3.5 The Feasibility Study examined the viability of possible uses and retained uses all of which were shared with partners and the Town Council resulting in 1 preferred building layout which is shown in Appendix 1. The study also considered maintenance and repair cost with a number of surveys undertaken to determine building condition

4. **How this report links to Corporate Priorities**

4.1 The report supports the corporate aim of creating a fit for purpose building with a strategy of maximising income revenue streams and overall occupation and usage of space whilst ensuring a vision of economic prosperity in the district is demonstrated

5. **Options and Analysis**

5.1 That the District Council proceeds with an internal reconfiguration of the ground floor of the Town Hall (Option 2 - recommended).

5.2 That the full budget as approved in the Medium Term Financial Plan (MTFP) is assigned to the project to allow for further essential building works to be undertaken if budget allows once costs for the internal reconfiguration are known (recommended).

6. **Implications**

6.1 Community Safety - (Crime and Disorder Act 1998)

The retention of the Police in a prominent town centre location could assist in the reduction of anti social behaviour and damage to property along with providing a reassuring and visible presence in a high profile location.

6.2 Workforce

Temporary accommodation or an alternative method of delivering the council connect service may be required during the construction phase of the project.

6.3 Equality and Diversity/Equality Impact Assessment

This report has been prepared in accordance with the Council's Diversity and Equality Policies.

6.4 Financial Considerations

The total project costs would be delivered within the capital budget approved in the MTFP. The revenue consequences (treasury management implications) of the capital works have also been included in the revenue budget forecast in the approved MTFP. If no works were undertaken, then the Town Hall would likely lose the Police as tenants resulting in a loss of income.

- 6.5 Legal
All matters relating to the project to compile with standing orders and statutory responsibilities.
- 6.6 Sustainability
This proposal seeks to have a positive effect on the sustainability of the Town Hall over the medium term.
- 6.7 Internal and External Consultation
Consultation undertaken with the Police. Town Council. County Council.
- 6.8 Risk Assessment
None

Dai Lerner
Executive Director (Place)

**Web Links and
Background Papers**

Location

Asset Management

Contact details

Paul Hare
Paul.hare@staffordsmoorl
ands.gov.uk or
Joanne.higgins@staffsmo
orlands.gov.uk

7.0 Background and Detail

- 7.1 Biddulph Town Hall was built in 1965 and holds a prominent position in the centre of Biddulph High Street. The Council Office is a good example of diverse use and a model for sharing with other services. Currently the Town Council, the local Police, and Staffordshire County Council (Children's Services) share the space, also the building has a one stop shop "councils connect" reception that is staffed by SMDC call centre workers daily for the purpose of general council enquires and settlement of bills.
- 7.2 The building also benefits from both a Council Chamber and a large performance area/assembly hall that can seat up to 130. The back of this area has undergone, relatively recently, a large scale, good quality refurbishment that has provided 3 changing room areas to the back of the building all with en suite toilets.
- 7.3 The Council is committed to retaining the Town Hall and therefore a review has been conducted to determine the correct investment strategy.
- 7.4 The review has considered facilities management; sustainability and the green Agenda; capital strategy; development planning; staffing resources; associated financial returns; landscape and place; partnership working; repairs and maintenance and community benefits.

With regard to repairs and maintenance a full assessment of building condition has been undertaken to include:

- Roof
- Electrical
- Mechanical
- Decoration
- Acoustic
- Windows
- Building Fabric

- 7.5 The following consultation processes have taken place alongside the review:
- Police and Police Commissioners Office
 - The County Council
 - Town Council

8.0 Partners

- 8.1 The Police have a lease dated 1st December 2002 which was for five years. Since 2007 they have been holding over. Given the uncertainty over their occupation of the building the lease has not been renewed or reviewed. The Police want to move out of the area on the "upper floor" which they feel is not appropriate for their operational needs however they wish to remain in the Town Hall in a more suitable location.
- 8.2 SCC have made a commitment to remain in the Town Hall however would like to see some modest decoration and potential solution to the draughts experienced through the windows.
- 8.3 The Town Council currently occupies an area on the 1st floor and are in support of considering options to ensure the retention of current tenants.

