
**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 4 January 2018

Subject: The Council's Operational Property Strategy

Report of: Strategic Director, Development

Summary

This report is produced at the request of the Resources and Governance Scrutiny Committee to provide an overview of:

- The Council's Operational Estate Strategy in relation to its future workforce;
- The proposals to deliver Health and Social Care Integration with the NHS and the implications for the City Council's Operational Estate Strategy; and
- The Council's Operational Estates Strategy in terms of owning and managing property and the need to lease properties to meet the Council's medium term requirements.

Recommendations

That Committee are requested to note the contents of the report.

Wards Affected: All

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

The Development of an Integrated Hub in Gorton, Executive, 8th March 2017

Manchester Town Hall and Albert Square: 'Our Town Hall', Executive, 8th March 2017

1.0 Introduction

1.1 This paper is in response to a request from Scrutiny for a paper that provides them with an overview of:

- The Council's Operational Estate Strategy in relation to its future workforce;
- The proposals to deliver Health and Social Care Integration with the NHS and the implications for the City Council's Operational Estate Strategy; and
- The Council's Operational Estates Strategy in terms of owning and managing property and the need to lease properties to meet the Council's medium term requirements.

2.0 Background

2.1 The Council seeks to ensure that its operational estates assets are well maintained, managed and used. Governance of the operational estate seeks to ensure that alongside these priorities being addressed there is strategic oversight of the following activities:

- The delivery of the 5 year Operational Estates Strategy;
- The delivery of the Operational Estates Asset Management Programme (AMP);
- The delivery of an ongoing review of the Operational Estate and links with other corporate initiatives and priorities.

2.2 The Council has been going through a period of unprecedented change over the last five years as a result of, for example, the significant reductions in staff numbers and the more flexible ways of working being introduced arising from new digital technologies being available. Such change has impacted on both the level and type of accommodation that is required to deliver operational services and the requirements from back office services.

2.3 Looking forwards it is also recognised that the Council will continue to go through significant changes, as we face future challenges, many of which are unknown but will include things such as:

- The need to respond to further advances in digital and other technologies which have an impact on the way we work;
- The opportunities to expand the sharing of the public sector estate across the city;
- The need to provide suitable space and facilities for an older workforce who may require different visual, acoustic, lighting and heating;
- Meeting the needs of further changes in how we deliver our services and customer demand.

- 2.4 In respect of these future challenges the City Council is already actively engaged in supporting the changes that are required to support the new Health and Social Care Integration agenda. This has created a demand for different/new accommodation and spaces as Health and Council services are brought together and the new models of service delivery are embedded. The implications of these developments will be expanded further in Section XX below.
- 2.5 The decisions taken over the last 12 months with regard to the “Our Town Hall” refurbishment project are also having a significant impact on the demands of the operational estate as temporary accommodation solutions are required so that works can progress in a timely and cost effective manner.

3.0 The City Council’s 5 Year Operational Estates Strategy

- 3.1 Attached at **Appendix 1** is an overview of the key opportunities, milestones and challenges in the Operational Estate. It covers the opportunities and challenges in the short and medium term in detail, but the longer term requirements (beyond 2024) become much harder to plan for as we currently do not have sufficient information on what demands will be being placed on the Council’s operational estate.
- 3.2 As a result of not knowing what our medium to longer term demands on the operational estate will be the current 5 Year Operational Estate Strategy seeks to deliver key schemes and programmes of work that both respond to known demands and the strategies that encourage staff to work flexibly (as set out in the Our Ways of Working Programme). As such the Operational Estate Strategy embeds flexibility into the design and use of the Council’s operational estate in a manner that seeks to make better use of the space and provide fit for purpose facilities and accommodation to ensure the wellbeing of our workforce. Within the context a flexible approach to scaling up or down the size of the operational estate has been embedded into the strategy to deliver the Council’s future accommodation requirements allowing the organisation to remain agile and receptive to change and other external influences.
- 3.3 Beyond the issues of the size of the Council’s Operational Estate work to address the needs of a changing workforce are also being embedded into the Operational Estate Strategy. For example, small but increasing numbers of staff are choosing to work beyond the normal retirement age. As such investment into the operational estate will require spaces to be designed that can accommodate the needs of an older workforce. Recent studies are identifying that there may be different requirements for our older workforce, in terms of the acoustics, lighting/visual requirements and heating. There will also, undoubtedly, be further changes in the future as we experience further changes in the ‘make up’ of our society, demand for services and embrace new technologies as they emerge.

The Operational Estate Delivery Strategy

- 3.4 Over the last 3 to 5 years the Council's approach to providing accommodation for the workforce has been one of rationalisation, rather than expansion. With unprecedented financial pressures seeing a huge reduction in the Council's workforce the focus has been on reducing the amount of office accommodation in order to move to a position whereby the Council's estate is financial sustainable.
- 3.5 This work has been coupled with introducing a planned and programmed approach to asset management and maintenance; investing in our buildings so they are fit for purpose and as sustainable as we can make them (in terms of energy efficiencies). Running in parallel with our approach to maintain our assets work has been progressed to produce a 5-Year delivery strategy which seeks to rationalise those properties that no longer effectively support operational service delivery, or are required for regeneration/development projects. It also seeks to refurbish or bring back into use those property assets that could support local team and/or partnership working by providing additional space.
- 3.6 With a backdrop of financial constraint and a reducing workforce there has been little pressure to find additional space/accommodation. However, more recently this have been reviewed as a result of the pressures to respond to the estates requirements to support the health and social care reform work and delivering the decisions following the approval by the Executive to refurbish the Town Hall – the "Our Town Hall" initiative.

The Impacts of Health & Social Care Hub integration on the Operational Estate

- 3.7 Over the last two years the Health and Social Care Reform Agenda being pursued across Greater Manchester, and the requirement to deliver an integration of such services, has challenged the City Council and NHS organisations to work in different ways and develop new collaborative support models.
- 3.8 Within Manchester the citywide vision is to provide 12 multi-disciplinary Place Based Hubs throughout Manchester. It will operate as a hub and spoke model with the new hubs providing improved access to public services. The public will be able to access a range of services from a single location. **Appendix 2** is an extract from the Health and Social Care Strategic Estates Plan that sets out how the model will work and the types of services that can be accessed in the various centres (hubs and spokes).
- 3.9 The whole system design and emphasis has been based around the person and place rather than an organisation and service, and this in turn has seen an increase in demand for community based accommodation. The new hubs are located in a range of different public sector buildings, and locations identified based on the needs of the individual people/places.

