

WIRRAL COUNCIL

COMMUNITY AND CUSTOMER ENGAGEMENT OVERVIEW AND SCRUTINY COMMITTEE

4 JUNE 2007

REPORT OF THE DIRECTOR OF FINANCE

BEBINGTON ONE STOP SHOP LOCATION

1. EXECUTIVE SUMMARY

- 1.1. This report details the current state of Pennant House and outlines options for the future location of the Bebington One Stop Shop. It details the likely costs for work which would need to be undertaken at both Pennant House and the Civic Centre sites and asks Members for views and recommendations.

2. BACKGROUND

- 2.1. Pennant House is part of the original municipal complex at Bebington prior to the construction of the Town Hall and Civic Centre in the 1970s. Across the road from the One Stop Shop is the Civic Centre, which houses the Library and Meeting Rooms, and is adjacent to the Medical Centre.
- 2.2. After a period of providing Trade Union offices, Pennant House was refurbished at a cost of £155,100 in 1999 to provide a One Stop Shop service on the ground floor and Housing offices on the upper floors accommodating approximately 30 staff overall. In addition, the WRVS occupies the Caretaker's Offices within the same building.
- 2.3. Prior to the transfer of the Housing Stock to Wirral Partnership Homes in 2005, the upper floors had been occupied by the Tenancy Support team, the Anti-Social Behaviour team and the Right-to-Buy team, but the upper floors have remained vacant since April 2005. Approximately 10 full-time-equivalent Finance Department staff are in the One Stop Shop and 1 WRVS representative currently occupies the building.
- 2.4. The fabric of the building has progressively deteriorated since vacation of the upper floors in 2005, with roof leaks being the largest single problem. This is being addressed by the current work.

- 2.5. At the Cabinet on 14 December 2006 (Min.198 refers), whilst debating the Capital Programme for 2007-2010, the Leader of the Council submitted an additional motion, duly seconded, which proposed that, in view of the fact that the roof at Pennant House was leaking badly and the repairs required were urgent, the necessary refurbishment work be done as rapidly as possible and paid for out of the capital scheme. I indicated that there was provision within the proposed Capital Programme.
- 2.6. A scheme and estimate for £345,000 was submitted to Cabinet on 24 January 2007 proposing refurbishment at Pennant House. Minute 252 detailed acceptance of the scheme and estimate and that the Director of Technical Services obtain the necessary statutory approvals for the projects and that Council be recommended to increase the Capital Programme allocation by £75,000 to cover the scheme cost. This Committee received and noted (Minute 32) a report on 31 January 2007 regarding the position at Pennant House and the Civic Centre as a potential alternative site for the One Stop Shop.
- 2.7. At Council on 12 February 2007 (minute 111) the Cabinet minute was amended to agree to proceed with essential work to make Pennant House watertight and safe and that alternative uses be explored and reported on. At Budget Cabinet on 19 February 2007 (Minute 261) it was agreed to proceed with the full repair and refurbishment of Pennant House. At Council on 1 March 2007 (minute 134) it was agreed to amend the Cabinet minute to agree to proceed only with essential repairs and for officers to seek the opinions of service users.
- 2.8. The requested survey was undertaken over a four week period in March 2007 and is reported elsewhere on this agenda. It showed two thirds of the 230 respondents preferred the option to retain the service at Pennant House. At the same time the Council has received two petitions in total some 725 signatories from 447 properties, 80% of who live within one mile of the site, which requested that the One Stop Shop service be maintained at Pennant House.

3. **PENNANT HOUSE DEVELOPMENT ISSUES**

- 3.1. After the re-roofing is complete, Pennant House will still require considerable work to be undertaken to make the upper floors suitable for occupation again, and to bring the ground floor up to an acceptable standard. These works include the following:

- New damp course,
- Renew Roof
- Replace windows and doors,
- Rewire and upgrade electrics,
- Renew flooring,
- Renew kitchen fittings,
- Total redecoration.

- 3.2. The benefits of staying at Pennant House are that it is the established site of the One Stop Shop over the last eight years and has available parking in front of it. It is clearly well liked locally as shown by both the survey and petitions.
- 3.3. If it is decided to maintain the One Stop Shop at Pennant House there are no permanent operational difficulties given its established base but it would require a temporary re-location while work is undertaken. There are also asset management considerations for the use of the rest of the building which are detailed later in this report.
- 3.4. There are issues with access under the higher standards required for the Disability Discrimination Act and Part M of the Building Regulations but the works proposed would meet those standards. The cost of the necessary refurbishment to all elements of the building is in excess of £292,000 with £60,000 having already been spent on the roofing work.

