

Rother District Council

Report to: Overview and Scrutiny Committee

Date: 12 April 2021

Title: Town Hall Renaissance Project

Report of: Head of Service - Acquisitions, Transformation and Regeneration

Ward(s): All

Purpose of Report: To present the outline business case for the redevelopment of the Town Hall site, with a view to gain approval for progress to detailed design and a full planning application submission with allocation of appropriate funds.

Officer

Recommendation(s): It be **RESOLVED:** That

- 1) the report and the decisions at Full Council and Cabinet be noted; and
 - 2) any actions be recommended to Cabinet, as necessary.
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Introduction

1. In February 2019, Cabinet approved a budget of £250,000 for the development of housing projects on Council-owned sites (Minute CB18/73 refers). The land to the rear of the Town Hall was identified as one of those sites to be explored. Following the change in administration in May 2019, it was made clear to officers that options for the future of the Town Hall were also to be considered. Subsequent discussions with the Leader have reinforced that position and therefore investigations into the rear of the site have incorporated options for the Town Hall and ancillary buildings.
2. In February 2021 a paper was presented to Cabinet recommending that due to the current condition of the existing Town Hall buildings a wholesale redevelopment approach was necessary (Minute CB20/102 refers). It was made clear at this time that the heritage of the primary Town Hall building would be respected as part of any design process and any development would compliment and enhance this part of the site.
3. A budget of £460,000 for the development of a planning application was agreed at Full Council subject to a review of the proposals by the Overview and Scrutiny Committee.

The site and Town Hall

4. For the purposes of these recommendations, the Town Hall complex comprises the Town Hall, including all extensions, the Amherst Road building, the property leased to Autolec Motor Factors and all associated access and

parking. A location map with indicative boundary, site description and existing buildings analysis is attached at Appendix A.

5. The main core of the Town Hall building is over 120 years old. The costs involved with heating the premises are particularly high as the overall heating system is outdated. Whilst some investment has taken place in recent years for the purposes of meeting statutory safety requirements, the building is in need of major modernisation and refurbishment. A new heating system and full-scale rewiring will likely be needed in the next 10 years, along with a significant amount of preventative maintenance to keep the building from deteriorating further.

Options

6. The existing Town Hall is clearly an asset of historical significance for Bexhill and therefore all scenarios explored sought to retain and refurbish the core elements of the existing property. It is also clear that the carbon performance of the existing buildings is very poor and needs to be a consideration for any works that we seek to undertake.
7. A full options analysis has been undertaken at Appendix B but the headline options for the site are:
 1. Basic health and safety remedial measures (do minimum)
 2. Basic remedial work plus light touch energy measures
 3. Major refurbishment
 4. Whole site development
 5. Move RDC from Town Hall site
8. Option 4 presents the opportunity for the works to be cost neutral in the longer-term, will regenerate a central area of Bexhill, and will provide Rother District Council and other public sector organisations a fit for purpose, modern working environment into the future.
9. In addition to this a full cost/benefit analysis was under taken for each demonstrating that only options 2 and 4 could achieve cost neutrality or better. The outcomes of these appraisals are shown in Appendix C.
10. East Sussex County Council (ESCC) is also consulting on plans that could be transformational for the Town Hall Square. Supported by the Council, ESCC has developed plans that could see the creation of a green plaza at the front of the Town Hall. These plans are subject to consultation but have already been funded to £1.3m through a combination of Local Growth Fund and Community Infrastructure Levy monies. These two schemes would be complementary and therefore the proposals made would incorporate the ESCC work.

Whole site development

11. A design team was appointed to undertake a high-level concept feasibility options study (Appendices D, E, F, G) for the whole site development, with an initial view to delivering housing on the site. This feasibility study showed that, with the right mix of housing and commercial space, it is possible to deliver a

scheme that is revenue neutral, in that the income earned through rent and capital receipts could offset the cost of borrowing for the scheme.

12. Following some initial advice from colleagues in planning, it is clear that, whilst the principle of development on this site is not an issue, respect for its heritage value and the relationship with the surrounding area are key considerations of any final design.
13. Any Council-led redevelopment of this site will seek to incorporate the following criteria:
 1. Retention of the main Town Hall building (including Chamber and East Wing).
 2. ENERPHIT refurbishment of retained building.
 3. BREEAM Excellent standard for any new buildings.
 4. Commercial business case to demonstrate revenue neutrality.
 5. Delivers housing on the site.

Council office accommodation requirements

14. The current building does not offer the attractive modern working environment expected by many employees. This can cause issues with recruitment and retention as well as overall staff wellbeing.
15. In May 2020 a staff survey was carried out to understand how officers are likely to wish to work in the future given the precedent that has been set by the organisations' response to flexible and home working during the COVID-19 pandemic. The results of this survey showed that, whilst the staff have adapted well to home working, most would anticipate still working in an office environment between one and three days a week 'post COVID'.
16. Based on this, it is estimated that RDC will have an ongoing space requirement to accommodate 120 full time equivalents. After deducting shared common areas, meeting rooms and toilet facilities (which will be distributed amongst all tenants) 800-1,000sqm for desk space alone should be sufficient in an open and flexible modern office environment.
17. Discussions have also been had with a number of other public sector bodies such as ESCC, East Sussex Healthcare Trust, the Clinical Commissioning Group, and Sussex Police, all of whom potentially require workspace for non-clinical/operational staff.