Running Costs & Rental income

8.4 The current running costs for Biddulph Town Hall are detailed below:-

Biddulph Town Hall – Running Costs	2015/16 Budget (£)	2014/15 Provisional Outturn (£)	2013/14 Actuals (£)
Business Rates	21,080	20,610	20,140
Utilities	15,300	13,250	14,930
Repairs & Maintenance	27,970	22,180	12,520
Caretaking	59,560	70,780	67,790
Other	3,320	5,930	5,150
TOTAL	127,230	132,750	120,530

8.4.1 The Police currently pay a rent plus a service charge based on a percentage of the area they occupy and they make a payment for parking at the rear of the building. This equates to £4,800 per annum rent. Service charge is based on a percentage of the floor area they occupy and is applied to rates, utilities, caretaking and repairs. This percentage is 11.14%. Car parking is £1,560 per annum, this is for three parking spaces. The Police also pay an annual sum of £19,150 to customer services for reception services

Police Rental Income	2014/15 (£)	2013/14 (£)	2012/13 (£)
Rent	4,800	4,800	4,800
Service Charge	15,680	17,460	16,340
Car Parking	1,560	1,560	1,560
Customer Services/Reception Charge	19,150	19,150	19,150
Totals per year	41,190	42,970	41,850

8.4.2 The County Council had a three year lease from 2007, which on expiry has been rolled on an annual basis. The County pay rental of £4690, plus they have another room which they pay £780pa. They also pay a service charge contribution of 12.8%.

Staffs County Council Rental Income	2014/15 (£)	2013/14 (£)	2012/13 (£)
Rent	4,690	4,690	4,690
Service Charge	11,400	12,040	13,680
Totals per year	16,090	16,730	18,370

Staffs County Council (1st Floor Room)	2014/15 (£)	2013/14 (£)	2012/13 (£)
Rent	780	780	780
Service Charge	1,700	1,890	2,040
Totals per year	2,480	2,670	2,820

8.4.3 Biddulph Town Council have two agreements: one which is a 25 year lease from August 2002 for the Council Chambers and an office. They have an office which they had a lease from 2005 for two years (which is now rolled annually) and they pay £700pa. The rent is a peppercorn and they pay a service charge of 15.9% of the costs.

Biddulph Town Council Rental income	2014/15 (£)	2013/14 (£)	2012/13 (£)
Rent	700	700	700
Service Charge	17,510	22,080	20,950
Totals per year	18,210	22,780	21,650

8.4.5. The total income (2014/15) for the Town Hall is as follows:

PARTNER	2014/15 (£)
POLICE	41,190
SCC	18,570
TOWN COUNCIL	18,210
TOTAL	77,970

Therefore, running costs of £132,750 (2014-15) less rental income of £77,790 provides an operating deficit of £54,780. The hall currently generates 'other' income of approximately £7,000 reducing the deficit to £47,780.

9.0 Repairs Costs and building condition

9.1 Following recent years where there has been no significant investment in the infrastructure of the building a high repair cost has been experienced. The total repairs and maintenance costs combined over the last five years are in excess of £80,000.

10.0 Current Building Configuration

10.1 The Police have stated that unless they can have an improved office environment they will leave the Town Hall. That would generate an annual loss of income of £41,190 and therefore increase the overall contribution the Council would make to the annual running costs.

10.2 It would be difficult to re-let their current office, or if it was re-let to achieve the same level of income, as the Police are currently in the 2nd floor in cramped and poor conditions, in a poorly heated building, with poor quality windows and lighting, and the space would not be attractive to new tenants.

11.0 Proposed New Layout

11.1 In response to this notification from the Police a detailed design process was conducted which considered several potential solutions. The result is that the Police have stated that there is only one design option which fits with their operational needs. The new layout is included in **Appendix 1**.

