

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2015/16

**FINANCE & PERFORMANCE SCRUTINY
COMMITTEE**

AGENDA ITEM 4

4TH NOVEMBER 2015

**OFFICE ACCOMMODATION
STRATEGY**

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1. PURPOSE OF THE REPORT

To set out key information in relation to the management of the Council's accommodation to help inform the Finance and Performance Scrutiny Committee's review of this area (in line with its work programme).

2. BACKGROUND

Under the strategy set out in the current and previous Corporate Asset Management Plans (CAMP), the Council has been actively seeking to reduce the size of its property portfolio. This includes the office accommodation where, over the period to April 2015, the number of premises used for back office purposes has reduced by 17. This has delivered annual rental savings of approximately £440k per annum, as well as eliminating occupation costs.

Under existing programmes two further premises have been vacated since April 2015 (see Appendix 1). These are Unit 13/14 Centre Court (June 2015) and Ty Caradog (April 2015).

3. CURRENT PORTFOLIO

Details of the current office accommodation portfolio is set out at Appendix 2. This separates the schedule of premises into two sets:

- Strategic Buildings are those considered to form the core of the accommodation and are likely to be utilised in the medium to long term; and
- Non Strategic Buildings are those currently utilised but potentially could be suited to disposal, if circumstances permit.

For each of the premises, an analysis is provided of the accommodation capacity and its utilisation (surveys conducted August / September 2014).

It can be seen that overall occupancy is just under 90% of available desks which, given the number of sites, represents an efficient use of the accommodation available. That said every effort should be made to further improve efficiency of utilisation, especially in areas where staff changes are taking place.

In order to ensure service delivery is supported and not hindered by the accommodation strategy, it is anticipated proposals for change will be developed by service managers as service plans emerge (and the accommodation implications / opportunities will be considered as part of this process).

4. OTHER KEY INFORMATION

- CAMP - Cabinet approved the CAMP for 2013 – 2018 at its meeting in June 2013 – this can be accessed by clicking [Here](#);
- MEDIUM TERM SERVICE PLANNING
 - As part of the requirement to meet the very challenging financial climate facing the Council, an on-going programme of service efficiency and service changes have been implemented. The accommodation related outcome of this work, to date, is set out at Appendix 3;
 - Linked to this, Cabinet at its meeting in December 2013 approved a mechanism under which community based organisations are able to apply for the use of these premises, once the Council services withdraw (the Cabinet report can be accessed by clicking [Here](#)). This is a two stage assessment process involving initially a review of a general expression of interest, followed by consideration of a detailed Business Plan. Up dates on where this process has been used are also set out at Appendix 3.
- ENERGY MANAGEMENT AND REDUCTION IN CARBON EMISSIONS
 - Carbon Reduction Commitment Scheme (CRC)
 - Under the scheme, CRC participants are required each year to purchase from the UK Government a CRC Allowance for every tonne of carbon emitted as a result of their use of electricity and mains natural gas. With the

introduction of Phase 2 of the CRC Scheme, the unit price of the CRC Allowances increased from £12 per tonne of carbon emitted to approximately £16 per tonne for 2014/15 and will then rise by the Retail Prices Index in subsequent years. Phase 2 will also see the inclusion of street lighting electricity use into the authority's CRC Emissions Portfolio. During Phase 1, street lighting electricity use was excluded from the scheme. Both changes will increase the level of CRC 'tax' the Council will have to pay.

○ Installation of smart meters and automatic meter reading technology (AMR)

- Over the past 2 years, the Authority has been facilitating the introduction of Smart Meters by our electrical suppliers into many of the Authority's buildings. Smart meters log electricity usage and then transmit this information, via the mobile phone network, to the energy supply company;
- At the end of March 2015, 204 new smart electricity meters had been installed on various electricity supplies across the authority, replacing the older metering equipment. It is hoped this programme will be expanded to facilitate replacement of AMRs with smart meters, where practical;
- This programme of upgrades compliments the work undertaken previously to install AMR technology on the majority of gas meters throughout the authority's buildings; and
- The installation of Smart Meters and AMR technology ensures that accurate consumption data is used to produce invoices and this allows the Corporate Energy Unit to investigate a site's energy consumption much more effectively, resulting in targeted action when energy consumption is found to be excessive

○ Programme of works

- A programme of energy improvement works has been identified for 2015/16 and work to implement this programme is underway. Projects include lighting upgrades, solar photovoltaic arrays, voltage optimisers and boiler plant. It should be noted however that the content of the programme is subject to review and change in response to further feasibility work and changes in service priority. The programme will also need to evolve and change to ensure

investment aligns to and supports medium term service planning arrangements;

- Welsh Government has launched its “Green Deal”, seeking to assist Local Authorities to bring forward renewable energy schemes and to invest in energy efficiency measures. The detail of this initiative has still to be clarified and therefore the Council will need to keep any opportunities released by this programme under review.