- 3.10 As well as delivering improved health outcomes, the new model should result in a more cost effective combined estate, which can be proactively managed. This in turn will support all organisation in reducing their carbon footprint and lowering energy costs and releasing capital from old sites that are no longer required/viable.
- 3.11 The Estates team are also working with Local Care Organisation (LCO) who are the preferred bidder for the delivery of Health and Social Care services and the Manchester Health Care Commission (MHCC) who commission these services. Both the delivery and commissioning organisations are currently seeking new accommodation. The MHCC are seeking to establish a new headquarters function for the new commissioning function, whilst the LCO are looking for a central Hub to accommodate their manager/delivery team.

“Our Town Hall”

- 3.12 Members will recall that the March 2017 Executive agreed to progress with the refurbish of the Town Hall with a need to relocate circa 500 staff out of the building for a period of some six years. The Executive were informed that the intention is to accommodate all Council staff within the Council's operational estate, primarily within the Town Hall Complex. However, the Executive were informed that there are a small number of users who have very specific requirements that cannot be met through use of existing Council owned buildings and which would require a different solution. The need for suitable accommodation for the Coroner was one such requirement.

Aligning the Operational Estate with Organisational Requirements

- 3.13 As Appendix A has highlighted and the brief overview contained so far in Section 3 of this report has sketched out there are considerable pressures to balance out the varying organisational requirements from the Council's operational estate in order to meet both the needs of services and the needs to deliver a cost efficient, safe and secure estate.
- 3.14 Ordinarily when there is a need to provide additional accommodation the Estates team will seek to confirm the following:
- Reason for the increase in demand for accommodation, e.g. is it a true increase in the workforce, merely a change of location, a change of working arrangements or collaboration, or a result of other corporate initiatives.
 - The number of people requiring accommodation;
 - Working patterns of the teams being accommodated (so are they office based, work out in the communities etc. – all which influence the size and type of accommodation);
 - The length of time the accommodation will be required for;
 - The financial implications and funding streams to support the acquisition of additional space;

- Sources of funding and whether the space is for Council staff or includes other partner organisation.
- 3.15 In all instances the Corporate Estate Team would ordinarily seek to accommodate within the Council's existing property portfolio, and this may include looking to use properties that currently form part of the Council's Investment Estate. However, those Investment Estate properties are frequently part of long term commercial arrangements or are ones which have been specifically acquired for regeneration purposes and are usually in need of significant investment to make them usable. These circumstances make it increasingly challenging to deliver relatively short term requirements as they have arisen from both the Health and Social Care estate transformation requirements and the demands from the "Our Town Hall" initiative.
- 3.16 Ordinarily, where the Corporate Estate Team cannot accommodate a team/service in Council owned premises, then depending on the timescale for occupation of the property and other schemes that are planned, they would look to secure temporary accommodation for the period up to when the Corporate Estate Team could move a team into Council owned properties; this has become more prevalent due to the amount of space required to decant staff from the Town Hall.
- 3.17 Over the last 12 months these pressures on the Council's existing Operational Estate have required new investment to be considered in order to expand the Operational Estate and significantly refurbish existing Council assets so that can be reused and meet our requirements over the next five years. Two examples, demonstrate the approaches currently being taken forward: the Gorton Hub project in Gorton District Centre and the Hammerstone Road Project. Each scheme is briefly outlined below.

The Gorton Hub Project

- 3.18 A paper was progressed to Executive on 8th March 2017 that set out the case for a capital investment of up to £15.4m by the Council. The facility will provide a multidisciplinary integrated service offer to enable Gorton to support opportunities for improving health, wellbeing, literacy, employment, community engagement and quality of life for the growing and changing population.
- 3.19 The original intention was that One Manchester would be taking approximately 46% of the new facility and would re-locate their headquarters and back office functions into that location. However, a subsequent decision by One Manchester resulted in their requirement reducing by approximately 35% to circa 11%.
- 3.20 The One Manchester decision presented the opportunity for the council to review the size and scale and occupancy profile of the proposed building, and resulted in decision that the Council would utilise the additional space that was no longer required by One Manchester.

3.21 Based on the original requirements a three storey building was designed, and included provision for the following services:

- GP primary care services;
- Mental Health services;
- JobCentre plus services
- One Manchester housing services;
- Community Health services;
- Library services;
- The Health and Care integrated neighbourhood team.

3.22 Under the new arrangements it is the intention that the Council will take the space no longer required by One Manchester, and use that space to support moving teams out of leased accommodation. The original decision that the Council will fund the project in its entirety and will lease space to our partners remains unchanged.

3.23 This change has resulted in the Council moving from having a requirement for 16% of the building to taking 51% of the space (i.e. the space no longer required by One Manchester). It is expected that by 2020 the Council will be able to exit 2 further leases by moving teams to the new space in the Gorton Hub.

The Hammerstone Road Transformation Project

3.24 The refurbishment of the Hammerstone depot will take the learning from the Sharp project, and will seek to include modular container-type accommodation to create an 'office village' within the main shed. As part of refurbishing the site it is the intention to ensure that the Council is left with a 'future proofed' facility that can effectively support the demands of current service delivery, but easily be adapted to meet and future/new demands.

3.25 It is also the intention to incorporate sustainable technologies within the re-design of the site to reduce the carbon footprint of the site, and introduce electric charging points for vehicles.

4.0 Concluding Remarks and Recommendations

4.1 Members are requested to note that the Gorton Hub and Hammerstone refurbishment programmes will enable the Council to exit out of two existing leases in circa 2020/21, these being at Bridgewater House and Universal Square.

4.2 Other Estates Transformation work is currently being progressed that will provide additional accommodation in a refurbished Alexandra House with the expanded accommodation enabling the Shared Service Centre to move from the Town Hall Extension into that location. There will be a need to identify other teams to move from the Town Hall Extension in order to create capacity

for Legal Service to vacate the lease in Peter House and move into the Town Hall Extension, thus releasing the Council from a further lease in circa 2020.

- 4.3 This would leave the Council with the Etrop Court lease, which runs up to 2023 and further work would need to be undertaken closer to that time to assess alternative accommodation options.
- 4.4 Member should note that there is a potential for new pressures and potential leases to emerge as a result of the accommodation requirements for the Local Care Organisation (LCO) and Manchester Health and Care Commissioning (MHCC), but at the present time these cannot be quantified
- 4.5 The lease on the Royal Exchange for the Coroner's Office will remain in place until the Town Hall refurbishment is complete and at that time it is expected that this service area will return to Town Hall accommodation.
- 4.6 In summary the current Estates activity and plans will see the Council vacating three of the five current leases by 2020/21. A fourth lease will be vacated in 2023/24 on completion of the Town Hall refurbishment when the Coroner will return to the newly opened building. The Etrop Court lease will need to be subject to further review closer to the time. The current Fountain Street lease for the LCO is currently being reviewed, but any new lease would not be a Council lease, but a partnership funded lease.

