



## SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE - 17TH JUNE 2014

**SUBJECT: PONTLLANFRAITH HOUSE**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER**

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### 1. PURPOSE OF REPORT

- 1.1 To propose the closure of the Council's corporate office, Pontllanfraith House, as part of the Council's land and buildings asset rationalisation programme.

### 2. SUMMARY

- 2.1 In response to actual and forecasted budget settlement reductions the Council has identified the development of a programme of land and buildings rationalisation to: -

- reduce the number and cost of buildings it has to run and maintain;
- be able to invest into a smaller number of properties to improve visitor and occupier experience;
- to reduce Health & Safety risks to personnel; and
- wherever possible to aid regeneration.

- 2.2 Pontllanfraith House has been identified as a prime 'candidate' building for closure as it represents a significant liability to the Council and the services offered from Pontllanfraith House can be redistributed amongst other existing corporate offices at little or no additional cost.

### 3. LINKS TO STRATEGY

- 3.1 The Council's Medium-Term Financial Plan (MTFP) requires estimated savings of £6.5m for the 2015/16 financial year and £6.9m for 2016/17.
- 3.2 The MTFP has identified the closure of Pontllanfraith House as a **potential** saving for 2016/17.
- 3.3 The possible closure of Pontllanfraith House under the MTFP and the asset rationalisation programme would also contribute to the Safer, Healthier and Prosperous themes of 'Caerphilly Delivers', the LSB single integrated plan.

### 4. THE REPORT

- 4.1 Pontllanfraith House is a system built office built circa 1977 and currently houses some 400 staff. The main services operating from these offices are: -

- Public Protection
- Planning & Countryside
- Public Services and Community Services
- Eastern Valley Area Housing Office

- 4.2 The cash office that formerly operated from the building was closed some years ago.
- 4.3 In terms of Health & Safety the offices are constantly managed to mitigate/reduce any risks to building users and maintain a safe operating environment. Having said that paragraphs 4.4 – 4.6 identify particular issues that will need addressing sooner rather than later if the offices are not closed.
- 4.4 The offices are in a poor state of repair with major work outstanding to the roof, windows, external cladding and heating/ventilation system. An added and major complication is the presence of asbestos throughout the building. The asbestos prevents up rating of IT supply as no cabling can be thread within the roof space. The expected life span of the main electrical distribution was 25 years, with the original equipment now 36 years old. This suggests it should be stripped out and replaced to current standards and this in itself is complicated by the presence of asbestos.
- 4.5 The lightning protection system to the building appears to be the original installation, which again has an indicative life of 25 years and is therefore in need of replacement.
- 4.6 A recent survey of the building has identified that “some of the fire dampers within the risers were not correctly installed and there is little indication of fire compartmentation e.g. no intumescent seals on fire doors to risers, risers are open throughout the building with grillage flooring, little fire or acoustic separation between areas. It is recommended this is assessed more thoroughly to ensure there is no compromise on health & safety and security”.
- 4.7 It is recognised that closure of this particular office is likely to be unpopular with residents in the former Islwyn area. Having said that it should be realised that the services currently operating from the office are now only to a limited extent public facing and modern technology means there are many more other forms of communicating with Council services than existed when the office was opened in 1977. For example the use of e.mail/twitter/facebook etc has opened a whole new way of the Council communicating with its residents and vice versa. The Council has also committed itself to the opening of new, state of the art, libraries and combined Customer Contact Centres across the county borough that effectively takes Council services to the communities.
- 4.8 The Council now has a wider presence in the former Islwyn area as it has expanded into offices at Penyfan (Cherry Tree – 83 work stations), Oakdale (Foxes Lane – 107 work stations) and Pontllanfraith (Woodfieldside – 127 work stations).
- 4.9 Although at this stage no detailed plans have been prepared it is expected that those officers currently housed in Pontllanfraith House could be relocated within other Council buildings.
- 4.10 There is currently space at Ty Dyffryn (150 workstations), Pontygwindy House (80 work stations), Penallta House (22 work stations), Highway House (25 work stations), Woodfieldside (27 workstations) and Tredomen Technology park (24 workstations). This represents a total of approximately 328 workstations which, adopting the Council’s planning occupation rates of an average of 8 workstations to 10 members of staff, will accommodate 410 staff.
- 4.11 The figures quoted in paragraph 4.10 should not be interpreted as “casting the Environment Directorate (primarily the service occupiers of Pontllanfraith House) to the four winds” but serve to demonstrate that with good planning across all the remaining corporate offices displaced staff can be accommodated.

- 4.12 A matter for further debate is to what extent all 400 staff need to be relocated as this might prove to be a driver for further consideration of flexible working practices.
- 4.13 The realisation is that the Council no longer needs nor can afford the number of corporate offices it has traditionally maintained.

## **5. EQUALITIES IMPLICATIONS**

- 5.1 If Members agree to pursue the recommendations within this report a full Equalities Impact Assessment will be undertaken as part of the various consultations leading up to closure.
- 5.2 In addition to the problems covered in Section 4, due to the age of the building and despite some adaptations, Pontllanfraith House is less DDA compliant than the Council's newer building stock.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 A survey of the Pontllanfraith House structure undertaken by external Building Consultants in January 2013 identified refurbishment costs of £2.72m. This cost estimate does not include the cost of asbestos removal, which would be necessary prior to effecting refurbishment work. This is estimated at £1m based on the recent cost of similar work at Cwmcarn school. Also not included are costs associated with decant/temporary accommodation, costs associated with the 'cube' and designer's fees etc. Consequently it is estimated that refurbishment costs (Capital) will be of the order of £5m. Building running costs are currently £0.6m per annum.
- 6.2 A cleared site has the potential for sale as a highly desirable residential development site with a value of circa £3m (Capital receipt). Given the cost of demolition and site clearance it would be prudent to budget on a net site value of £2m.
- 6.3 In summary the financial implications of the closure of Pontllanfraith House are as follows: -:
- Annual revenue savings           £0.6m
  - Site Disposal                       £2.0m (potential net Capital receipt)
  - Office refurbishment           £5.0m (Capital – Cost avoidance)

## **7. PERSONNEL IMPLICATIONS**

- 7.1 Any personnel implications associated with this report will be based around the relocation of staff and have not been developed at this time.

## **8. CONSULTATIONS**

- 8.1 If this report is approved in principle then a full consultation will be undertaken and incorporated into a future report to Cabinet.

## **9. RECOMMENDATIONS**

- 9.1 Scrutiny Committee is asked to consider this report and comment for future consideration by Cabinet.

## **10. REASONS FOR THE RECOMMENDATIONS**

- 10.1 To further discussions on this proposal in accordance with the DRAFT Medium Term

## **11. STATUTORY POWER**

### 11.1 Local Government Act 2000

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Background Papers: Pontllanfraith House condition Survey – January 2013