11.2 The design chosen would require the council connect service to move into the current main building entrance foyer. This would give SMDC an improved reception area, based around the customer contact concept. The Police would occupy the reconfigured existing council connect area with a separate entrance adjacent to the main public entrance. This would offer obvious benefits to the Police in terms of increased space designed exactly to their operational purposes with visibility and appropriate security.

11.3 The budget estimate for moving the Council Connect and a full refurbishment of the existing Council Connect ground floor area to accommodate the Police is £80,000.

11.4 The budget estimate for reinstating the Council Connect into the existing foyer and build out under the canopy is £130,000.

12.0 Police Contribution

12.1 The Police have offered a contribution to the project of £100,000 based on a project cost identified for works in 11.3 with the remaining £20,000 to be used towards the cost of reinstating the Council Connect into the foyer area. If the predicted cost was less than the predicted £80,000 further negotiation would be required on their level of contribution. Following the refurbishment the annual contribution from the Police would be retained as existing based on service charges.

13.0 Design Benefits to SMDC

13.1 The new design and layout would offer benefits to SMDC in not only in retaining the Police as a tenant but the new space the Police would occupy would be a better office environment fit for purpose in the long term. The existing foyer is an unappealing environment so as well as receiving an aesthetic uplift it would also be a combined area providing the Council Connect service and offer a better utilisation of space.

14.0 Exclusions

14.1 The revised project scope would exclude any significant upgrade to the first floor as the current facilities are appropriate for the existing tenants apart from minor decoration and improved welfare facilities.

14.3 The required investment in building and mechanical and electrical (M&E) services would be minimal at this stage and therefore the systems will only be upgraded as part for the ground floor configuration.

14.4 There is a requirement for a new fire alarm system however as stated above the rest of the current electrical and heating plant has 10+ life and therefore further works to those systems throughout the building would be included in a future programme. This future programme would also include internal decoration/upgrade of the 1st floor. The modest M&E works as part of the proposed ground floor uplift would make improvements to the energy performance of the bills but the reduction in bills would not be significant.

15.0 Building Condition

15.1 In addition to the above works it is prudent to consider an investment in a key building component which is reaching the end of its serviceable life. The windows are single glazed and offer minimal thermal efficiency and many of the frames have perished. Existing tenants complain of the draughts caused by the current standard of windows.

15.2 The replacement of all the windows would not only reduce repair liabilities and improve thermal efficiency it would also greatly enhance the aesthetic of the front of the building which holds a prominent location on the high street. The replacement of windows could be complimented by subtle design uplifts on the front elevation to further enhance the current building and to make it a suitable presence to compliment the growing aspirations towards creating a sustainable and vibrant town centre.

15.3 The main flat roof over the town hall has experienced leaks in recent years however we have assessed the main roof from height and determined that a modest repair is required and the roof has a lifespan of 10+ years.

16.0 Assembly Hall

16.1 The assembly hall is outdated and a modest internal decoration scheme would enhance the environment. The building also suffers from poor acoustic performance.

16.2 An independent acoustic consultant has identified a number of issues with the assembly hall. There has been an on going complaint from a neighbouring property about the noise generated from events held in the assembly hall. Currently the assembly hall has single glazed windows and a number of extractor fans which allow noise to lead straight to the neighbouring property. The neighbour is complaining the noise from events is having a detrimental effect on their health and well being. Sound restrictors have been introduced to try and mitigate the issues but have not been entirely successful due to building layout and construction. The sound restrictors have also brought complaints from parties hiring the hall who have said the intervention reduces performance quality. Therefore appropriately sound-proofing the hall is considered the best option and to protect the Council from a potential enforcement action in relation to noise nuisance.

17.0 Budget/Cost of Works

17.1 The approved capital budget in the MTFP assigned to Biddulph Town Hall is £285,000. The revenue consequences (treasury management implications) of the capital works have also been included in the revenue budget forecast in the approved MTFP.

17.2 There are 3 options:

Option 1.

17.3 To proceed with a remodel of the ground including the introduction of the Police on the ground floor and incorporating the Council Connect service into the existing foyer. To make further investments into the building to replace essential components which are reaching the end of their serviceable life including windows.