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Operational Estate Capacity

Overview of key milestones, opportunities and challenges

November 2017

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Upcoming Estate Changes

Informed by the stock condition surveys and future requirements of the organisation, over the next 7 years a number of schemes are being progressed with our operational properties across the city:

- Estates Transformation Phase 2 (ET2) includes bringing the former Hulme Library back into use as Hulme District Office, providing much needed additional capacity in the central locality, and allowing the release of sites such as Westwood and Claremont for development.
- ET2 also includes the full refurbishment of Alexandra House and it's underground car park. This will expand its capacity and bring the accommodation up to model office standard, as well as the overall condition of the building and car park.
- Hammerstone Road will be redeveloped to provide improved office space and additional operational capacity in anticipation of the closure of Hooper Street Depot.
- In addition, by 2024 the Old Town Hall will have re-opened, releasing some space in the Town Hall Extension, and allowing us to vacate the Royal Exchange and Heron House
- In 2018 Heron House will be refurbished, and leased out for office space
- The Gorton Hub will be developed providing space for Health and Social Care colleagues and also some additional capacity, allowing the closure of Gorton South district office, and potentially relocating some staff from leased accommodation. Current timescales are that it will be open to the public in January 2020.

The above is in addition to a number of smaller schemes, such as relocating staff from Glendene to Acorns to release the site for development...as well as other ad hoc requests for accommodation as services inevitably change over time.

Opportunities

Challenge

- **Jan 2020:** Redevelopment of Hammerstone Road could provide us the space to house staff and operations from Hooper Street, and also Highways staff from Bridgewater House if appropriate
- **Jan 2020:** Gorton Hub may have additional capacity once built. Also Gorton South staff would locate in hub, releasing GS for development - could be used for short term decant location timescales allowing (approx 100 staff)
- **Early 2020:** Hooper Street offices could be used as potential short term decant location from early 2020 - dependent on HS2 timescales
- **Jan 2021:** ET2 completion - Alexandra House will give increased capacity to house Shared Service Centre and Revenues & Benefits together. It may be possible to fill the building in phases and release space within the THX in summer 2020. There may be additional capacity depending on final designs.
- **Early 2024:** Town Hall reopening releases space on THX at least for SMT wing, creating space for up to 90 staff, as well as enabling Coroners and Registrars to move into the Town Hall

- **Mar 2018:** Lease expires on fountain Street for the LCO. They require more space
- **Apr 2018:** Call centre operation required for H&SC in north locality, numbers TBC. Space within Harpurhey limited.
- **Jun 2019:** Hulme DO will provide space for Early Help from Alex House, but a decant location for approx 360 Revenues and Benefits staff will be required.
- **Mar 2020:** Current decant funding for the Town Hall ends. To exit Peter House, Legal require space occupied by SSC plus approx 74FTE from the THX would need relocating to locality. Current timescales for Alex House mean SSC could move in June 2020 - need to investigate how to bring this forwards.
- **Oct 2020:** Exiting Bridgewater House lease would mean finding a new secure location for the MASH, and also city centre offices for Highways staff. *Later option Oct '21, expires Oct '22*
- **Ongoing:** As H&SC redesigns develop, may be requirements for additional shared space with partners across the localities. There may also be further changes within Children's Services resulting from the OFSTED inspection outcomes

Key changes to operational buildings by locality

2017/18

KEY: No changes planned; **Changes planned**; **key capacity pressures**

2024/5

North

Hammerstone Rd

Harpurhey - Abraham
Moss - New Smithfield Mkt

Hammerstone Rd refurb (2018-20);
! H&SC call centre requirements (2018) - capacity pressure;

North

Hammerstone Rd -
Harpurhey - Abraham
Moss - New Smithfield
Mkt

City Centre

**Town Hall - THX - Peter
Hse - Bridgewater Hse -
Heron Hse - Royal
Exchange - Fountain St**

OTH refurb (2018-24); Heron House to be leased out; Royal Exchange lease expires 2025
! Peter House options (2018, 21, 23) - Capacity pressure ~74 THX staff if legal move to THX;
**! Bridgewater options (2020, 21, 22) - Capacity pressure for Highways City Centre base, Secure
MASH location also required;**
! Fountain Street lease expires March 2018 (60 people)

City Centre

THX - Town Hall - *LCO
in Fountain St?
(Heron House leased
out?)*

Central

**Alex House - Hooper
Street - Gorton South -
Claremont - Westwood -
Universal Square**
Bold Street - Longsight DO

Hulme refurb (2018-19) - Claremont and Westwood close (2019);
**! Alex House refurb (2019-21) - capacity pressure for duration - could utilise building after 12
months for SSC, but prior to car park completion;**
Gorton Hub opens (Jan 2020) & Gorton South closes;
! Universal Square lease expires 2023 - capacity pressure, could move to Gorton Hub?;
Hooper Street decants into Hammerstone Rd (2020), short term decant space, closes for HS2 date TBC

Central

Alex House - Universal
Square - Hulme
District Office - Gorton
Hub? - Longsight DO -
Bold Street