- Display Energy Certificates

- Preparation of Display Energy Certificates, required for buildings with a gross internal area between 250m² and 1000m² was complete on programme in March 2015 and these, at present, last for 10 years. All other Display Energy Certificates, for buildings over 1000m² are completed on an annual basis.

- PARTNERING ARRANGEMENTS

- RCT continues to work in partnership with other public sector organisations to deliver aspects of the CAMP. Strategic direction to the process is provided through the Cwm Taf Regional Collaboration Board, with tactical management being delivered through the Cwm Taf Asset Management Group. This group is in its third year of operation and reports directly to the Regional Collaboration Board;
- Information on property ownership is shared across participating organisations through a common information system sponsored by Welsh Government (ePims). This is a map based system fully populated with premises owned by public sector organisations within the Cwm Taf area. Through this group, partner organisations have shared and discussed key aspects of respective property strategies, seeking to identify issues of mutual benefit;
- The Council has launched a new policy initiative seeking alternative and innovative ways of delivering services, under the “RCT Together” programme. This actively seeks partner organisations to take over service delivery at local level, with practical support through these processes being provided. The policy anticipates that some new arrangements will include the transfer of property assets. The Council has successfully operated a policy for assessing concessionary lettings for some time; and

- An example of partnership working from an accommodation perspective is the Regional Adoption Collaborative which comprises Merthyr Tydfil CBC, Vale of Glamorgan Council, Cardiff Council and Rhondda Cynon Taf CBC. The aim of the Collaborative is to create a fully integrated adoption service operating within one management structure and in accordance with statutory requirements. This is based at Ty Pennant, Pontypridd.

OFFICE PREMISES RATIONALISED FROM 1 APRIL 2010 TO 1 APRIL 2015**APPENDIX 1**

Site Description	Tenure	Description	Lease Termination Date	Freehold Disposal Completion Date
Crawshay Street Offices	Freehold	Office Accom		08/10/2010
Maesycoed Resource Centre	Freehold	Office Accom		13/10/2010
Treherbert Renewal Area Office	Freehold	Office Accom		20/11/2013
Ystrad Trading Standards Office	Freehold	Office Accom		05/03/2010
Llwyncastan	Freehold	Office Accom		31/03/2015
Tonypandy Town Hall Office	Leasehold	Office Accom	22/05/2009	
Aberaman Depot	Leasehold	Office Accom	06/12/2010	
Corporation Building Office	Leasehold	Office Accom	18/08/2011	
Centre Court Unit 15	Leasehold	Office Accom	27/12/2011	
Taff Street Office	Leasehold	Office Accom	29/04/2012	
St Davids Centre	Leasehold	Office Accom	31/05/2012	
Albion House	Leasehold	Office Accom	16/08/2012	
Fairway Court Unit 3	Leasehold	Office Accom	27/03/2013	
Melin Corrwg Business Park	Leasehold	Office Accom	08/10/2013	
Ynyshir medical Centre	Leasehold	Office Accom	13/08/2014	
B7 Treforest Industrial Estate	Leasehold	Office Accom	30/06/2014	
Ty Afon	Leasehold	Office Accom	24/03/2015	

OFFICE PREMISES ADDED SINCE 1 APRIL 2010

Site Description	Tenure	Description	Lease Termination Date	Freehold Purchase Completion Date	Comments
Ty Trevithick	Freehold	Office Accom		12/08/2010	Purchase more attractive financially than continuing to rent
Ty Dysgu (Former ESIS Bldg)	Freehold	Office Accom		25/03/2013	
Unit 1 and 2 Maritime Ind Est	Freehold	Office Accom		28/03/2013	
Unit 2 Fairway Court	Leasehold (Renewal)	Office Accom	02/06/2019		Priority to off-hire at end of lease

OFFICE PREMISES TO BE RATIONALISED SINCE 1 APRIL 2015

Site Description	Tenure	Description	Lease Termination Date	Freehold Disposal Completion Date
Units 13/14 Centre Court	Leasehold	Office Accom	23/06/2015	
Ty Caradog	Leasehold	Office Accom	10/04/2015	