Taking receipt of the contribution from the Police (£100,000) Option 1 would have a total cost to SMDC of £398,000.

OPTION 1	
New Police Area	£80,000
New Entrance/Council Connect	£130,000
Assembly Hall	£50,000
Building Fabric	£120,000
1st Floor County Council	£15,000
M&E	£45,000
Roofing	£5,000
Design Fees	£28,000
Contingency	£25,000
TOTAL PROJECT COST	£498,000
Police Contribution	£100,000
SMDC PROJECT COST	£398,000

Option 2

- 17.4 To proceed with a remodel of the ground with the introduction of the Police on the ground floor and incorporating the Council Connect service into the existing foyer with no further changes to all other parts of the building or fabric apart from required maintenance/replacement where possible within the total budget identified within the MTFP. Taking receipt of the contribution from the Police (£100,000) Option 2 would have a total cost to SMDC of £205,000.

OPTION 2	
New Police Area	£80,000
New Entrance/Council Connect	£130,000
1st Floor County Council	£15,000
M&E	£45,000
Design Fees	£20,000
Contingency	£15,000
TOTAL PROJECT COST	£305,000
Police Contribution	£100,000
SMDC PROJECT COST	£205,000

Option 3.

- 17.4 Do Nothing. It would provide a minimal capital cost but continual high repair costs and low satisfaction amongst the County Council staff and potential loss of rental income if tenants choose to move out. Whilst this should not be seen as an option, it is used in this report as part of the cost benefit analysis to set a baseline when comparing various options.

18.0 Recommendation

- 18.1 It is the recommendation of this report to approve **Option 2.**
- 18.2 Option 1 - The full refurbishment of the Town Hall is beyond the current budget in the MTFP and therefore at this early stage of the 3 year capital programme it is not prudent to commit to additional expenditure.
- 18.3 Option 2. - Council Connect and Police Reconfiguration. This would secure the Police as long term tenants and this option is in line with the strategic aspirations of the Council to maintain assets properly and their use maximised. This option would also include seeking better ways in which this asset can generate an income for the Council along with the consideration of an asset transfer (discussed later in the report).
- 18.4 However this option would not address the deterioration of the building and repairs cost will remain high. Therefore it is further recommended that the total capital cost of the budget is set at the fund allocated in the MTFP (£285,000). This would allow for potential additional works to the windows and acoustic issues, along with new kitchen units for the County Council office area, if available funds are available following receipt of tenders and known costs for internal reconfiguration.

19.0 Project Objectives - Why it is needed now?

19.1 The Town Hall is classed as an operational property held for service delivery and designated for retention. This review and recommended project is to develop a modern, more economic civic office building that will provide accommodation for an effective range of partners.

The current Town Hall is not operating financially efficient and the immediate strategy is to firstly retain current tenants and income through capital investment. The next stage is to reduce the expenditure levels to balance or create a net financial position and at that point different operating models could be considered.

19.2 Key Benefits to be realised

- Retaining use of the civic building
- Creating a fit for purpose building
- Remodelling of the primary ground floor office areas
- Ensuring a vision of economic prosperity in the district is demonstrated
- Providing flexible space to allow the Council space to recede or expand as service changes and requirements dictate
- Improving community space
- Providing better commercial space
- Maximising income revenue stream
- Maximising overall occupation and usage of space