South

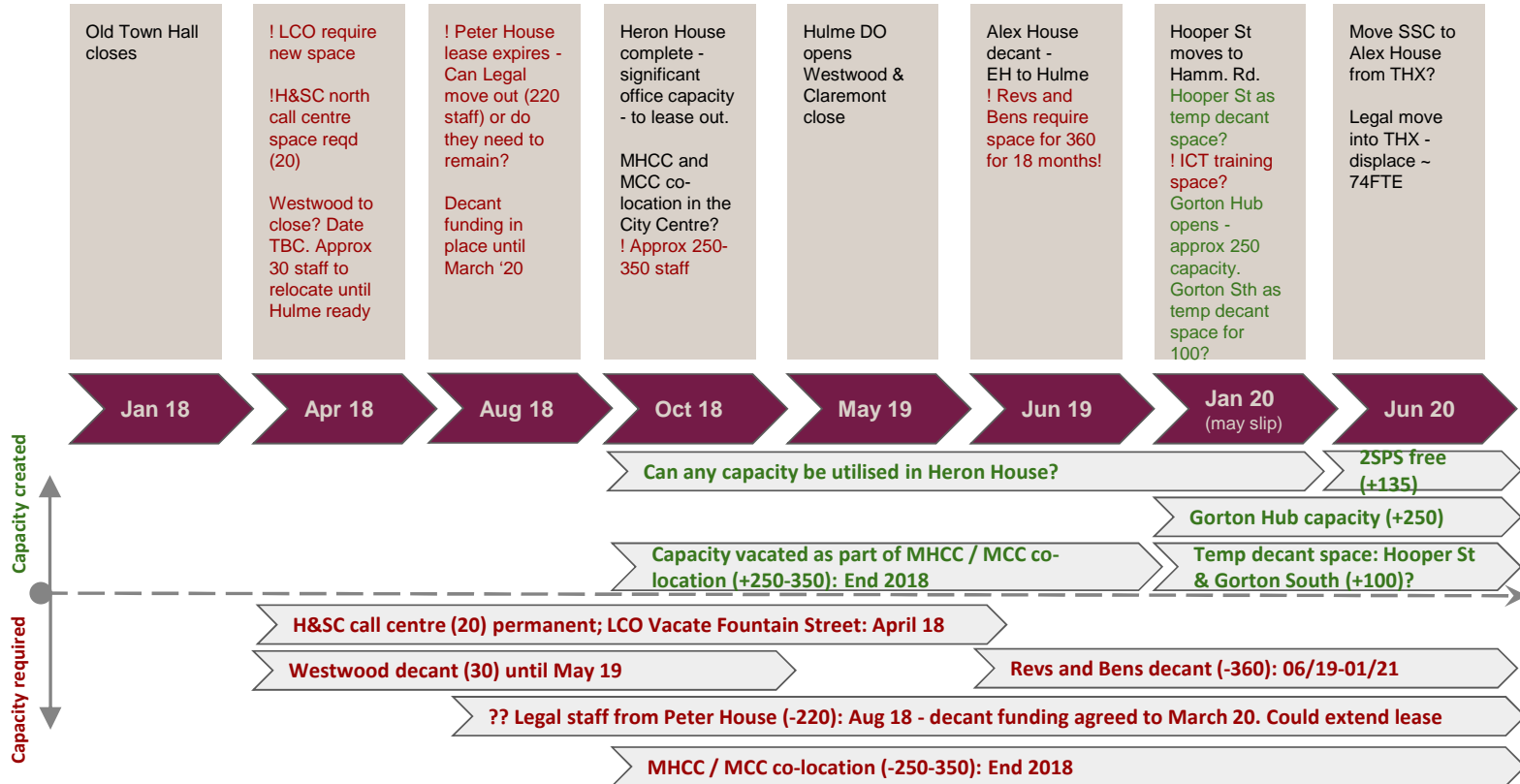
Etrop Court

Potential H&SC requirements TBC; Etrop Court lease expires 2032;
Development of Wythenshawe Town Centre could present opportunities

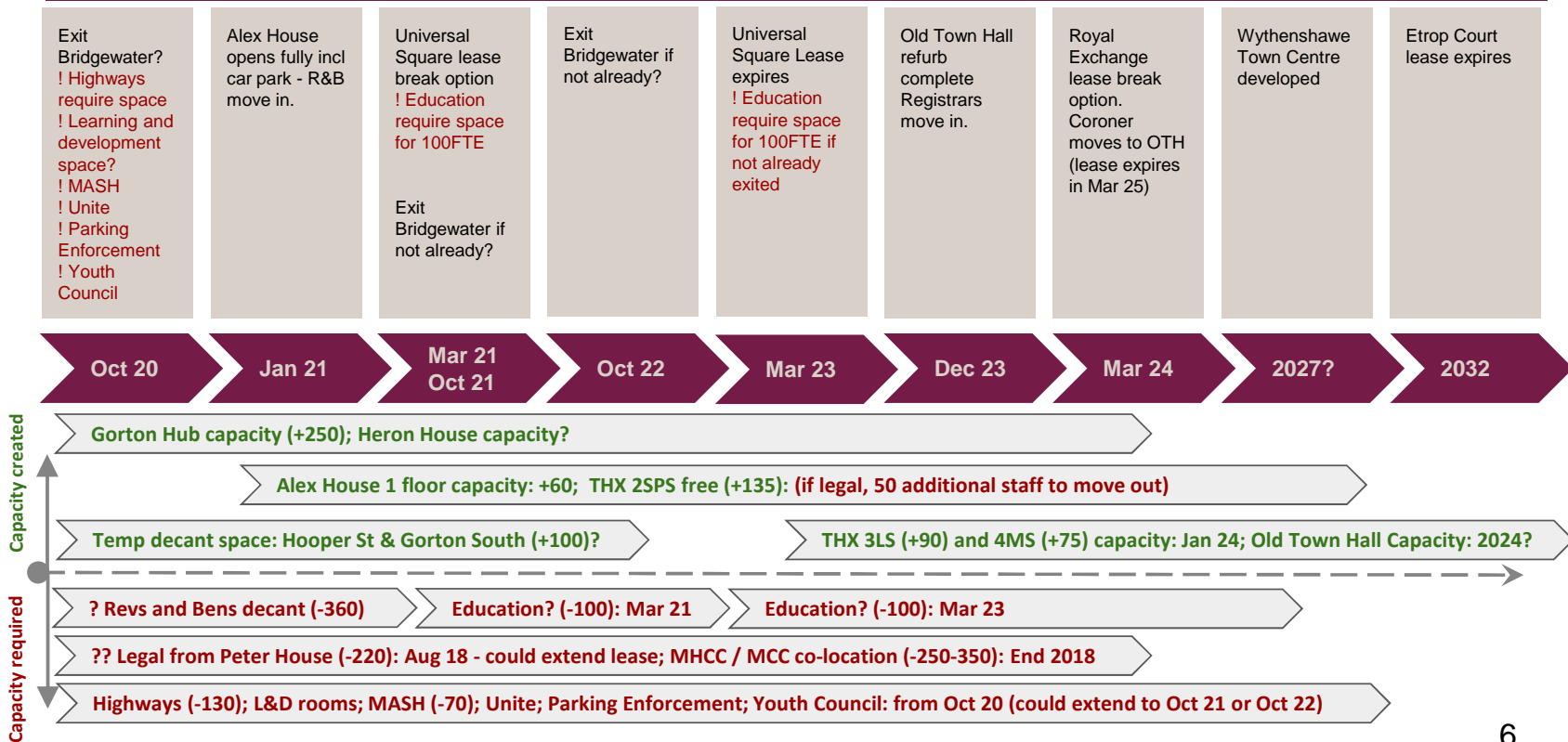
South

Etrop Court
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Capacity timeline



Capacity timeline



Summary

Accommodation requirements:

- We have circa 430 staff in leased in buildings in the City centre, plus the LCO in Fountain Street.
- The Town Hall project team will also require City Centre space (approx 100FTE?)
- Fountain Street lease expires in March 2018, and the LCO require more space. Peter House lease expires in August 2018 (Legal services). First option to exit Bridgewater is October 2020 (Highways, MASH, Learning and Development, Parking Enforcement, Unite & Youth Council)
- Re-locating the MASH outside of the City Centre or within partner estate, this leaves approx **350 staff requiring city centre space**.
- In addition MHCC wishes to co-locate with MCC staff from October 2018, **requiring space for 250-350 people** - the numbers need confirming. Although a large requirement, bringing these staff together will release space elsewhere, therefore *overall this impact is capacity neutral*
- We would also require rooms for learning and development within the estate (not necessarily City Centre), as well as a base for parking enforcement staff, Unite and the Youth Council (must be City Centre based).
- 100 staff are in leased in accommodation in Universal Square until 2023, with a break in 2021. These do not necessarily need a City Centre base, but it is relatively affordable in comparison to other leased in sites.

