



**SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE –
8TH DECEMBER 2014**

SUBJECT: PONTLLANFRAITH HOUSE

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

1. PURPOSE OF REPORT

- 1.1 To provide further information in respect of the savings proposals prior to a formal decision to close the council's Corporate office, Pontllanfraith House, as part of the council's Land and Buildings asset rationalisation programme.
- 1.2 This report is a follow up report to that discussed at the Committee's meeting on the 17th June 2014. That report established the rationale behind the proposal for closure of Pontllanfraith House whilst this report details the potential impact on council services, access for the public to those services, financial implications, employment issues and equality implications.

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 Building 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.
 - Reduce Health & Safety risks to personnel.
 - Wherever possible aid regeneration.
- 2.2 Given the scale of the financial challenge facing the authority, with a need to reduce spending by around £40 million over the next three years, saving costs on our buildings and assets is crucial. The council will reduce in size over the coming period and we cannot sustain the current range of buildings. Removing unnecessary costs of buildings that are surplus to requirements is generally accepted as a better alternative than closing services.
- 2.3 Further to this, there is a significant and high cost repair liability relating to Pontllanfraith House (refer to paragraph 6.2) for which there is no provision in the capital programme.
- 2.4 Pontllanfraith House has therefore been identified as a prime 'candidate' building for closure as it represents a significant liability to the Council and the council services offered from Pontllanfraith House can be redistributed amongst other existing corporate offices.
- 2.5 The report is aimed at satisfying members that the proposed closure is not a "knee jerk" reaction to future budget pressures. It is a planned approach to rationalisation of the council's building portfolio by maximising the use of other council owned buildings and minimising the impact on the services currently operating from Pontllanfraith House and the residents who visit those services.

3. LINKS TO STRATEGY

- 3.1 The council's Medium Term Financial Plan has identified the closure of Pontllanfraith House as a proposed part year saving for 2015/16.
- 3.2 The proposed 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 employees. The main services operating from these offices are:

- Public Protection
- Planning & Countryside
- Public Services and Community Services
- Housing (including Eastern Valley Area Housing Office)
- Engineering & Transportation

- 4.2 While there may be concern among some residents in the area, services currently operating from the office do not receive high numbers of the general public visiting their offices. In addition, 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/website etc has opened a whole new way of the council communicating with its residents and vice versa. Moreover the council has Customer Contact Centres nearby in Blackwood and Risca.

- 4.3 The council also now has a wider presence in the former Islwyn area as it has expanded into offices at Penylan (Cherry Tree – 83 work stations), Oakdale (Foxes Lane – 107 work stations) and Pontllanfraith (Woodfieldside – 127 workstations).

- 4.4 Some initial planning is being undertaken to ensure that the proposals are achievable by February 2016 although it must be stressed that officers are mindful that members have not formally made a decision to close. Currently the following options that affect the public are being considered:

- **Housing:** Comprising of 90 – 100 employees. Relocate on Tredomen Business Park. Housing Services are 'front facing' and the Business Park offers modern, well serviced, DDA compliant offices for employees and visiting residents.
- **Community and Leisure:** Comprising of 45 - 50 employees. It is proposed that this service will move to Tir-y-berth depot. Bereavement Services is the most public facing (chiefly funeral directors) and a suitable office area has been identified that, with some improvement, can be made suitable and which provides adequate public parking. The offices at Tir-y-berth are not in a good state of repair and the office layouts do not lend themselves to maximising office space. Although not necessarily needed beforehand to accommodate the move of Public Services and Community Services employees the council should develop an investment strategy for these offices if it decides it has a long term future. In the short term improvements should be made to welfare facilities.
- **Engineering Services:** Comprising of 80 employees. It is proposed that this service will move to Highways House, Penmaen. A lack of car parking is an issue but there is a solution to that problem. This service is not particularly front facing and the proposal will integrate the Engineering & Transportation services with their Highway Maintenance colleagues.

- **Planning & Countryside:** Comprising of 90 employees. It is proposed that this service will move to either Ty Penallta or Ty Dyffryn. This service is public facing and both offices are suitable for public access. Ty Penallta has excellent facilities whilst Ty Dyffryn has an adequate reception area that can be improved.
- **Public Protection:** Comprising of 111 employees. It is proposed that this service will move to either Ty Penallta or Ty Dyffryn and both offices are suitable for public access. The service is public facing, but other than Licensing does not receive high numbers of visitors to its offices. The Licensing Section does receive a constant flow of visitors as a result of enquiries or applications for Licences of various types. Many relate to the taxi trade, but also street trading, scrap metal, alcohol etc, and other licences. The Licensing Service therefore has a need for bespoke reception/interview facilities. Penallta House has excellent facilities, other than for the bespoke activities of Licensing, whilst Ty Dyffryn has an adequate reception area that can be improved.

