

Executive Report

Report of Executive Head of Development

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Millmead Refurbishment Project

Executive Summary

A report was taken to Executive on 29 May 2014, which explained the justification and detail of the proposed Millmead Refurbishment Project, and sought to group various items of provisional general fund capital programme schemes together as a single project budget on the approved capital programme.

Since then we have conducted a procurement exercise to appoint an architect led design team, prepared concept designs and agreed them with service managers. The design team is now working closely with officers and the internal project team to prepare the detailed design and a specification for the scheme, ready for tendering for a contractor to undertake the works.

Consultation and engagement with councillors, staff and key stakeholders through specific project groups has built upon the earlier agreement for the broad principles of the scheme outlined in the design brief attached as **Appendix 1**. Through this consultation and engagement, the proposed scheme responds to the needs of customers, councillors and staff. Our aim to enable our residents to participate in the democratic process is significantly enhanced through this project. The overarching aim is to achieve our customer service improvement objectives and secure the asset value of the Millmead campus.

The purpose of this report is to share the proposed detailed design with the Executive, report on the current position regarding budget and programme, and obtain agreement to tender the work to start in Summer 2015.

Recommendation to Executive

That the Executive:

- (1) approves the proposed design for the refurbishment work to the Civic Suite, main reception and multi-use space;

(2) agrees that the project, as presented, should be progressed;

(3) agrees that the project progresses promptly to tender stage for the chosen option set out in paragraph (2) above to enable officers to let a contract for the work within the agreed project budget.

Recommendation to Council

That a capital supplementary estimate of £1.307 million (net increase to Council of £735,000) be approved, to be funded partly by:

- transfer £235,000 from the DDA provisional capital programme scheme and add to this project in the approved capital programme
- the revenue contribution to capital of £103,000 in respect of the items listed in paragraph 4.4 of this report
- an allocation of £202,500 from the invest to save reserve. £52,500 for the refurbishment and re-design of the multi-use space and £150,000 for the refurbishment of the reception area
- the transfer of £31,500 from the IT renewals budget

Reasons for Recommendation:

To facilitate the detailed design and appointment of a contractor for the Millmead refurbishment project.

1. Purpose of Report

- 1.1 To share the proposed detailed designs for refurbishment of the Civic Suite and main reception, with the Executive for their approval. The indicative design is shown in **Appendix 2**.
- 1.2 To explain the current budget and programme position (**Appendix 3**) of the project, to request a capital supplementary estimate to cover the project cost, and explain how we are proposing to fund this.
- 1.3 To gain approval to progress this project to tender stage as soon as possible in order to achieve the Council's customer service objectives'. Subject to the outcome of the tender process meeting the Council's budgetary provisions, to implement the project in accordance with the specification.

2. Strategic Framework

- 2.1 Refurbishing and improving the Millmead campus supports our key strategic priority to provide efficient, cost effective and quality public services by providing suitable and fit for purpose accommodation that supports the democratic process and delivers high quality public services. This is in line with the Corporate Plan theme of Developing Our Council, by ensuring our property asset is adequately maintained.

3. Background

- 3.1 We undertook a piece of work in 2013 to challenge the Council's use of the Millmead campus. The most cost effective outcome was that the Council retains the Millmead

campus as its headquarters for the next 10 to 15 years, coupled with investment in providing excellent customer service by refurbishing the reception and Civic Suite. Works to the external areas are needed to make the most efficient use of the site and improve public access and servicing arrangements. By carrying out this programme of work, it is anticipated that this will sustain and enhance the asset value to the Millmead campus.

- 3.2 A two-phase refurbishment programme was prepared in order to meet this objective, and was agreed by Executive in May 2014.

Phase I of the project comprised:

- A modern, fully accessible customer dedicated reception area, and supporting accommodation
- A refurbished multi-use space with business space and staff facilities
- A refurbished, contemporary and accessible Civic Suite
- Health and safety improvements, including new boilers in Old Millmead House, replacement soil pipes in New Millmead and revised delivery arrangements for the biomass pellet deliveries.

