

# ITEM NO: 16

<b>Report To:</b>	<b>Pension Fund Management Panel</b>
<b>Date:</b>	10 September 2010
<b>Reporting Officer:</b>	Peter Morris, Executive Director of Pensions
<b>Subject :</b>	<b>PENSION OFFICE ACCOMMODATION</b>
<b>Report Summary:</b>	The Concord Suite is a 1960's building in Droylsden town centre that provides accommodation for the Pension Office's 90 staff. The building is in need of major refurbishment if it is to continue to be able to provide office accommodation in the medium term. The alternative is to find a new base for staff.
<b>Recommendation:</b>	That a further report be submitted to a future meeting of the Management Panel evaluating the feasibility of relocating in Droylsden.
<b>Financial Implications:</b> <b>(Authorised by the Borough Treasurer)</b>	The financial implications of the various options will be assessed and included in the follow up report.
<b>Legal Implications:</b> <b>(Authorised by the Solicitor to the Fund)</b>	The Pension Fund and the Council have statutory duties to use resources efficiently and effectively and achieve best use of resources.
<b>Risk Management:</b>	The operational risks with the existing building are increasing in terms of the roof leaking and heating failure. Such an event could result in material service disruption and hence the need to evaluate the options going forward.
<b>ACCESS TO INFORMATION:</b>	<b>NON-CONFIDENTIAL</b> <b>This report does not contain information which warrants its consideration in the absence of the Press or members of the public.</b>
<b>Background Papers:</b>	The Council commissioned a Building Condition report on the Concord Suite and this is the relevant background paper. For further information please contact Peter Morris, Executive Director of Pensions, Greater Manchester Pension Fund, Wellington Road, Ashton-Under-Lyne, Tel 0161 342 3438, email <a href="mailto:peter.morris@tameside.gov.uk">peter.morris@tameside.gov.uk</a>

## **1. INTRODUCTION AND BACKGROUND**

- 1.1 Currently GMPF has approximately 125 directly employed members of staff. 35 staff providing accounting, investment, legal and property investment services, are based in the Council Offices, Ashton under Lyne. The remaining 90 members of staff make up the Pensions Office and are based in a building owned by the Council and known as the Concord Suite, Manchester Road, Droylsden. These arrangements have been in place since Tameside took over the role as administering authority.
- 1.2 The purpose of this report is to update the Panel on the condition of the Concord Suite and identify some of the issues and options for further evaluation. The Concord Suite is a 1960's office building comprising ground and three upper floors of which GMPF staff occupy the upper two floors and part of the first floor. The remainder of the building is under utilised.
- 1.3 Over the years, the Management Panel has invested in the Concord Suite to improve the quality of accommodation. The current quality of office accommodation is satisfactory, albeit there are the problems you would expect with a 1960's office building.

## **2. THE BUILDING AND ITS CONDITION**

- 2.1 The Concord Suite is a 1960's designed building with flat roof and internal drainage.
- 2.2 The Council provides the facilities management for the building. It has had a "Building Condition" survey undertaken by Watts Group plc. A summary of the main findings is as follows:-
- 2.3 *Building Fabric*
  - (i) The majority of roof areas will require renewal within 5 years (1 lower section has recently been replaced due to its dilapidated condition).
  - (ii) Cracking evident to structural frame. Various other cracking is present throughout the property. Further investigations are required to determine extent of damage and repairs required.
  - (iii) First floor areas are largely disused and will require extensive refurbishment of the areas to be put into use.
  - (iv) Property generally requires a programme of maintenance, repair and refurbishment.
- 2.4 *Building Services*
  - (i) The gas fired boilers are considered to be approaching the end of their useful life. The performance of the heating system is considered to be poor, with poor efficiency. Control systems are also poor and inefficient. The heating system would benefit from improvement of the controls and separation of the heating system between the different use areas.
  - (ii) Lighting to many areas is aged and inefficient and would benefit from replacement or upgrading, including upgrading of controls to allow improved efficiency.
  - (iii) Ventilation plant requires a detailed appraisal pending any proposed refurbishment and ongoing use of the building.