4. CIVIC CENTRE DEVELOPMENT

- 4.1. The Civic Centre contains the Library, Meeting Rooms and the Medical Centre. If it was possible to re-site the One Stop Shop there it would link all the local services accessed by the public in one area. The building would then be the focal point in Bebington for Council services. This would be similar to West Kirby, a smaller One Stop Shop site which is close to the Library, Medical Centre and Sports Centre.
- 4.2. The Director of Technical Services has drawn up a scheme for the One Stop Shop to be relocated in the Civic Centre. This has the advantage of re-designing the area where the public toilets are currently situated, placing the One Stop Shop between the Library and the Medical Centre. The One Stop Shop here would be smaller than at Pennant House which would reduce running costs while allowing full re-use of Pennant House.
- 4.3. The initial outline cost for this move was estimated at £215,000. If this was pursued it would leave Pennant House available for total re-occupation or disposal which would be addressed as part of the Asset Management Strategy. However Pennant House would require substantial work on it to be suitable for re-occupation. The Director of Technical Services indicates a likely cost of £292,000.

5. ASSET MANAGEMENT CONSIDERATIONS

- 5.1. The only current occupant of Pennant House is the One Stop Shop. This may not be the optimum building from which to operate it if alternative usage of the rest of the building is considered. The Civic Centre complex has the benefits of more modern accommodation and proximity to other complementary Council services and the Medical Centre.
- 5.2. There are advantages in Asset Management terms to the Council in refurbishing the building, upgrading the One Stop Shop and the remaining accommodation for office use. These are:
 - i) The renovated accommodation, being the remaining areas of the ground floor not used by the One Stop Shop and the whole of the first floor, would be available for use by other Departments.
 - ii) If there is no operational requirement for the office accommodation, other than the One Stop Shop, then it could be offered for letting in the market at an estimated rental of £10,000 per annum, plus a service charge. The whole building could be let for an estimated annual rental of £20,000. These rental figures are on the basis that the building is fully refurbished.
 - iii) If the building is not refurbished, but just re-roofed, then the premises can still be let in the open market, but any prospective tenant will seek a rent free period to refurbish the building, which is likely to defer a rental income from the property for up to 3 years.
 - iv) Even if the One Stop Shop could be relocated into the Civic Centre complex, a disposal of Pennant House, as a surplus asset, is not recommended. This is because the building is contiguous with Mayer Hall, fronts directly onto Mayer Park, and shares a car parking area to the front. Accordingly, to dispose of it in isolation presents management and operational problems for the Council land and buildings in the immediate vicinity. Its future use will also be restricted by existing planning policies that will not permit residential use, and therefore the expectation is that it will continue to be an office building. The estimated value of the building on disposal, in its current condition, is in the region of £100,000 - £150,000. It is also understood that there would be considerable local public hostility to any plans to sell this building.
 - v) Pennant House is a costly building to run and will remain so given its age and layout. Comparative running costs would be significantly lower if the One Stop Shop was located in the Civic Centre and the Pennant House running costs were not a direct cost to the Authority.

- 5.3. The Deputy Chief Executive/Director of Corporate Services concluded that the retention of Pennant House in Council ownership, either as an operational building or an investment asset, is preferable. The decision to keep, or relocate, the One Stop Shop in the premises will be determined by operational and budgetary considerations.

6. FINANCIAL IMPLICATIONS

- 6.1. The current scheme of essential repairs and re-roofing at Pennant House will cost approximately £60,000. This is being funded from the Capital Programme.
- 6.2. The Director of Technical Services estimates for the work at both sites were originally prepared in July 2006 and while the work requirements remain unaltered the figures for future costs shown in this report have been increased by 2.5% to reflect inflation levels.
- 6.3. The estimated cost of continuing the One Stop Shop at Pennant House is £292,000 which is for refurbishment work of the building. This would entail the One Stop Shop re-locating for a period, probably in the Civic Centre, which would require expenditure on a temporary facility of around £25,000. If the asset management projections are followed the likely maximum annual rent achieved would be £10,000.
- 6.4. The estimated cost of permanently relocating the One Stop Shop to the Civic Centre is £215,000. There would still be a residual need to bring Pennant House up to a standard so that it can be let and this cost is estimated at £143,500. The probable income from letting or rent would then be £20,000.
- 6.5. Refurbishing Pennant House as the One Stop Shop together with the temporary location will cost an estimated £317,500 with an anticipated annual rent of £10,000 for the surplus accommodation. Moving permanently to the Civic Centre would cost an estimated £358,500 with annual rental income from Pennant House anticipated at £20,000.