Accommodation capacity:

- In the localities, the Gorton Hub will have capacity from **Jan 2020 (250FTE)**, and Alex House will give spare capacity from **Jan 2021 (60FTE)**.
- Once SSC move out to Alex House from the THX this frees up space for **135FTE (108 desks) in Jan 2021** - equivalent to the Highways service
- To exit Peter House and Bridgewater House, **we will still require additional space for approx 215FTE**, equivalent to Legal services. If legal require THX space, they would also need 2LW, displacing approx 74FTE (59 desks), meaning space required for Highways and additional teams, still totalling 215FTE.
- Once the Old Town Hall opens, additional space within the Town Hall Extension will become free (3LS and 6MS) giving space for approx **165FTE from Jan 2024**.

Meaning our overall capacity position is:

- The overall shortfall in the City Centre, *once the Old Town Hall reopens* will be approximately 50FTE requiring relocation from the THX taking space within the Gorton Hub / Alex House (assuming space for the MHCC, and that the LCO are accommodated elsewhere).
- Assuming the MASH, L&D and these 50 staff from the THX are housed in Gorton Hub / Alex House, there is an additional 130FTE of space in the localities, possibly accommodating those from Universal Square or staff from the LCO.

Options for meeting our capacity requirements

The next few slides suggest options for managing our capacity requirements in the short term (immediate requirements from now to 2020), the medium term (over the next 7 years to 2024), and in the longer term, what we know now about 2024 onwards. These options are not exhaustive, but give an indication of the complexities and possibilities available to us.

In order to build the options, a number of assumptions have been made. As projects progress and designs finalise, these assumptions will be checked and could change, and the options revised.

Assumptions:

- MHCC co-location is an overall capacity neutral requirement - any space required would move existing staff, therefore freeing up space at other locations, primarily Parkway. This will be factored in once final numbers and requirements for locations are clear, and move plans created at that time.
- All Highways staff currently located in Bridgewater House will continue to require City Centre space
- Training and development rooms can be provided as a suite outside of the City Centre
- The MASH could be based within a locality
- Hulme, Gorton and Alex House schemes will complete on time (currently May '19, Jan '20 and Jan '21 respectively)
- Alex House is an 18month programme covering the tower and car park. It may be possible to bring some staff into the building after 12 months before the car park is complete, but this is subject to verification through the programme design.
- Spare capacity at Gorton Hub is assumed to be approx 250FTE, and at Alex House, 60FTE.
- Overall numbers won't significantly change from current FTE and space is required on an 8:10 desk ratio and that all teams will accommodate this. Our goal is to move to 7:10, facilitating a 10% uplift in staff numbers if required without the need for additional accommodation.
- Options have been given that include Heron House as a temporary decant location. It's assumed that in the longer term Heron House will be leased out. One floor plate is approx 21,500sqft, accommodating 250FTE.
- Once the Old Town Hall reopens, it will house SMT, Exec Members, Councillors, Coroners, Registrars and some learning and development provision. Youth Council would also require some civic space. There is some small unallocated office space on the 7th floor, but for this exercise it is assumed to be for commercial purposes.
- Universal Square is a relatively affordable space, and there are currently no plans to vacate this prior to 2023 when the current lease expires.
- If learning and development from Bridgewater and ICT training from Hooper Street relocate to Gorton Hub or Alex House, they would reduce the staff capacity by approximately 60FTE - this would depend on space planning and future L&D provision.

Immediate Requirements & Options

Short term requirements (2018-20):

- LCO require larger space than that occupied in Fountain Street from **March '18**.
- The TH project team also require City Centre space for 7yrs, also to be leased in from **summer '18**.
- **Space is required for MHCC, of approximately 250-350 staff, from October 2018.** A separate options paper has been drawn up as a desktop exercise showing the impact of locating these staff within the THX, and which teams could move out to additionally leased space within the City Centre. A separate move programme will be required to manage this.

In addition to the above

- **Decanting c360 revenues and benefits staff from Alex House for 18 months from June 2019 is a priority.** This will require additional space to be leased in (approx 30,000sqft) - unless there is short term capacity within Heron House. Does not need to be City Centre.

OPTIONS for Alex House decant:

1. Utilise space within Heron House as a temporary decant location for 18 months

The cost impact would be the loss of income for that space - est rent £27/sqft(?) less the cost of leasing space in.

1. Lease in space from external provider.

*If in the City Centre, this will cost £1-1.5mp.a. (rent £18.5-32/sqft) plus £3m fit out, which may be partially offset by rental incentives, however it is assumed that this service does not require City Centre location. We could also look at additional space in Universal Square or similar. **NEED AN IDEA OF COSTS OUTSIDE THE CITY CENTRE.***

1. Delay Alex House project by 6 months to Jan 2020 and utilise space within Gorton Hub (approx 250), and Gorton South (100) as temporary decant locations.

This would require fit out costs to Gorton South, and also for Revs and Bens to be comfortable being across 2 sites. Although this option maximises the use of our own organisational capacity, this would build in delays to the overall system by delaying the Alex House programme, and posing an overall risk to our ability to exit our leased in buildings in the City Centre as early as possible. We are currently proposing to move straight from Hulme to Alex House refurb. There is also a real risk that Gorton Hub is not complete in January 2020, further delaying this programme. This option is not recommended.

If an external lease is significantly less than the income we could receive from Heron House, taking into account whole term costs such as fit out etc, option 2 would be recommended on value for money for the authority.

Medium Term Requirements & Options

Medium term requirements (2018-2024 - 7 years):

- Over the next 7 years, until the Town Hall reopens, we can look to prioritise exiting leases at Peter House and Bridgewater House as soon as space allows within our own estate, maximising the use of our own buildings and looking to make the best use of finite Council resources.

OPTIONS:

1. To exit Peter House and Bridgewater at earliest opportunity (using Heron for Legal until 2024 and Highways coming to 2SPS):
 - a. Renew Peter House lease from Aug 18 to Jan 2019 and move Legal Services into Heron House in Jan 19
 - b. By agreement extend the break at Bridgewater from Oct 2020 to Feb 2021. Highways move into the THX level 2SPS in Feb '21, with the MASH and Learning and Development moving to the Gorton Hub. The Youth Council, Unite and Parking Enforcement would also need relocating.
 - c. Old Town Hall reopens in Jan 24: Make a further small restack to move legal into the THX, where 3LS and 4MS will be vacated (approx 165FTE, displacing 50FTE to Alex or Gorton). This releases Heron House for leasing out commercially.
2. As option 1, exiting Bridgewater in Feb 21, but leave Legal in Peter House until OTH opens and space available in THX, displacing 50FTE in Jan 2024. This means Heron House is not required for this option and can be leased out.

