

Classification: Open	Decision Type: Key
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Report to:	Cabinet	Date: 19 April 2023
Subject:	Future of Bury Town Hall and other administrative buildings occupied by the Council	
Report of	Leader and Cabinet Member for Strategic Growth and Skills	

Summary

- 1.1. In February 2023 Cabinet approved the preferred option of a phased refurbishment of the Town Hall as the basis for a consultation with the public, staff and trade unions.
- 1.2. The preferred option is to undertake a phased refurbishment of the Town Hall. This will create higher quality office space in the Town Hall. It will also allow for a phased decant of staff from 3 Knowsley Place timed to align with the availability of newly refurbished space in the Town Hall.
- 1.3. This report presents the findings of the consultation exercise and outlines progress on the transfer of the Council's lease obligation for 3 Knowsley Place to Pennine Care NHS Foundation Trust.

Recommendation(s)

- (1) That Cabinet notes the outcome of the consultation process contained at Appendix 1.
- (2) That Cabinet note the progress on the proposals to transfer the Council's lease obligations for 3 Knowsley Place to Pennine Care NHS Foundation Trust
- (3) That, subject to the approval of the heads of terms for the transfer of its lease for 3 Knowsley Place to Pennine Care NHS Foundation Trust, delegate approval of the finalised terms to the S151 officer in consultation with the Executive Director (Place).
- (4) Agree to commence a tender exercise for a multi-disciplined team to bid for the design of the scheme, undertake necessary structural surveys, develop a phased construction programme and prepare a detailed financial analysis and investment case.
- (5) Note the intention to submit a detailed investment case for the refurbishment of the Town Hall to Cabinet by summer 2023.

3. Reasons for recommendation(s)

- 3.1. The recommendations represent the next stage in delivery of a phased refurbishment of the Town Hall and the withdrawal from leased premises at 3 and 6 Knowsley Place as approved at Cabinet in February 2023.

3.2 Consultation with the public, staff and trade unions on the approved preferred option has demonstrated overall support for the proposals. (Further information regarding the consultation is contained at section 4 and appendix 1)

3.3 Negotiations with Pennine Care NHS Foundation Trust have progressed and an agreement in principle for the Trust to take over the lease of 3 Knowsley Place from the Council (but to enable the Council to retain occupancy of floors 3 and 4 until the phased refurbishment allows staff to move to the Town Hall) is expected to be in place by the end of April 2023.

3.4 Approval of the above recommendations will permit the project to move to the next stage which will be to:

- 1) tender for a multi-disciplined team to bid for the design of the scheme
- 2) commission necessary structural surveys
- 3) prepare a detailed financial analysis and investment case
- 4) Develop a phased construction programme.

4. Consultation

One Community hosted an on-line initial conversation about the high-level proposals to refurbish Bury town hall. The conversation was opened for comments on the 08 March 2023 and closed on the 31 March 2023. A total of **54 people** responded to the conversation.

Respondents were asked to what extent they agree/disagreed with the high-level proposals to refurbish the town hall using savings from no longer used buildings:

- **74%** of respondents strongly agreed/agreed
- **13%** of respondents strongly disagree/disagreed
- **13%** neither agreed/disagreed

Respondents were further asked four questions which allowed them to comment. All responses received can be seen at Appendix 1, but in summary:

Q1) Why do you agree/disagree with the proposals to refurbish the town hall?

The majority of comments were positive with most commenting that the town hall is a historical building which is of significant importance to both the town and residents, with one respondent commenting it would make them "proud to keep this building as a central part of the community". Many expressed positive opinion as to the town hall requiring modernisation and that the proposals made economic sense whilst seeking to bring all functions of the council together to make the council accessible for the people of Bury.

Comments from those who disagreed included opinion as to how Council funding could be re-directed to other/ alternative services and that that town hall should be sold for redevelopment rather than refurbished.

Q2) How might the proposals impact you?

Again, a high proportion of the responses were positive with respondents commenting that the building, if refurbished, would be a great asset to the town and would make it easier for the public to access services they require.

Q3) How might we reflect the history of the Borough in the redevelopment?

Respondents to this question mentioned:

- Keep the original iconic building in its current form and maintain and restore any historical relics within it.
- Use some design feature to officially recognise local Borough of Bury people who have achieved great things like John Spencer and Danny Boyle.
- Incorporate the traditional, council chambers etc., with an open, brighter, modern communal area.
- Include visual spaces, freely open to the public, which highlight the history of the town - historical figures, photographic history of people and events., artifacts etc.
- Celebrate diversity, industrial heritage through, perhaps photo, images, artwork created locally?
- Do not overmodernise
- Retain all the historical features of the current Town Hall

Q4) Any other suggestions for consideration as part of the detailed design of the Town Hall refurbishment?