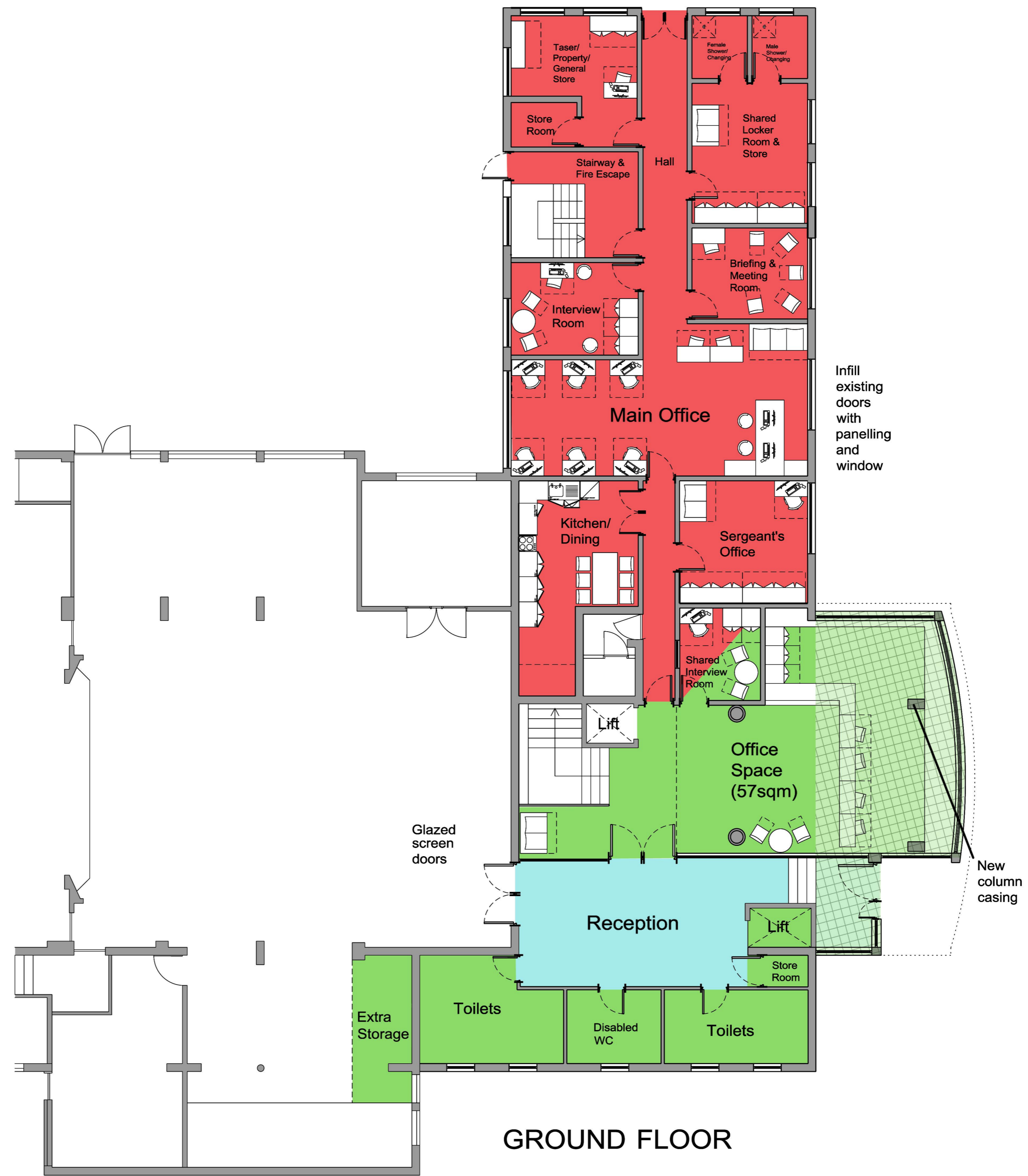
19.3 The proposal for recommendation in this report is based on the strategic values of the Council as it is based on key benefits (and critical success factors) aligned against affordability and wider social aspects.

20.0 Alternative Delivery Models

20.1 The potential commercial and long-term delivery options, including asset transfer, will be further explored in 2015.

20.2 SMDC recognises that transferring the ownership of assets (which includes land, buildings and structures) can contribute to the empowerment of communities and present financial relief which can aid operational performance. In some circumstances and asset transfer can also contribute to the council's objective to rationalise its estate and facilitate more effective and efficient use of its asset base where the focus is on better services and community outcomes as a result of strategic asset management.

- Police
- Communal space
- Refurbishment &
- Extension



GROUND FLOOR