- 2.5 In summary, the building fabric and services installations are dated, in poor condition in parts and some installations have exceeded their design life. Significant maintenance, repair and refurbishment will be required in the short term to upgrade the building to modern standards.
- 2.6 The estimated cost of repairing the roof is over £100K and the heating and lighting is £200K. In addition, the report recommends further investigations and surveys and there is a likelihood of further investment being necessary in the short to medium term.

### **3. SUITABILITY OF THE CONCORD SUITE FOR LONG TERM OFFICE USE?**

- 3.1 The first issue to consider is the suitability of the Concord Suite as a long term home for the Pensions Office. The factors to consider include:
- (i) the building is under utilised;
  - (ii) it will require substantial investment in the short term for maintenance, repair and refurbishment to upgrade the building to modern standards;
  - (iii) the office accommodation is fully utilised;
  - (iv) the building is located in Droylsden town centre and could be an important development site in the medium term when the economic environment improves.
- 3.2 This is also, clearly, an important factor for the Council and the Council's views on this matter are being sought.

### **4. IS THERE A CASE FOR AN ALTERNATIVE LOCATION?**

- 4.1 The purpose of this report is to identify the broad options, with a view to seeking the Panel's views on these options. At this stage, no discussions have been held with staff on this matter. From the staff perspective, it is likely that there would be mixed views, influenced by the location of any replacement accommodation.
- 4.2 An early decision will need to be made on whether to seek to accommodate all GMPF's staff in a single location as opposed to the present twin site arrangement. Operationally, "if you were starting again", the balance of advantage favours one site, but the Service has operated effectively from a split site. It is of course an important issue to resolve before progressing any of the options.
- 4.3 It is possible that staff from the Concorde Suite could be accommodated within the council offices over the next 12 months to 2 years as working differently initiatives start to have an impact on office availability and the impact of spending reductions takes effect. However, the Council will also be considering its long term accommodation requirements separately. It would not be desirable to relocate twice in a relatively short period.
- 4.4 In considering the case for an alternative location compared to repairing and refurbishing the existing building, the factors that need to be considered are:-
- (i) the size of accommodation likely to be required in the medium term;
  - (ii) the operational benefits;
  - (iii) the financial implications in the short and long term;

- (iv) the impact on staff, including recruitment and retention issues; and
- (v) the travel, public transport, parking and congestion implications;
- (vi) the impact on the local economy.

## **5. OPTIONS**

5.1 There are four basic options:

- (i) the Pensions Office remains in occupation at its current location;
- (ii) the Council identifies a suitable alternative location from within its existing stock of buildings;
- (iii) the Fund leases accommodation from a landlord;
- (iv) the Fund develops new office accommodation through GMPVF (which could be either as sole occupant or a multi occupant building).

## **6. THE COUNCIL PERSPECTIVE**

6.1 The "Council" wants to work with the "Pension Fund" to plan appropriate moves/relocations. The Council will work with the Fund to relocate within Council owned property should that be the decision but no suitable properties have been identified so far.

6.2 Following discussions with the Council, (as landlord), the option favoured for more detailed evaluation is relocation within Droylsden. The advantages of Droylsden are:

- (i) good and improving transport links;
- (ii) it is the existing base of the Pension Office;
- (iii) the cost of new accommodation is expected to be comparable or better than other sites in the Borough;
- (iv) relocation within Droylsden may act as a catalyst for further development.

6.3 If relocation to another site in Droylsden is supported, the two options to be evaluated and compared to remaining at the current location, are leasing accommodation or an office developed by GMPVF.

## **7. THE WAY FORWARD**

7.1 The purpose of this report is to seek the views of the Panel on the options that are favoured for more detailed evaluation. Whichever option is chosen, costs will increase. The location of staff is a sensitive issue from several perspectives.

## **8. RECOMMENDATION**

8.1 That a further report be submitted to a future meeting of the Management Panel evaluating the feasibility of relocating in Droylsden.