

## **PENSION FUND COMMITTEE – 10 June 2016**

### **Vacation of Unipart House**

#### **Report by the Chief Finance Officer**

##### **Introduction**

1. This report is to update members on the implications of the proposed vacation of Unipart House and to seek the Committee's view on an agreed way forward.

##### **Unipart House Lease Expiry**

2. The vacation of Unipart House is part of the Council's Asset Utilisation Programme (AUP) and the savings that will arise have been part of the agreed Medium Term Financial Plan since 2014/15.
3. Unipart House is currently occupied by approximately 275 Council staff including Pensions Services over three floors. There are three separate leases and options to break the leases are in December 2016 and May 2017. The plan is to terminate the three leases by the given lease breaks dates and allow sufficient time to enable negotiation of dilapidations and to avoid short term reconfiguration of ICT infrastructure. The aim is then to relocate staff within the existing office estate where surplus desks are available by December 2016.
4. In preparation for this, all teams currently located in Unipart House have been asked to complete a questionnaire indicating a preference for relocation to a building inside the ring road (Speedwell House); Abingdon (Abbey House) or Banbury (Samuelson House).
5. It is expected that any move to Speedwell House would only be on a temporary basis for a period of up to 2 years pending a decision being made on its future.
6. A straw poll of staff set out in the table below indicates preferences for a future location: -

|          | Speedwell House | Abbey House | Samuelson House |
|----------|-----------------|-------------|-----------------|
| Yes      | 16              | 6           | 1               |
| Possible | 9               | 9           | 10              |
| No       | 1               | 11          | 15              |

7. Those staff who responded as "possible", indicated they would need further consideration of their journey time and parking costs and the impact on their current care arrangements, before they could make a final decision.

8. The Corporate Landlord Team has been tasked with looking for a solution in other Council property that better meets the needs of the Pensions Services Team. However, this may mean a location further afield in Eynsham or Kidlington for example.

## **Service Requirements**

9. Until fairly recently, Pension Services were a full time office based team although there is now a higher proportion of staff working part time hours and working from home or from different offices. These arrangements do work but are causing some deviation from the standard processes which are currently being reviewed to identify what changes can be implemented.
10. However there is a need to ensure that work is undertaken in line with all statutory process and system requirements – maintaining consistency across the whole team. This will be particularly significant with the introduction of any new regulations and the resulting staff training.
11. Newer staff members work under a buddy system so have an experienced administrator to hand to resolve any queries.
12. There is general concern about how, in an increasingly complex environment, the team will maintain training, skills and standards of work and service levels so that there is no detriment to either scheme members or scheme employers. To achieve this overall the team feel that at least 50% of their time would need to be spent in the office; preferably all together so that they can all benefit whilst co-ordinating work and resolving any issues.
13. Other considerations for maintaining a single office base are:
  - Incoming post / scanning of paperwork to the workflow system
  - Incoming telephone calls – required as a ‘hunt group’ to enable multiple call answering
  - Storage - sufficient storage for paper records held – it would be a significant task to digitalise the current paper records which staff refer to on a daily basis
  - Confidentiality – ability to have paperwork and telephone conversations that relate to individual pension matters / organisation issues
  - Availability of Meeting Rooms – for team meetings, bi-monthly supervision meetings, meetings with employers and scheme members and ad-hoc training sessions

## **Risks**

14. The key of risk arising from the relocation from Unipart House is the loss of skilled and experienced staff. A loss of 50% of the current staffing resources, consistent with past experience, when the Pension Services team relocated

from County Hall to Unipart House in 2007 would seriously impact on the level of service delivery.

15. The majority of staff have been recruited since the team has been based at Unipart House. Location and parking facilities have been a consideration for staff taking up posts. There are concerns over potential increased travel time and the cost of travelling, depending on the location chosen, and in particular whether it would remain feasible to maintain existing care arrangements and working hours at a new location. The risk of high staff turnover is therefore real.
16. The loss of skills and experience should also be seen in the current context where the staff is under considerable pressure. These pressures relate to
  - the significant data issues following the changes to the Scheme in 2014, and more recently the County Council's transfer of its payroll service to the Integrated Business Centre at Hampshire County Council,
  - the national changes to guaranteed minimum pension payments,
  - the 2016 Valuation,
  - the increasing numbers of scheme employers
17. There are also likely to be further pressures in the near term in supporting the major change agendas facing employers including potential Unitary Authority proposals, joint procurement exercises along the lines of the current exercise being undertaken by South Oxfordshire and the Vale of White Horse District Councils, and the pooling agenda for the LGPS itself.
18. The consequential impact on service delivery would have both financial and reputational impact. Unlike in 2007, Pension Services is now subject to the Scrutiny of the Pensions Regulator who is in a position to impose fines in respect of regulatory failures. As Oxfordshire is already under a warning following the late production of our Annual Benefit Statements in 2015, intervention from the Pensions Regulator is a real risk. The Pensions Ombudsman can also award compensation payments to be made by the Administering Authority where he upholds complaints from individual scheme members.

## **Options**

19. The first option is for Pension Services to move in line with the Council's AUP programme on the basis that this may be as an interim solution whilst other premises are identified. This option would need to accept the risks as outlined above.
20. The second option therefore is to work outside the Council's AUP programme, and to seek rented space, at a location such as a business park near to current offices, which could accommodate the team and resolve most if not all of the issues identified. Such an option would have higher set up costs for the Pension Fund in setting the premises up e.g. linking to the Council's ICT networks, and potentially lead to higher overall property costs.

## **RECOMMENDATION**

- 21. The Committee is RECOMMENDED to consider this report and to determine which option they wish to adopt**

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Background papers: Nil  
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May 2016