7. OPTION APPRAISAL

- 7.1. The decision on a preferred option is a balance between the best way to deliver the One Stop Shop Service in Bebington, and securing the future of Pennant House as a productive property asset for the Council.

7.2. Option 1

- 7.2.1. To move the One Stop Shop permanently to the Civic Centre and refurbish Pennant House.

This is the most expensive option being £40,000 dearer than Option 2.

The advantages are;

- It puts the One Stop Shop in the same complex as the Library and Medical Centre.
- It will be cheaper to run as part of the Civic Centre as it effectively replaces the existing toilet block.
- It will enable Pennant House to be fully refurbished and therefore be more attractive for rental on the open market.
- It will not require the temporary removal of the One Stop Shop with the estimated expenditure of £25,000.
- It will secure the future of Pennant House for at least a further 50 years, and if a tenant is found at a rent of £20,000 per year, the additional cost of this option would be recovered in 2 years.

The disadvantages are:

- The users of the One Stop Shop have expressed a preference for the facility to remain in Pennant House and the Council has received petitions asking for the facility to remain in Pennant House.
- There is a car park at the front
- Its location makes it more attractive for the staff.

- 7.2.2. To move the One Stop Shop permanently to the Civic Centre, but not refurbish and upgrade Pennant House.

This is the cheapest option but it is the least favoured as a property solution because it relies on an incoming private tenant investing sufficient money in the fabric of the building to bring it up to satisfactory standard.

In the short term, it will save £143,500 but if no tenant is found prepared to spend this amount, then the building will remain empty deteriorate and additional expenditure may be needed by the Council in subsequent years.

7.3. Option 2

- 7.3.1. To keep the One Stop Shop in Pennant House. This is a cheaper option than Option 1 by an estimated £40,000.

The advantages are:

- Both the customers who were surveyed and those who completed the petition would prefer it.
- It is the established location for the One Stop Shop in Bebington.

The disadvantages are:

- There will have to be a temporary relocation of the One Stop Shop whilst refurbishment work is carried out to the building costing in the region of £25,000.
- The services will be isolated from other Council services in Bebington.
- The remainder of the accommodation may be more difficult to let as it will be principally the first floor accommodation.
- The potential rental income from the premises is halved.
- The One Stop Shop will be more expensive to run in Pennant House e.g. rates payable are currently £8,100 per annum while such running costs will be largely absorbed in the overall Bebington Civic Centre Budget.

8. STAFFING IMPLICATIONS

- 8.1. There are no specific staffing implications arising from this report.

9. EQUAL OPPORTUNITIES IMPLICATIONS

- 9.1. The Ground Floor of Pennant House was deemed fully accessible to non-ambulant users in 1999. Since that time requirements under both the Disability Discrimination Act and Part M of the Building Regulations have been revised, and every effort would be made to ensure that the improved ground floor accommodation met with current access regulations and codes of practice if the refurbishment proceeds. Due to the configuration of the premises, it is not economically viable to provide full access to the upper floors.
- 9.2. The Civic Centre would meet the requirements under both the Disability Discrimination Act and Part M of the Building Regulations.

10. PLANNING IMPLICATIONS

- 10.1. Planning Approval would be required for the relocation to the Civic Centre.
- 10.2. Neither properties are in a Conservation Area, nor are they listed as Buildings of Special Architectural or Historical Interest.
- 10.3. Building Regulation Approval is required for either option.

11. COMMUNITY SAFETY IMPLICATIONS

- 11.1. The proposals at Pennant House include security measures to meet the requirements of the Merseyside Police Architectural Liaison Officer. Existing CCTV installations shall be retained.

12. HUMAN RIGHTS IMPLICATIONS

12.1 There are no Human Rights implications in this report.

13. LOCAL AGENDA 21 IMPLICATIONS

13.1. If the refurbishment of Pennant House proceeds, thermal insulation would be provided to meet the standards within part L2 of the Building Regulations.

13.2. Low energy electrical fittings and heating controls would all be used as far as possible to help reduce the consumption of natural resources.

13.3. All timber used will be from sustainable sources regulated by the Forestry Stewardship Council.

13.4. The successful contractor will be encouraged to employ local labour and source materials from local suppliers once construction commences.

14. ACCESS TO INFORMATION ACT

14.1. The only background papers used in the preparation of this report are Cabinet minutes and the Quantity Surveyors working papers.

15. LOCAL MEMBER SUPPORT IMPLICATIONS

15.1. Both properties are located in the Bebington Ward.

16. RECOMMENDATION

16.1. That Members views are requested on the future location of Bebington One Stop Shop.

IAN COLEMAN
DIRECTOR OF FINANCE