

REPORT TO THE CABINET

1 November, 2016

Cabinet Member: Councillor Dafydd Meurig

Subject: Closure of offices at Frondeg, Pwllheli and Beach Road, Felinheli

Contact officer: Dafydd Gibbard - Senior Corporate Property Manager

Decision sought

Proceed with the closure of Frondeg, Pwllheli early in the 2017/18 financial year and to sell it as soon as possible on the open market in order to enable the financial savings to be achieved in full by 2018/19, with the Department bridging the deficit in the meantime.

Allow the use of up to £30,000 of the capital receipts from the sale of the building to fund one-off re-location costs.

Reduce the space leased by the Council at Beach Road, Felinheli in order to reduce the annual expenditure.

Achieve the remainder of the cut by leasing further space at Penrallt Offices, Caernarfon.

Local member's views

Ffordd y Traeth Felinheli

Cyng. Gareth Griffith - No objections to the report as regards Felinheli

Frondeg Pwllheli

Cyng. Michael Sol Owen – I agree with the recommendations

Cyng Hefin Underwood – No comments

1. INTRODUCTION

1.1 At the Council meeting on 3 March this year, a series of cuts which was necessary in order for the Council to be able to reach a balanced budget, was agreed to. The

closure of offices at Frondeg, Pwllheli and Beach Road, Felinheli was among these, which would result in annual savings of £60,000.

- 1.2 When making the decision, it was agreed that a further report would be submitted to the Cabinet before closing the building, in order to ensure that it would be possible to re-locate the current users and services to suitable locations.

2. FRONDEG, PWLLHELI

- 2.1 The Frondeg building has been in Council ownership for decades and continues to be the home of several varied services within the Council itself and many other users. Since the Council's decision, officers from the Property Department have been trying to identify and agree on alternative locations for each of these.

- 2.2 These discussions can be summarised as follows:

Use	Possible re-location options	Re-location timeframe
<i>Cylch Meithrin</i>	The <i>Cylch Meithrin</i> meets every day at Frondeg currently. Frondeg is a considerable distance from the Primary School therefore many parents have to try to take their children to these two locations at the same time in the mornings. Therefore, the <i>Cylch</i> was very keen for us to assist them to re-locate to the Primary School and the discussions with the Head and Governors were very positive from the very beginning. A suitable space was identified within the school as a unit currently located there is being relocated to the new Ysgol Hafod Lon. The cost of adapting this space for nursery children was £10,000 and the work has already been completed. The <i>Cylch</i> is therefore very much looking forward to relocate by January 2017.	January 2017
Staff from the Children Department and the Adults Department	Nearly 50 officers from these two departments are housed at Frondeg currently, together with secure interview rooms and a family room. Following a detailed assessment of the density of the use of space at Embankment Road Offices, Pwllheli, it was concluded that the space per head was considerably higher than that allowed by the Council at other offices. Over the past two years, several rooms have been seen to be underused.	Summer 2017

	<p>We have now held discussions with each Head of Department and have redesigned the use of space at the Embankment Road Office. With the co-operation of staff, we will be able to re-locate the officers currently at Frondeg to the Embankment Road office. This will result in a better service for the public also by allowing them to be directed to one building for every Council service in Pwllheli.</p>	
Youth Club	<p>Members will be aware that the Youth Service, following Her Gwynedd decisions, is considering models for the provision of youth services and the network of youth clubs for the period after March 2018. The present needs of the service can be accommodated in the interim period between disposing of Frondeg and establishing the new model for Service provision in March 2018, by relocating to other buildings in Pwllheli, with the assistance of the Property Service. The service's needs beyond March 2018 can not be presumed at present.</p>	March 2017
Council committees	<p>There is a purposeful committee room in the Frondeg building. It is used to hold the Planning Committee, Dwyfor Area Committee, Licensing Committee and the Pwllheli Harbour Advisory Committee mainly.</p> <p>It is possible to hold some of these at the meeting room in Embankment Road but the room is not big enough to re-locate some of the larger committees, particularly when the public wishes to attend. We have therefore held discussions with the Economy and Community Department and have reached the conclusion that holding the larger committees at Neuadd Dwyfor is one option. There is a suitable space there which would provide plenty of room for the public also. Other options are also under consideration and we will receive the opinion of Dwyfor Members before reaching a final decision.</p>	March 2017
Clwb Ni	<p>Clwb Ni is a service provided for adults with learning disabilities. It has been housed at Frondeg for many years and is an invaluable service for the residents of the area. We have held discussions with the Club and with the managers of Canolfan y Gwystl, Ffôr. There is space there which has been adapted purposefully and is underused in the evenings. These discussions are ongoing and no</p>	March 2017

	final decision has been reached so far; however, reaching an agreement would ensure not only a suitable space for the Club but also better use of the other building which is already in Council ownership.	
Community Users / Groups	Frondeg is used by a number of community groups to hold various activities. We have opened discussions with several owners of other buildings in the area which offer meeting space or space which is suitable to hold events. Many have expressed their willingness to offer a home to various groups. Therefore, we have corresponded with each group to notify them that Frondeg is closing and at the same time have shared information about other potential locations in order to try to assist them to re-locate. We will continue to try to offer assistance to these groups over the coming months.	March 2017

2.3 The closure of any building and the need to re-locate the users will create inconvenience and a period of uncertainty which is unavoidable. However, the discussions which have been held to date have resulted in being able to find sensible re-location options for the majority of the existing users. Opportunities have been identified to improve some services and we are confident that we will be able to continue to assist others in order to reach an acceptable solution under the circumstances.