Conclusion

18. Based on the initial feasibility study a whole site redevelopment, maximising commercial office space, will provide several benefits:
 1. Meeting environmental targets to contribute to Rother's climate emergency action plan.
 2. Provide civic space for local organisations in a central location convenient for the community.
 3. Provide modern, fit for purpose and financially viable new office space for Rother officers and other public services (DWP, ESCC, NHS etc.).

4. Flexible office space to enable adaption as working practices change and evolve 'Post-COVID'.
 5. Provide up to 14 town centre flats, supporting the housing supply targets.
19. Next steps will be to appoint the relevant architects, engineers, consultants, surveyors and other professionals to work up detailed proposals and achieve planning permission on the site.
 20. Professional fees to RIBA stage 3 (issuing of planning permission) are generally based on a percentage of the likely estimated scheme construction cost along with the relevant planning fees. Taking the most feasible high-level concept option estimated at £13,737,000, and using the currently published planning fee guidance, the likely cost of achieving planning permission on this scheme will be £460,000. This will cover the appointment to RIBA stage 3 of:
 1. Employers Agent services incorporating principal designer (CDM), contract administrator, quantity surveyor/cost consultant (this appointment would be phased to ensure that subject to approvals, the EA would be retained to oversee completion of the scheme).
 2. Architectural design team including sub-consultants for civil, structural and MEP engineers, energy and sustainability, planning agent and landscape consultant.
 3. Surveys such as ecology, fire, acoustics, UXO, heritage and any other survey deemed necessary to support a valid full planning application.
 4. Planning fees, including pre-application advice.
 21. Following this, a full development options report will be brought forward at a future meeting for consideration by Cabinet.

Financial Implications

22. Revenue costs approved to procure and appoint all relevant professionals to deliver the details designs and prepare a planning application may be abortive should the project not be approved to progression at the next stage, or the planning application refused.

Legal Implications

23. Legal services and East Sussex Procurement Hub will be required to provide resource to support the preparation, issuing, evaluation and contract execution for any professional service required to deliver the actions set out in this report. There will also be a requirement to review the existing lease arrangements with existing tenants should the project progress to delivery.

Human Resources Implications

24. HR, facilities and building management would be key stakeholders in the detailed design process. Therefore, there is a resource implication in terms of providing input to stakeholder workshops and provide comments on suitability of designs for future staff and building management and operations.

Environmental

25. One of the main drivers of the redevelopment proposals for the Town Hall and associated buildings is to enable the organisation to meet its own carbon neutrality targets. Failure to address the environmental impact of the Town Hall, being the largest administrative building for the organisation, would likely lead to inability to meet these targets.

Sustainability

26. As with the environmental impact, this project is aimed with ensuring the Council's main administrative building can operate sustainably into the future whilst being able to adapt to new ways of working.

Risk Management

27. A full project risk register will be developed, however the main risks for this development phase include:
 1. Resource/capacity of internal stakeholders and support services (legal, ESPH, communications etc.). This will be mitigated through production of a clear programme and resource requirement schedule to ensure stakeholders are aware of when input will be needed.
 2. Costs of professional services higher than anticipated. This will be mitigated through a robust procurement process that considered quality and cost to ensure the best value for money.
 3. Failure to agree on suitable proposals to meet various stakeholder demands. This will be mitigated through the workshops to identify requirements which can be prioritised through the MoSCoW principle:
 - a. M: Must have: to be safe, legal and fit for purpose
 - b. S: Should have: to ensure the aims and outcomes are met
 - c. C: Could have: to bring about added benefit if budget/scope allows
 - d. W: Won't have: to clearly identify what is not in scope at this time

Equalities and Diversity

28. Equalities Impact Assessments will be carried out as part of this project to understand how the building needs to accommodate the needs of all users in line with statutory requirements, promoting inclusivity, diversity and wellbeing.

Consultation

29. There is a need to consult with existing and potential building users as part of the detailed design development. This will require careful and appropriate management which will require input from the Council's consultation team with support from the communications service provided by ESCC.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	Yes
Crime and Disorder	No	Consultation	Yes
Environmental	Yes	Access to Information	No
Sustainability	Yes	Exempt from publication	No
Risk Management	Yes		

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Appendices:	<ul style="list-style-type: none"> A Site layout and description B Options analysis C Option Costs D RX Architects E Feasibility Cost Estimate F Structural Engineering Feasibility Report G Energy Strategy
Relevant Previous Minutes:	<ul style="list-style-type: none"> CB18/73: February 2019 CB20/102: February 2021 C20/62: Full Council February 2021
Background Papers:	None
Reference Documents:	N/A.