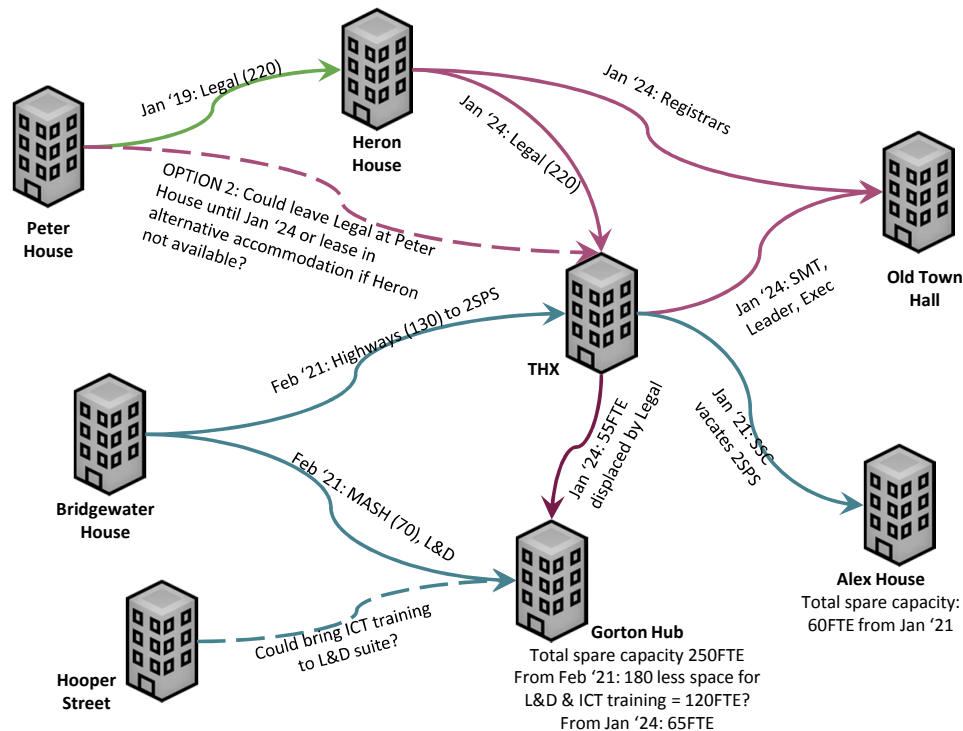
For options 1&2: *If the Alex House decant has not taken Gorton Hub space, this will leave the Gorton Hub space vacant for 12 months. This also means that ultimately there is only 130FTE capacity used at Gorton and Alex, leaving approx capacity for up to 180FTE locality based staff from early 2021, reducing to 125FTE in 2024. Staff from Universal Square or the LCO could utilise this. Decant funding for Legal agreed until March 2020 - an understanding of where the budget pressures sit for these options between March 2020 and Jan 2024 needs to be understood, and may be different whether our own property (Heron House) or continued use of externally leased in space (such as Peter House) is preferable.*

1. Exit Peter House and Bridgewater at earliest opportunity (using Heron House until Jan 2021 only):
 - a. Renew Peter House lease from Aug 18 to Jan 2019. Move Legal Services into Heron House for 18 months until Alex House can accommodate SSC in July 2020
 - b. Identify 130FTE from THX that can move to Gorton Hub, and early 2020 conduct mini THX restack to free up space for Highways
 - c. Jul 2020 SSC move to Alex. Legal move into 2SPS & 2LW, and move 74FTE out of the Town Hall Extension (60 to Alex House & 15 to Gorton Hub)
 - d. Move MASH & L&D to Gorton Hub in Oct 2020 (9m after completion), and bring Highways into THX
2. As option 3, but leave Legal in Peter House until July 2020, therefore not requiring Heron House. *Same overall impact as option 1.*

For options 3&4: *These options mean space at Gorton Hub and Alex House is fully utilised. Once the Town Hall reopens in 2024, we will then have additional capacity of approx 165FTE within the THX, that could be used for staff from Universal Square, the LCO or other teams / organisations as required.*

Medium Term - Option 1 &

1. To exit Peter House and Bridgewater at earliest opportunity (using Heron House for Legal until 2024 and Highways coming to 2SPS in the THX)
2. As above, exiting Bridgewater in Feb 21, but leave Legal in Peter House until OTH opens, leaving Heron House available to let

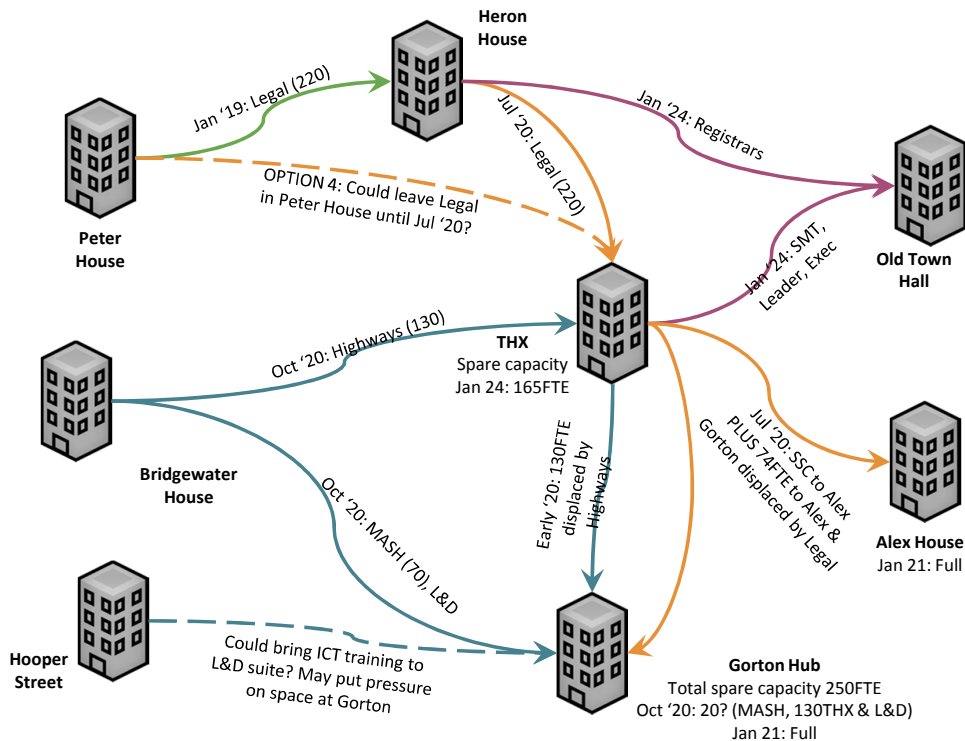


Comments:

