

Report To: Cabinet

Date of Meeting: 25th July 2013

Lead Member / Officer: Cllr Julian Thompson Hill – Lead Member for Finance & Assets

Report Author: David Lorey

Title: North Denbighshire Office Accommodation Review

1. What is the report about?

- 1.1 The report outlines the work undertaken in respect of the North Denbighshire Office Accommodation Review together with an outline of the strategic considerations and recommendations.

2. What is the reason for making this report?

- 2.1 A decision is required on the office rationalisation proposals together with the formulation of long term development plans.

3. What are the Recommendations?

- 3.1 That Cabinet approves the vacation of the Prestatyn Ty Nant offices (subject to alternative use being identified and implemented) as the preferred option (option 3 as outlined in paragraphs 4.7 – 4.9) for office rationalisation in the North of the County.
- 3.2 That Cabinet approves the undertaking of a marketing exercise for the Prestatyn Ty Nant building on a medium term leasehold basis to facilitate the vacation of the building by Denbighshire County Council staff.
- 3.3 That Cabinet approves the formulation of a Planning Brief to facilitate a long term development plan for the Prestatyn site outlined in red in Appendix 1 and the development of a design brief and feasibility study for the provision of a new office building in Rhyl.

4. Report details.

- 4.1 In January 2011 Cabinet approved an office accommodation review as part of a wider asset review (Précis of approval included in Appendix 2).
- 4.2 Significant work undertaken in the South of the County resulted in the vacation and disposal of the Trem Clwyd offices in Ruthin, realising an annual saving of approximately £70K (running costs etc.) and a capital receipt of £750K.

4.3 There are four main office buildings in the North of the County, namely:

Rhyl Russell House;
Rhyl 64 Brighton Road (leased);
Prestatyn Ty Nant
Prestatyn 6-8 Nant Hall Road (not fully occupied);

Floor areas, running costs, occupation levels and strategic considerations are included in Appendix 3.

4.4 The services accommodated are generally in the required geographical area (i.e. the North of the County) in terms of service delivery requirements and client base, although there is some scope to relocate certain teams to either Denbigh or Ruthin providing there is no detrimental effect on service provision. Significant customer facing facilities exist in both Russell House (Revenues & Benefits) and 64 Brighton Road (Social Services & Housing [First Contact Team]) with related back office staff accommodated in the same buildings. While the Ty Nant building has facilities for customer facing services, there is little need. The existing customer service provision within the building is due to be relocated to the new Library location on Kings Avenue.

4.5 While Prestatyn 6-8 Nant Hall Road is in poor condition and under utilised (due to poor layout, equality and health and safety issues), the use of the building by non Council organisations and Prestatyn Town Council complicate any vacation and/or disposal potential. Subsequently, this building does not form part of this specific review and any increased utilisation by DCC services will be minimised while a building specific solution is formulated in conjunction with the wider site strategy.

4.6 Work undertaken in the remaining buildings in the North of the County has revealed that, by applying the measures outlined in the 2011 Cabinet Report and principles developed through the Modernisation Agenda, there is potential to reduce spatial utilisation within the existing portfolio.

4.7 Three vacation/retention options have been considered based on an aspiration of 30% spatial efficiencies:

Option 1 - Retain Ty Nant & Russell House;

Option 2 – Retain Ty Nant and 64 Brighton Road;

Option 3 – Retain Russell House and 64 Brighton Road;

4.8 Appendix 4 outlines the current occupancy levels in Ty Nant, Russell House and 64 Brighton Road and, based on a nominal spatial efficiency of 30%, indicates the implications in terms of capacity for the three vacation/retention options.

4.9 It is demonstrated that in either spatial efficiency scenario, the retention of Ty Nant in either option 1 or option 2 does not provide the requisite space to

accommodate the existing staff numbers currently working from the three buildings. The conclusion of the study is that the Ty Nant building is the only realistic option for vacation within the constraints of the existing portfolio.

- 4.10 The vacant space/potential vacant space in Caledfryn (Circa 35 spaces) and County Hall/46 Clwyd St (Circa 45 spaces) have been considered as potential overspill (notwithstanding an increased move programme and capital cost). When considering the retention of Ty Nant options, there is still a deficit of 96 spaces for Option 1 and a deficit of 21 spaces for Option 2.
- 4.11 Consideration of floor areas, current occupancy and potential increased space utilisation suggest that Prestatyn Ty Nant could be vacated and staff relocated into either 64 Brighton Road or Russell House in Rhyl (potentially with some movement to Denbigh and/or Ruthin). This would require a programme of enabling and relocation works based on a full business case.
- 4.12 Initial discussions with DCC's Planning Department have established that the site outlined in Appendix 1 is suitable for a mixed use development (residential/employment/retail) within the context of existing planning designations and policy. The draft development procedure for the planning brief is outlined in Appendix 5.

5. How does the decision contribute to the Corporate Priorities?

- 5.1 The rationalisation of the Corporate Office Portfolio is directly linked to the Council Priority of modernisation, efficiencies and improved service delivery. The Corporate Plan states "We will reduce the cost of services by reducing the amount of office buildings, business travel and other costs such as printing"
- 5.2 The potential development of town centre sites in conjunction with regeneration strategies contributes to the Council's priority for development of local economies.

6. What will it cost and how will it affect other services?

- 6.1 Exact costs for relocation will be determined through consultation with all affected services to determine needs – informing the development of a full business case. Costs will be dependent on existing ICT provision within services, the adoption of alternative working practices and level of building alteration works required. However, it is anticipated that the overall costs will not exceed the annual running costs of the Ty Nant building (Circa £88K p/a).
- 6.2 Marketing costs are anticipated to be in the region of £8K and initial planning brief and feasibility costs in the region of £10K for both studies. Feasibility costs will be met by Property.
- 6.3 Affected services are: Adult Services; Children's Services; Housing Services; Revenues & Benefits, Planning & Public Protection and ICT. Detailed impacts will be determined through service consultation and the application of modernisation principles to specific service delivery areas.

7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.

7.1 No positive or disproportionately negative impacts are anticipated. Any issues will be identified through staff and service consultations and eliminated/mitigated where possible. EqIA included as Appendix 7.

8. What consultations have been carried out with Scrutiny and others?

8.1 The proposals have been presented at both Rhyl and Prestatyn Member Area Groups. Responses are included in Appendix 6.

8.2 Initial consultations have been undertaken with a number of relevant Heads of Service (Adult Services, Children's Services and Housing Services) together with staff currently located in Ty Nant. Comments/responses are included in Appendix 6.

9. Chief Finance Officer Statement

9.1 It is crucial that savings are realised from office accommodation budgets as part of the council's overall modernisation and efficiency measures.

10. What risks are there and is there anything we can do to reduce them?

10.1 The initial risks in terms of the ability to vacate Ty Nant are:

There is no medium term interest in the building from either private, public or third sector organisations – mitigated by the continued utilisation by DCC staff and the development of longer term development opportunities;

Insufficient available space within Russell House and 64 Brighton Road once specific service needs are determined – mitigated by the availability of space within the Denbigh Caledfryn office building;

11. Power to make the Decision

11.1 Sections 111,120,123 & 132 of The Local Government Act 1972