

APPENDIX 1

Workstyles Phase Three: Options Appraisal

OPTION A

This is the preferred option which proposes populating Hove Town Hall to capacity and refurbishing the building and its fabric to modern environmental and technological standards. The offices will be designed with flexibility in mind so that staff would have choices of work space depending on the need. This option would also allow about 25% of the building to be released for commercial use. The modernisation programme would include providing flexible technology to include 'follow-me' desktop and telephony, 'idox' as the Electronic Documents Record Management (EDRM) system, engagement and delivery of learning and development to manage the cultural shift required for modernising the council. Kings House would be disposed on a freehold basis, with Buckingham Road and part of Hove Town Hall (The Great Hall and existing undercroft areas currently occupied by CAB and the Toy library) disposed of on leases, the former being a potential long lease subject to service delivery options that are currently being considered i.e extra care housing. The lease on Denmark Villas would be surrendered.

The following work will be required to Hove Town Hall:

- Convert the existing underused central public circulation and reception areas to offices by adding mezzanine floors
- Convert the banqueting suite and associated spaces to a corporate meeting, training and hot desk hub.
- Construct a single storey roof extension to the second floor of the North wing to create additional open plan office accommodation linked to the existing offices which would be opened up and refurbished.
- Undertake a general refurbishment of the remainder of the first, second and balance of ground floors of the north wing.
- Convert the existing enclosed glazed courtyard area of the north wing to a staff resource space
- Provide extensive new cycle shower and locker provision in the basement (currently used as toilets) and potentially bring the tunnel under Norton Road back into use as a staff cycle storage linking to further cycle storage in Norton Road Car-Park.
- Replace the existing single glazed curtain walling exterior with a modern double glazed energy efficient installation (excludes areas to be leased off).
- Replace the existing oil fired heating and outdated cooling/ventilation systems with a modern energy efficient installation.
- Retain and refurbish the existing Council Chamber. This space would however be used as a more flexible meeting space for use by the public and Council alike.
- Extend the existing Photo Voltaic Panel installation

This work, combined with the newly vacated and refurbished third floor space at Bartholomew House created under Phase 2, would provide sufficient accommodation for all staff currently in Kings House. It should however be noted that this scenario is based on the high level desk ratio target of 7:10FTE.

Potential uses for the ground floor and Great Hall include Restaurant/Retail to the ground floor and/or leisure for the upper floors. Should a purchaser only be found for the ground floor then a further option would be to convert the Great Hall into an independent office space which could be rented out to the private sector or other public organisations who might wish to co-locate with the Council. A further detailed cost analysis would need to be undertaken if this scenario were to be pursued.

It should be noted that the build costs assume that the work is carried out in one phase which would mean decanting the majority of staff on the first and second floors (with the exception of the Police) into Kings House for the duration of the works. The new customer Service Centre and back office would remain in operation throughout.

Staff and services currently in Denmark Villas and Buckingham Road would be relocated. Cabinet approval has already been given for the disposal of the Victoria Road offices at Portslade and adjacent part site and this capital receipt will be used to refurbish Portslade Town Hall to create a corporate hot desk base and a joint Sussex Police and customer access point to include housing services.

OPTION B

This option proposes the disposal of 60% of Hove Town Hall on a long leasehold interest, which would enable a mixed use development of retail/residential and offices to be provided by a developer, but would require the purchase or lease of another building (Building 'X') to be identified in the City, to accommodate staff and ancillary facilities (approx 2800sqm) for about 300 staff and ancillary facilities.

The remaining northern part of Hove Town Hall (approximately 40%), building on the refurbishment works under phase 2, would be fully refurbished to provide renovated offices. The modernisation would include flexible technology with follow-me desktop and telephony, idox as EDRM system and the delivery of learning and development to manage the cultural shift required for modernising the council.

Kings House would be sold on a freehold basis and the remaining 60% of Hove Town Hall would be disposed on a 250 year long lease (ie everything south of the recently created Customer Service Centre, including the Great Hall, Banqueting Suite, Council Chamber and undercroft). Buckingham Road would also be disposed of on a long lease, subject to service delivery options that are currently being considered and the lease on Denmark Villas would be surrendered

The following work will be required to Hove Town Hall:

- Construct a single storey roof extension to the second floor of the North wing to create additional open plan office accommodation linked to the existing offices which would be opened up and refurbished.
- Undertake a general refurbishment of the remainder of the first, second and balance of ground floors of the north wing.