- *These options assume only able to relocate a small no of staff (<60) from the THX to the localities. It requires us to utilise Heron House as part of our office estate until 2024, or accept we still need additional leased in capacity until 2024, whether we use this for Legal or Highways and others.*
- If L&D and ICT training co-locate in Gorton, from 2021 there will be approx capacity of 180FTE across Gorton and Alex, reducing to 125FTE from 2024. If L&D ultimately returns to the Old Town Hall, this gives 185FTE spare locality capacity from 2024. This could be used for staff from Universal / the LCO etc.
- May be able to relocate SSC in Jun '20, bringing Bridgewater exit forwards to Oct on lease break option
- Youth Council, Unite and Parking Enforcement need relocating in early '21.
- **Mini THX restack required in '24** to move legal into the THX, where 3LS and 4MS will be vacated (approx 165FTE, displacing 55FTE to Alex or Gorton).

Medium Term - Option 3 & 4

3: Exit Peter House and Bridgewater at earliest opportunity (using Heron House until Jan 2021 only)
4: Leave Legal in Peter House until Jan '21 removing need to use Heron House



Comments:

- *These options mean space at Gorton Hub and Alex House is fully utilised by 2021. It depends on approx 200 staff being identified from THX that could be based in localities. In 2024, we will then have additional capacity of approx 165FTE within the THX.*
- Although more complex in move planning and delivery, these options allow us to vacate our main City Centre leases by Oct '20.
- It may be possible to lease in external space other than Heron House, at a lower cost than Peter House from Aug '18 until Jul '20.
- **Mini THX restack** required summer '20 to move 130FTE from THX to Gorton Hub, and Highways to THX.
- Youth Council, Unite and Parking Enforcement would need relocating in Oct '20. L&D could also bring across ICT training rooms from Hooper St to Gorton Hub.
- May require another **mini THX shuffle** in Jan '21 to accommodate Legal into 2SPS & 2LW, moving 74FTE out of THX (60 to Alex House & 15 to Gorton Hub)
- Moving L&D to the Town Hall would create some locality space at Gorton. This could be used for staff from Universal Square or the LCO.

Requirements

Longer term (post 2023 - 5yrs+):

Lease at Etrop in place until 2032. Work to be done on understanding Wythenshawe town centre plans - there will be acquisitions in the preparations, providing additional short term space, but timescales are critical - could this give an opportunity for Alex House decant?

Emerging considerations/issues to be resolved

Immediate capacity issues:

- Requirement to work with H&SC colleagues to understand requirements for the call centre operations in the North locality
- Researching the leasing of additional short term office space for the decant of Revenues and Benefits (360 staff), including looking at where the DWP are vacating space in Longsight and Hulme
- Work with both the MHCC and LCO regarding future accommodation requirements for their respective 'HQ' functions. Effective manage their current lease arrangements and any break clauses.

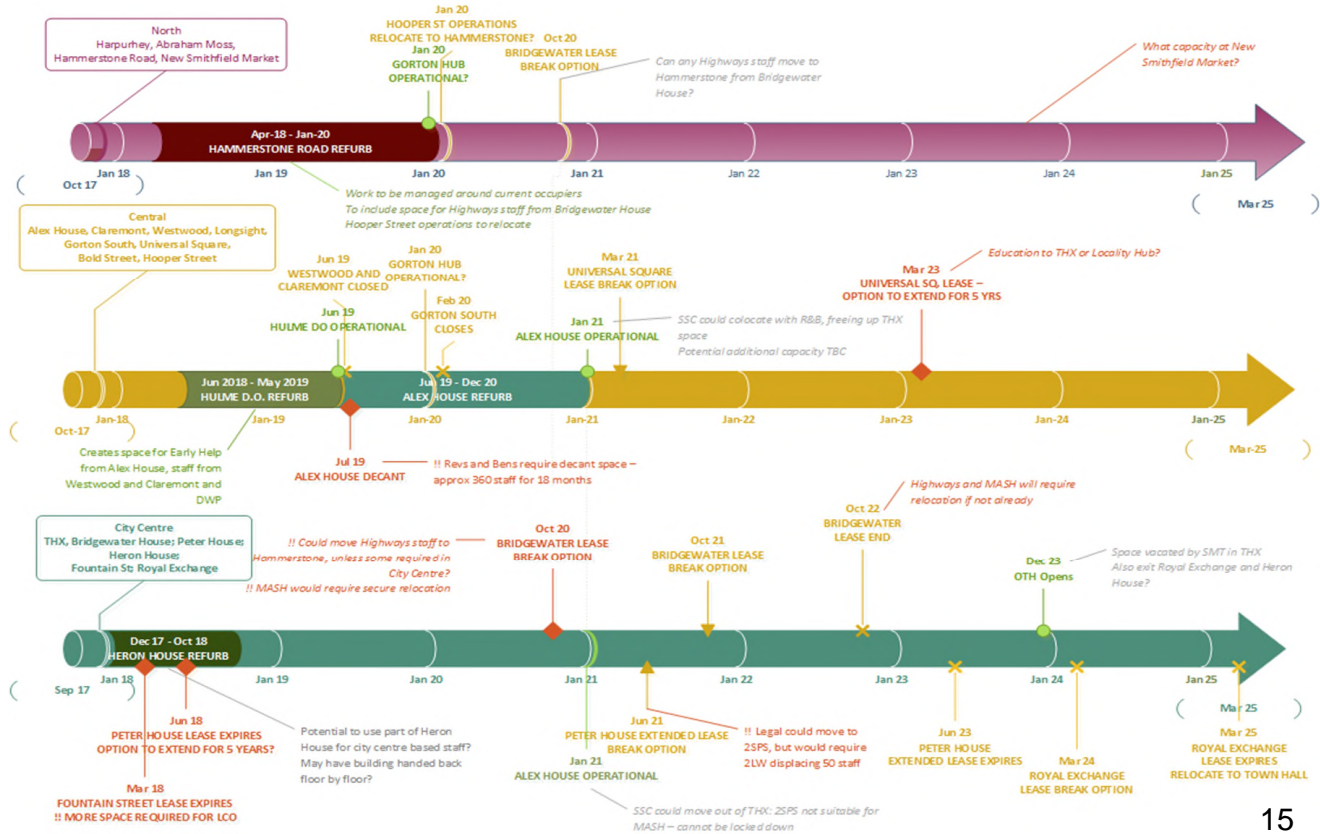
Medium term:

- Work with colleagues and partners regarding the future location for the MASH (possibility of locating to partner/GMP accommodation).
- Review space requirements for Highways and Learning and Development.
- Further review of the THX in 2020 to re-locate Legal back into the THX and relocate the SSC to Alexandra House. This will need additional teams to be re-located out of the THX and potentially out of the City Centre.
- Working with design team once appointed for Hammerstone Road to mitigate need for decant of office staff
- Review the capacity of Alex House once scheme in design with a view to understanding earliest time we can relocate SSC into the Alex House. Need to align with the refurbishment work to the adjoining car park.
- Review plans and additional capacity provision in the new Gorton Hub and confirm which teams are to be relocated to that new premise.
- Confirm who/which services will be housed in the Town Hall once the building is ready to re-occupy (SMT, Members and Leadership, Coroners, Registrars, Youth Council etc)

Longer term challenges:

- Understand further/future plans for Social Work expansion following Ofsted
- Understand and plan for the implications of the expiry of the Etrop Court lease, and longer term plans for the South area. Consideration of the Wythenshawe town centre development and what opportunities that could afford.