Phase II of the project comprised:

- Electrical improvements to Old and New Millmead House and the Civic Suite.
- Improvements to staff access arrangements
- Construction of a goods inwards area at the rear of the building, and consequential external works
- Part external redecoration of Old Millmead House.
- Roofing works to the link bridge

- 3.3 The design brief, (Appendix 1) sets out the full scope of work and includes key requirements including a flexible Council Chamber appropriate for a democratic setting, a single customer service point of contact, multi-use staff facilities and business space
- 3.4 The Executive Head of Development is leading a Project Team ensuring we deliver this project to programme and budget. The Managing Director is leading a Project Board to oversee the project. The Lead Councillor for the Project Board is Cllr Grubb Jnr.
- 3.5 A report was taken to the Executive on 29 May 2014 seeking approval to consolidate the funding from the various individual provisional capital schemes for the Millmead campus, and bring it into a single project budget for this work, on the approved general fund capital programme. Since then Officers have procured the architect led design team, the concept design has been prepared and work is underway on the detailed design and specification for tendering and construction purposes.
- 3.6 The PR and Marketing team is implementing the communications plan that comprises an external communication strategy and an engagement strategy for Councillors and staff. This included a briefing session undertaken on 18 December 2014, and consultation with key stakeholders such as the Guildford Access Group, Surrey Police and Surrey County Council.

- 3.7 In meeting our desire to make the civic suite fully accessible to all, we would need to provide a lift between the lower ground floor serving Committee Room 2 and the first floor to provide access to the Council Chamber and Committee Room 1. This would then provide suitable access to the whole of the civic suite for any councillor or member of the public with mobility difficulties. This additional work has been included within the current budget costs, and we are proposing to fund this from the DDA budget. The Council fully recognises the importance of access to the Civic Suite and wishes to reflect the views of the Guildford Access Group with the inclusion of a lift serving all floors.
- 3.8 The attached programme proposes a traditional procurement route, which takes longer to prepare but increases cost certainty and minimises contract risks. This programme shows that we will be in a position to let a contract to a contractor in May 2015, with work starting on site in July 2015, and completing in December 2015.
- 3.9 In recommending this programme of work, it is clear that extensive investment in the building is required including replacement heating and ventilation plant, new lighting, decorations to Old and New Millmead, external repairs and changes to the external parking and access areas. In practice, doing nothing is not a viable option at this time given the need to maintain a safe and effective working environment for all staff and councillors. In addition, if improvements are not made to the Civic Suite and reception area, the Council will be unable to achieve its corporate objectives for a modern and efficient customer service facility.

4. Financial Implications

- 4.1 The project budget currently comprises an approved general fund capital programme scheme totalling £2.221 million.
- 4.2 In July 2005, Executive considered a similar albeit smaller scheme, which consisted of remodelling the reception and ground floor of Millmead House, excluding electrical works, works to Old Millmead and the Link Bridge and the Civic Suite, which did not proceed at that time. Ten years ago this was expected to cost £1.089 million. We find ourselves in a similar position now, but with an additional decade of maintenance backlog that is essential to maintain the safe and efficient operation of the buildings.
- 4.3 A further proportion of the project is work that the Council has previously identified as necessary. Savings have also been identified from providing a more efficient front of house to enable the Council to deliver excellent customer service.

Existing maintenance backlog	1,464,318
Items already committed to	413,700
Customer service savings	<u>150,000</u>
	<u>2,028,018</u>
Original reception project cost	1,089,000
Comparable costs	3,117,018

- 4.4 Works in the maintenance backlog comprise lighting and electrical upgrades, and toilet refurbishment. The items we are committed to include a DDA compliant lift to the civic suite, provision of meeting rooms and health and safety aspects of the Millmead car park relating to deliveries.

- 4.5 It can be seen that if we undertake the works to which we are committed, plus the cost of the original reception project from ten years ago, we have a comparable cost to the estimated project cost now.
- 4.6 We have appointed a Quantity Surveyor to prepare and monitor the project budget. The Quantity Surveyor currently believes that the package of work identified in the agreed design brief will cost approximately £3.5 million, including the additional works to the lift as requested by the Access Group. At this stage, the estimate of the project is based upon budget prices figures only. Once the detailed design and specification has been prepared, the Quantity Surveyor will have the information he requires to prepare a more detailed cost estimate of the project.
- 4.7 The current breakdown of the cost of the project is summarised as:

Element	Budget	Current estimate	Variance
Civic suite	637,500	995,000	357,500
Reception	420,000	700,000	280,000
Staff facility / multi-use space	86,000	225,000	139,000
Millmead improvements	446,900	445,000	(1,900)
Old Millmead	374,600	400,000	25,400
External works	80,000	168,000	88,000
Professional and Statutory fees	176,000	345,000	169,000
Contingency & Decant	0	250,000	250,000
Total gross cost of scheme	2,221,000	3,528,000	1,307,000