- Convert the existing enclosed glazed courtyard area of the north wing to a staff resource space
- Replace the existing single glazed curtain walling exterior with a modern double glazed energy efficient installation.
- Replace the existing oil fired heating and outdated cooling/ventilation systems with a modern energy efficient installation.

This work, combined with the newly vacated and refurbished third floor space at Bartholomew House created under Phase 2, would not provide sufficient accommodation for all staff currently in Kings House. To address this shortfall an additional property (to be identified, but referred to as 'Building' X' in this report) of approx 2800sqm will be needed. Building 'X' may mean leasing floors of an existing office block or purchasing a smaller property to be refurbished. For the purposes of this business case an allowance has been made using current day lease costs of an available building in the Hove area and costs have been included to refurbish Building 'X' in order to adapt that accommodation to suit the Council's requirements. An initial search of existing accommodation in the City has been carried out, however as this space would not be required until 2016, it is not practical to identify properties at this stage as they may not be available in three years time.

Under Option B the main Police office which was provided under Phase 2 (adjacent to the Council Chamber) would need to be re-provided next to the Hove Town Hall Customer Service Centre. In addition the council chamber would cease to exist and alternative locations would need to be considered such as greater use of Brighton Town Hall and Portslade Town Hall and possible hiring of private venues. The potential developer of the Hove Town Hall site would also be required to provide a community space which could be used for this purpose.

It should also be noted that under Option B the potential to provide additional cycle showers and lockers would be lost however additional cycle parking would still be needed in Norton Road Car-Park.

Other Buildings

Cabinet approval has been given (March 2011) for the disposal of the Victoria Road offices at Portslade and part of the adjacent site. This capital receipt will be used to refurbish Portslade Town Hall to create a corporate hotdesk base and a joint Sussex Police and customer access point with housing Hub

Although not part of this business case, the use of Brighton Town Hall could be changed to become a more public building. Options will be explored to generate more revenue income, for example by opening up the lower ground floor Little East Street frontage for Restaurant/A3 use and providing more facilities which could be hired for use by visitors attending the Registrar and weddings/partnerships. It is intended that office space in Brighton Town Hall will be minimised and limited to services that have to be at this location such as Registrars.

During the course of the programme, the potential of some other sites which are under utilised and not fit for purpose will be explored and if needed a separate committee report will be submitted for proposed use/disposal.

OPTION C

This Option shows the implications of 'doing nothing' ie retaining Kings House and Hove Town Hall in their entirety. This would leave the council with financial and property liabilities as both buildings would be under-occupied and still require substantial maintenance over the next 10 years.

The heating and ventilating systems at Hove Town Hall have virtually reached the end of their useful life and will need replacing within the next 2-3 years. The external fenestration at Hove Town Hall is single glazed and will also require replacement within the next 5-8 years. Kings House will need further investment within the next 10 years including replacement of the outdated storage heaters and ventilation systems. Work will be needed to the fabric of the Victorian section facing the seafront, including the windows which are reaching the end of their useful life as many are now not operable.

The Buckingham Road and Portslade sites could still be sold, subject to service delivery options that are currently being considered and the lease of Denmark Villas would still be surrendered.

There would however be an empty, newly refurbished floor at Bartholomew House (completed under Phase 2) which would need to be populated with workstyle staff following the rollout of flexible technology. This option would potentially leave two floors of Kings House empty together with the financial burden of associated running costs. It would therefore be necessary to find an occupier who would be prepared to lease this space and contribute to this shortfall which is high risk.

This option would severely hamper the aims of modernisation for the Council and would effectively be a termination of current flexible working solutions. Approximately half of the organisation would be on new technologies following Phases 1 and 2 with its associated flexibility and advantages and the other half in the old working environment. This would create inequality among staff as well as being detrimental to service delivery as a result of multiple technologies and systems being in place which are incompatible with each other. The organisation is already behind with its current technology offering and its administrative estate will need maintaining to ensure it is fit for purpose. Given the financial challenges the local authority is facing there seems to be limited alternative routes using the existing council assets other than the proposals outlined in this report to bring the organisation up to the modern conditions/standards and enable the delivery of quality services for its citizens.

This 'split' scenario could potentially cause major corporate risks in terms of the ability of the organisation to effectively deliver services and would have further business risks in terms of inconsistent processes and council could possibly be open to challenges with considerable liabilities.