Timeline Overview



City Centre - November 2017

Building	Estimated Occupants	Building Capacity	Key Dates	Notes
Town Hall	100	500+	Closes 2018, reopens early 2024	Subject to full decant to support the TH refurbishment project
Town Hall Extension	1900	1930		<i>Shared Service Centre on 2 SPS could relocate to Alex House early 2021, releasing space for staff from other leased accommodation. Legal would also require 2LW, displacing approx 50 staff who would require accommodation.</i>
Heron House	29	1000+ (once refurbished)	Refurbishment from Dec 2017 to Oct 2018	Building subject to a full refurbishment and will be leased out as part of the Investment Estate once works are completed.
Fountain Street	40	40	Lease expires March 2018	Temporary accommodation for the Local Care Organisation (LCO) as part of the new Health & Social Care Integration.
Bridgewater House	0	240	Operational Nov 2017. Lease break options Oct 20 & 21. Lease expires Oct 22	Temporary lease for Highways and MASH. It is the intention to find more suitable accommodation (possibly in the refurbished Hammerstone Road Depot for Highways and GMP HQ for the MASH).
Peter House	230	230	30/06/18 lease expires. Option to extend for 5 years with lease break in 2021	Temporary <i>Allowing contingency for the Hulme & Alex House schemes, Legal could return to THX in 2020. This would displace around 74 staff. To establish whether any staff could move out of the City Centre into spare capacity in Alex House?</i>
Royal Exchange	TBC	TBC		Temporary accommodation for the Coroner until the Town Hall is refurbished

Central - October 2017

Building	Occupancy	Capacity	Key Dates	Notes
Longsight District Office	200	200		Has benefitted recently from capital works to increase occupancy.
Alexandra House, Hulme	350	500 (once refurbished)	Decant – June 2019 start on-site – July 2018 completion – Dec 2020 Moves back – Jan 2021	Will be subject to a full refurbishment in 2019. All Revs and Bens staff (circa 360) will need to be relocated for a period of approx. 18 months. The refurbished building will accommodate an additional 60 staff. The intention is to move teams from THX into AH and move Legal from Peter House into the THX.
Hulme District Office, Hulme	0 (vacant)	200 (post-refurb)	Opens May 2019	Former Hulme Library being brought back into use and will be used to accommodate teams from Westwood Street, Claremont and Alexandra House.
Bold Street Offices, Moss Side	96	100		Refurbished in 2015 as a new Safeguarding Hub as part of the Wenlock Tower decant
Universal Square, Ardwick	78	80	5yr lease from 2018 with addnl 5yr option	Temporary accommodation for Education teams. Potential to relocate to Gorton Hub, dependent on timescales
Westwood Street Offices, Moss Side	50	55	Staff to Hulme May 2019	To close Will be decanted into the refurbished Hulme District Office and the site released for development (possibly Education)
Claremont Resource Centre, Hulme	50	55	Staff to Hulme May 2019	To close Learning disability, community inclusion teams (72, incl 22 charity staff) Will be decanted into the refurbished Hulme DO and the building closed. This building also house the African Caribbean Care Group.
Gorton South District Office	100	100	TBC	To close on completion of the Gorton Hub. Staff will transfer to the new facility

North - October 2017

Building	Occupancy	Capacity	Key Dates	Notes
Harpurhey District Office	250	250	n/a	Recently benefitted from capital works to increase occupancy due to Health & Social Care Integration.
Abraham Moss, Crumpsall	150	150	n/a	MCC owned and occupied. Fully refurbished in 2013.
354-356 Lightbowne Road	30	30		Small former Housing office where a specialist team are based. Capacity in North needed to relocate this team and close building.

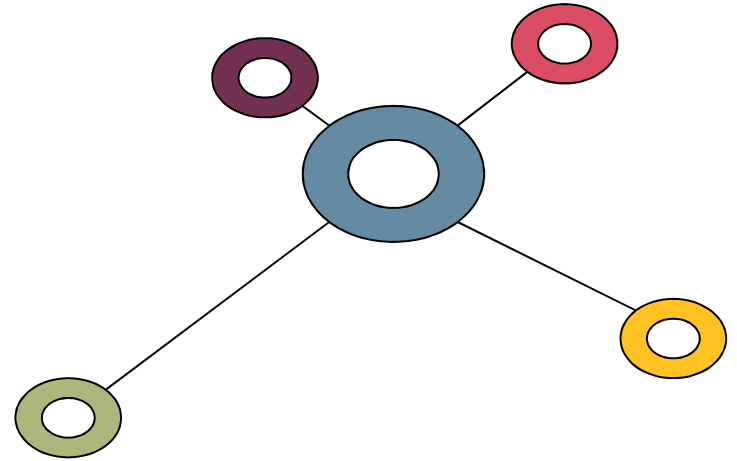
South - October 2017

Building	Occupancy	Capacity	Key dates	Notes
Etrop Court	500	500	Leased until 2032	Largest site outside THX

Depots - October 2017

NB: Grimshaw Lane in North & Longley Lane in South may have limited office capacity. Creating office space is possible, but would require significant work to achieve

Building	Occupancy	Capacity	Key Dates	Notes
Hammerstone Road		TBD on design	Refurb Apr 18 - Jan 20	To be refurbished to accommodate operations from Hooper Street, and also improved office space. Could some of Highways locate here from Bridgewater?
Hooper Street			Decant into Hammerstone spring 2020. Site to be handed over for HS2 date TBC	Possibility to use the site as temporary space from Jan 2020 until HS2?



A Vision for Place Based Hubs in Manchester

Vision – 12 Place Based Hubs

“accommodation for teams working beyond organisational boundaries to deliver public services designed around people and place not organisation and team, a focal point and facility for the community, increasing access to service provision, and having a role to improve health, wellbeing and quality of life within the area in which they are based”