- 4.8 There are various reasons for the increase in costs. The key reasons are highlighted below:
- The budget included an allowance for furniture in the civic suite based on the cost of office type furniture. We have now decided to use a higher specification of furniture and this has increased the cost to approximately £90,000. The work included in the civic suite includes first floor and lower ground floor refurbishment, ventilation upgrade, toilet refurbishment and the new accessible lift.
 - The cost of the refurbishment of the multi-use space has increased. We have received two quotes, which range from £136,000 to £225,000 and have included the highest quote in the figures above to allow for the budget cost differential.
 - There was £499,000 included in the capital programme for electrical works since 2009-10. This has now been estimated at £675,000 (an increase of £176,000 or 35%) which is due to price inflation – the scope of the works has not changed.
 - The cost of the accessible lift has increased by £100,000 because it will now go between all floors in the civic suite in line with discussions with the Access Group.
 - The costs of professional fees have increased because the cost of the contract has increased.

- f) The cost of the decant (£50,000) and project contingency was not included in the original budget. The contingency is new because when the budget was approved it was amalgamating a number of schemes where the estimates had been provided by a number of different officers, which did not include a holistic contingency for the project as a whole.
- 4.9 Two items in the design brief, the link bridge roof (£23,000), part redecoration of Old Millmead House (£30,000) and the costs of the temporary reception (£50,000) can be paid for through allocated revenue funding as a revenue contribution to capital and will therefore not increase the capital requirement of the Council
- 4.10 The cost of the Civic Suite lift is £235,000, including the additional work for the lift to service the lower ground floor, and will be funded from the DDA budget allocation which currently sits within the provisional capital fund. We are requesting the transfer of £235,000 from the provisional capital programme DDA scheme, to the Millmead project scheme. This will, therefore, not increase the capital requirement of the Council.
- 4.11 The gross cost includes a sum for IT access improvements which will be funded from IT renewals fund, and will further reduce the capital requirement of the scheme.
- 4.12 Once these items are accounted for the gross cost of the project is £3.528 million, which includes decant costs, a £200,000 contingency, professional fees and internal staff costs.
- 4.13 Officers have explored the option to bring the project within the currently approved budget by omitting elements or reduce the specification. To “trim” the elements of each item in the programme will take significant time and will not deliver the desired outcome. To omit elements, we will be losing the opportunity to deliver the whole project objective, and bring the building to the desired state. In any event, those elements will need to be undertaken at another time in the near future. We do not have any non-essential items in the programme.
- 4.14 The Executive is reminded that the work to the multi-use space has been proposed to improve and update the current catering offer, thereby enabling the Council’s subsidy of this facility to be reduced, which is why we are proposing to use some of the Invest to Save money.
- 4.15 Officers recommend that the Executive approve the entire scheme at an estimated net cost of £2.956 million.
- 4.16 At the budget meeting in February 2014, the Council approved the general fund capital programme (2013-14 to 2018-19). The report highlighted a £75.854 million underlying need to borrow for the capital programme.
- 4.17 The net increase to the Council of £735,000 will increase that underlying need to borrow to £76.904 million and will result in a Minimum Revenue Provision (MRP) charge to the revenue account of £36,750 (£735,000 spread over 20 years), and is equivalent to a 0.46% increase in Council Tax. It will also result in a reduction in interest received from investments, over the amount included in the revenue budget.

5. Legal Implications

5.1 Certain works are required to enable the Council to meet its statutory obligations under the Health and Safety at Work etc. Act 1974 and under the Equality Act 2010. These are:

- (i) The improvements to create a safe goods inwards, and associated car park work, along with the replacement of the New Millmead foul drainage pipes.
- (ii) Provision of the accessible lift to the first floor Council Chamber, ground floor entrance, and lower ground floor Members' Room and Committee Room, and the provision of compliant accessible toilet facilities in this area

6. Human Resource Implications

6.1 In order to deliver this project, some resource and officer time will need to be provided during the planning and construction phase of this project. The costs will be absorbed within the service budget.

7. Conclusion

7.1 The purpose of this report is to recommend the proposed concept design for acceptance and inform the Executive of the programme for the project. We are also requesting a gross capital supplementary estimate of £1.307 million to enable the project to proceed to its current specification.