APPENDIX 2 - CURRENT OFFICE ACCOMMODATION PORTFOLIO

Building	Freehold / Leasehold	Lease End Date	Location	Current number of desks	Occupied Desks	Vacant Desks	Educ	Comm	External	Occupying Services
STRATEGIC BUILDINGS										
Ty Trevithick	Freehold		Abercynon	433	366	67	√	√	√	Education and Lifelong Learning And Community and Children's
Rock Grounds	Freehold		Aberdare	19	18	1		√		Corporate and Frontline And Communities and Children's
Ty Elai	Freehold		Tonypandy	706	641	65	√	√	√	Corporate and Frontline And Communities and Children's
Clydach Pavilions	Freehold		Tonypandy	98	93	5				Chief Executive
Bronwydd	Freehold		Porth	407	357	50			√	Corporate and Frontline
Sardis	Freehold		Pontypridd	186	170	16		√		Chief Executive
Municipal Bldgs	Freehold		Pontypridd	25	25	0		√		Chief Executive
Ty Glantaff	Leasehold	08/08/3004	Treforest	56	55	1				Corporate and Frontline
TOTAL				1,930	1,725	205				
NON STRATEGIC BUILDINGS										
Valleys Innovation Centre	Leasehold	29/03/2998	Abercynon	108	91	17			√	Corporate and Frontline
Cynon Valley PSSO	Freehold		Aberdare	93	90	3		√	√	Community and Children's
Mountain Ash Town Hall	Freehold		Mountain Ash	31	31	0		√		Community and Children's
Pentre Municipal Office	Leasehold	24/03/2930	Pentre	46	43	3		√		Community and Children's
Pentre Council Office Town Hall	Leasehold	24/03/2881	Pentre	55	53	2		√		Community and Children's
Rhondda PSSO	Freehold		Tonpandy	60	60	0		√		Community and Children's

APPENDIX 2 - CURRENT OFFICE ACCOMODATION PORTFOLIO (CONTINUED)

Building	Freehold / Leasehold	Lease End Date	Location	Current number of desks	Occupied Desks	Vacant Desks	Educ	Comm	External	Occupying Services
NON STRATEGIC BUILDINGS (continued)										
Tylorstown On Track	Freehold		Tylorstown	23	23	0		√		Community and Children's
Ty Pennant	Leasehold	21/03/2018	Pontypridd	136	99	37		√	√	Community and Children's
Unit 2 Martime Ind Est	Freehold		Pontypridd	13	8	5				Community and Children's
Ponty PSSO	Freehold		Pontypridd	26	24	2		√		Community and Children's
Community Service Office	Freehold		Pontypridd	97	97	0		√		Community and Children's
Gelliwastad Road Office	Freehold		Pontypridd	33	32	1		√		Community and Children's
Heddfan Base Main Building	Freehold		Pontypridd	107	105	2		√	√	Community and Children's
Ashgrove House	Freehold		Pontypridd	17	13	4		√		Community and Children's
Ty Catrin	Freehold		Pontypridd	36	35	1		√		Community and Children's
Fairway Court (Unit 2)	Leasehold	02/06/2019	Treforest	103	73	30		√	√	Community and Children's
TOTAL				984	877	107				
				2,914	2,602	312				

Tylorstown On track is fully grant funded

OUTCOME OF MEDIUM TERM SERVICE PLANNING WORK

PREMISES	STRATEGY	POSITION STATEMENT
Phase 1:		
<u>Day Centres</u>		
Beddau Day Centre	Transfer to Community Organisation	Leased to community organisation
Combine House Day Centre and 113 Dunraven Street		Sold at auction
Dai Davies, Cymmer	Return to use as part of a Community Centre.	Service closed.
Dan Murphy Day Centre (leasehold)	Seek to surrender or assign long leasehold interest.	Negotiations underway with prospective tenants
Edith May Evans Day Centre (leasehold)	Seek to surrender or assign long leasehold interest	Arrangements in hand to trigger a break clause in the lease
Pontyclun Day Centre	Transfer to Community Organisation	Leased to the Community Council
Noddfa Day Centre (leasehold)	Return to the Landlord (LHB)	Lease surrendered
Rhydyfelin Community Centre	Return to use as part of a Community Centre.	Service closed.
Wesley House Day Centre		Sold at auction
<u>Libraries</u>		
Beddau	Transfer to Community Organisation	Leased to community organisation
Cilfynydd (in primary school)		Service closed
Cwmbach		Sold at auction
Maerdy	Transfer to Community Organisation	Lease to community organisation under preparation
Penrhiwceiber	Transfer to suitable occupier	Lease completed
Penygraig	Became available in March 2015	Disposal to Community Organisation under negotiations

PREMISES	STRATEGY	POSITION STATEMENT
Tylorstown		To be used by a Council service (contact centre)
Nantgarw (leasehold)	Terminate lease	Lease terminated
Ton Pentre		Sold at auction
Tonyrefail	Return to use as part of the Leisure Centre.	Service closed
Treherbert (leasehold)		Lease terminated
Ynysybwl		Sold at auction
Ynyshir	Transfer to Community Organisation	Leased to community organisation
<u>Meals on Wheels</u>		
Treherbert Welfare Kitchen		Sold at auction
<u>Youth Centres</u>		
Treorchy Youth Centre		Sold
Treherbert Youth Centre	Transfer to Community Organisation	Lease to community organisation under preparation
Miskin Youth Centre		Sold at auction
Phase 2		
Llewellyn Street Day Centre	Transfer to Community Organisation	Lease to community organisation under negotiation
Muni Arts Centre, Pontypridd	Transfer to Community Organisation	Leased to Community Organisation
Cynon Valley Museum	Transfer to Community Organisation	Lease under negotiation for community use