2.4 We are aiming, therefore, to empty the building by summer 2017. This will allow the savings to be achieved on some headings within the budget immediately, as follows:

Cleaning (75% of the annual budget)	£15,698
Gas (75% of the annual budget)	£ 4,418
Water (75% of the annual budget)	£ 3,300
Fire Extinguishing Equipment	£ 310
Land Maintenance contract	£ 460
Rates (3 months of the budget)	£ 4,100
Less loss of income from leasing rooms	-£ 1,860
Total saving available immediately	£ 26,426

2.5 We will continue to face other costs until we will have sold the building. It is believed that the site could be sold by the end of March 2018 which would allow the entire savings to be achieved by April 2018. The entire saving will not be achieved before

2018/19 therefore; but the Department will bridge this deficit for the next financial year by using other savings from offices, which have been achieved early.

- 2.6 As we will be re-locating some services to other buildings, some of the existing Frondeg revenue budget will have to be transferred to those buildings. Specifically, a contribution of approximately £1,000 will have to be made towards additional costs at Neuadd Dwyfor if agreement is reached to re-locate Committees there, and £7,000 will have to be transferred to the Embankment Road office budget in order to cope with the increase in revenue costs at that building.
- 2.7 This means that the total saving for a full year is £44,460.
- 2.8 In order to ensure that the full savings are available as soon as possible, it is intended to start marketing the site early in 2017, whilst the existing users are being re-located.
- 2.9 In order to facilitate the re-location, some one-off expenditure will be required. The cost of re-locating the *Cylch Meithrin* is already known, namely £10,000. There will be some costs also in re-locating office staff and other minor items. It is estimated that these costs will be up to £20,000. Therefore, we request the right to allocate the first £30,000 of the capital receipts from the sale of the Frondeg building to fund these costs. The capital receipt has not been committed to other use in the Asset Management Plan.

3. BEACH ROAD, FELINHELI BUILDING

- 3.1 In association with the cut to close the Frondeg building, there was also an intention to close the Council building at Beach Road, Felinheli.
- 3.2 This building is used by the Children Department, but it is also a home for up to eight other organisations working in partnership with the Council to offer support and services for young offenders.
- 3.3 The eight organisations all contribute to the building costs and, therefore, if we were to end the lease, the saving would be shared among all the partners.
- 3.4 It is not sensible for the Council to leave the building itself, without the other partners. The work of the partnership is entirely dependent on being able to work with all the organisations in order to be able to provide a complete service to the clients.

- 3.5 The original intention was to re-locate Council staff to the Penrallt Office, Caernarfon. However, substantial space would be required if we were to re-locate the entire partnership there - space which would generate a better income for the Council if we were to lease it on the market rather than what we would save from emptying Beach Road.
- 3.6 We have already held discussions with a prospective tenant who is ready to move in to the space in question in Penrallt by April 2017. By leasing the space to the prospective tenant rather than using it to house the partnership at Beach Road, we can realise the expected cut on time, for the 2017/18 financial year.
- 3.7 We are also looking in more detail at the space at Beach Road currently and in co-operation with the Children Department we believe that we could reduce the amount of space needed and consequently reduce the costs at that location also.

4. SUMMARY OF THE BUDGETARY SITUATION

- 4.1 The expected savings referred to in part 2 and 3 of this report can be summarised as follows:

	Saving in 2017/18	Saving in 2018/19	Total Savings
Closure of Frondeg building	£26,426	£18,034	£44,460
Reduce space on lease at Beach Road, Felinheli	£5,000	£5,000	£10,000
Leasing space at Penrallt	£16,000	£0	£16,000
Total Savings	£47,426	£23,034	£70,460

- 4.2 The deficit in 2017/18 will be bridged by the Department from other offices schemes which have been realised earlier than expected.
- 4.3 By 2018/19 we will exceed the expected £60,000 and the additional amount will be used to address other deficits in the offices budget which have been addressed with bridging funding recently.

5 RECOMMENDATIONS

- 5.1 Proceed with the closure of Frondeg, Pwllheli early in the 2017/18 financial year and to sell it as soon as possible on the open market in order to enable the financial savings to be achieved in full by 2018/19, with the Department bridging the deficit in the meantime.
- 5.2 Allow the use of up to £30,000 of the capital receipts from the sale of the building to fund one-off re-location costs.
- 5.3 Reduce the space leased by the Council at Beach Road, Felinheli in order to reduce the annual expenditure.
- 5.4 Achieve the remainder of the cut by leasing further space at Penrallt Offices, Caernarfon.

Views of the statutory officers

The Chief Executive:

Obviously, the contents of this report relates to a decision made by the full Council in March 2016. From reading the report, it appears that alternative answers have been identified for the majority of the needs. I commend the recommendations.

The Monitoring Officer:

The recommendations are supported by consultation work and reasonable plans to relocate present users. In my opinion this has led to an appropriate recommendation.

The Head of Finance:

As a Council we must move forward to rationalise resources where possible; this report provides evidence of the thorough work that has been done by Corporate Property to discover alternative locations for the services noted.

I can confirm the accuracy of the financial information included in the report, and I support the decision sought.

Appendices