7.2 We ask the Executive for approval to tender this work as soon as possible, and to let a contract for the work within the approved project budget.

8. Background Papers

None

9. Appendices

Appendix 1: Millmead Refurbishment Project Design Brief
Appendix 2: Proposed Designs for Reception and Civic Suite
Appendix 3: Current Programme

MILLMEAD REFURBISHMENT PROJECT

DESIGN BRIEF

The Council has produced a Design Brief. This outlines:

1. Background to the brief
2. General Design Principles
3. Design Standards

1. Background

Guildford Borough Council ('The Council') is committed to staying at its headquarters office location at Millmead House for the next ten to fifteen years. It has a programme of construction work to provide newly refurbished accommodation to ensure the Council's offices are fit for purpose over this period. The construction will be in two phases as follows:

Phase I of the project during 2015 will provide:

- A modern, customer dedicated reception area, and supporting accommodation
- A refurbished canteen/multi-use space
- A refurbished, contemporary and accessible Civic Suite.
- Health and safety improvements, including new boilers in Old Millmead House, replacement soil pipes in New Millmead and revised delivery arrangements for the biomass pellet deliveries.

Phase II of the project, also to be implemented during 2015 will provide:

- Electrical improvements to Old Millmead House, New Millmead House and the Civic Suite.
- Improvements to staff access arrangements
- Construction of a goods inwards area at the rear of the building, and consequential external works
- Part external redecoration of Old Millmead House.
- Roofing works to the link bridge

2. General Design Principles

The Council aims to provide high quality accommodation to support the democratic process and deliver high quality public services. This is in line with the Council's Corporate Plan theme of Developing Our Council by ensuring our property assets are fit for purpose.

The overall design objective is to provide a striking design that looks towards the commercial world for ideas on multi-functional spaces. We welcome an innovative approach but the cost of implementing the works is a key consideration for the Council, reflecting the Council's need to stay on this site for the next ten to fifteen years. Spatial functionality and layout of the building for use by the public is a priority.

The architect's brief is to advise on a holistic and uniform approach to design and finishes throughout the reception, canteen and Civic Suite areas.

3. Design Standards

3.1 Reception

Phase I includes remodelling and refurbishing the Council's reception.

The aim is for the reception is to facilitate a high quality customer service that is:

- Modern design, minimising dead space (consider working outside in)
- Customer dedicated purposeful design
- Providing a single point of contact for the public for all Council services
- Encouraging Council officers to serve customers at the point of reception
- Providing customers access to self-service transactions

Physical requirements include:

1. Meet and greet main reception desk (for minimum of four staff)
2. Waiting area for main reception
3. 'Family friendly' waiting area for Housing Advice Services, including facilities for children
4. Service pods (minimum requirement of four)
5. Self-service computer stations (where the public can access our services)
6. Secure interview rooms that can be monitored for security (minimum requirement of six; Home Office standards)
7. Meeting Rooms (new suite with minimum requirement of six of varying sizes)
8. Separate staff access arrangements (to make reception public only)
9. Accessible toilet
10. Baby change
11. Refurbish existing public male/female toilets
12. Dismantle reception on second floor and making floor open plan

Spatial layout

The Council has provided a layout, for illustrative purposes only, which demonstrates our requirements that would work from an operational perspective.

The architect's brief is to review the spatial layout against the physical requirements to see if there is a better layout design possible within the parameters of the space. The architect's brief is also to propose suitable finishes in accordance with the General Design Objectives.

3.2 Canteen/Multi-use space

Phase I includes remodelling and refurbishing the canteen.

There is an agreed proposal for the layout and catering offer for the canteen created by external consultant, Keen and Able, which facilitates the following food offer:

- Self service hot food
- Grab 'N Go ready made food
- Vending machines

Spatial layout

The Keen and Able layout provides for:

- Refurbished kitchen
- New service areas
- Separated areas for staff dining and seating
- Grab 'N Go seating area
- Table layouts that allow staff meetings in the restaurant

The architect's brief is to adopt the layout provided and advise on the finishes to provide continuity of design approach in accordance with the General Design Principles.

3.3 Civic Suite

Phase I includes remodelling and refurbishing the Council's Civic Suite.