Comments received did not suggest particular themes. All comments received can be seen at Appendix 1, but in summary suggestions included:

- Ensure it is tastefully done and maintain original features
- Aesthetic beauty and quality materials have a place in the Town Hall
- Make the building as multi-functional as possible
- Balance the history of the building with stylish modernisation within
- Include renewable energy production and improve insulation
- Consult with specific groups i.e., disability groups; the blind society etc. for specialised advice and feedback.
- Build in hearing loops at reception and other public areas
- Make some of the space more community minded and facing
- Ensure residents are part of the committee/group of 'decision makers'

5. Transfer of lease for 3 Knowsley Place to Pennine Care NHS Foundation Trust

5.1 Cabinet in February 2023 approved the terms for the proposed transfer of the lease on 3 Knowsley Place to Pennine Care. Under the terms of the agreement the Council will assign the whole of 3KP to Pennine Care and take a lease back of the 3rd and 4th Floors for a term of 4 years.

5.2 Staff currently occupying the Grd, 1st & 2nd floors will re-locate into two vacant floors in 6 Knowsley Place.

5.3 The current cost of occupying 3KP amounts to £1.028m per annum. Whilst there will be an ongoing cost for the continued occupation of the 3rd and 4th floors this will result in a significant revenue saving to the Council.

5.4 Pennine have yet to provide a definitive programme for their proposed fit out works and occupation of 3KP. As a result, it is not possible at present to confirm the actual revenue savings for this financial year.

5.5 Cabinet, in February approved the payment of a capital contribution of £1.450m to Pennine towards their fit-out costs. The first payment of £350K will be payable this financial year when the lease is assigned to Pennine. The balance of £1.1m will be due on completion of their fit-out works to the Gnd and 1st floors. As noted above, until Pennine can confirm their programme it is uncertain whether this payment will be due in the 23/24 or 24/25 financial years. It is also worth noting that Pennine will continue to pay rent at Humphrey House until the fit-out works are completed.

5.6 As part of the agreement with Pennine the Council are to provide 100 parking spaces for Pennine staff at a rent of £20.4k per annum. Discussions are ongoing with Pennine as to how this would work in practice.

6. Background

6.1. A cross party Working Group was established in 2022 to look at the future of Bury Town Hall. A report from the Working Group, presented to Cabinet in February 2023 concluded that continuing to operate out of the Town Hall without a comprehensive refurbishment has significant financial and operational risks given the current condition of the premises. The working Group considered options in the context of the Council's wider administrative estate, in particular the office blocks at 3 and 6 Knowsley Place

6.2. A preferred option, to undertake a phased refurbishment of the Town Hall, was agreed by Cabinet in February 2023. This proposal will create higher quality office space in the Town Hall. It will also allow for a phased decant of staff from 3 Knowsley Place timed to align with the availability of newly refurbished space in the Town Hall

6.3. The Council currently has leases in place for 3 and 6 Knowsley Place. 3 Knowsley Place is the larger of the two buildings and is currently occupied by Council staff. The building is not fully utilised at present and a proposal has been received from Pennine Care NHS Foundation Trust to take over the lease of 3KP from the Council. This would allow Pennine Care to vacate Humphrey House, and over time, to transfer staff from other locations into 3 Knowsley Place. Six Town Housing have recently indicated they could operate out of two instead of all four floors of 6 Knowsley Place.

6.4. The capital investment needed to refurbish the Town Hall will be supported by revenue funding released by withdrawing from the commercial leases for 3 and 6 Knowsley Place. This represents the optimum way forward financially, environmentally and for staff productivity.

6.5. The transfer of the lease on 3 Knowsley Place will see Pennine Care NHS Foundation Trust take over the ground floor and floors 1 and 2 from 2024 with works starting at the end of 2023.

6.6. Pennine Care will lease floors 3 and 4 of 3 Knowsley Place back to the Council for a period of four years, at which time they will be able to transfer additional staff into the building. To mitigate the risk that the refurbishment of the Town Hall has not progressed sufficiently to accommodate staff from levels 3 and 4 in four years-time, 6 Knowsley Place will be retained for as long as necessary, and the phasing of the refurbishment will be prioritised to provide accommodation for staff from floors 3 and 4. In addition Pennine Care NHS Foundation Trust have indicated that they can provide some flexibility in timing.

6.7. An advantage of this solution is that it enables a phased withdrawal from commercial leases which is concurrent with the provision of new space being developed in the existing Town Hall. This presents a cost-effective way of supporting the capital cost of the refurbishment

6.8. If the costs of the phased refurbishment exceed the available budget it will be possible to phase the refurbishment works to suit the available budget by selecting only certain areas of the building for refurbishment.

6.9. This report requests delegated approval for the commissioning of pre-development resources (subject to approval of terms & conditions with Pennine Care NHS Foundation Trust and sign off by the Council's Section 151 Officer), including the tender for a multi-disciplinary team to bid for the design of the scheme, the commissioning of necessary structural surveys and further work to prepare a detailed financial analysis and investment case.