4.5 While the specific location of these offices is still under development, it is clear that the services based at Pontllanfraith House can be accommodated elsewhere in the council's existing buildings, realising a significant cost saving and avoiding a very expensive project to deal with a range of defects at the Pontllanfraith House offices.

4.6 Consideration will need to be given to ensure that differing services that need to interact are able to do so in the interests of service efficiency and future office space/IT provision designed to accommodate such interaction.

4.7 Any proposals to fully utilise Ty Dyffryn described above will maximise the use of the front offices. It is likely there will be pressure on car parking spaces and this may be an issue the council will need to improve sooner rather than later. Adequate space is available to extend the current parking arrangements.

5. EQUALITIES IMPLICATIONS

5.1 A full EIA will be undertaken if members agree to pursue the recommendations within this report and during the various consultations leading up to closure. However due to the age of the building and despite some adaptations, Pontllanfraith House is less DDA compliant than the Council's newer building stock, in particular Ty Penallta, Tredomen Business Park and Ty Dyffryn.

5.2 The impact on members of the public who need to use these offices, and the impact on employees who would be relocated as a result of the building's closure, will form a core part of consultation and final EIA to ensure that everyone affected is fully aware of the details and any alternative options or choices open to them.

6. FINANCIAL IMPLICATIONS

6.1 A cleared site has the potential for sale as a highly desirable residential development site with a maximum value of circa £2.0m - £2.5m (Capital receipt).
Relocation of the Parks Service to Tir-y-berth will offer the opportunity to dispose of their current depot at Penallta. An estimated Capital receipt of £40k.

6.2 The previous report to scrutiny identified potential cost savings that in summary are:

- Annual running cost savings £0.6m (min) (Revenue)
- Service redeployment savings £0.1m (Revenue)
- Subsidy of the canteen at Pontllanfraith House - £36k (Revenue)
- Office refurbishment £5.0m (Capital - cost avoidance)

- 6.3 Against those savings and following the comments in paragraphs 4.4 the following one off costs are likely:

Tir-y-berth:

Improve Welfare Facilities and proposed modifications to proposed Bereavement Services Offices - £250k (capital estimate)

Highways House:

Provide additional car parking - £150k (capital estimate)

Ground floor modifications - £300k (capital estimate)

Ty Dyffryn:

Reception Improvements - £150k (capital estimate)

Provide additional car parking - £250k (capital estimate)

- 6.4 It is proposed that the one off Capital costs totalling £1.1m in paragraph 6.3 above are funded from General Fund balances. This will leave recurring revenue saving of £736k and a potential capital receipt of £2.0m - £2.5m.

7. PERSONNEL IMPLICATIONS

- 7.1 There will be a need to redeploy employees in the following areas:

Facilities Management

Cleaning

Catering

Reception

This is due to the fact that the locations to which employees are relocating may already have sufficient coverage of these employee groups, but this will be the subject of further review. The Council's arrangements for redeployment and workforce flexibilities will apply to any displaced employees.

- 7.2 For employees required to relocate their base of employment, the authority's excess travel scheme will apply if appropriate.

- 7.3 Full consultation with employees and Trades Unions will take place once a decision is confirmed.

8. CONSULTATIONS

- 8.1 The results of consultations have been incorporated into this report

9. RECOMMENDATIONS

- 9.1 Scrutiny are asked to consider the further information in this report and confirm their continued support for the proposal to close Pontllanfraith House

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To further discuss this proposal in accordance with the DRAFT Medium Term Financial Plan 2016/17.

11. STATUTORY POWER

11.1 Local Government Act 2000

Author: Colin Jones: Head of Performance & Property Services

Consultees: Corporate Management Team

- S. Harris: Acting Head of Corporate Finance
- G. Williams: Acting Head of Legal Services
- M.S. Williams: Head of Community & Leisure
- R. Hartshorn; Head of Public Protection
- P. Elliott: Head of Regeneration & Planning
- T. Shaw: Head of Engineering Services
- S. Couzens: Chief Housing Officer
- G. Hardacre: Head of Human Resources and Organisational Development
- Cllr D. Hardacre: Cabinet Member for Performance, Property and Asset Management
- Cllr D. Poole: Cabinet Member for Community & Leisure
- Cllr K. James: Cabinet Member for Regeneration, Planning & Sustainable Development
- Cllr T. Williams: Cabinet Member for Highways, Transportation & Engineering
- Cllr G. Jones: Deputy Leader and Cabinet Member for Housing
- L. Jones: Acting Head of ICT and Customer Services

Background Papers:
Report to Policy & Resources Scrutiny 17th June 2014