The aim is for the Civic Suite is to facilitate a high quality democratic service that is:

- Contemporary
- High quality finishes and furniture
- Enhanced quality of finishes in the Council Chamber
- Audio-visual enabled
- Web-cast enabled
- Restricted Hearing Loop enabled
- Catering for the Civic Suite

Physical requirements include:

Council Chamber:

1. Extending existing dias to provide space for a public speaker and the webcast operator
2. Retain Mayor's chair and Mace Holder
3. High quality portable , flexible furniture , appropriate for a democratic setting, to accommodate 48 councillors
4. Charging points provided within desk furniture
5. New seating furniture for officers and public (stackable seats preferred)
6. Design to incorporate the Council's new interactive display screens including countdown timer
7. Design to incorporate the Council's new interactive voting equipment

8. Update the central lighting, this must be dimmable
9. Replacement window blinds (preference for those already in Committee Room 1)
10. Improvements to allow better acoustics

Committee Room 1:

1. Flexible meeting room options
2. New seating and desk furniture
3. Retain existing moveable partition

First floor common areas:

1. Convert existing toilet to lift lobby
2. Provide new accessible toilet
3. New accessible lift (external structure)
4. Allow space to serve refreshments

Ground floor:

There is an approved layout for this area, which includes:

1. Remodel the Councillors' Room and Councillors' meeting room to create 2 new bookable meeting rooms.
2. New seating and desk furniture in each of the three ground floor meeting rooms, each seating up to 16 people
3. Create hot-desking space in the lobby outside Committee Room 2.
4. Refurbish existing public male/female toilets

The architect's brief is to adopt the layout provided for the ground floor and advise on the finishes to provide continuity of design approach in accordance with the General Design Principles. For the first floor the architect is to propose a layout for the Council Chamber and flexible space in Committee Room 1, within the parameters of the space. The architect's brief is also to propose suitable finishes in accordance with the General Design Objectives.

Throughout the Civic Suite:

1. Upgrade power and provide energy efficient lighting. Infrastructure work to existing heating and ventilation.

d. Health and Safety Works

Phase I includes for replacing the soil pipes in New Millmead; creating safe access for Biomass pellet lorry deliveries and re-boiling Old Millmead House.

Physical requirements include:

- Replacing the soil pipes in New Millmead House

- Installing gates in strategic positions to provide a barrier between the Biomass pellet delivery lorry and pedestrians
- Replacement boilers and plant in Old Millmead House

3.5 **Goods Inwards / External Works**

Phase II includes creating a goods inwards and associated car park works.

The aim is to provide a goods inwards at the rear of the building, next to Reprographics. The purpose of this is to mitigate the current health and safety issues of visitors and deliveries merging at the front of the building.

Physical requirements include:

- Roller shutter goods door to be set into the side of New Millmead House
- Work to be undertaken to surrounding ground levels to facilitate safe access to the goods inwards.
- The Mayor's Garage is to be demolished, and the space used for additional car parking.
- Re-configuring and re-lining the car park to provide the maximum number of standard size spaces, along with safe access for deliveries.

3.6 **Staff Access and Security**

Phase II includes updating replacing the staff access 'swipe card' system and adding a further two external doors onto the system.

Physical requirements include:

- Designating two existing fire exit doors as new staff entrances
- Ensuring that the external access to the two 'new' doors is safe
- Updating the staff access system

3.7 **Electrical Improvements to New Millmead House and Old Millmead House**

Phase II includes for electrical works to provide improved power and energy efficient light, along with associated builders work.

Physical requirements include:

- New Millmead House, Pavilion 1: Provide energy efficient lighting
- New Millmead House, Pavilion 2: Upgrade power and provide energy efficient lighting.
- New Millmead House, Pavilion 3: Upgrade power and provide energy efficient lighting.
- Old Millmead House, Upgrade power and provide energy efficient lighting.
- Making good where surfaces have been disturbed

h. **Replace Link Bridge Roof**

Phase II includes to replace the roof to the link bridge that spans between Old Millmead House and New Millmead House, which has leaked for some years.

Physical requirements include:

- Scaffolding both sides of the link bridge
- Replacing the pitched roof, or identifying a more cost effective way of effecting a permanent repair.

3.9 **Part External Redecoration of Old Millmead House**

Phase II includes for pre-paint repairs and redecoration of approximately half of Old Millmead House, which is a Grade II Listed Building. Half of the building was redecorated in 2012 (the second half was not decorated due to budget constraints).

Physical requirements include:

- Scaffolding half of Old Millmead House
- Carrying out pre-paint repairs to the sash windows
- Re-glossing the sash windows (and ensuring they work properly upon completion)