6.10. The brief will be for a single consultant to act as Lead Designer employing a full multi-disciplinary project team to design and deliver all phases of this project under a JCT Design and Build contract from outline design through the RIBA stages 0 – 7 inclusive. Whilst tenders will be asked to specify an inclusive fixed fee for the life of the project, the contract will be broken down into stages. The initial contract will be let up to and including RIBA Stage 4 (Technical Design). This would be the minimum commitment at this stage and break clause would be applied. No further stages will be approved prior to a full financial case of the Town Hall refurbishment being presented to Cabinet in Summer 2023.

6.11. It is anticipated that the Summer 2023 Cabinet report will identify full construction costs and the impact on the capital programme along with the revenue impact of borrowing.

7. Next steps.

7.1. Should the Cabinet agree to the recommendations in this report, the Executive Director (Place) will:

- Subject to a finalisation of a satisfactory agreement with Pennine Care Foundation Trust progress the recruitment of an architect to design a refurbished Town Hall and the appointment of structural engineers to establish that the changes proposed can be made.
 - Provide a detailed investment case (with costed building plans) to Cabinet for approval in Summer 2023.
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Links with the Corporate Priorities:

1. The proposals for the refurbishment of the Town Hall create the opportunity to develop a single service hub for Council services, the challenge of laying and redesigning building to enable better provision of public services will sit with the selected architects.
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Equality Impact and Considerations:

2. The Town Hall is an accessible building (assuming all the lifts are working), however, as a part of a refurbishment programme some of the lift shafts which are not properly working will have to be put back into full working order. The redesign of the building to meet vulnerable users' needs will form a central part of the architectural brief and the layout planning.
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Environmental Impact and Considerations:

3. A key driver for this project is for the Council to reduce its carbon footprint and its exposure to high energy bills. The consolidation of staff and services into one building will help achieve this objective.

It is envisaged that the building will be designed to a target net Zero (subject to feasibility and costs) and the emerging design will take account of this target. Renewable technologies are also to be included in the design and consideration is to be given to exporting excess energy back to the grid. The use of greywater and SuDS in the external works is also to be considered. Options to install ground source heat pumps should also be investigated. The creation of more natural light should reduce the number of lights left on during daylight hours and the installation of sensors and LED lighting should further reduce bills.

The recommendation to refurbish the Town Hall as opposed to demolish and create a new build helps conserve existing carbon and reduces the requirements for new-build materials.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Affordability	<p>The concurrent withdrawal from commercial leases will create a saving which can be reinvested in the Town Hall.</p> <p>Further analysis on the costs of operating the building need to be included in the final investment case (these should all contribute to longer term savings)</p> <p>The full financial case of the Town Hall refurbishment will be included within the paper scheduled to come back to Cabinet in summer</p>
Construction Risks	<p>All construction projects, especially those involving heritage buildings, include a degree of risk because of unforeseen problems. Once a preferred architectural plan is approved a series of invasive surveys will be carried out to test the risk associated with implementing the proposed works.</p> <p>It is also recommended that an enhanced contingency budget is carried by the project</p>
Improved staff retention and attraction	<p>The current Town Hall environment offers a very poor working environment for staff. Neighbouring authorities offer similar salaries and benefits but in the case of Bolton, Rochdale and Manchester all offer the opportunity to work in a modern and attractive refurbished or new-built office.</p>
Timing of offloading leases and committing to Town Hall programme	<p>A decision on the transfer of the lease on 3 Knowsley Place is imminent and be made before the final costs and detailed phasing of the Town Hall refurbishment are known.</p> <p>However, there is a risk that Council will not have completed the refurbishment in time for staff to move from 3 Knowsley Place to the Town Hall to make space for Pennie Care staff. The mitigation is to retain 6 Knowsley Place until there is certainty that space will be available in the town hall and to prioritise the refurbishment in such a way as to provide</p>

	space for the remaining staff from 3 Knowsley Place to be first movers.
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Legal Implications:

This report recommends that Members further progress the preferred option agreed in February 2023. This will be subject to a detailed investment case which will be considered by Cabinet later this year. An investment case will have detailed survey, financial and legal input.

The procurement of an architect/ design specialist and the tendering process will be a competitive tender exercise and submissions will be evaluated as part of the usual structured, process.

Financial Implications:

The February Cabinet report identified the potential revenue savings from relinquishing the commercial lease at 3KP but also identified the loss of income from Pennine Care vacating Humphrey House and the grant that will be required to facilitate the capital works to 3KP to make it fit for purpose for Pennine Care. This report identified that due to the capital works that are required at 3KP savings are only deliverable in the medium to long term. Therefore the phasing of works to the Town Hall and the timing of cash flows will form an integral part of the investment case to be presented to Cabinet later in the year.

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Background papers:

[Future of Bury Town Hall and other administrative buildings occupied by the Council](#)
[RELOCATION OF PENNINE CARE INTO 3 KNOWSLEY PLACE](#)

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning