

Public Document Pack

Penallta House,
Tredomen Park,
Ystrad Mynach,
Hengoed CF82 7PG

Ty Penallta,
Parc Tredomen,
Ystrad Mynach,
Hengoed CF82 7PG



www.caerphilly.gov.uk
www.caerffili.gov.uk

Am unrhyw ymholiad yn ymwneud â'r agenda hwn cysylltwch â Rebecca Barrett
(Rhif Ffôn: 01443 864245 Ebst: barrerm@caerphilly.gov.uk)

Dyddiad: Dydd Mercher, 28 Medi 2016

Annwyl Syr/Fadam,

Bydd cyfarfod **Pwyllgor Craffu Polisi ac Adnoddau Arbennig** yn cael ei gynnal yn **Ystafell Sirhywi, Tŷ Penallta, Tredomen, Ystrad Mynach** ar **Dydd Mawrth, 4ydd Hydref, 2016** am **5.30 pm** i ystyried materion a gynhwysir yn yr agenda canlynol.

Yr eiddoch yn gywir,

A handwritten signature in blue ink that reads 'Chris Burns'.

Chris Burns
PRIF WEITHREDWR DROS DRO

A G E N D A

Tudalennau

- 1 I dderbyn ymddiheuriadau am absenoldeb.
- 2 Datganiadau o Ddiddordeb.

Atgoffi'r Cyngorwyr a Swyddogion o'u cyfrifoldeb personol i ddatgan unrhyw fuddiannau personol a/neu niweidiol mewn perthynas ag unrhyw eitem o fusnes ar yr agenda hwn yn unol â Deddf Llywodraeth Leol 2000, Cyfansoddiad y Cyngor a'r Cod Ymddygiad ar gyfer Cyngorwyr a Swyddogion.

I gymeradwyo a llofnodi'r cofnodion canlynol:-

A greener place Man gwyrddach

Correspondence may be in any language or format | Gallwch ohebu mewn unrhyw iaith neu fformat



3	Cynhaliwyd y Pwyllgor Craffu Polisi ac Adnoddau ar 12fed Gorffennaf 2016.	1 - 6
4	Ystyried unrhyw fater a gyfeiriwyd at y Pwyllgor hwn yn unol â'r drefn galw i mewn.	
5	I dderbyn adroddiad llafar gan yr Aelod(au) Cabinet.	
6	Rhaglen Waith y Dyfodol Pwyllgor Craffu Polisi ac Adnoddau.	7 - 22
7	I dderbyn ac ystyried yr adroddiadau* Cabinet canlynol:- <ol style="list-style-type: none"> 1. Gwasanaethau Eiddo - Adroddiad Cyflwr yr Ystâd 31ain Mawrth 2016 - 13eg Gorffennaf 2016; 2. Alldro Dros Dro ar gyfer 2015/16 - 27ain Gorffennaf 2016; 3. Strategaeth Cronfeydd wrth Gefn - 27ain Gorffennaf 2016; 4. Adroddiad Gwydnwch Ariannol - 27ain Gorffennaf 2016; 5. Dogfen Strategaeth AD - 27ain Gorffennaf 2016; 6. Diweddariad Perfformiad Blynyddol Gweithrediadau Atgyweirio Tai - 27ain Gorffennaf 2016; 7. Tir ar Heol Cefn Uchaf, Deri – 7fed Medi 2016. 	

**Os oes aelod o'r Pwyllgor Craffu yn dymuno i unrhyw un o'r adroddiadau Cabinet uchod i gael eu dwyn ymlaen ar gyfer adolygiad yn y cyfarfod, cysylltwch â Rebecca Barrett, 01443 864245, erbyn 10.00 a.m. ar ddydd Llun, 3ydd Hydref 2016.*

I dderbyn ac ystyried yr adroddiadau Craffu canlynol:-

8	Gwasanaethau Eiddo - Adroddiad ar Gyflwr yr Ystâd 31ain Mawrth, 2016.	23 - 44
9	Strategaeth Rheoli Asedau Corfforaethol.	45 - 90
10	Alldro Cyfalaf 2015/16.	91 - 100
11	Monitro'r Gyllideb Cyfrif Cyllid Tai - Cyfnod 4 2016/17.	101 - 108

Cylchrediad:

Cynghorwyr L.J. Binding, Mrs P. Cook, C.J. Cuss, Miss E. Forehead, J.E. Fussell, C. Hawker, Ms J.G. Jones, G. Kirby (Is Gadeirydd), A. Lewis, C.P. Mann, S. Morgan (Cadeirydd), Mrs G.D. Oliver, D. Rees, R. Saralis, J. Simmonds a J. Taylor

A Swyddogion Priodol



POLICY AND RESOURCES SCRUTINY COMMITTEE

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON
TUESDAY, 12TH JULY 2016 AT 5.30 P.M.

PRESENT:

Councillor S. Morgan – Chair

Councillors:

L. Binding, Mrs P. Cook, C.J. Cuss, Miss E. Forehead, J.E. Fussell, C. Hawker, Ms J.G. Jones, A. Lewis, C.P. Mann, R. Saralis, J. Simmonds and J. Taylor

Cabinet Members:

Mrs C. Forehead (HR and Governance/Business Manager), D.V. Poole (Housing)

Together with:

C. Harry (Corporate Director – Communities), S. Couzens (Chief Housing Officer), L. Donovan (Acting Head of Human Resources and Organisational Development), S. Harris (Interim Head of Corporate Finance), P. Smythe (Housing Repair Operation Manager), F. Wilkins (Public Sector Housing Manager), K. Williams (Private Sector Housing Manager), C. Forbes-Thompson (Interim Head of Democratic Services), J. Morgan (Solicitor), C.B. Jones (Legal Assistant) and R. Barrett (Committee Services Officer)

Also present:

J. Garcia (Assistant Branch Secretary - Unison)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors G. Kirby, D. Rees, Mrs B. Jones (Cabinet Member for Corporate Services) and D.T. Hardacre (Cabinet Member for Performance and Asset Management), together with Nicole Scammell (Acting Director of Corporate Services and Section 151 Officer).

2. DECLARATIONS OF INTEREST

During the course of the meeting, a declaration of interest was received from Councillor S. Morgan and is detailed with the respective item.

3. MINUTES – 31ST MAY 2016

RESOLVED that the minutes of the Policy and Resources Scrutiny Committee held on 31st May 2016 (minute nos. 1 – 10) be approved as a correct record and signed by the Chair.

4. CALL-IN PROCEDURE

There had been no matters referred to the Scrutiny Committee in accordance with the call-in procedure.

5. REPORT OF THE CABINET MEMBER

During the course of the debate on this item, Councillor S. Morgan declared a personal interest (in that he is registered as a landlord with Rent Smart Wales). As it was personal and not prejudicial, he remained in the meeting during consideration of the item.

The Scrutiny Committee received a verbal report from Councillor D.V. Poole (Cabinet Member for Housing), who informed Members that the Housing Advice Team is currently reviewing all existing housing applications to allocate each applicant the appropriate band category. This will replace the existing points-based system, in readiness for the implementation of the new Common Housing Register (which will provide a single application process for Council housing across the county borough). In response to a Member's query, the Cabinet Member explained that this review will provide an opportunity for existing tenants to highlight any changes to their needs/circumstances, and he also outlined the appeals procedure available regarding assessment outcomes.

Further to a Cabinet decision to commission a feasibility study for the remodelling of a number of existing Sheltered Housing schemes, the Cabinet Member and Officers recently met with Neath Port Talbot Homes to view a number of their schemes at various stages in the remodelling process and spoke to tenants where the work has been completed. The information gathered from this visit will be used to assist Caerphilly Council in bringing forward future proposals for their Sheltered Housing schemes, including the need to consider the accessibility and technical requirements of tenants in future years.

Members were advised that following the launch of Rent Smart Wales in November 2015, Officers have actively undertaken awareness-raising activities in an effort to ensure that private landlords within the county borough are aware of their obligations under this new legislation. The one year grace period to allow landlords to undertake any relevant training expires on 23rd November 2016 and therefore it will be an offence to be non-compliant after this date. This initiative will bring about better standards of management within the private rented sector, and the Cabinet Member urged those landlords who have yet to address their new responsibilities to do so as a matter of urgency, as the Council will have powers to take enforcement action against unregistered landlords. Information is available on the Rent Smart Wales website or from the Private Sector Housing Team.

Following discussion on this matter, it was agreed that arrangements would be made for a Members Seminar to be held regarding the new Rent Smart Wales Scheme.

The Cabinet Member also referred to the Year End Performance Report for Housing Services that was due to be presented at the meeting, explaining that it highlighted the wide range of services provided by Housing and the amount of work undertaken by dedicated Officers. The Cabinet Member summarised the impact of changing legislation on the service, as well as the need to make budget savings to contribute towards the Council's Medium Term Financial Plan (MTFP), whilst supporting the delivery of the Welsh Housing Quality Standard (WHQS) programme, and welcomed the views of the Scrutiny Committee on the contents of the report.

The Cabinet Member was thanked for his report.

6. POLICY AND RESOURCES SCRUTINY COMMITTEE FORWARD WORK PROGRAMME

Cath Forbes-Thompson (Interim Head of Democratic Services) presented the report, which outlined details of the Policy and Resources Scrutiny Committee Forward Work Programme (FWP).

Members were advised that the FWP includes all reports agreed at the meeting held on 31st May 2016 and outlines the reports planned for the period July 2016 to April 2017. Members were asked to consider the FWP alongside the Cabinet Work Programme as appended to the report and to suggest any changes.

A number of amendments were suggested, and it was agreed that the Corporate Services and Miscellaneous Finance 2016/17 Budget Monitoring Report be withdrawn from the FWP and placed on the Members' Portal as an information item, and that the Capital Outturn Report 2015/16 scheduled for presentation to Cabinet be placed on the FWP. Furthermore it was agreed that the Treasury Management – Review of MRP Policy report already on the FWP be rescheduled to 15th November 2016 (prior to its presentation to Cabinet) and that two additional reports (Usable Reserves Annual Report and Leaseholder Consultation Report) be added to the FWP for presentation to the Scrutiny Committee.

It was agreed that subject to the foregoing amendments, the Policy and Resources Scrutiny Committee Forward Work Programme be published on the Council's website.

7. CABINET REPORTS

None of the Cabinet reports listed on the agenda had been called forward for discussion at the meeting.

REPORTS OF OFFICERS

Consideration was given to the following reports.

8. HR STRATEGY DOCUMENT

The Chair welcomed Mr Juan-Antonio Garcia (Assistant Branch Secretary - Unison) to the meeting, who was in attendance to provide the Trade Unions' response to the report.

Lynne Donovan (Acting Head of Human Resources and Organisational Development) presented the report, which sought Members views on the draft HR Strategy 2016-20, prior to its presentation to Cabinet for approval.

Officers explained that following a review of the Council's Human Resources (HR) arrangements in 2012, Wales Audit Office (WAO) raised the need for the improvements in strategic HR and workforce planning, and subsequently made the statutory recommendation that the Council 'ensures that the actions identified to improve the HR function and workforce planning are implemented'. The WAO follow-up of the Special Inspection report of January 2015 concluded that a number of improvements were awaiting completion but noted the significant progress made by the Council in developing HR-related policies to facilitate the implementation of the Council's Medium Term Financial Plan. The HR Strategy document has been developed to address an outstanding proposal for improvement from WAO, which stated that the Council should prioritise the development of an HR strategy and workforce plan to form key elements of the Council's strategic planning framework.

Members were advised that this will be the first HR Strategy for Caerphilly CBC, and in view of the potential future challenges and changes faced by the Authority, it was proposed that the HR Strategy (appended to the report in draft form) be reviewed 12 months after implementation and updated if considered necessary.

Mr Garcia was invited to respond to the proposed HR Strategy on behalf of the collective Trade Unions. He confirmed that the Trade Unions had no issues with the proposed HR Strategy and recognised the need for efficiencies to be made, but that they had expressed the need for the Authority to exercise its duty of care to its employees when utilising the Strategy across the workforce.

During the course of the ensuing debate, concerns were expressed regarding the references to reviewing services and attendance management policies. Officers reiterated that the aim of the HR Strategy is to support Managers to deliver, maintain and improve services and minimise the impact to staff in the achievement of budget targets. In response to a Member's query, it was confirmed that the HR Strategy Group would regularly review the progress of the Strategy (including consultation with Trade Unions) to ensure its continued effectiveness.

Following consideration of the report, it was moved and seconded that the following recommendations be referred to Cabinet for approval. By a show of hands this was unanimously agreed.

RECOMMENDED to Cabinet that:-

- (i) the HR Strategy as appended to the report be approved;
- (ii) the HR Strategy be reviewed 12 months after implementation to ensure it is current and fit for purpose.

9. YEAR END PERFORMANCE REPORT FOR HOUSING SERVICES

Christina Harry (Corporate Director – Communities) presented the report, which provided an update on performance of the Housing Service during 2015/16, set out the key service objectives for 2016/17 and highlighted any potential challenges that may affect the delivery of these objectives. Details of performance within each Housing Service section (Housing Repair Operations, Private Sector Housing, and Public Sector Housing) together with areas for improvement, key objectives and priorities for the year ahead, and the main risks identified, were summarised within the report.

Members were advised that overall the performance of the Housing Service for 2015/16 is considered to be good, although it is accepted that there are areas for improvement. In addition, a number of challenges have been identified that have resulted in action plans being developed, which have been incorporated into the 2016/17 service plan. Looking forward, the main challenges relate to the need to respond to and implement changing legislation, together with rising customer expectations against limited financial resources. However, the service area is well placed to respond to such challenges.

Officers highlighted a number of achievements within the Housing Service, including Housing Repair Operations, who were nominated as finalists in the Association of Public Excellence (APSE) UK Awards as Best Performing Authority for Building Maintenance 2015. Members were also asked to note a 99% customer satisfaction rate for works carried out within Private Sector Housing.

During the course of the ensuing debate, clarification was sought on the number of homeless households temporarily accommodated in bed and breakfast accommodation during 2015/16 (175). Officers confirmed that this is an annual figure and that there were currently 6 households living in temporary accommodation across the county borough. It was explained

that the Council's efforts in respect of homelessness prevention has seen a significant reduction in such cases during 2015/16, and Members were advised that an update on this matter would be presented to the Scrutiny Committee in November 2016.

A Member queried the number of backlog repairs pending at year end (1224) and the ways in which planned repairs are communicated to tenants. Officers explained that this figure represents the total number of repairs in progress which are scheduled to be completed and that they are currently examining ways to improve repairs communications with tenants (such as text message reminders for repair appointments).

Clarification was sought on progress against Improvement Objective 5 (Investment in homes to transform lives and communities). Officers explained that this has been addressed in a recent report presented to the Scrutiny Committee but that the improvements made to Council housing stock have benefitted the health and wellbeing of tenants and improved their standard of living.

In response to a Member's query, Officers outlined efficiencies made to the DLO repair fleet, including the geographical placement of repair vehicles across the county borough, advance stocking of repair materials, and the use of a dynamic repair system, which has seen a reduction in fuel costs during 2015/16. Reference was made to the utilisation of existing staff and property visits to maximise information gathering as a means of implementing property/tenancy inspections, and Officers explained that staff now take a more holistic overview when visiting properties (rather than attending or reporting on a specific purpose).

Reference was made to the cost of providing leaseholder services management function and Officers explained that work is underway to establish and recoup more accurate costs in this area. Discussion also took place regarding marketing strategies in respect of long-term voids and hard to let voids and it was agreed that Members would be included in the distribution list for the Immediately Available Properties list that is regularly circulated by Housing Services.

Members were pleased to note the positive performance of the Housing Service and placed on record their appreciation to the Housing Management Team for the excellent progress outlined in the report.

Following consideration of the report, Members noted its contents, together with the progress made against performance objectives within Housing Services for 2015/16.

10. RESERVES STRATEGY

Steve Harris (Interim Head of Corporate Finance) presented the report, which outlined details of the Council's draft reserves strategy document, and sought the comments of Members prior to its presentation to Cabinet for approval.

Members were informed that the creation and use of both general and earmarked reserves are key tools to assist Authorities in delivering services over a period of longer than one financial year. They are an essential part of good financial management and help Councils cope with unpredictable financial pressures, help them smooth the impact of known spending requirements over time, and help to fund any in-year overspending.

Usable reserves held by Local Authorities have been subject to increased scrutiny in recent years, and in February 2015, after reviewing details of reserves held by all Councils in Wales, the Minister for Public Services referred to a lack of consistency in applying protocols for the establishment, review and discharge of reserves. He also expressed particular concern over the apparent lack of opportunity for Elected Members to engage in and scrutinise the use of reserves held by their Authorities. In April 2015 the Wales Audit Office (WAO) published a report on the financial resilience of Councils in Wales, which recommended that "Councils should ensure that they have a comprehensive reserves strategy that outlines the specific

purpose of accumulated usable reserves as part of their Medium-Term Financial Plan”.

It was explained that the draft reserves strategy (appended to the report) consolidates existing arrangements for the establishment and subsequent management and use of reserves within the Authority. One significant change to existing arrangements is a proposed 3% cap on the amount Directorates can hold in reserve from accumulated revenue budget underspends. Full details were outlined in the report, together with the reporting procedure to be followed in cases where the 3% limit is exceeded. It was noted that as part of the reserves strategy, an annual report on usable reserves will be prepared for the Policy and Resources Scrutiny Committee, which will contain detailed information and ensure that there is an opportunity for effective scrutiny of the balances held and their intended purpose.

During the course of the ensuing debate, reference was made to the Council’s borrowing and investment practices. Officers explained that these areas are included in the Council’s Treasury Management strategy and do not form part of the reserves strategy. Discussion took place regarding the definition of unusable reserves and Officers confirmed that these are not cash-backed but are required to meet statutory financial reporting requirements. In response to a Member’s query, Officers provided further details on the reporting process to be followed where the proposed 3% cap on Directorate underspend reserves is exceeded. Reference was also made to school ring-fenced reserves and Officers outlined the policy for managing both surplus and deficit school balances.

Following consideration of the report, it was moved and seconded that the following recommendation be referred to Cabinet for approval. By a show of hands this was unanimously agreed.

RECOMMENDED to Cabinet that the draft Reserves Strategy document as appended to the report be approved.

The meeting closed at 6.40 pm.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 4th October 2016, they were signed by the Chair.

CHAIR



POLICY AND RESOURCES SCRUTINY COMMITTEE – 4TH OCTOBER 2016

SUBJECT: POLICY AND RESOURCES SCRUTINY COMMITTEE FORWARD WORK PROGRAMME

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

1. PURPOSE OF REPORT

1.1 To report the Policy and Resources Scrutiny Committee Forward Work Programme.

2. SUMMARY

2.1 Forward Work Programmes are essential to ensure that Scrutiny Committee agendas reflect the strategic issues facing the Council and other priorities raised by Members, the public or stakeholders.

3. LINKS TO STRATEGY

3.1 The operation of scrutiny is required by the Local Government Act 2000 and subsequent Assembly legislation.

4. THE REPORT

4.1 The Policy and Resources Scrutiny Committee forward work programme includes all reports that were identified at the scrutiny committee meeting on 12th July 2016. The work programme outlines the reports planned for the period October 2016 to April 2017.

4.2 The forward work programme is made up of reports identified by officers and members and has been prioritised into three priority areas, priority 1, 2 or 3. Members are asked to consider the work programme alongside the cabinet work programme and suggest any changes before it is published on the council website. Scrutiny committee will review this work programme at every meeting going forward alongside any changes to the cabinet work programme or report requests.

4.3 The Policy and Resources Scrutiny Committee Forward Work Programme is attached at Appendix 1. The cabinet work programme is attached at Appendix 2.

5. EQUALITIES IMPLICATIONS

5.1 There are no specific equalities implications arising as a result of this report.

6. FINANCIAL IMPLICATIONS

6.1 There are no specific financial implications arising as a result of this report.

7. PERSONNEL IMPLICATIONS

7.1 There are no specific personnel implications arising as a result of this report.

8. CONSULTATIONS

8.1 There are no consultation responses that have not been included in this report.

9. RECOMMENDATIONS

9.1 That Members consider any changes and agree the final forward work programme prior to publication.

10. REASONS FOR THE RECOMMENDATIONS

10.1 To improve the operation of scrutiny.

11. STATUTORY POWER

11.1 The Local Government Act 2000.

Author: Catherine Forbes-Thompson Scrutiny Research Officer
Consultees: Gail Williams, Interim Head of Legal Services and Monitoring Officer
Nicole Scammell, Acting Director Corporate Services and Section 151 Officer

Appendices:
Appendix 1 Policy and Resources Scrutiny Committee Forward Work Programme
Appendix 2 Cabinet Work Programme

Policy & Resources Scrutiny Committee Forward Work Programme October 2016 to April 2017			
Meeting Date: 4 October 2016			
Subject	Purpose	Key Issues	Witnesses
Strategic Asset Management Strategy (P1)	WAO has identified a need for the authority to produce a Corporate Asset Management Strategy. Following a presentation to Audit Committee by WAO council officers were requested to develop a Strategy. A draft Strategy will be presented to Scrutiny for their comments.	The draft Strategy will identify the various assets that the authority is responsible for and where appropriate refer the reader to individual service asset strategies/plans. Where such individual strategies/plans do not exist this will be identified. The Strategy will set out the principles for the future management of the various assets and set direction, as far as is possible in these uncertain times.	
State of the Estate (P2)	To present to Scrutiny a first edition of a proposed annual State of the Estate Report . The report describes how Corporate Property manages the council's Building Estate and focusses upon: Size of the estate Condition Energy Use Efficiency of Use Cost Savings.	Key issues included in the report include: <ul style="list-style-type: none"> • Corporate office rationalisation and its impact on alternative office efficiency. • Sustainability of the Office portfolio • Building Condition Improvement • Cost Saving 	Colin Jones – Head of Performance & Property Services
Capital Outturn Report 2015/16 (P4)	Pre-decision to be considered by Cabinet on 19 th October	This report will provide details of actual capital expenditure against the approved Capital Programme for the 2015/16 financial year. The report will include details of overspends on a small number of schemes along with proposals to fund these overspends. These proposals will require Cabinet approval.	Interim Head of Corporate Finance – Stephen Harris

Policy & Resources Scrutiny Committee Forward Work Programme
APPENDIX 1

HRA Budget Monitoring	To inform members of the financial position of the Housing Revenue Account (HRA) for 2016/17 based on the first four months of the financial year in accordance with the budget strategy agreed by Council on 24th February 2016.	The report aims to project the likely outturn of the HRA at the end of the financial year using key budget elements of the HRA and a pattern of expenditure in the first four months. The report also outlines the link between the HRA and the WHQS programme which is critical in terms of funding arrangements and ensuring the programme is viable	Shaun Couzens – Head of Housing
-----------------------	---	--	---------------------------------

Meeting Date: 15 November 2016			
Subject	Purpose	Key Issues	Witnesses
B & B use as Emergency Accommodation (P1)	To provide a further update to members of Scrutiny on the use of B&B accommodation for the temporary placement of homeless persons	The report will highlight the historical trend on the use of B&B accommodation for placing homeless persons and the reasons for such use. The report will also provide information on the measures that Housing Services have taken to reduce such use and provide an update on the current position	Argoed Residents Group Malcolm Topping Supporting People
Housing Complaints & Representations (P2)	To provide members of Scrutiny with information on all representations and complaints received by Housing Services during the 201/16 financial year	Key issues include:- Identification of the numbers and types of representations and complaints received for the year. Comparison of data with previous years Analysis of the data to identify the areas of service that receive the highest level of representations and complaints. Highlighting any lessons learned from analysing the data.	Shaun Couzens
Usable Reserves Annual Report	To present the Scrutiny Committee with details of the usable reserves held by the Authority.	The report will provide detailed information on all usable reserves to ensure that there is an opportunity for effective scrutiny of the balances held and their intended purpose.	Interim Head of Corporate Finance – Stephen Harris
Treasury Management – Review of MRP Policy	Pre-decision to be considered by Cabinet on 14 th December	This report will set out options for revising the Minimum Revenue Provision (MRP) Policy to identify potential savings to support the Medium Term Financial Plan (MTFP).	Interim Head of Corporate Finance – Stephen Harris

Meeting Date: 17 January 2017			
Subject	Purpose	Key Issues	Witnesses
HRA Charging Report (P1)	To advise members of Scrutiny of proposed forthcoming charges for 2017/18 and in particular any increased charges relating to the Housing Revenue Account prior to seeking Cabinet approval.	Charges that will be incorporated within the report will include:- <ul style="list-style-type: none"> • Council house rents • Garage rents • Service charges relating to Sheltered Housing Schemes 	Shaun Couzens
Whole Authority Budget Monitoring Report 2016/17	To inform Members of projected whole-authority revenue budget expenditure for the 2016/17 financial year.	The report will provide information on the position of the whole-authority in respect of revenue budget monitoring for 2016/17. Detailed reports will already have been presented to Scrutiny Committees throughout the financial year. Consideration will be given to actual expenditure and income to date. A projection will be made of the likely outturn (year-end) position and where significant variations against budget are identified these will be commented upon.	Interim Head of Corporate Finance – Stephen Harris
HRA Budget Monitoring Report (P2)	To provide Scrutiny members with an update on expenditure of the Housing Revenue Account budget for the first six months of the year	Key issues include:- <ul style="list-style-type: none"> • Identifying the overall budget available for the delivering the Housing Service • Highlight any budget variations including projected overspends and underspends • Provide an indication of the revenue contribution to the Capital Programme 	Shaun Couzens

Policy & Resources Scrutiny Committee Forward Work Programme
APPENDIX 1

Leaseholder Consultation Report (P3)	To provide a further report on leaseholder charges as requested by Scrutiny members	Key Issues will include:- <ul style="list-style-type: none">• Leaseholder legislation• Leaseholder process, including procurement, consultation, nomination options, costs and payment options• Best Practice	Shaun Couzens
--------------------------------------	---	---	---------------

Meeting Date: 28 February 2017			
Subject	Purpose	Key Issues	Witnesses
WHQS Programme Re-profiling and associated Capital Programme (P1)	To review progress with the implementation of the WHQS Programme, re-profile over the remaining years where necessary, and set out a capital programme budget for 2017/18.	To consider the implications of slippage within the internal and external works programmes, establish if works need to be re-phased. Examine the implications on the community sequence and potential overlaps between internal and external works. Review the resourcing issues given the commitment to deliver the WHQS Programme by 2020.	Shaun Couzens
Housing Service Charges (P2)	To present to Scrutiny proposals for the de-pooling of service charges in sheltered housing schemes and the introduction of service charging for provision of new services for general needs tenants	Key issues include: <ul style="list-style-type: none"> • Limitations on the Council's ability to introduce service charges arising from the current tenancy agreement. • The implications of the Housing (Wales) Act 2014 as it relates to service charging of tenants of sheltered housing schemes. • Potential financial impact of de-pooling on tenants of sheltered schemes and associated implications for future viability of a number of schemes. 	Shaun Couzens

Meeting Date: 11 April 2017			
Subject	Purpose	Key Issues	Witnesses

Meeting Date: to be confirmed			
Subject	Purpose	Key Issues	Witnesses
Care & Repair Merger (P2)	This is an information report to provide members with details of the merger of the Care and Repair Service between Caerphilly and Blaenau Gwent	To advise members on the new arrangements as a result of the merger	
HR Policies and Welsh Language Standards 99-119 *NEW*	A number of HR related standards require internal HR policies to reflect the legal right of staff to be able to have internal discussions and paperwork relating to their employment available in Welsh. This report should be seen by Scrutiny, prior to Cabinet and Full Council. There will need to be a change to a number of HR policies. It is envisaged that a single report may cover all changes.	A generic overarching approach will be adopted to revise all affected HR policies in the same way. The report will cover how this approach will allow the authority to meet its legal requirements in complying with the Welsh Language Standards. The affected policies and the cross matching to each relevant standard will be explained in the report	Senior Policy Officer (Equalities and Welsh Language) Head of Human Resources This report will be drafted as a Corporate Services report since it relates to HR issues
Caerphilly Local Assessment of Well-being. 1 st draft assessment - 4/10? 2 nd draft assessment – (possible Members Portal item) Final assessment for Corporate Approval - 17/1/17?	CCBC Statutory Partner Role: The Caerphilly Public Service Board is required to produce a local assessment of the economic, social and cultural well-being of the authority which must be subject to Corporate approval by the statutory member before it can be adopted by the Public Service Board. The 1 st Draft assessment will be completed by October 2016 and	The Local Assessment of Well-being will consider the economic, social, environmental and cultural well-being of the local authority area. The structure of the assessment will follow the 7 Well-being goals for Wales. In addition it is a requirement that the assessment examines the situation in 5 defined community areas as well as the authority as a whole. The PSB has determined that the 5 community areas will follow the 5 former community planning areas and hence the assessment document will consider each of these in turn as well as the future trends for the area.	Corporate Policy Manager Senior Policy Officer

	<p>Scrutiny should have the opportunity to consider the content prior to final consultation with the wider public and partners.</p> <p>The 2nd Draft assessment will be complete by December 2016 following consultation. The final assessment must be approved by Scrutiny, Cabinet and Council before it is formally adopted by the PSB. This should take place in January/February 2016.</p> <p>{ P & R will sit as the Partnership Scrutiny Committee over the same timescale and the assessment may form part of this work programme also}</p>		
--	--	--	--

Cabinet Forward Work Programme

APPENDIX 2

5TH OCTOBER 2016	Key Issues	Service Area
Annual Performance Report 2016 Adroddiad Perfformiad Blynyddol 2016	To present to Cabinet the Council's Performance Report for 2015/16 and to seek the views and approval of Cabinet prior to its presentation to Council on 11th October 2016.	Public Protection
Collaboration of Visual Impairment Service, Hearing Impaired Service and Speech and Language Service (ComIT) Cynnig Ar Gyfer Datblygu Gwasanaeth Synhwyrdd a Chyfathrebu (SENCOM) Cynfyrik Sy'n Cynnwys Gwasanaeth Nam Ar Y Clyw T (HI) A'r Tim Ymyrraeth Cyfathrebu	Currently Torfaen host the hearing impaired service and speech & language service (ComIT) and Caerphilly host the visual impairment service. Over the past three years all three services have moved to share the same location (Brecon House in Llantarnam) and in 2015 an overall manager of the three services was appointed. SEWC Directors have already agreed in principle to a full amalgamation, with one local authority hosting the three services.	Education
Welsh Government Town Centre Loans Fund. Benthyciadau Canol Trefi Llywodraeth Cymru	The purpose of the report will be to seek approval from Cabinet for the expansion of the current WG town centre loan scheme currently targeted at Rhymney into an additional two town centres	Planning and Regeneration
CABINET AS TRUSTEES OF DAFYDD WILLIAMS PARK, CAERPHILLY		
Cabinet as Trustee of Dafydd Williams Park Caerphilly - titled - Neuadd Parc Hall - Dafydd Williams Park Caerphilly Cabinet fel Ymddiriedolwr dros Barc Dafydd Williams, Caerffili	To provide Cabinet acting for the Council as Corporate Trustee with an overview and update on the use of Neuadd y Parc Hall which forms part of Dafydd Williams Park in Caerphilly	Legal and Democratic Services

Cabinet Forward Work Programme

APPENDIX 2

– teitl - Neuadd Parc Hall – Parc Dafydd Williams, Caerffili		
--	--	--

19TH OCTOBER 2016	Key Issues	Service Area
Winter Service Plan Endorsement. Cymeradwyaeth Cynllun Gwasanaeth y Gaeaf	To seek endorsement of the council’s annual approach to Winter Maintenance.	Engineering Service
Capital Outturn Report 15/16 Adroddiad Alldro Cyfalaf 15/16	This report will provide details of actual capital expenditure against the approved Capital Programme for the 2015/16 financial year. The report will include details of overspends on a small number of schemes along with proposals to fund these overspends. These proposals will require Cabinet approval.	Corporate Finance
Review of arrangements to address external audit, inspection and regulation recommendations and proposals for improvement	Cabinet will be presented with the Wales Audit Office (WAO) Review of arrangements to address external audit, inspection and regulation recommendations and proposals for improvement report for Caerphilly CBC. The review work on which the report is based follows a WAO audit of the Authority in 2015. The report being presented to Cabinet will include details of the key findings of the review and proposals for improvement made by WAO. There will also be a list of actions that the Authority is looking to undertake to address the proposals for improvement.	Internal Audit
Corporate Asset Management Strategy Strategaeth Rheoli Asedau Corfforaethol.	To present a draft Corporate Asset Management Strategy for consideration.	Corporate Services

Cabinet Forward Work Programme

APPENDIX 2

2ND NOVEMBER 2016	Key Issues	Service Area
<p>Write-off of Debts above £20,000 (Possibly Exempt, subject to PIT)</p> <p>Dileu Dyledion dros £20,000</p>	<p>In accordance with the Council's previously approved write-off procedure, Cabinet will be asked to consider a report recommending the write-off of 3 individual outstanding debts each exceeding £20,000.</p>	<p>Corporate Finance</p>
16TH NOVEMBER 2016	Key Issues	Service Area
<p>Highway Asset Management Plan Cynllun Cynnal a Chadw'r Priffyrdd.</p>	<p>To update on the current All Wales approach to Asset Management and seek endorsement for CCBC's development of its Highways Asset Management Plan</p>	<p>Engineering Services</p>
<p>Mid-Year Budget Monitoring (Whole Authority)</p> <p>Monitro Cabol Blwyddyn Cyllideb 2015/16</p>	<p>This report will provide details of projected whole-Authority revenue expenditure for 2016/17 along with details of any significant issues arising. The report will also update Cabinet on progress in delivering approved savings for the 2016/17 financial year.</p>	<p>Corporate Finance</p>
<p>Highway Maintenance Plan. Cynllun Cynnal a Chadw'r Priffyrdd.</p>	<p>To seek endorsement of the Council's approach to maintaining its highway network.</p>	<p>Engineering</p>
14TH DECEMBER 2016	Key Issues	Service Area
<p>Council Tax Base</p> <p>Sylfaen Treth y Cyngor</p>		<p>Corporate Finance</p>
<p>Treasury Management - Review of MRP Policy.</p> <p>Rheolaeth Y Trysorlys –</p>	<p>This report will set out options for revising the Minimum Revenue Provision (MRP) Policy to identify potential savings to support the Medium Term Financial Plan (MTFP).</p>	<p>Corporate Finance</p>

Cabinet Forward Work Programme

APPENDIX 2

Adolygiad o'r Polisi Isafswm y Ddarpariaeth Refeniw.		
--	--	--

This page is intentionally left blank



POLICY AND RESOURCES SCRUTINY COMMITTEE – 4TH OCTOBER 2016

**SUBJECT: PROPERTY SERVICES – STATE OF THE ESTATE REPORT –
31ST MARCH 2016**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151
OFFICER**

- 1.1 The attached report, which was considered by Cabinet on 13th July 2016, presented the first Property Service's State of the Estate Report.
- 1.2 The report outlined that for some time the Welsh Government (WG) has produced an annual report on the "State of the Estate" relating to property in their ownership. The report was very useful and has been widely circulated by WG. The report had prompted Property Services to prepare a similar report for the Council. The main driver for it being introduced was to reflect on the significant changes that were made to better manage, rationalise and consolidate the council's property portfolio.
- 1.3 At the meeting of Cabinet, Members noted that there has been a significant amount of work undertaken by Property Services, which was highlighted within the report, with particular reference to the rationalisation of office buildings and the impact this has had on the Medium Term Financial Plan (MTFP). It was noted that this is the first of further annual reports and can act as a benchmark and demonstrate the performance of the Council.
- 1.4 Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officers report it be recommended to Policy and Resources Scrutiny Committee that: -

- (i) the State of the Estate Report – 31st March 2016, as outlined in Appendix 1 be noted;
 - (ii) the principles of completing a phased transfer of responsibility for the maintenance of all property (excluding schools and public housing) into a central corporate portfolio managed by Property Services together with the maintenance budgets as outlined in paragraph 4.1 of the report, and endorsed by Cabinet be noted;
 - (iii) subject to the views of Policy and Resources Scrutiny Committee on the 4th October 2016, the State of the Estate Report be communicated across the authority.
- 1.5 Members are asked to consider the recommendations.

Author: C.A Evans, Committee Services Officer
Ext. 4210

Appendix:
Report to Cabinet dated 13th July 2016



CABINET – 13TH JULY 2016

**SUBJECT: PROPERTY SERVICES – STATE OF THE ESTATE REPORT
31ST MARCH 2016**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151
OFFICER**

1. PURPOSE OF REPORT

1.1 To present the first Property Services' State of the Estate report (Appendix 1) to Cabinet.

2. SUMMARY

2.1 For some time now the Welsh government (WG) has produced an annual report on the "State of the Estate" relating to property in their ownership. The report is very useful and has been widely circulated by WG.

2.2 The report has prompted Property Services to prepare a similar report for the council. The main driver for that being introduced now is to reflect on the significant changes that have been made to better manage, rationalise and consolidate the council's property portfolio.

3. LINKS TO STRATEGY

3.1 The contents of this State of the Estate Report link directly to the council's Asset Management (Land & Property) Strategy. Some of the key recommendations in that Strategy are detailed in paragraph 4.1.

3.2 A prime, and growing, consideration of all matters relating to Asset Management is understanding and evaluating its impact upon the social, economic, environmental or cultural well-being of the area or community concerned. In particular the report strives to demonstrate the contribution good asset management can make to the following well-being goals within the Well-being of Future Generations Act (Wales) 2015:

- A sustainable Wales
- A prosperous Wales
- A more equal Wales
- A Wales of more cohesive communities

4. THE REPORT

4.1 The council's Asset Management (Land & Property) Strategy published in 2011/12 made a number of recommendations that have transformed service delivery within Property Services. Those recommendations include:

- Establish an Asset Management Group – Chaired by the Director of Corporate Services and including the Cabinet Member for Property Services and Asset Management

- A phased transfer of all property (excluding schools and public housing) into a central corporate portfolio managed by Property Services
- Establish a Landlord/Tenant arrangement where Property Services acts as a landlord and all building/land users are tenants
- Property maintenance budgets transferred to Property Services
- Reactive maintenance centralised and a framework of suppliers created
- Link Facilities Management with Health & Safety, particularly around Legionella and Asbestos Management and Statutory Maintenance

4.2 The State of the Estate Report -31st March 2016 details the positive impact the above recommendations have had to date. Although the transfer of property and associated maintenance budgets has not been fully completed as yet, when they are the Report highlights the benefits that can be gained.

4.3 The report focuses on corporate buildings where the authority has a maintenance liability, excluding school buildings and council house stock. The report also excludes the council's Commercial portfolio held within Planning & Regeneration.

5. WELL-BEING OF FUTURE GENERATIONS

5.1 The State of the Estate Report details how asset management contributes to the Well-Being goals as set out in Links to Strategy above. In particular:

- **A sustainable Wales:** The report includes information under the Heading of "A sustainable and accessible Caerphilly". This includes references to reducing carbon emissions in our buildings and improvements to energy performance in our buildings. A case study of the former St Ilan School (Y Gwyndy) highlights the work involved in completing this BREEAM Excellent rated project.
- **A prosperous Wales:** The report includes references to land/building disposals. In most cases freehold disposals are of land that has been identified as surplus to operational requirements and is sold for residential/commercial development thus encouraging regeneration. The disposals have also supported the provision of increased affordable housing via the council's relationship with housing associations.
- **A more equal Wales:** the report references the scale of improvements made to make public buildings accessible for all via the council's DDA Work Programme.
- **A Wales of more cohesive communities:** The report references how in the future greater focus in asset management will need to be around increasing community involvement as stakeholders. This will possibly be via the newly formed Public Service Board. Community Asset Transfer (CAT) is an area where there is likely to be increased focus in the future.

6. EQUALITIES IMPLICATIONS

6.1 An EqIA screening has been completed in accordance with the council's Strategic Equality Plan and supplementary guidance and no potential for unlawful discrimination and/or low level or minor negative impact has been identified, therefore a full EqIA has not been carried out.

7. FINANCIAL IMPLICATIONS

7.1 There are no direct financial implications arising from this report although the State of the Estate report quantifies financial savings made.

8. PERSONNEL IMPLICATIONS

- 8.1 Asset rationalisation of office accommodation has led to a smaller and more effective estate. This has inevitably impacted upon staff as available workspace has been reduced from generous levels (8.23 sq.m per workstation) to near industry average levels (6.65 sq.m per workstation). There is a realisation that revenue savings from office rationalisation is a contributor to the protection of jobs thus protecting front line service delivery.
- 8.2 Referring to recommendation 10.2, there is potential need to relocate officers to Property Services who have service responsibility for building maintenance and its budget management. However, any such relocation is likely to be minimal.

9. CONSULTATIONS

- 9.1 The report reflects the views of the consultees.

10. RECOMMENDATIONS

- 10.1 Cabinet note the contents of the State of the Estate – 31st March 2016 Report as attached at Appendix 1.
- 10.2 Given the benefits highlighted in the State of the Estate Report Cabinet endorse the principles of completing a phased transfer of responsibility for the maintenance of all property (excluding schools and public housing) into a central corporate portfolio managed by Property Services together with the maintenance budgets as described in paragraph 4.1.
- 10.3 The State of the Estate Report be communicated across the authority subject to the views of Policy & Resources Scrutiny Committee on the 4th October 2016.

11. REASONS FOR THE RECOMMENDATIONS

1. To inform Cabinet of the general condition of the council's corporate property estate.
2. To complete the centralisation of responsibility and transfer of building maintenance budgets.
3. To inform members, officers, the general public and other stakeholders

12. STATUTORY POWER

- 12.1 Local Government Act 1972. This is a Cabinet function.

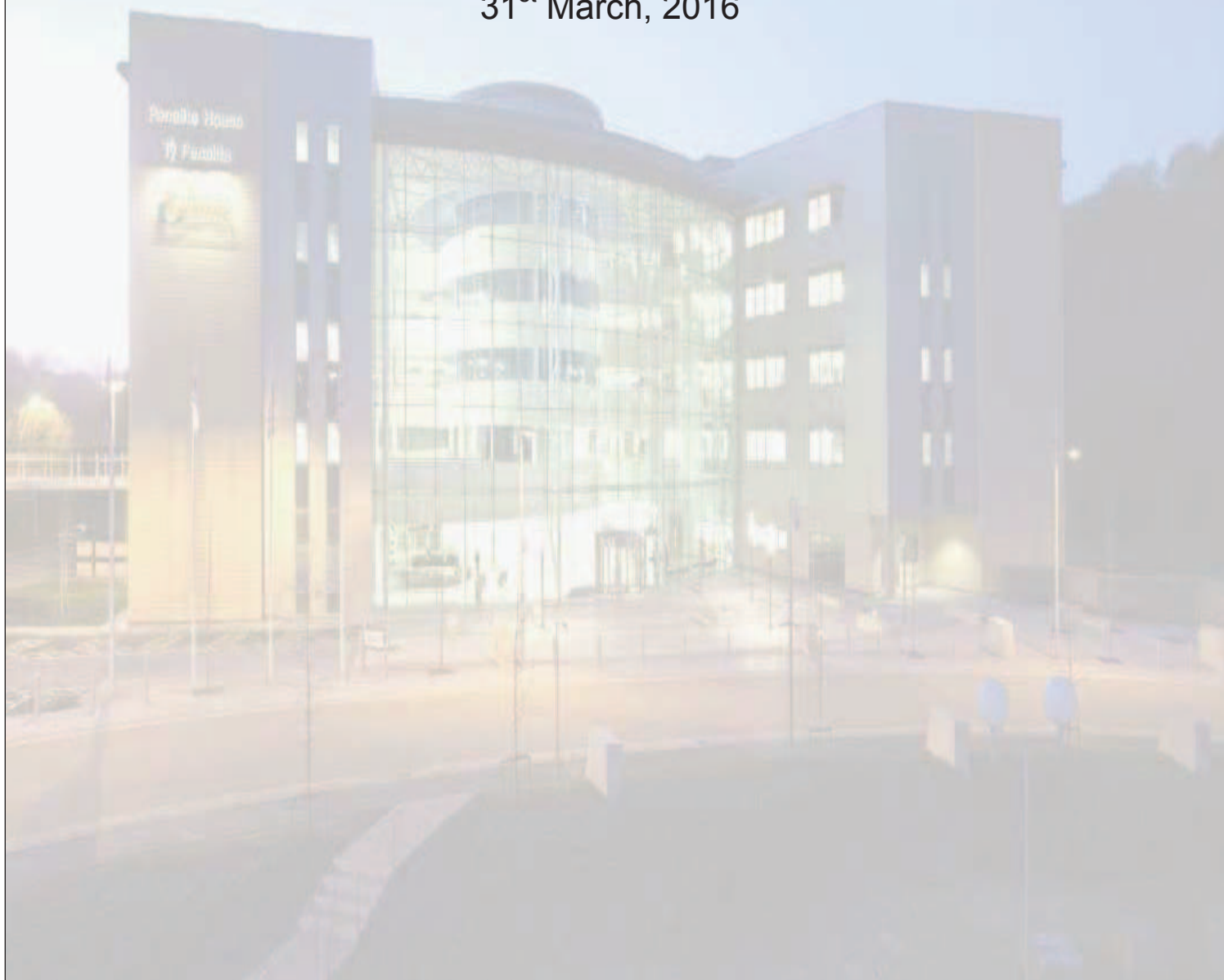
Author: Colin Jones, Head of Performance & Property Services, jonesrc@caerphilly.gov.uk
Consultees: Corporate Management Team (CMT)
Lynne Donovan. Acting Head of Human Resources
Gail Williams. Interim Head of Legal & Democratic Services
David A Thomas Senior Policy Officer (Equalities and Welsh Language)
Kathryn Peters Corporate Policy Manager
Cllr D Hardacre. Cabinet Member for Performance, Property and Asset Management.
Cllr S Morgan. Chair of Policy & Resources Scrutiny Committee

Appendices:
Appendix 1 Property Services – State of the Estate Report 31st March 2016

Caerphilly County Borough Council

State of the Estate Report

31st March, 2016



A greener place Man gwyrdach



Page 28

Page 1 of 17

Foreword



I am delighted to present this report, the first of what I hope will be an annual publication, summarising the “State of the Estate” for Caerphilly County Borough Council.

This first edition contains details of the considerable progress made in the management of the council’s Land and Building Estate since the development of the Council’s Land and Building Strategy in 2012. It demonstrates the key role Asset Management has in supporting the council to positively react to extreme funding reductions and to help it maintain service delivery.

There is no doubt that the council has to change, and Asset Management is at the forefront of those transformational changes. The council has had to, and will have to, make some difficult decisions to “balance the books” and the closure of some of our Corporate Offices is an example of those difficult decisions. Nevertheless, I believe this State of the Estate report demonstrates that, in doing so, we have been able to make high levels of savings that helps protect jobs, maintain service delivery and, in the case of Pontllanfraith House, will ultimately regenerate communities. We have also heavily committed to improving the condition of our building stock and reducing our carbon footprint.

Although in its infancy, and not therefore reflected in this report, the Council is also considering how it can promote greater Community engagement in its estate via Community Asset Transfer.

Additionally, the council needs to hold discussions with other public bodies such as the Local Health Board, Police and Voluntary Sector to explore the potential for sharing our building assets. We have already done this to a small degree with the Police in Caerphilly Library and with the Aneurin Bevan Health Board, but we recognise there is more work to be done. We are hopeful that the new Public Service Board that will be established from 1st April 2016, as part of the Well Being of Future Generations (Wales) Act 2015, will act as a conduit for these shared building resource discussions.

Introduction

Caerphilly County Borough Council has fixed assets worth £717,281,359*, which makes it the second most costly resource, after staff, to manage. Of the 20 Welsh Authorities that submitted building performance data to Welsh Government in 2014/15, Caerphilly has the 4th largest public building portfolio.

The Corporate Estate comprises office accommodation, workspace, leisure buildings and other property used to deliver council services that are owned, leased or occupied by the authority.

This report focuses on corporate buildings where the authority has a maintenance liability, excluding school buildings and council house stock.

There are a number of definitions of the term Asset Management, Caerphilly focuses on the RICS's 2008 Public Sector Asset Management guidelines:

“Strategic Asset Management is the activity that seeks to align the asset base with the organisation’s corporate goals and objectives. It ensures that the land and buildings asset base of an organisation is optimally structured in the best corporate interest of the organisation concerned”.

In recent budgets, the government has been consistent in its commitment to make savings from the public estate. The current economic climate and slow-down in the property market presents opportunities and challenges for councils acquiring and disposing of assets and managing commercial property portfolios.

Through effective management of its asset base, the council can:

- Deliver exceptional services for citizens, aligned with locally agreed priorities, whilst focusing investment clearly on need;
- Empower communities and stimulate debate;
- Improve the economic well-being of an area;
- Ensure that, once built, assets are correctly maintained;
- Introduce new working practices and trigger cultural organisational changes;
- Reduce carbon emissions and improve environmental sustainability;
- Increase co-location, partnership working and sharing of knowledge;
- Improve the accessibility of services and ensure compliance with the Equalities Act 2010;
- Generate efficiency gains, capital receipts, or an income stream; and
- Improve the quality of the public realm.

This is Caerphilly’s first *State of the Estate* report and provides a snapshot of the performance data we use to monitor the efficiency and effectiveness of our corporate buildings.

*As at 31st March, 2015. (Note: this is the “book” asset replacement value and does not represent the market value, which is likely to be significantly lower).

EXECUTIVE SUMMARY

This *State of the Estate Report* is the first report to cover the authority's building performance metrics. In future years, it will be a summary of annual performance, this issue should be read as a 'baseline' report.

Comparison over time

Through effective asset management, over the last 4 years we have achieved the following:

A smaller, more effective estate

We have:

- reduced our total square metres of corporate buildings by **6.19%** - we are now using **10,748** square meters less than in 2012;
- vacated or disposed of **34** buildings;
- increased occupancy at our existing sites, with utilisation improving from 11.33 sq.m per FTE to **9.16 sq.m** per FTE.

We have achieved this by a program of property reviews that identified poorly performing properties, and by modernising buildings to make better use of our property holdings. This has enabled us to vacate surplus properties, both freehold and leasehold, and to support more efficient ways of working.

Cost savings and Environment

We have:

- reduced our carbon emissions by **2,299 tonnes**;
- achieved NNDR (non-domestic rates) savings totalling **£3,609,393***.

**This figure excludes prior year savings totalling £4,109,616*

	Schools estate	Non-schools estate
NNDR savings 2010/11	£190,885.18	£331,284.11
NNDR savings 2011/12	£204,007.53	£324,681.15
NNDR savings 2012/13	£213,938.54	£339,326.37
NNDR savings 2013/14	£223,000.43	£357,753.22
NNDR savings 2014/15	£239,531.86	£515,827.24
NNDR savings 2015/16	£246,514.08	£422,643.39
Total	£1,317,877.62	£2,291,515.48

We have:

- achieved **£4,099,637** capital receipts from freehold disposals:

Capital receipts 2011/12	£1,089,301
Capital receipts 2012/13	£621,437
Capital receipts 2013/14	£1,054,500
Capital receipts 2014/15	£448,399
Capital receipts 2015/16	£886,000
Total capital receipts	£4,099,637

Summary of key performance since 2011/12:

	2011/12	2015/16	% change
Area Sq.M. (GIA)	173,562	162,814	-6.19%
No. of Corporate buildings	440	406	-34
Carbon emissions (t Co2)	16,236		
No. of buildings made reasonably accessible	165	209	+26.70%

Size and condition of the Corporate Estate

Since 2012, we have reduced our total office accommodation by **20.01%**, mainly due to the closure of three corporate offices, Ty Pontllanfraith, Hawtin Park and Enterprise House. This allowed relocation of staff to existing sites including Ty Penallta and Tir-y-berth Offices.

Ty Pontllanfraith had been identified as a building requiring major investment to enable continued use, which was not possible in the current financial climate. An options appraisal determined that the most viable option for the authority was relocation to existing sites and disposal of the site. The closure of the site will generate savings of **£600,000 per annum**, of which, £100k will be secured up to March, 2016.

Hawtin Park offices was a leasehold property and the termination of the lease resulted in savings to the authority of **£500,000 per annum**. Enterprise House was also leasehold and resulted in a further **£200,000 saving per annum** to the authority.

These closures enabled the Authority to fully utilise the building at Ty Penallta and further reduce the operational costs per employee (FTE).

Performance over the last year

Indicator	2014/15	2015/16	% change
Total area sq.m of Corporate buildings (GIA)	172,399	162,814	-5.56%
Total number of Corporate buildings	412	406	-1.46%
Total Net Internal Area (NIA) of Office Accommodation*	22,756	18,203	-20.01%

*based on 3 largest offices (Ty Penallta, Ty Tredomen and Ty Pontywindy)

Building Condition

From April 2015, Microsoft ceased support for the Authority's I.T. operating software, Windows XP. This necessitated the upgrade of our existing Asset Management data system.

This provided an opportunity to fully review the way our condition surveys are completed and recorded. Surveys and reports were interrogated in detail and resulted in the ability to produce more accurate condition reports than was previously possible.

Over the last year, the revised indicators show that the percentage of our **corporate buildings in condition A or B is currently 84.31%**, this compares to 46.00% last year. The difference is partly due to the old system calculating these figures on an average condition rating per building, the new system calculates the actual number of elements within each building over a 25yr period. Hence, the picture painted previously was bleaker than exists today.

Moreover, by targetting maintenance spend on Priority 1 and condition D items, this has had a considerable effect on the overall condition of the corporate estate. Our outstanding urgent works required (**Priority 1**) has been **reduced by 22.89%**.

Condition Indicators	2014/15	2015/16	% change
% of GIA of Corporate buildings in condition A	4.30 %	6.74 %	+56.75 %
% of GIA of Corporate buildings in condition B	41.70 %	77.57 %	+86.02 %
% of GIA of Corporate buildings in condition C	41.80 %	10.80 %	-74.16 %
% of GIA of Corporate buildings in condition D	12.20 %	4.89 %	-59.92 %
% Value of required maintenance cost in Priority 1	7.60%	5.86 %	-22.89 %
% Value of required maintenance cost in Priority 2	40.50 %	55.04 %	+35.90 %
% Value of required maintenance cost in Priority 3	51.90 %	39.10 %	-24.67 %

Efficiency of use

This section focuses on how efficiently we use our office accommodation. The amount of space per person is calculated as total useable space (sq.m NIA) divided by the number of full-time equivalent employees (FTEs) and/or workstations.

The data shows that, over the last 2 years, we have reduced our key office accommodation (useable NIA) by **28.94%** and, by relocating staff to existing sites, we have improved the efficiency of the remaining offices*.

In 2014/15, we had an average utilisation of 11.33 sq.m. per FTE. Over the last year, we have reduced this figure by **19.15%** to 9.16 sq.m per FTE.

However, it must be appreciated that some factors can affect the ability to improve space utilisation. Design features of certain buildings may mean that they will never be occupied to capacity.

Ty Penallta

The Council's main corporate office, Ty Penallta, was completed in 2008 and originally commissioned to accommodate 650 workstations. Although a very impressive building, with its large atrium, reception area and unique design features, it means that not all of the measured internal space is useable.

Over the last few years, it has been recognised that we need to make our buildings work for us and utilise them as efficiently as possible. By rationalising our office accommodation, and identifying the actual useable space available, we have achieved a **47.69%** increase in utilisation on the original specification. As of January, 2016, Ty Penallta accommodates 960 workstations and 768 FTEs, with further staff due to be relocated in the near future.

Corporate Offices

The table below demonstrates the improvements made to office accommodation running costs and occupation rates in our three main corporate offices.

Indicator	2014/15	2015/16	% change
Useable Net Internal Area (sq.m. NIA) Offices*	12732.2	9046.8	-28.94%
Total number of FTEs (% difference relocated to other offices)	1123.6	987.6	-12.10%
Total Office Accommodation Costs*	£2,334,006	£1,909,672	-18.18%
Office Accommodation Costs per FTE*	£2,077.26	£1933.64	-6.91%
Total Sq.M (NIA) per FTE*	11.33	9.16	-19.15%

*based on 3 largest offices (Ty Penallta, Ty Tredon and Ty Pontygwindy)

Note: 15/16 Accommodation Costs will not be confirmed until close of accounts, these are projected figures

Space per Workstation v's Space per Person (sq. m per FTE)

In 2015/16, Caerphilly has an average of **6.65 sq. m per workstation** (9.16 sq.m per FTE) in its 3 main offices. The recommended workstation size to promote efficient space planning in office buildings is considered to be 6.50 sq. m per workstation.

Although significant improvements have already been made, going forward we should ensure that services within these buildings utilise their space to its full capacity. If we were to achieve 100% utilisation, based on increasing the number of FTEs to match the number of workstations, our office accommodation costs would reduce **by 27.33%** from £1,933.64 per FTE to £1405.20 (£1,909,672/1359) per FTE, representing a potential total saving of £521,887. It is worth reiterating that this level of saving can only be realised if we can fully utilise the spare capacity.

Beyond this, the report recognises the importance of flexible working and the opportunities to make further savings through heightened utilisation of desks as well as through lower space allocation per workstation.

There is a fundamental change taking place to the way in which office space is used and managed, a change driven by technology and budget constraints. More and more occupiers are introducing flexible working styles to improve efficiency and effectiveness, allowing staff to become more mobile and make work-life choices. The modern workplace is becoming a more fluid, more responsive environment.

The table below highlights the difference between the number of workstations currently available at each of the main offices, compared to the number of FTEs occupying those workstations.

Indicator	Ty Penallta	Ty Tredomen	Ty Pontygwindy	Total
No of workstations available	960	249	150	1359
No. of FTEs - 2015/16	768	136.6	95	999.6

The Council plans to work, initially, to an average office occupation ratio of 8 workstations to 10 employees (Asset Management Strategy). The ratio of 8/10 is a conservative figure and many organisations, particularly within the private sector where, historically, the cost of office accommodation has been valued more, are working to significantly lower ratios.

The 8/10 ratio would equate to 1200 staff for 960 workstations in the case of Ty Penallta. This demonstrates there is spare capacity within the building. At Ty Tredomen, occupation numbers could be raised to 311, and at Ty Pontygwindy to 187.

The above figures clearly demonstrate there is spare office accommodation in our main corporate offices. However, we must be realistic, as there are barriers to achieving 100% occupation. In particular, car parking facilities for both staff and visitors are at a premium. Investment into increasing car parking availability, although limited in area, is potentially possible outside our current land ownership, and the potential benefits/cost are under consideration. The Council is also currently considering how agile our workforce is and how agile it needs to be. There is also the realisation that reducing public sector funding will inevitably lead to a reduction in our current workforce.

A sustainable and accessible Caerphilly

Our Sustainable Development Strategy 2008, “Living Better, Using Less”, sets out the contribution that we will make to our joint goal of a sustainable county borough, and the principles that underpin our strategy and policy development, service delivery, partnership work and the way our organisation is run.

Caerphilly has understood the importance of good energy management for some considerable time. Caerphilly was one of the first local authorities to develop and implement the Local Authority Carbon Management Programme with the Carbon Trust, and was the first in Wales to implement the Local Authority Financing scheme.

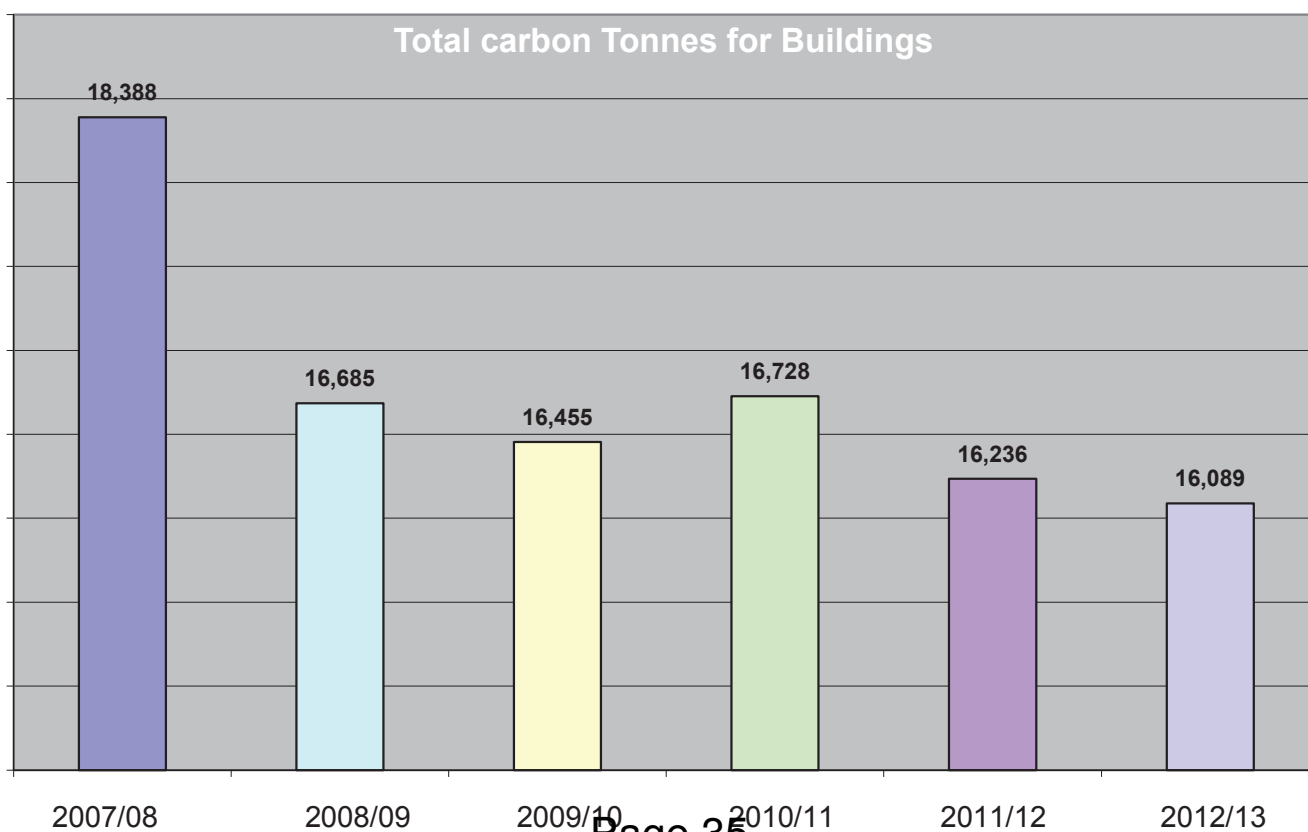
Since 2007, we have continued to reduce the greenhouse gas emissions of the corporate estate.

To assist in reducing carbon emissions and costs, the authority has a 45% Carbon Reduction Strategy in place and has recently developed a Carbon Management Improvement Objective.

In line with our Carbon Reduction Strategy, the Improvement Objective focuses on 4 priorities to reduce emissions:

- Good Housekeeping (10% reduction)
- Invest to Save (20% reduction)
- Design and Asset Management (10% reduction)
- Renewable technology (5% reduction)

Reducing Carbon Emissions



During the 14/15 financial year, British Gas changed their internal billing system. As a result of this, they have been unable to provide any billing on electricity for Caerphilly sites. Due to this, we are unable to report on total building energy costs, consumption and carbon emissions. This will be addressed in future 'State of The Estate' reports when data on all buildings will be available.

Consumption graphs for Ty Tredomen and Ty Penallta are shown below:

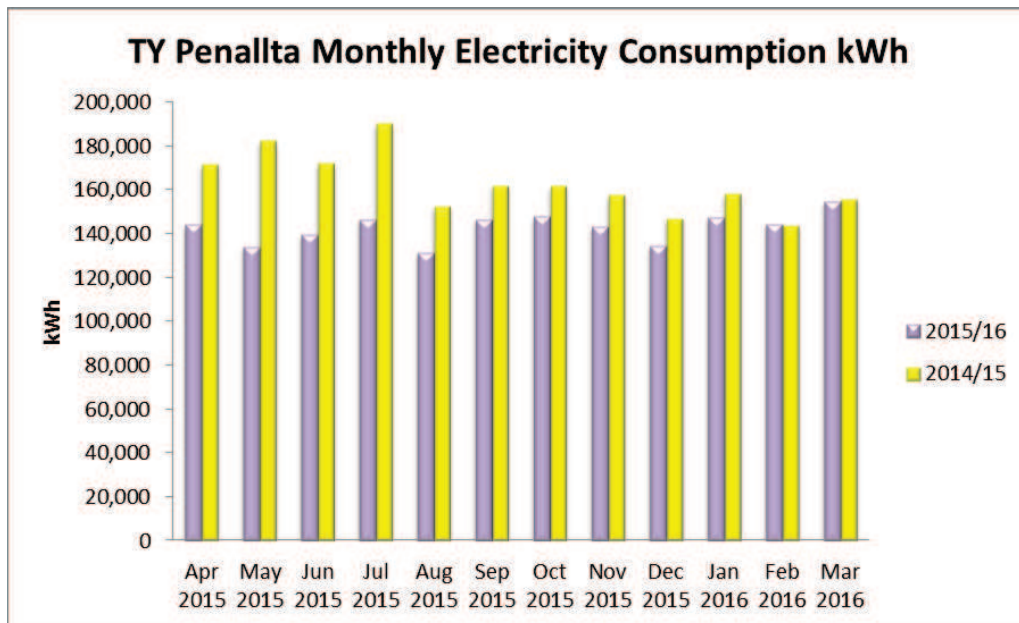


Table of Consumption (kWh) for 14/15 and 15/16

	2015/16	2014/15	Difference	Move %
TOTAL	1,718,179	1,959,273	-241,094 kWh	-12.31

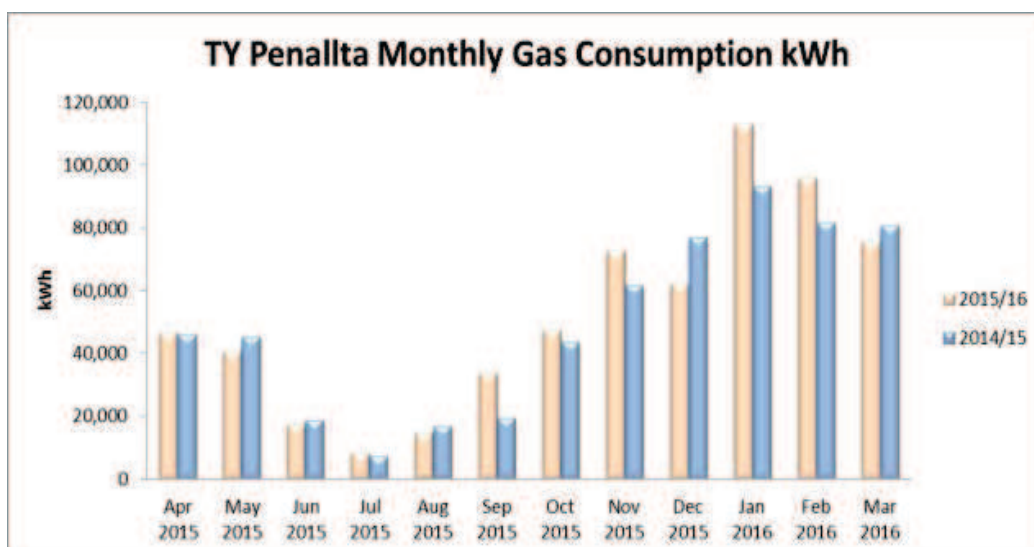


Table of Consumption (kWh) for 14/15 and 15/16

	2015/16	2014/15	Difference	Move %
TOTAL	632,013	594,236	37,777 kWh	+ 6.36

Ty Penallta's gas consumption for heating purposes is small. The increase in consumption is partly due to a need for additional heating, but mainly due to the fact that Meals On Wheels have relocated to the site and, in effect, are now maximising the use of the building's catering asset. To put the increase into perspective, 37,777 kWh equates to gas costs of £724 across the year, or £1.98 per day.

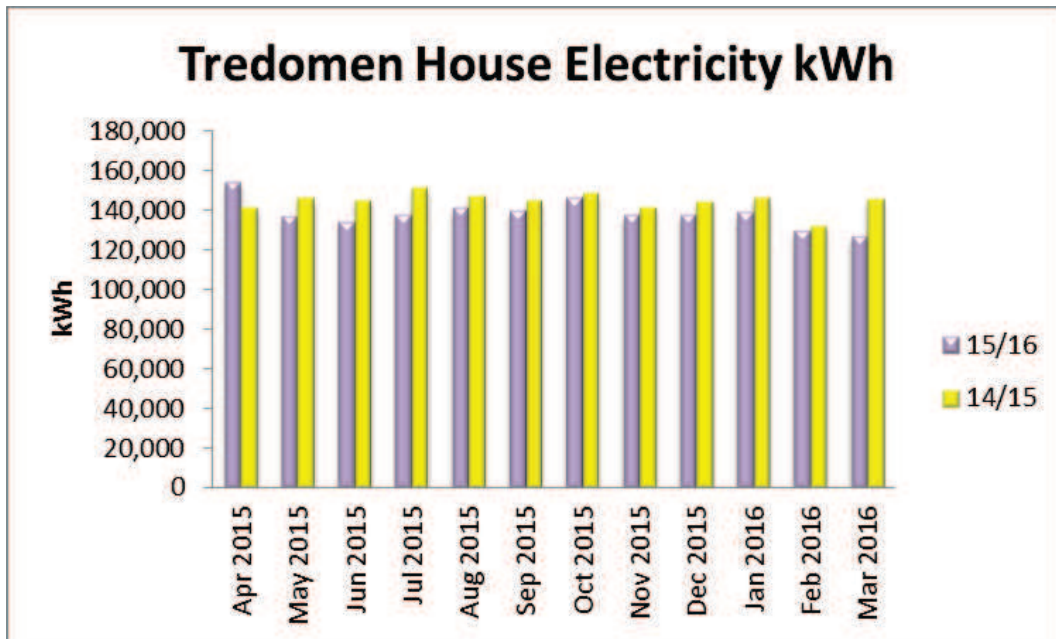


Table of Consumption (kWh) for 14/15 and 15/16

	15/16	14/15	Difference	Move %
TOTAL	1,661,331	1,719,031	-57,700 kWh	-3.35654

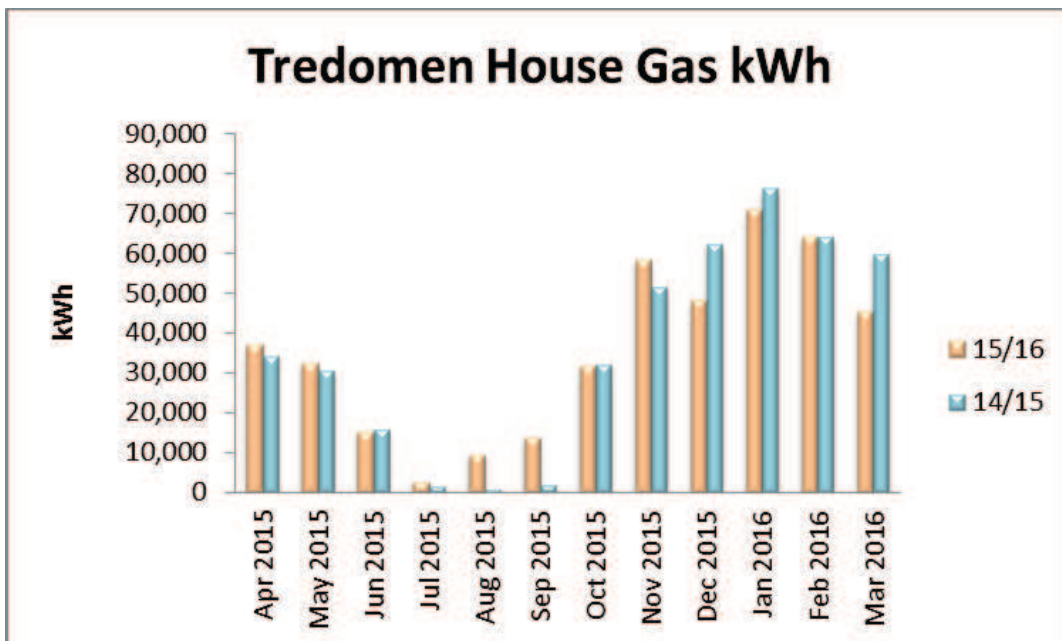
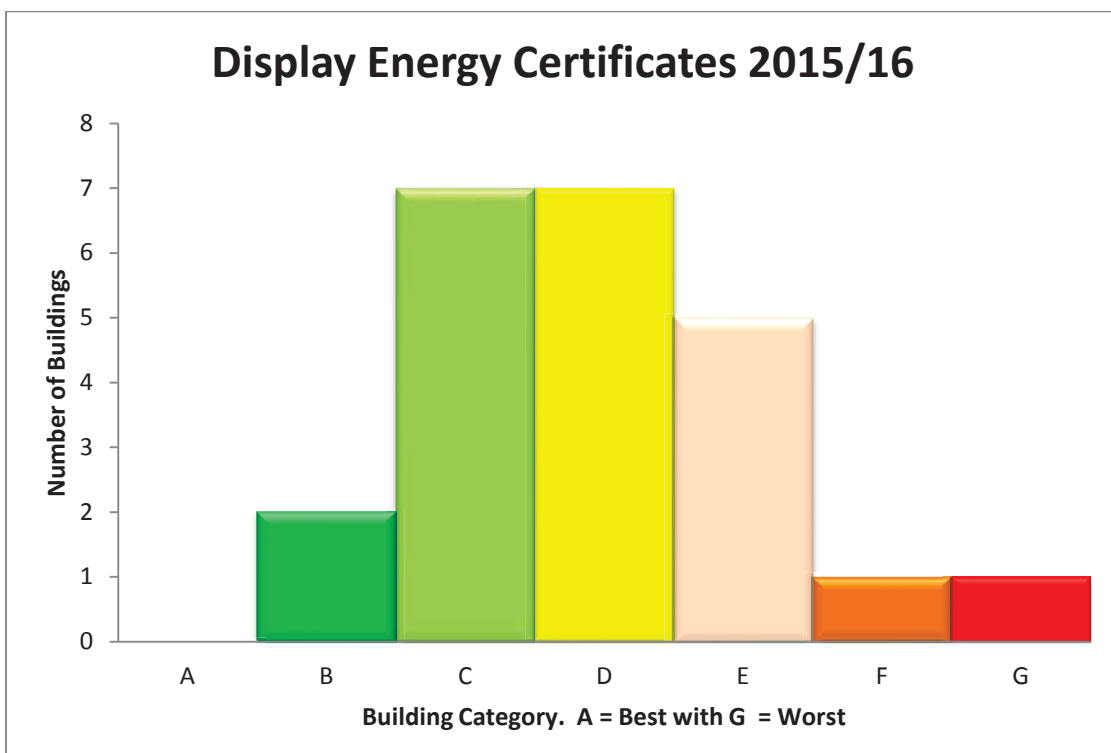
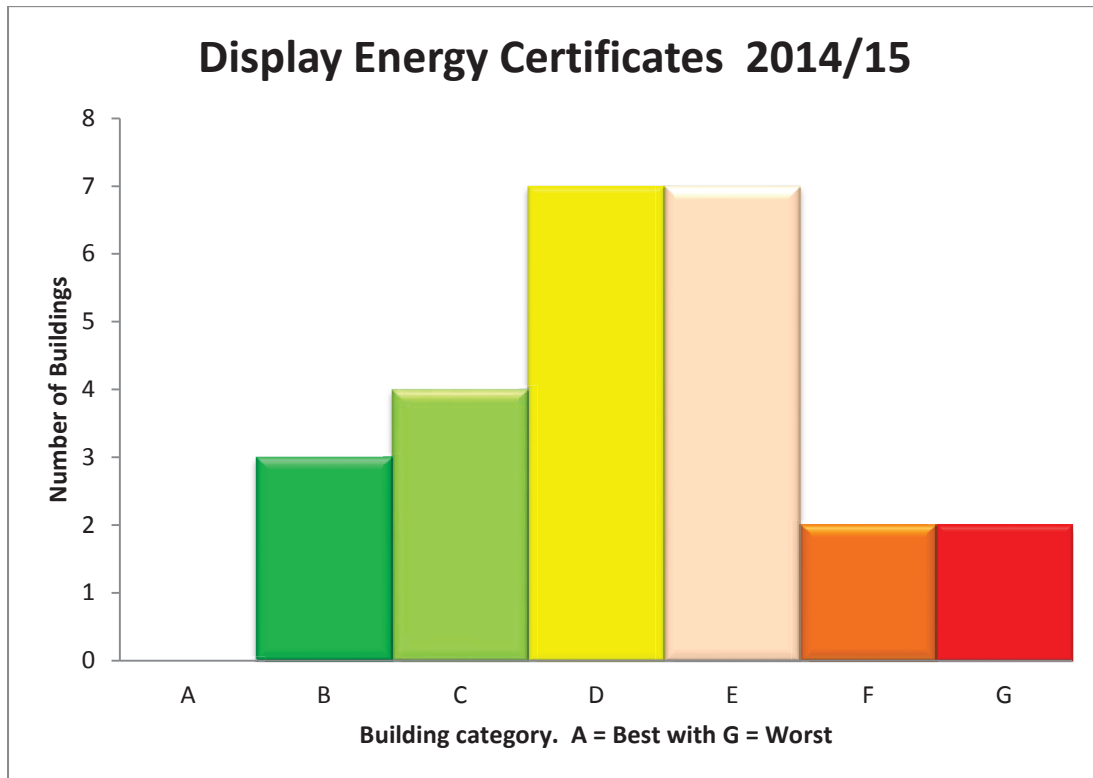


Table of Consumption (kWh) for 14/15 and 15/16

	15/16	14/15	Difference	Move%
TOTAL	432,733	433,970	-1,236 kWh	-0.28

DECs

Display Energy Certificates (DECs) show a building's energy performance from an operational perspective, that is, it accounts for people's actions on energy performance in the building. A typical building should achieve a score of 100, which is between a D and an E category in the graphs below.



Disability Access

The Council's Corporate Property Division continues to deliver improvements to make public buildings accessible for all via the DDA Work Programme. Each year, a programme of work is arranged to update and improve the physical access capacity of a range of Council owned buildings.

During 2014-15, £50,000 of capital funding and £150,000 of revenue funding was used to upgrade properties across the county borough.

DA Indicator	2014/15	2015/16	% change
No. of buildings made suitable and reasonably accessible	202	209	+3.37%

Statutory Maintenance within Corporate buildings

The Council has made a concerted effort to improve the number of outstanding priority remedial works identified via the Statutory Testing regime, as can be seen from the tables below. We have also centralised responsibility for Statutory Testing Management to build upon the progress made to date and to ensure that, in future, the council's estate is 100% compliant.

Further to the corporately managed sites, Corporate Property also offer SLA agreements to other users for the completion of their outstanding tasks. A number of schools have entered into this agreement.

Table 1. Electrical tasks which are outstanding (over 90 days) – P2s

	ELECTRICAL			
	Dec 14	July 15	Oct 15	Jan 16
Community Centres	29	0	0	68*
Corporate Property	172	0	0	0
Economic Development	177	117	37	0
Sheltered Accommodation	115	232	230	135
Social Services	275	52	79	2

*New inspections carried out in Community Centres – Jan 16

Table 2. Legionella tasks which are outstanding (over 90 days) – P2s

	LEGIONELLA			
	Dec 14	July 15	Oct 15	Jan 16
Community Centres	38	34	34	12
Corporate Property	72	2	2	6
Sheltered Accommodation	90	13	14	4
Economic Development	25	3	3	2
Social Services	183	8	2	7

Table 3. Gas Remedial Tasks which are outstanding (over 90 days) – P2s

	GAS REMEDIAL TASKS	
Community Centres	29/36 sites have completed their remedial tasks	7 Sites have outstanding tasks
Social Services	16/28 sites have completed their remedial tasks	12 Sites have outstanding tasks
Pavilions	58/62 Sites have completed their remedial tasks	4 sites outstanding
Libraries	16/19 sites have completed their remedial tasks	3 sites outstanding
Leisure Centres	2/10 sites have completed their remedial tasks	8 sites outstanding

Going forward

The report clearly shows that, through effective asset management, improvements and savings have been made over the last few years. The age when services occupied buildings in isolation from each other is gone, or at least going, and the continuing focus will be to maximise the use and efficiency of our existing building stock.

A culture of smarter working, supporting a robust programme of efficient space utilisation, and disposal of surplus property and land, will steer the way we manage our property portfolio in the coming years. We should continue to challenge whether all our assets are required, are fit-for-purpose and provide value for money to meet current and future needs.

We must continue to seek views of service users, and communities, to inform reviews of the asset base. For property assets, there should be a comprehensive programme of property reviews. Under-performing, or surplus, assets should be rationalised, or disposed of, in ways that deliver best value, and through an appraisal of the options that strike a balance between cost and income and the delivery of outcomes for local communities.

By working with the principles set out in this report, we can deliver better services, achieve higher savings and better manage rationalisation of our estate, releasing land for new homes and jobs.

In the last few years, our Building Consultancy team has been involved in a number of high profile new-build and refurbishment projects to provide state-of-the-art facilities for the residents of Caerphilly County Borough. Amongst them, the new Ystrad Mynach Centre of Sporting Excellence, Islwyn West Comprehensive School and St. Ilan Comprehensive School.

The work we have completed at the former St. Ilan School (Y Gwyndy) is a fine example of the specialist expertise that exists within the authority, and this expertise has been transferred to the Islwyn West School project. So much so, that the appointed external Project Manager for the Islwyn West project (Aecom) has recognised the quality of the design team as being amongst the best he has worked with, across both the public and private sector.

Attached at Appendix 1 is a case study detailing the project carried out at Y Gwyndy, which highlights the work involved in completing this BREEAM Excellent rated project.

BREEAM is an environmental standard that rates the sustainability of buildings in the U.K. It measures sustainable value in a series of categories, ranging from energy to ecology. Within each category, developments score points, or credits, for achieving targets, and their final total determines their rating.

Caerphilly strives to meet this standard in all new build and refurbishment projects.

Project Delivery Case Study

Y Gwyndy, 3 – 18 Welsh Medium School, Caerphilly



Overview

- Started 2012, will be completed 2016.
- Total project budget £20m.

Strategic objectives:

- To provide for the growing demand for Welsh-medium 11-18 education within the County Borough;
- To provide fit for purpose accommodation for the existing YGG Caerffili 3-11 school.

Project objective:

To create a BREEAM Excellent 1,350 pupil 3-18 Welsh medium school.

Scope of the project:

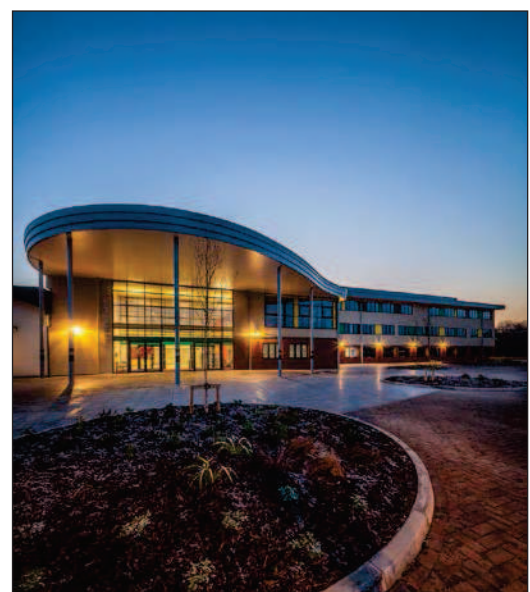
- a derelict 1,654 sq.m Grade 2 Listed Building was brought back into use;
- a derelict 2,396 sq.m 1980's teaching block was brought back into use;
- 6,536 sq.m of new build accommodation was added;
- new parking, bus drop-off and play areas were added;
- a state of the art 3G rugby pitch will be delivered in 2016.

Designed, administered and project managed by our Building Consultancy.

Description

The challenge was to sympathetically rejuvenate derelict buildings plus to add new build wings and link buildings to create a 3-18 school fit for the 21st Century.

The design team worked closely with school staff and governors, together with other stakeholders and contributors, to develop the design and liaised closely with Cadw to return the Listed Building element back to its former glory, albeit subtly adapted to provide size compliant teaching areas and to improve insulation levels.



The new build elements carry architectural details over from the existing buildings, and the result is a successful blend of different architectural styles which are brought together to create an inspiring and interesting learning environment.

Close collaboration with the school staff, and other stakeholders, helped ensure the end result was fit for purpose and user satisfaction was high. Pupils were encouraged to have an influence on the design. Indeed, pupils were given colour pallet options and chose the colour schemes.

A strong, site based client team proactively worked with the contractor's team and attended meetings with key sub-contractors to resolve detailing issues. This close collaboration meant issues were swiftly resolved in a way that was acceptable to CCBC.

The project was delivered in phases but centralised boilers, sprinkler tanks and kitchen serve the whole development.

Phase 1 - which could accommodate 200 11-18 pupils, was opened on time in September, 2013.

Phase 2 - a 450 place 3-11 school (replacement Ysgol Gynradd Gymraeg Caerffili) was similarly opened on time in September, 2015.

Phase 3 - (additional 700 11-18 places) was completed in the Autumn, 2015.

Phase 4 - 3G pitch and external play areas will be completed in Autumn 2016.

The project will be delivered within budget.

Staff and pupils are delighted with their new facilities and the school was officially opened by the First Minister, Carwyn Jones, in December, 2015.



POLICY AND RESOURCES SCRUTINY COMMITTEE – 4TH OCTOBER 2016

SUBJECT: CORPORATE ASSET MANAGEMENT STRATEGY

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151
OFFICER**

1. PURPOSE OF REPORT

- 1.1 To present to Members a DRAFT Corporate Asset Management Strategy for their consideration. The report is seeking the views of Members prior to its presentation to Cabinet and Council.

2. SUMMARY

- 2.1 In September 2013 the Wales Audit Office (WAO) undertook a review of the council's Asset Management (Land & Property) Strategy and the Auditor General concluded the review by making 5 Proposals for Improvement which included:
- 2.2 Developing a robust Asset Management Strategy for its property and associated infrastructure, and Developing and implementing arrangements to monitor the delivery of the strategy.
- 2.3 P & R Scrutiny accepted the proposition in respect of these proposals that "...progress on the development of a revised Asset Management Strategy be delayed until such time that the council's financial position becomes clearer, a revised MTFP is agreed, and services can better plan. In essence the MTFP will become the driver for the development of the Asset Management Strategy".
- 2.4 Audit Committee resolved that a Corporate Asset Management Strategy should be progressed.

3. LINKS TO STRATEGY

- 3.1 The Draft Corporate Asset Management Strategy identifies its links with the Council Priorities published in its Corporate Plan 2016/17.
- 3.2 The Strategy additionally links to the 7 national well-being goals of the Well-Being of Future Generation Act (Wales) 2015. That Act has been used to define the Principles adopted for the development of the Corporate Asset Management Strategy and they are:
- We will balance short term needs with the need to safeguard the ability to meet long term generational needs, where those long term needs are identifiable.
 - We will communicate what we are doing and the progress we have made.

- We will involve other persons in the development of our asset management strategies/plans to reflect the diversity of the people within the county borough.
- We will work with other public services bodies to deliver (where possible) both joint asset management solutions, and complementary goals.
- We will seek to improve the quality of our environment through good asset management by ensuring our resources are deployed effectively.
- Quality of life and fit for purpose assets will be our main consideration, within imposed financial constraints.

4. THE REPORT

4.1 In September 2013 the Wales Audit Office (WAO) undertook a review of the council's Asset Management (Land & Property) Strategy. This review was presented to Audit Committee on the 6th November 2013.

4.2 The Auditor General concluded the review by making 5 Proposals for Improvement which included:

P1: Develop a robust Asset Management Strategy for its property and associated infrastructure. The strategy should:

- Set out a vision for each type of asset that shows how it contributed to the council's priorities.
- Set targets for assessing progress including the condition and suitability of each asset.
- Describe an overall plan for implementing the strategy.
- Be approved by members.

P4: Develop and implement arrangements to monitor the delivery of the strategy.

4.3 At its meeting on 30th September 2014 P & R Scrutiny accepted the proposition in respect of both P1 & P4 that "...progress on the development of a revised Asset Management Strategy be delayed until such time that the council's financial position becomes clearer, a revised MTFP is agreed, and services can better plan. In essence the MTFP will become the driver for the development of the Asset Management Strategy".

4.4 Following discussions between WAO and Officers at its meeting on the 9th December 2015 Audit Committee agreed that a Corporate Asset Management Strategy should be progressed.

4.5 The Strategy should be used to align the corporate aims of the council with individual Service Strategies/Plans. Although the future of local government service provision looks less fluid than when the WAO delivered their review in 2013 the council still faces extreme financial pressures and developing strategies for the management of its assets still involves an element of crystal ball gazing. Nevertheless individual Service Strategies/Plans and their alignment to the Corporate Asset Management Strategy are the core of an effective Asset Management Strategy; however it is a two way process. The agreed vision for a service to succeed should identify the assets required over time. With that in place asset providers can:

- Match current provision with need.
- Identify gaps.

- Plan future asset investment and disinvestment that is part of delivering better service outcomes.

4.6 The Corporate Asset Management Strategy identifies where the council has appropriate service delivery strategies/plans in place; where it hasn't the challenge will be to determine whether those assets need supporting strategies and, if so, by when they can be delivered. It is important that members and officers understand that formal individual strategies should not be documented for the sake of "having a strategy" and also that developing a strategy is the start of the process and future management reviews of the currency of strategies are most important.

4.7 Despite not having a written Corporate Asset Management Strategy in place the council has been able to make significant contributions to the achievement of corporate priorities and outcomes via the management of its assets. For example the 21st Century Schools programme has seen huge improvements in the quality of our primary and secondary schools. Additionally the "State of the Estate Report" produced by Property Services, which is a part of this meeting agenda, summarises the impact the council's property rationalisation service strategy is having.

4.8 The Corporate Asset Management Strategy develops a number of strategic outcomes that are applicable to all asset types. These strategic outcomes will demonstrate the effective implementation of the corporate asset management strategy and are summarised as follows:

- COMPLIANCE: Ensuring assets comply with statutory and regulatory requirement.
- CONDITION: Maintaining assets to a satisfactory condition to support service delivery.
- SUITABILITY: Ensuring assets are fit for purpose.
- SUFFICIENCY: Ensuring available assets meet current and expected service demands.
- ACCESSIBILITY: ensuring assets are as accessible as possible to all service users.
- SUSTAINABILITY: Maintaining assets to ensure maximum operational life and minimising the potential negative impact on the environment.

4.9 It is expected that all existing service asset plans/strategies will be reviewed and revised to accord with these outcomes.

5. EQUALITIES IMPLICATIONS

5.1 This report links to several Equality Objectives namely:

- SE 03 – Physical Access
- SE 04 – Communication Access
- SE 05 – Engagement and Participation
- SE 07 – Corporate Compliance

An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor negative impact has been identified, therefore a full EIA has not been carried out.

6. FINANCIAL IMPLICATIONS

- 6.1 Links have been made between the Corporate Asset Management Strategy and the council's Medium Term Financial Plan, although there are no direct financial implications associated with this report.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no personnel implications associated with this report.

8. CONSULTATIONS

- 8.1 The report reflects the views of the consultees.

9. RECOMMENDATIONS

- 9.1 Scrutiny comment on the Draft Corporate Asset Management Strategy prior to consideration by Cabinet and a decision by Council

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To ensure the views of Scrutiny are sought prior to a decision by Council.

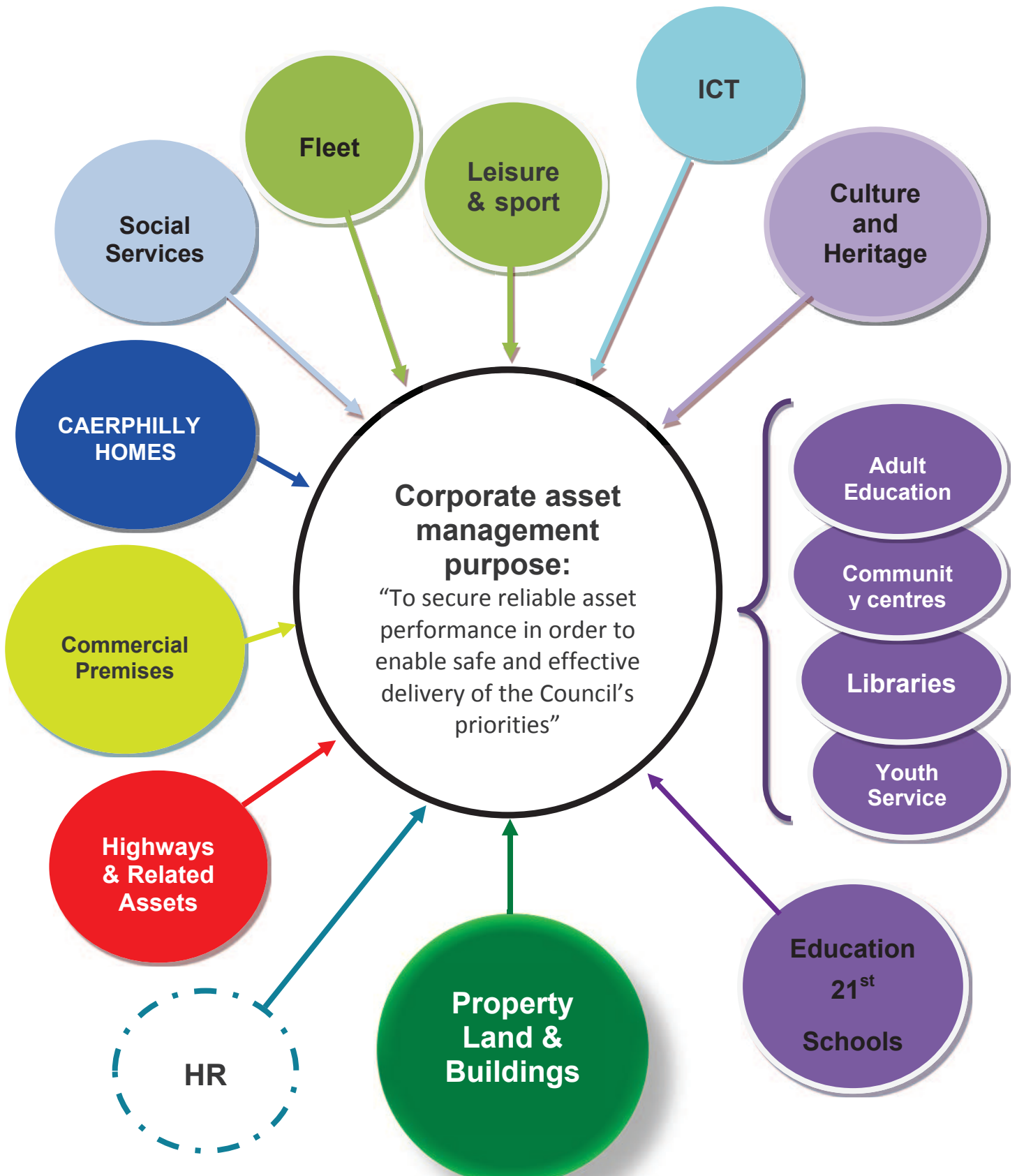
11. STATUTORY POWER

- 11.1 Local Government Acts 1974-2000. Well-Being of Future Generations (Wales) Act 2015. This is a decision for Council.

Author: Colin Jones, Head of Property Services Email: jonesrc@caerphilly.gov.uk
Consultees: Corporate Management Team
Cllr D. Hardacre. Cabinet Member for Performance, Property and Asset Management

Appendices:
Appendix 1 Asset Management Strategy 2016-2026

CAERPHILLY COUNTY BOROUGH COUNCIL ASSET MANAGEMENT STRATEGY 2016- 2026



Document Version and Change Control

Document Owner	Colin Jones
Document Subject	Corporate Asset Management Strategy
Document Location	O:\Property\~ Tim's folder\Drafts\Estates Planning
Previous Versions	CAMSUpdate Draft Version C
Location of Previous Versions	O:\Property\~ Tim's folder\Drafts\Superseded
Current Version Name	CAMSUpdate Draft Version D

Record of changes to the current version		
Date	Changes Made To	Made By
20/06/16	Cover	TJB
20/06/16	See Asset Management Strategy 2016-2026 (Education and Lifelong Learning) ¹	TJB
21/06/16	Include comments from Head of Community & Leisure Services	TJB
24/06/16	Formatting and text proofing	TJB
06/07/16	Include comments from Ros (email 0607)	TJB
01/08/16	Include amendments by HoS	TJB
01/08/16	Partial redraft	TJB
09/08/16	Incorporate comments from ESD	TJB
10/08/16	Saved as *.docx with minor consequential formatting changes	TJB
16/08/16	Include amendments by HoS	TJB
17/08/16	Include Appendix B Foundation Standard – The Meaning of Accessible, and minor redrafting within “Service Strategies”	TJB
18/08/16	Incorporate comments from HR (email 18 08 2016)	TJB
19/08/16	Incorporate comments from Gareth Evans (email 19 08 2016), & HoS	TJB
19/08/16	Minor redraft to reflect “Open Spaces” are Parks etc. (Leisure) and Country Parks (Planning & Regeneration)	TJB
19/08/16	Minor redraft to reflect comments from Acting Parks Manager	TJB
02/09/16	Include comments from Head of Community & Leisure Services Include Appendix referencing Strategic Business Cases	TJB
16/09/16	Incorporate further comments from ESD, from Planning, and minor formatting changes	TJB
23/09/16	Incorporate comments from Head of IT (Acting)	TJB

¹ O:\Property\~ Tim's folder\Drafts\Estates Planning

CONTENTS

Introduction	4
Section 1 Background and Context	4
What is Asset Management?.....	4
Our Principles	5
Outcomes	6
Council Priorities	7
Statutory.....	10
Financial.....	11
Where are we now?	11
Service Strategies	12
Ownership and Scope of the Strategy.....	21
Section 2 Strategy Outcomes	22
OUTCOME 1: COMPLIANCE	23
OUTCOME 2: CONDITION	24
OUTCOME 3: SUITABILITY	26
OUTCOME 4: SUFFICIENCY	28
OUTCOME 5: ACCESSIBILITY	30
OUTCOME 6: SUSTAINABILITY	31
Section 3 Monitoring and Review of the Strategy	33
Assumptions	35
Constraints	35
Opportunities	36
Section 4 Appendices	37
Appendix A: Future Generations National Well-being Goals	38
Appendix B: Foundation Standard – The Meaning of Accessible	39

Corporate Property Group
 Ty Penallta
 Tredomen Campus
 Ystrad Mynach

Contact Officer: Colin Jones
 Head of Property Services

Introduction

This strategy outlines our vision and long term approach to improve the recognition, management and utilisation of our assets held in the name of Caerphilly County Borough Council. The primary aim is to support Council priorities, achieve service requirements and comply with statutory duties. The overriding theme of this Corporate Asset Management Strategy is set within the context of delivering the Corporate Plan and aligning with asset review recommendations.

Section 1 | Background and Context

Caerphilly County Borough Council is the 5th largest authority in Wales in terms of geographic size and serves around 179,000 residents, although this is anticipated to grow to 189,00 over the next 10 years. It has a divergent demographic profile with a higher proportion of children and people of retirement age than Welsh averages. It has the second lowest employment rate in Wales and comparatively higher level of deprivation. The percentage of pupils entitled to free school meals (used as an indication of deprivation) runs at 21 per cent and is the sixth highest out of the 22 local authorities in Wales. Three quarters of the Council's 73 wards are in the 50 per cent most deprived areas of Wales, although the County does not have large concentrations of areas of very high deprivation compared with some other Welsh authorities.

The Council has 73 members and operates on a cabinet system with 9 portfolio holders. The organisation is the largest employer in the area with approximately 9,500 staff providing over 600 services. The Authority has a combined gross revenue and capital budget of over £562 million per annum. The Council has approximately 833 buildings including 92 schools in total, 19 Leisure centres and 18 Libraries. The Highways Service maintains a total length of 1,193 kilometres of road, 6 kilometres of The Monmouthshire and Brecon Canal and 27,150 columns of street lights. Our fleet services maintain over 500 vehicles providing a diverse range of services from meals on wheels to waste collection vehicles. As an organisation that uses considerable information technology, we support 4,500 devices and a further 10,000 devices for schools. Planning and Regeneration manages a commercial portfolio of more than 250 office and industrial properties in 16 locations across the County Borough, operates 5 visitor facilities (Llancaiach Fawr Manor House, Cwmcarn Forest Drive Visitor Centre & Campsite, Caerphilly Visitor Centre, New Tredegar Winding House Museum, and Blackwood Miners Institute), and 5 country parks (at Parc Cwm Darran, Parc Coed Tir Bargoed, Parc Penallta, Pen y Fan Pond and Sirhowy Valley).

The borough occupies some 28,000ha, taking in the three river valleys: Rhymney, Sirhowy and Ebbw. 80% of the County Borough is rural (5 country parks, 34 public parks and over 200 special interest sites.) The natural valley landscapes includes 200 peaks over 1,000 ft. (304.8m), 6 lakes and 50 rivers and waterways – providing an attractive backdrop for economic regeneration and a major opportunity for tourism and leisure developments.

What is Asset Management²?

A web search for “asset management” will yield many results related to the management of investment and finance and a potentially confusing range of apparent variants related to physical assets. For example, strategic asset management, property asset management, facilities asset management, infrastructure asset management, enterprise asset management, and others seem to claim a special case or ‘difference’. The qualifying descriptors do not change the inherently consistent core, whatever the type or nature of the assets that are to be managed.

It is therefore helpful that the ISO 55000 standard has developed a well-considered definition for asset management (clause 3.3.1):

“the coordinated activity of an organization to realise value from assets”

and where an asset (clause 3.2.1) is an:

“item, thing or entity that has potential or actual value to an organization”

and the notes for the definition of asset management state that

“realisation of value will normally involve a balancing of costs, risks, opportunities and performance benefits, and the term ‘activity’ has a broad meaning and can include, for example, the approach, the planning, the plans and their implementation.”

ASSET MANAGEMENT IS MORE THAN DOING THINGS TO ASSETS - it is about using assets to deliver value and achieve the organisation’s business objectives. It also brings a different approach and way of thinking and a transformation of organisational alignment and culture. Each organisation has to determine what it considers value to be, and choose how to manage its assets to derive best total value.

Asset management is relevant to all types of organisation, whether they are large, small, private, public, government or not-for-profit. There is growing evidence from around the world that effective asset management can improve an organisation’s reputation and its ability to:

- operate safely.
- meet its regulatory and statutory obligations,
- evaluate future business strategies for the delivery of differing performance, cost and tolerable risk profiles, and
- significantly reduce the cost of managing assets over their lives

What is an asset?

For the purposes of [Section 2 | Strategy Outcomes](#), “asset” relates solely to *material* assets, such as a ‘building’ or a ‘road’, having a life cycle to which a cost can be applied. We have included Human Resources (HR) to acknowledge the links between staff, agile working, and management of buildings; however, there is a range of HR strategies to support this ‘resource’ and, consequently, it is not included within Section 3.

Our Principles

We expect that the individual strategies and plans that underpin this Corporate Asset Management Strategy will be pursued in accordance with the following principles³:

² Reproduced from ‘An Anatomy of Asset Management’ (Version 3 December 2015) © The Institute of Asset Management

- We will balance short term needs with the need to safeguard the ability to meet long term generational needs, *where those long term needs are identifiable*.
- We will communicate what we are doing and the progress we have made
- We will involve other persons in the development of our asset management strategies/plans to reflect the diversity of the people within the county borough
- We will work with other public services bodies to deliver (where possible) both joint asset management solutions, and complementary goals.
- We will seek to improve the quality of our environment through good asset management by ensuring our resources are deployed effectively.
- Quality of life and fit for purpose assets will be our main consideration, within imposed financial constraints.

This strategy has been developed after some service strategies have been formed; therefore the developing of the overarching strategy allows for all service strategies to be reviewed or new ones to be formed in line with our overall mutual ideology for the effective use of our assets.

Outcomes

THE OUTCOMES ADOPTED FOR THIS STRATEGY, AND WHICH WILL BE APPLIED TO THE MANAGEMENT OF ALL COUNCIL ASSETS ARE:

COMPLIANCE: To ensure assets are safe for use and support service delivery assets must comply with statutory and regulatory requirements, as well as meeting appropriate best practice.

CONDITION: Assets must be maintained to ensure that they are in a satisfactory or better condition to support service delivery and achievement of corporate priorities.

SUITABILITY: Assets that are fit for purpose for current and future service delivery will be more effective in delivering the Council's priorities. Suitability is wider than asset condition as it also considers how well the asset is matched to current and planned service delivery requirements.

SUFFICIENCY: Council assets have to be sufficient for existing and future use, with capacity reflecting demand and user requirements. This element of asset management allows the council to plan to support service development, as well as identify any potential assets that are underused.

ACCESSIBILITY: To deliver services effectively to all members of the community, assets need to be reasonably accessible to everyone, especially those with physical and learning disabilities⁴.

SUSTAINABILITY: The Council's assets will be managed to ensure that their useful operational life meets expected life expectancy, as well as minimising the potential adverse impact on the environment. Sustainability should make sure that council assets are available to support ongoing service delivery in the long term.

These are addressed in more detail in [Section 2 | Strategy Outcomes](#)

³ In line with the Well-being of Future Generations Act (Wales) 2015, see Appendix A

⁴ See Appendix B Foundation Standard – The Meaning of Accessible

Council Priorities

The council has set eight priorities over four years 2013 to 2017 in consultation with the local community, partners, stakeholders and staff. These priorities represent the vital activities that the council will undertake in order to achieve better conclusions for Caerphilly County Borough.

The table below illustrates where the Corporate Asset Management Strategy directly contributes to a council priority.

Council Priorities	Corporate Asset Management Strategy
1. Peoples social care needs are identified and met in a timely and appropriate way	✓
2. Children and Adults are safeguarded from abuse	✓
3. Improve standards across all year groups particularly key stage 3 and 4	✓
4. Identify vulnerable groups of learners and develop interventions to ensure needs are met	✓
5. Reduce the gaps in attainment between pupils in advantaged and disadvantages communities	✓
6. Promote the benefits of an active and healthy lifestyle	✓
7. Invest in our Council Homes and their communities to transform lives	✓
8. Affordability – Deliver a medium term Financial Plan aimed at ultimately providing a period of stability that helps the authority to have a range of services in the future that are sustainable	✓

More explicitly, as asset management underpins almost all service delivery throughout the council, we will support the council's eight priorities in the following ways:

Council Priorities 2014 to 2017	
Council Priority	Supporting Asset Categories
1. Peoples social care needs are identified and met in a timely and appropriate way	PROPERTY (ELDERLY) – the council's operational property assets include care homes, housing for the elderly, sheltered housing and community facilities that are used by older people. Ensuring these facilities are safe fit for purpose, investing in new facilities and supports the delivery of services aimed at improving the quality of life for older people.
2. Children and Adults are safeguarded from abuse.	PROPERTY – Pan Gwent – we are working with others including housing associations to set up a women refuge. PROPERTY/EDUCATION - venues such as libraries are regarded by adults and children as safe community spaces.
3. Improve standards across all year groups particularly key stage 3 and 4	PROPERTY/EDUCATION – council investment in the condition, sufficiency and suitability of the school estate helps to maintain an effective learning environment; investment in library buildings extends this supported learning environment to accessible community locations. HIGHWAYS AND RELATED ASSETS – investment in this area ensures safe routes to schools and the maintenance of school playgrounds. OPEN SPACES – open space investment ensures our school playing fields are maintained and improved where necessary to support play and education provision. ICT – ICT investment plays a significant role in supporting education across all learning environments, including schools. Technology skills gained through use of ICT equipment are crucial to enabling positive future destinations and compliance with the Digital Competence Framework.
4. Identify vulnerable groups of learners and develop interventions to ensure needs are met	PROPERTY / EDUCATION - Maintaining Trinity Fields school and pupil referral units. Improvements to library buildings assist pupils in disadvantaged communities. ICT – provision of ICT facilities across the network assists pupils in disadvantaged communities.

Council Priorities 2014 to 2017

Council Priority	Supporting Asset Categories
5. Reduce the gap in attainment between pupils in advantaged and disadvantaged communities	<p>PROPERTY – the council’s 21st Century Schools programme is well advanced with modern, high specification buildings and facilities being provided in some of the most deprived areas of the county borough.</p> <p>ICT – ICT investment plays a significant role in supporting education across all learning environments, including schools. Technology skills gained through use of ICT equipment are crucial to enabling positive future destinations and compliance with the Digital Competence Framework.</p>
6. Promote the benefits of an active and healthy lifestyle	<p>PROPERTY – property assets that provide accommodation for services that enable our communities to make healthy lifestyle choices to improve citizens’ quality of life, both in terms of information and opportunities.</p> <p>HIGHWAYS AND RELATED ASSETS – “Active Travel” investment, road safety ETP and national standards cycle training promote an active and healthy lifestyle.</p> <p>OPEN SPACES – assets within this category provide a variety of leisure, community and sporting facilities. The improvement of open spaces and public areas has a direct link with residents’ perceptions of Caerphilly County Borough and provides diversionary activities for young people.</p> <p>WEB PRESENCE – Leisure Lifestyle and Health Challenge Caerphilly websites offering facilities and advice.</p>
7. Invest in our Council Homes and their communities to transform lives	<p>HOUSING – the council’s housing stock provides good quality affordable housing.</p>
8. Affordability – Deliver a Medium Term Financial Plan [MTFP] aimed at ultimately providing a period of stability that helps the authority to have a range of services in the future that are sustainable.	<p>Property – Having a fit for purpose property portfolio with the corporate landlord taking a ‘strategic view’ on usage of properties will continue to deliver savings by rationalising our property stock where it is relevant to do so.</p> <p>HIGHWAYS AND RELATED ASSETS – maintenance of a safe public highway network prevents costs through minimising claims; specifically, LED lighting delivers a longer life/lower energy alternative, and road surfacing treatments extend the life of the highway.</p> <p>PLANNING & REGENERATION – rental income from the industrial and commercial portfolio will contribute to the MTFP</p>

Statutory

The **Well Being of Future Generations Act (Wales) 2015**, introduced by the Welsh Government, will change the way public service plans and works. *The purpose of the Act is to ensure that the governance arrangements of public bodies for improving the well-being of Wales take the needs of future generations into account.*

It is designed to improve the economic, social and environmental well-being of Wales in accordance with sustainable development. It is about encouraging public bodies to think more about the long-term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach in accordance with the 7 national well-being goals.

The goals and their definitions are in greater detail shown in Appendix A

To demonstrate we have met our statutory duty to carry out sustainable development there are **5 ways of working** that will demonstrate this. They are:

1. Looking to the **long term** so that we do not compromise the ability of future generations to meet their own needs;
2. Taking an **integrated** approach so that public bodies look at all the well-being goals in deciding on their priorities;
3. **Involving** a diversity of the population in the decisions that affect them;
4. Working with others in a **collaborative** way to find shared sustainable solutions;
5. Understanding the root causes of issues to **prevent** them from occurring

The national guidance for applying the 5 ways of working also identifies the **management of assets** as one of seven core organisational activities, and applying the requirements of the Act to those activities is regarded as most likely to secure the change needed.

Additionally, The White Paper **Reforming Local Government: Power to Local People** published in February (2015) included specific proposals for greater community participation and transferring of assets to communities who wish to take on these assets. These are known as Community Asset Transfers (CAT). The financial pressures across Wales make this an attractive proposition to Welsh Government. At present public services are not obliged to transfer their assets. The white paper proposes that eligible community bodies can initiate a transfer for an asset from local authority to community ownership. It is the white paper's view that this may lead to sustainable long term use of property assets and there will be greater potential for innovation. It is advised that this should not be seen as a way to dispose of surplus assets but to be viewed as an opportunity to help develop the community, with the ultimate aim of 'community empowerment'.

The Council is also an active member of the National Assets Working Group (NAWG), which supports the national drive to involve the community and other public/voluntary organisations in the future management of its assets. Community Asset Transfer (CAT) will be supported wherever appropriate.

The 7 national well-being goals:

- ↳ A sustainable Wales
- ↳ A prosperous Wales
- ↳ A healthier Wales
- ↳ A more equal Wales
- ↳ A Wales of cohesive communities
- ↳ A Wales of vibrant culture and thriving Welsh language
- ↳ A globally responsible Wales

However, whether groups exist that want to take on the responsibility of managing an asset remains to be seen, but it is an aspect that must be considered within long term property and land use proposals of our assets.

We will also use the newly formed Public Service Board as a conduit for discussion with other public bodies to open discussions around sharing facilities.

Financial

The financial outlook continues to be difficult and on top of significant savings already delivered in recent years, the Council has been working hard to identify further substantial savings to enable balanced budgets to be delivered for 2016/17 and 2017/18. To ensure our MTFP can deliver savings we have developed and consulted on guiding precepts with the public, endorsed by members, to help structure how we will make those efficiency savings. Our tenets are to safeguard jobs and the services we provide, to try to reduce rather than remove and to protect front line services wherever possible looking at new ways of delivering service.

THE CORPORATE ASSET MANAGEMENT STRATEGY WILL SUPPORT THESE DETERMINANTS.

In times of financial uncertainty it can be difficult for services to plan, and know what assets are needed for delivery but this strategy is predicated upon a consistent, corporate & strategic approach to the management of the various assets, consolidating resources, eliminating duplication, improving efficiency, procurement and the establishment of corporate property standards.

Where are we now?

This strategy looks at the long term (taken as 10 years although good practice suggests 25 years); when the population assessment is completed we will use that to review the longer term but we will need to do more in order to take a more integrated approach to deciding joint priorities with other organisations. Involving a diversity of the population occurs in some areas such as leisure consultations and working with schools but we will need to widen this out and make more conscious decisions particularly with finding collaborative asset solutions with other public sector organisations. Root causes of asset management challenges are understood but the prevention of issues or building on asset strengths is an area that needs to be further developed.

The Corporate Asset Management Strategy links to the Council's priorities and helps services understand that in a time of severe financial constraints their vision has to be consistent with the council's ability to maintain its asset base.

It reminds asset users that, in developing their own service strategies/plans, the asset providers are key stakeholders; in cultivating a more co-ordinated approach, with its consequential move away from "silo mentality"⁵, appropriate service strategies will set out agreed visions in accordance with the doctrine of this document, detailing whether the current assets meet both current and future need, and identifying any necessary corrective actions.

Thus, the Corporate Asset Management Strategy provides a snapshot of various services, governance arrangements, summaries of the various services and their related asset categories; it incorporates all physical assets owned and leased by the council, including significant land based assets such as roads, open space, housing and

⁵ Under such circumstances, there may be minimal consideration as to whether the council's assets are fit for purpose *at a strategic level*

property, together with all equipment, plant and vehicles, as the council invests significant revenue and capital funds to ensure a wide range of assets are available to maintain service delivery. These budgets provide resources to support asset management activities and detailed funding information for each asset category is included within the individual asset management plans. It identifies also where the council has appropriate service delivery strategies/plans in place; where it hasn't, the challenge will be to determine whether those assets need supporting strategies and, if so, by when they can be developed.

The document has been produced to signpost readers to supplementary service delivery strategies and/or plans; it shows how assets classes contribute toward the overall Strategy, helping the Council meet its key priorities as, due to the large and diverse nature of the council's asset portfolio, nearly every citizen, visitor, employee and organisation in Caerphilly County Borough will have access to the council's assets, be it schools, parks, roads and bridges, or the council's website.

Therefore, further information on target customer groups will need to be provided in individual asset management plans that are appropriate of an effective Asset Management Strategy. The agreed vision for a service to succeed should identify the assets required over time. With that in place, asset providers can

- ➔ match current provision with need,
- ➔ identify gaps and
- ➔ plan future asset investment and disinvestment that is part of continuously improving service delivery.

Service Strategies

It is important to note that not only should formal individual strategies *not* be documented for the sake of "having a strategy" but also writing a strategy is the start of the process and future management reviews of the currency of strategies are most important.

Despite not having a written Corporate Asset Management Strategy in place the council has been able to make significant contributions to the achievement of corporate priorities and outcomes via the management of its assets. For example the 21st Century Schools programme has seen huge improvements in the quality of our primary and secondary schools. Additionally the "State of the Estate Report", produced by Property Services, summarises the current impact of the council's property rationalisation strategy.

Property (Land & Buildings):

The Council owns and maintains 833 buildings on 364 sites (as at February 2016). Overall the council controls some 8,500 acres of land and buildings having a total net book value of £717m (as at March 2015). **The service has a developed Asset Management (Land & Property) Strategy**, the key priorities of which are:

- Develop a 5 and 10 year vision for property assets via the proposed Asset Management Group and communicate the strategy and vision across the authority. Potential options identified include:
 - Reduce the portfolio through space optimisation.*
 - Reduce the portfolio through service remodelling.*
 - Reduce the portfolio through shared use with both internal and external services.*
 - Convert freehold to leaseholds.*
 - Promote Community engagement through Community Asset Transfer.*
 - Reduce costs through energy efficiency improvements.*

- Establish a corporate Asset Management Group, with a Landlord/Tenant arrangement where Property Services acts as a Landlord and all building/land users are tenants and the property budgets are transferred to Property Services.
- Promote a phased transfer of all property into a central corporate portfolio together with, where appropriate, directorate personnel employed to manage property matters. The transfer commenced with Corporate Services and Social Services in April 2012. Reactive maintenance would be centralised and a framework of suppliers created.
- Produce individual Service Asset Management plans through regular asset management meetings with directorate management teams to ensure property provision is planned in a holistic way.
- The plans will link with service strategies (e.g. Community Asset Transfer planning).
- Ensure the 3 year Capital Asset Strategy is linked to the council's Medium Term Financial Plan.

Education and Lifelong Learning

Schools:

The schools estate comprises 14 secondary schools, 75 primary schools, 1 special school and a pupil referral unit (The Learning Centre). The Directorate manages a range of school place planning strategies, together with the Welsh Government's 21st Century schools programme, as well as managing an annual schools capital programme.

School Asset Management Plans and School Places Plans are updated periodically and reported to Scrutiny Committee. The key priorities are:

- Challenges faced from reduced financial resources.
- The need to reduce surplus places within our schools, with a particular focus on secondary schools. The replacement of Oakdale and Pontllanfraith comprehensive schools with the new Islwyn High school will assist this process.
- An increase in the projected Primary school pupil population is resulting in a reduction in surplus places.
- Significant challenges to future school place planning presented by the Council's Local Development Plan (LDP) proposals to 2031.

Library Service

There are 18 Libraries offering a wide range of facilities and community networks. 13 are purpose built with 4 of these being located within or alongside other community facilities. The remaining 5 are conversions of existing buildings. Customer services provision is co-located within 5 libraries.

The Service is working within the 2014-2017 Welsh Government Public Library Standards Framework, which includes a number of new assessment areas with a focus on outcome and qualitative measures in addition to more traditional standards of attainment

This 5th Framework assists the Authority in working toward its Strategic Equalities Objectives, in particular:

- Strategic Equality Plan SEO 3- Physical Access
- Strategic Equality Plan SEO 4- Communication
- Strategic Equality Plan SEO 5- Engagement and Participation

It also links closely with 'Libraries Inspire: The strategic development framework for Welsh libraries 2012-2016'.

Community Centres

There are 38 community centres in the supported network of which 3 are not in Council ownership. A range of other community facilities make use of these centres.

In 2014, Members endorsed a proposal to establish a Working Group to further examine reducing the network of community centres, offering suitable centres to local groups via asset transfer. This group has established that the current model is working well, but that opportunities for rationalisation should be considered as appropriate.

Youth Service

This is a statutory education provider, comprising over 200 staff and engaging with approximately 20% of the target population annually. These services are provided in a variety of ways by the Authority and in partnership with other providers.

Youth Work is provided directly by the Authority through a network of 28 youth clubs (a combination of locations including school sites, community centres and dedicated facilities) and predominantly externally funded projects that are aligned with and supported by a youth service curriculum.

The absence of a formal strategy is not evidence of the absence of good planning and a mature service might well be termed to be in a stable and steady state⁶.

Is there a strategy for the future?

Adult Education Service

There are six Adult Education Centres of which one is leased and not owned by the council. One centre is based on a comprehensive school site and two co-locate with the youth service.

As previously noted, absence of evidence is not evidence of absence.

Is there a strategy for the future?

Information Communication and Technology (ICT):

The service provides a complex range of services that delivers the organisation's day to day business technology requirements, including the implementation and support of all hardware, network, telecommunications and business software applications, as well as actively supporting the implementation of new technologies to aid service delivery and service improvement across the business. The service supports approximately 4,500 corporate devices and a further 10,000 school devices as well as some 150 different software applications. The service receives on average over 330 support calls per day.

Although not part of our assets, IT Services provide data centre hosting services for Newport City and Blaenau Gwent Councils, running their Payroll & HR services.

IT provision will be integral to the implementation of agile working.

A new ICT strategy that includes the Authority's approach to enhancing its current digital solutions is currently being drafted.

Community and Leisure Services

Fleet Management

is working towards a 'managed service' which will see a contract with external companies to provide and replenish our vehicle requirements that will keep our vehicle stock current.

We collaborate with Blaenau Gwent and Torfaen Councils for Driver Certificate of Professional Competence (CPC) Periodic Training.

⁶ "Absence of evidence is NOT evidence of absence"

Currently, it is a full cost recovery service with turnover of over £4million primarily in relation to fuel, external vehicle hires, leasing and fleet management services and support. The council has approx. 500 vehicles. Current management of assets are focused on adjusting working practises to changes in legislation, such as ensuring alternative methods of compliance to be put in place, as safety nets have been removed as the DVLA move to web based systems.

Parks & Bereavement Services

manages 104 equipped playgrounds, 10 kick walls, 20 youth shelters, 11 skate parks, 2 outdoor gyms and 31 multi use games areas (MUGAs). Five of these playgrounds retained RoSPA⁷ Play Safety Awards during 2015 -16. The service manages a number of formal sports pitches across the borough which includes rugby and football pitches (including dual use), cricket, bowling greens, tennis courts and an athletics track.

The service has three parks (Morgan Jones Park, Caerphilly, The Wern in Nelson and Waunfawr Park, Crosskeys) that have been recognised as places of excellence and awarded Green Flag status, as well as 25 other municipal parks across the county borough.

In addition, it oversees the provision of some 80 allotments across the county borough, under the management of two federations (the Rhymney Valley Allotment Federation and the Caerphilly East Allotment Federation).

The strategy is to maintain current standards through prudent use of resources.

The service, which operates under, and currently has an ICCM⁸ bronze award for, the 'Charter for the Bereaved', also manages ten municipal cemeteries, which cover circa 29 hectares of land across the county borough. The service deals with circa 800 interments a year and five of these cemeteries have been successfully extended over recent years (Abercarn, Danygraig, Rhymney, Gelligaer and Bedwellty). There are two chapels located within these cemeteries, one of which is operational and available to the public to use for services prior to an interment.

Parks & Bereavement Services is bidding to secure land within the Caerphilly basin to develop an 11th site, as well as undertaking further extensions at Brithdir, Bedwas, Rhymney and Bedwellty cemeteries over the coming years.

Leisure Services

has 11 leisure centres, eight of which are located on school sites. The Council has undertaken a detailed condition survey of its 11 leisure centres rating three as good, five as satisfactory and three as poor. We have estimated that the yearly maintenance cost of our leisure centres is £3.3 million.

The authority is currently working on an overarching strategy for sport and leisure. When completed, later in 2016/17, this document will set out a strategic vision for the future provision of sport and leisure services as well as addressing issues around the buildings and other facilities required to effectively deliver that strategy.

Waste Resource Management and Street & Environmental Cleansing are key frontline functions, and revolve around the following:

- The industrial-scaled Waste & Recycling Transfer Station at Full Moon, Cross Keys receives the municipal waste collected by the Authority's collection vehicles every day of the working week. Its annual through-put is 50,000 tonnes.

⁷ The Royal Society for the Prevention of Accidents

⁸ The Institute of Cemetery & Crematorium Management

- Six (staffed) Civic Amenity /Household Waste Recycling Centres (under NRW permit) that are open to the public all year round and operate on weekends.
- A network of infrastructure in the form of (several thousand) litter bins, public 'on the go' recycling facilities, and bin storage compounds.
This infrastructure is in use 24 hour 365 days per year.
- Five Public Conveniences are presently operated and maintained.

As part of its regulatory function in respect of Old Waste Disposal Sites, the service is maintaining a landfill site (regulated by a NRW permit) that hosts an operational flare stack, together with a micro generator harnessing the methane gas reserve and generating energy for the National grid.

The absence of any formal strategy for this service is not evidence of the absence of good planning and it is considered to be in a stable and steady state

Highways, Transportation & Engineering

Highway assets deteriorate slowly; we have an established Highways Asset Management Plan, in respect of which we make an annual status report.

The impact of any given level of investment cannot be shown in the short term; our yearly report includes 20-year forecasts to enable decisions to be taken with an understanding of their long term implications.

In April 2016 the value of the Highway asset, gross replacement cost was £3.424bn and depreciated replacement cost was £3.218bn. An annualised depreciation⁹ of £17.2m was calculated.

As at 1st April 2016, the road length of public highways in the County Borough was 1,169.20km, with a further 98.2km of surfaced footpaths, and 66.1km of purpose-built Cycleways.

The extent of the Highways asset can be indicated by summarising some other figures on the main asset categories and services provided:

- 27,150 street lights
- 2,624 (illuminated), and some 6,000 (non-illuminated) signs
- 32,000 gullies
- 71 signalized junctions/crossings
- 1,250 per annum planning applications
- 68km of cycle routes
- 1,675 culverts (up to 900mm diameter)
- Some 420km of road networks salted and gritted during severe weather conditions,
- 862 permanent salt bins, plus 17 seasonal bins
- 112 Road Bridges
- 90 Footbridges
- 22 “Unusual” Structures
- 625 Retaining Walls
- 1 Height, Sign and Signal Gantries
- 246 Culverts (over 900mm diameter)
- 13 Subways

Caerphilly Homes

There are currently 10,862 council owned houses and 991 garages. We let on average 1161 houses p.a. (total properties let between 01/04/14 – 31/03/15). There are 34 sheltered housing schemes, 1 extra care scheme and 17 recognised tenants and residents associations. We also provide services to 417 leaseholders.

⁹ Annualised depreciation is the average amount by which the asset will depreciate in one year if there is no investment in renewal of the asset.

Road Length of Public Highways (km)		
	Urban	Rural
A Trunk	0.00	4.50
A County	30.40	66.2
B	52.30	11.3
C	76.30	76.1
Minor	688.9	163.2
Total	847.90	321.30
Total Surfaced Roads	1,169.20	

Our strategy to deliver to the Welsh Housing Quality Standard (WHQS) on 10,862 houses by 2019/20 is

- 1st. Through a combination of in-house staff and external contractors; and
- 2nd. Through coordination with other programmes and initiatives to tackle the social and economic challenges on the council's estates.

This is a multi-million pound annual capital programme (2015/16 is £36m, £200m up to 2019/20) will be delivered by Housing Repairs (consisting of 143 members of staff, including 114 multi-trade maintenance operatives, with an annual turnover of £7.2 million). There is a further budget of some £2.74m, which relates to response projects and uses external contractors where necessary.

Human Resources

Cabinet, at its meeting on 27th July 2016, agreed the Council's HR Strategy 2016 – 2020. The council employs almost 9,000 people and is one of the biggest employers within the Borough and the scale of that asset should be acknowledged in the context of a Corporate Asset Management Plan

As the Council makes better use of its premises, including downsizing or making more efficient use of its existing space, the need to promote and encourage a culture of agile working can assist the council to achieve its priority of affordability.

A cultural change to work in a more agile way will impact on staff and require new ways of thinking; trust for example, will become a more important value. Agile working could mean less staff needed in a premises, which could result in smaller property needs or more transient work stations and a smaller 'travel to' population would support the carbon reduction agenda, as well releasing car parking space.

This is an area that requires excellent joined up working for all parties to work through areas such as IT provision, consideration of space, and capacity planning in addition to the 'softer' areas such as culture, and trust,.

Planning & Regeneration

Commercial Development

We have a two-pronged responsibility under this heading:

- ✓ Business Support & Funding (Industrial and Office Property Portfolio)
- ✓ Urban Renewal

Business Support & Funding (Industrial and Office Property Portfolio)

We are responsible for marketing some 92 acres of development land at Oakdale.

We also manage a Council-owned portfolio of more than 250 office and industrial properties in 16 locations across the County Borough; most are let to private sector tenants on fully repairing leases. The exceptions to this are on the Tredomen campus, comprising:

- ➔ Tredomen Business & Technology Centre,
- ➔ Tredomen Innovation & Technology Centre, and
- ➔ Tredomen Gateway

Offices within these buildings are let as managed units, with some occupied by Council Services.

Given that the responsibility for maintenance of most of the portfolio rests with the occupier, annual costs are relatively low, with a budget for 2016-17 set at £186,000

for general maintenance and a further £40,000 to maintain the communal areas on the estates.

Occupancy rates, as at 1st September 2016, stand at nearly 98% with only two number 5,000ft² industrial units available in Oakdale and two number offices available in Tredomen Gateway.

Overall, estimated income for the portfolio in 2016-17 is £2,242,000.

A high occupancy rate, coupled with long waiting lists (especially for small industrial units), drives **our vision of working with private sector developers and landowners to bring forward more small industrial and office premises in locations across the County Borough** (as well as ensuring that any future applications for large scale regeneration and economic development funding includes support for buildings of this type)

Urban Renewal

We are concerned primarily with the physical aspects of urban regeneration, concentrating on town and village centres.

We also administer a small number of Commercial Improvement Grants to local businesses for improvements to shop fronts.

We have levered in substantial public and private sector funding for the regeneration of Bargoed including a retail development in which we took a head lease of 7 number retail units to 'underwrite' the development. Our initial strategy was to let the units and sell on the investment but, recognising the limited marketability of such a lease in the current economic climate, we have repurposed our model to address revenue growth over the term of our lease.

These are mature services, in a stable and steady state; the absence of a formal strategy is not evidence of the absence of good planning; **recognising that budgets will be increasingly under pressure, our strategic plan is to generate income from our portfolio.**

Culture and Heritage

The Destination & Events Unit is responsible for both marketing the county borough and developing its Destination Attractions (including the Museums & Heritage Service). We operate 5 visitor facilities:

- ➔ Llancaiach Fawr Manor House
- ➔ Cwmcarn Forest Drive Visitor Centre & Campsite
- ➔ Caerphilly Visitor Centre
- ➔ New Tredegar Winding House Museum
- ➔ Blackwood Miners Institute

Annual property related running costs for the five facilities are in the region of £381,000 (2015/16).

The asset base ranges across modern buildings (such as Cwmcarn Forest Visitor Centre with a high BREAM¹⁰ rating), older buildings such as Blackwood Miners' Institute (built in the 1920s) and Llancaiach Fawr Manor House (built in the 16th century). We have

¹⁰ The **Building Research Establishment Environmental Assessment Method**, first published by the Building Research Establishment in 1990, is the world's longest established method of assessing, rating, and certifying the sustainability of buildings

recently levered £1m of grant funding from the Heritage Lottery Fund to undertake a project at Llancaiach Fawr Manor, allowing access to a third floor within the building.

Our primary goal is to improve local employment opportunities including access to opportunities across a wider geographical area, and our specific business objectives are:

- To increase the number of tourists visiting Caerphilly County Borough.
- To enable all people to be creatively active

These support the strategic direction of the Regeneration Programme, 'The Smart Alternative', and are discussed in greater detail in our Service Improvement Plan

Our strategic plan is to develop a 'Destination Management' framework that identifies Culture and Heritage as a key product experience that the county borough has to offer visitors.

Country Parks

In addition to country parks at Parc Cwm Darran, Parc Coed Tir Bargoed, Parc Penallta, Pen y Fan Pond and Sirhowy Valley, the Service manages a National Nature reserve, several former coal tips, and other bodies of water used for a range of purposes but are primarily geared towards recreation, biodiversity and landscape management. Much of the portfolio is associated with former collieries and, totalling over 2,500 acres, within this diverse asset base are a number of visitor facilities (and associated infrastructure), listed buildings, and other structures.

Core budgets facilitate the management and maintenance of these sites although we have successfully levered considerable sums in grant assistance, both capital and revenue, to supplement these budgets.

Ours is a mature service, in a stable and steady state; the absence of a formal strategy is not evidence of the absence of good planning; **recognising that budgets will be increasingly under pressure, our strategic plan is to use sites to generate income from our portfolio.**

We have either management or development plans in place for the main sites, varying in detail by facility and use. For example:

- ✓ Parc Cwm Darran is Green Flag accredited and the management plan reflects mainly visitor use,
- ✓ Aberbargoed National Nature Reserve has detailed specific land management regulations for bio diversity
- ✓ Several of the reservoirs are subject to control and management through the Reservoirs Act 1975.
- ✓ Public Rights of Way (over 500 miles of them), are primarily managed through the Rights of Way Improvement Plan; these tend not to be owned by the authority.

We undertake the majority of management in-house, because we have the expertise although some specialist works are out sourced.

Ownership and Scope of the Strategy

The Director of Corporate Services is the owner of the Corporate Asset Management Strategy and is responsible for effective and efficient asset management at a corporate level.

In support of the Director role, each asset category has an Asset Lead Officer with the following areas of responsibility:

- Preparing asset management plans where appropriate
- Coordinating business cases for investment
- Performance monitoring and management
- Monitoring resource deployment

Asset Lead Officers are either Heads of Service or directly report to a Head of Service to ensure that day-to-day management responsibilities are clear and that delegated decision-making is undertaken at the appropriate level. The Asset Lead Officers are as follows:

Asset Lead Officers		
Asset Category	Responsible Officer	Strategy in Place
Property	Head of Property	Yes
Schools	Assistant Director - 21 st Century Schools	Yes
Library Service	Senior Manager (Library & Community Centres)	Yes
Community Centres	Senior Manager (Library & Community Centres)	No ¹¹
Youth Service	Senior Community Education Manager	No
Adult Education	Senior Community Education Manager	No
Highways & Related Assets	Head of Engineering Services	Yes
ICT	Head of ICT	Yes
Fleet	Head of Community & Leisure Services	
Leisure Services	Head of Community & Leisure Services	
Open Spaces (Parks and playgrounds)	Head of Community & Leisure Services	
Housing	Head of Housing Services	Yes (WHQS)
Human Resources	Head of Human Resources	Yes
Commercial Development	Head of Regeneration and Planning	No
Cultural and Heritage	Head of Regeneration and Planning	No
Open Spaces (Country Parks)	Head of Regeneration and Planning	No

¹¹ Service was reviewed by a Member task and finish group in 2015

Section 2 | Strategy Outcomes

As noted, the council's vision for corporate asset management is to manage assets efficiently and effectively to support the achievement of corporate priorities and outcomes. Good asset management provides appropriate structures and governance arrangements to ensure assets are utilised appropriately in support of service delivery. In the current financial climate, it is also important that resources are prioritised to ensure investment has the biggest and most positive impact for the local community.

To demonstrate that assets are being managed efficiently and effectively, a number of performance measures will be monitored for each asset category. Specific performance indicators will be incorporated into individual asset management plans; however there are a number of strategic outcomes that are applicable to all asset types. These strategic outcomes demonstrate the effective implementation of the corporate asset management strategy and can be summarised as follows:

- **COMPLIANCE:** ENSURING ASSETS COMPLY WITH STATUTORY AND REGULATORY REQUIREMENTS.
- **CONDITION:** MAINTAINING ASSETS TO A SATISFACTORY CONDITION TO SUPPORT SERVICE DELIVERY.
- **SUITABILITY:** ENSURING ASSETS ARE FIT FOR PURPOSE.
- **SUFFICIENCY:** ENSURING AVAILABLE ASSETS MEET CURRENT AND EXPECTED SERVICE DEMANDS.
- **ACCESSIBILITY:** ENSURING ASSETS ARE AS ACCESSIBLE AS POSSIBLE TO ALL SERVICE USERS.
- **SUSTAINABILITY:** MAINTAINING ASSETS TO ENSURE MAXIMUM OPERATIONAL LIFE AND MINIMISING THE POTENTIAL NEGATIVE IMPACT ON THE ENVIRONMENT.

OUTCOME 1: COMPLIANCE

Purpose

To ensure assets are safe for use, and support service delivery, assets must comply with statutory and regulatory requirements, as well as meeting appropriate best practice standards.

Activities

The main activities that will be undertaken between 2013 and 2017 are:

- Responsibility and accountability for Statutory Testing of council owned/managed buildings to be transferred to Property Services.
- Maintenance budgets will be aligned so that priority repairs identified by the Statutory Testing programmes are undertaken effectively. The council will work closely with its schools to ensure that the management of the Statutory Testing programmes in schools is equally effective.
- Introduction of services to school to provide them with Health and Safety staff either 1 day per week, or 1 day per fortnight to work with teacher on the asset requirements of the school.
- Carry out annual road condition surveys for improvements to planned and reactive maintenance

Performance

Performance indicators will monitor progress for the life of the strategy, and will be reported and monitored within the appropriate asset management plans. Examples of the indicators relating to compliance are shown below.

Performance – Outcome 1 Compliance	
Asset Category	Example Performance Indicators
Property	<ul style="list-style-type: none"> • N^o of Priority 1 & 2 electrical tasks and legionella which are outstanding (>90 days) • N^o of Priority 1 & 2 gas tasks which are outstanding (> 90 days) • % of statutory electrical and legionella inspections commissioned and completed on time • % of statutory gas inspections commissioned and completed on time
Education & Lifelong Learning	The same indicators as above but for schools and other education premises
Highways and Related Assets	<ul style="list-style-type: none"> • General inspections for Bridges and for confined space culvert • General Inspections of Retaining Walls • SCRIMM report on Road Conditions
Open Spaces	<ul style="list-style-type: none"> • N^o of safety inspections carried out in play areas / youth facilities
ICT	<ul style="list-style-type: none"> • ISO/IEC 27001 - Information Security Management Certification – Annual and triennial audits • Public Sector Network (PSN) Compliance Certification – Annual audit • SOCITM All-Wales Benchmarking
Fleet	<ul style="list-style-type: none"> • % pass rate of MOT on HGV • % safety inspections carried out on or before due date, average per year.
Housing	<ul style="list-style-type: none"> • Average number of working days taken to complete a) planned b) routine c) emergency repair

OUTCOME 2: CONDITION

Purpose

Assets must be maintained to ensure that they are in a satisfactory or better condition to support service delivery and achievement of corporate priorities.

Activities

The main activities that will be undertaken between 2013 and 2017 are:

- Property Services will be streamlining the building portfolio (recognising that the council does not have a sufficient budget to maintain its current size), and (if practicable) diverting the resultant savings into the property budget; this will move the organisation towards a building estate that is of a good standard and is sustainable. We will maintain a data base of property condition that will allow the council to provide buildings that are fit for purpose and sustainable.
- Condition surveys will be used to challenge the continued use of buildings for retention or disposal.
- ISO/IEC 27001 - Information Security Management Certification – In-depth triennial audit in 2016.

Performance

Performance indicators will monitor progress for the life span of the strategy, and will be reported and monitored within the appropriate asset management plans. Examples of the indicators relating to condition are shown below.

Performance - Outcome 2: Condition

Asset Category	Example Performance Indicators
Property	<ul style="list-style-type: none"> • % of the gross GIA of council buildings in condition category A – Good, category B – Satisfactory, C – Poor D – Bad (expired). • % of the total value of required maintenance for council buildings assigned to works of Priority level 1 (urgent) or level 2 (essential)
Education & Lifelong Learning	<ul style="list-style-type: none"> • % and number of schools in each condition category A-D • 25 year backlog maintenance amounts (£) • M² of public library space available per 1000 population¹²
Highways and Related Assets	<ul style="list-style-type: none"> • % of A,B,C roads in overall poor condition • Area of principal and non-network carriageway resurfaced • % of footway area resurfaced
Open Space	<ul style="list-style-type: none"> • Keep Wales Tidy LEAMS assessment • % of highways or relevant land inspected of a high or acceptable standard of cleanliness

¹² (Welsh Public Library Standards Core Entitlement 6)

Performance - Outcome 2: Condition

Asset Category	Example Performance Indicators
ICT	<ul style="list-style-type: none"> • Systems application and network availability • % of support incidents resolved within agreed timescales • ISO/IEC 27001 - Information Security Management Certification – Annual and triennial audits • Public Sector Network (PSN) Compliance Certification – Annual audit • SOCITM Better Connected website annual assessment
Fleet	<ul style="list-style-type: none"> • % pass rates for MOT for HGV vehicles • % safety inspections carried out on or before due date, average per year
Housing	<ul style="list-style-type: none"> • Number of homes in local authority ownership brought up to the Wales Housing Quality Standard (WHQs)

OUTCOME 3: SUITABILITY

Purpose

Assets that are fit for purpose for current and future service delivery will be more effective in delivering the council's priorities. Suitability is wider than asset condition as it also considers how well the asset is matched to current and planned service delivery requirements.

Activities

The main activities that will be undertaken between 2013 and 2017 are:

- To produce individual Service Asset Management Plans (SAMP) to ensure property provision is planned in a holistic way.
- Continue to build new schools per the 21st Century Schools work programme including:
 - ✓ St. Ilan, phases 2 & 3 in autumn 2015 and agreement to proceed to phase 4 plans.
 - ✓ Commence Islwyn West Secondary School following successful completion of Stage 1 tendering process.
 - ✓ Commence Abertysswg/Pontlottyn Primary (*not* C21st Schools work programme).
- Ensure ICT provision meets software and hardware requirements necessary to provide developing digital services and meet information security, governance and provision needs and other elements contributing to the e-government agenda.
- Ensure information systems are updated and integrated with other systems to capture a complete and accurate range of essential property data including robust building condition surveys so decisions are made on accurate and up to date knowledge.

Performance

Performance indicators will monitor progress for the life span of the strategy, and will be reported and monitored within the appropriate asset management plans. Examples of the indicators relating to are shown overleaf.

Performance - Outcome 3: Suitability	
Asset Category	Example Performance Indicators
Property	<ul style="list-style-type: none"> • % of clients satisfied with the quality of corporate offices • Total usable office accommodation per employee
Education & Lifelong Learning	<ul style="list-style-type: none"> • Overall suitability category A-D • % size compliant classroom spaces (Primary schools) • ICT provision meets software and hardware requirements necessary to provide developing digital services, information provision and to meet the e-government agenda.
Highways and Related Assets	<ul style="list-style-type: none"> • Area of principal network carriage that is resurfaced • Area of non principal network carriage that is resurfaced. • % of Light Emitting Diode (LED) replacement Street Lighting • No of Highway flooding incidents
ICT	<ul style="list-style-type: none"> • SOCITM All-Wales Benchmarking • SOCITM Better Connected website annual assessment
Fleet	<ul style="list-style-type: none"> • Planning future demand and needs to be informed in part by the Local Development Plan which identifies future land use and therefore future transportation needs
Housing	<ul style="list-style-type: none"> • Maximise the use of the council extra care sheltered housing scheme by reducing vacancy levels
Commercial Development	<ul style="list-style-type: none"> • % occupancy rate
Culture and Heritage	<ul style="list-style-type: none"> • Total number of visitors to CCBC visitor venues

OUTCOME 4: SUFFICIENCY

Purpose

Council assets have to be sufficient for existing and future use, with capacity reflecting demand and user requirements. This element of asset management allows the council to plan to support service development, as well as identify any potential assets that are underused.

Activities

The main activities that will be undertaken between 2013 and 2017 are:

- Property Services will promote a phased transfer of all property into a central corporate portfolio managed by Property Services together with, where appropriate, directorate personnel employed to manage property matters. Develop a 5 and 10 year vision for property assets via the Asset Management Group.
- Significant ICT upgrades including
 - Shift of data centre operations to use virtualised technologies to offer greater capacity management flexibility whilst reducing the Authority's carbon footprint.
 - Replacement of all desktop computing devices and the adoption of thin client technologies to facilitate agile working whilst reducing the Authority's carbon footprint.
 - Update of the MS Office product set to offer users greater capabilities for the future.

Performance

Performance indicators will monitor progress for the life span of the strategy, and will be reported and monitored within the appropriate asset management plans. Examples of the indicators relating to sufficiency are shown below.

Performance - Outcome 4: Sufficiency

Asset Category	Example Performance Indicators
Property	<ul style="list-style-type: none"> • Total usable office accommodation per employee. • Office accommodation cost per FTE office based employee. • % of assets having >80% utilisation • % of GIA LA buildings surplus • % occupancy level: Council commercial property portfolio • Reactive maintenance – Customer services rated as good or excellent
Education & Lifelong Learning	<ul style="list-style-type: none"> • % of surplus places (by school – Primary and Secondary) • % of overfilled places (by school – Primary and Secondary) • Number of Welsh Public Library Standards Core Entitlement and performance indicators met for library services
Highways and Related Assets	<ul style="list-style-type: none"> • Area of principal network carriage that is resurfaced • Area of non-principal network carriage that is resurfaced • No of Highway flooding incidents • Pothole repair responses
Open Space	<ul style="list-style-type: none"> • Park services customer satisfaction (biennial) • Number of amenity grass cuts undertaken

Performance - Outcome 4: Sufficiency

Asset Category	Example Performance Indicators
ICT	<ul style="list-style-type: none">• Capacity management statistics outlining available processor and storage scope.
Fleet	<ul style="list-style-type: none">• Availability of recycling and refuse vehicles
Housing	<ul style="list-style-type: none">• % of empty housing stock• Number of people on the waiting list• Number of social housing stock maintained

OUTCOME 5: ACCESSIBILITY

Purpose

To deliver services effectively to all members of the community, assets need to be accessible to everyone, especially those with physical and learning disabilities.

Activities

The main activities that will be undertaken between 2013 and 2017 are:

- Although the council has a well developed DDA programme managed by a dedicated disability access officer in consultation with the council's disabilities equalities group and voluntary local access group we want to make year on year improvements to public access stock
- Improve the accessible status of schools in line with the Physical Access Strategy
- Consult on all new school builds to maximise accessibility for pupils with complex needs in order for them to access mainstream provision. Improve fixed and portable equipment to aid moving and handling of children with physical disabilities in mainstream schools
- The use of tactile pavement, the increased clarity/definition from LED replacement street lighting and measures taken under Winter Maintenance.
- Revamp of the website incorporating the change to responsive design to meet the needs of smartphone and tablet users and working with independent bodies to assure its accessibility for people with disabilities.

Performance

Performance indicators will monitor progress for the life span of the strategy, and will be reported and monitored within the appropriate asset management plans. Examples of the indicators relating to accessibility are shown below.

Performance - Outcome 5: Accessibility

Asset Category	Example Performance Indicators
Property	<ul style="list-style-type: none"> • % of <i>relevant</i> council buildings made suitable and reasonably accessible for disabled members of the public.
Education & Lifelong Learning	<ul style="list-style-type: none"> • % of pupils in receipt of free school meals achieving the core subject indicator for key stage 2, 3 and 4 (level 2 threshold) • % accessible schools • Library service performance against Welsh Public Library Standards Core Entitlements 6 and 7 (access for all)
Highways and Related Assets	<ul style="list-style-type: none"> • % of network subject to precautionary salting • % of occurrences that precautionary salting completed before ice formation • Effects of LED conversions for street lighting
Open Space	<ul style="list-style-type: none"> • % rights of way considered easy to use by the public
ICT	<ul style="list-style-type: none"> • SOCITM Better Connected website annual assessment
Housing	<ul style="list-style-type: none"> • Number of tenants whose homes have been adapted to meet the WHQS to meet their specific needs

OUTCOME 6: SUSTAINABILITY

Purpose

The council's assets will be managed to ensure that their useful operational life meets expected life expectancy, as well as minimising the potential adverse impact on the environment. Sustainability should make sure that council assets are available to support ongoing service delivery in the long term.

Activities

The main activities that will be undertaken up to 2017 to achieve continued sustainability of assets are:

- We will be taking steps to reduce our carbon footprint in non domestic buildings in line with the Carbon Reduction Strategy
- We will update and maintain Building Condition Surveys so that the useful operational life of our assets meets projected life expectancy.
- We will continue the conversion to LED street lighting, usage of the recycling facilities at Coed Top and the possible conversion to a hybrid fleet of gritters.
- Shift to ICT virtualised and thin client technologies in the Data Centre and desktop, mobile working facilities to reduce the need for printed output and the adoption of MFP printing facilities to reduce the amount of toner and paper used contribute to the reduction of the Authority's carbon footprint.

Performance

Performance indicators will monitor progress for the life span of the strategy, and will be reported and monitored within the appropriate asset management plans. Examples of the indicators relating to sustainability are shown overleaf.

Performance - Outcome 6: Sustainability

Asset Category	Example Performance Indicator
Property	<ul style="list-style-type: none"> • Display Energy Certificate (DEC) – The number of Property Certificates generated and issued within the year. • Annual carbon emission savings (Tonnes of CO₂) from Council buildings – resulting from LAEF schemes that have been implemented. • The number of renewable energy technologies (claiming Feed in Tariffs or Renewable Heat Incentive) that are installed, and the merits and benefits of existing renewable schemes.
Education & Lifelong Learning	<ul style="list-style-type: none"> • % and number of schools BREEAM assessed as excellent or better. • The number of workshops and events held with schools as part of the Eco schools programme and energy awareness sessions delivered to schools. • % of schools with the highest (green flag) award under the ECO Schools programme as at 31st March. • Energy (Gas, Electricity) usage per kWh • Water Usage (per m³)
Highways and Related Assets	<ul style="list-style-type: none"> • The lifetime carbon saved on converting to high efficiency street lighting (tonnes/year). • The number of street lights converted to Light Emitting Diode (LED) format.
Open Space	<ul style="list-style-type: none"> • % of parks achieved green flag national status
ICT	<ul style="list-style-type: none"> • Thin client v. PC ratio • Virtualised v. physical servers ratio • MFP usage statistics
Fleet	<ul style="list-style-type: none"> • CCBC operating fleet – tonnes CO₂ emissions from diesel consumption. • Total fuel used by DLO fleet
Housing	<ul style="list-style-type: none"> • % materials use recycled • Average overall SAP rating for properties • Number of properties with improved energy efficiency levels through WHQS improvements • WHQS Stock with SAP rating 65+ • Number of stock that meet the WHQS

Section 3 | Monitoring and Review of the Strategy

The strategy has been consulted on with a range of interested parties and has been formally adopted on the [insert date] by Council.

The Strategy is available on the Councils Intranet, its website, and from Property Services (in hard copy).

The Cabinet Member responsible for the Asset Management Strategy is the Cabinet Member for Performance and Property.

The strategy will be monitored and reviewed by the Asset Management Group on a twice yearly basis. The review will take note of the assumptions and constraints to check if these remain the same or have changed as that in turn may alter the strategic direction of this strategy. The risk register will also be reviewed and updated at this time.

The Council has established a number of Working Groups (see right) to manage the separate strands of this Strategy, supporting recommendations to Corporate Management Team, Cabinet, and Council; they are not decision-making bodies and, generally, are chaired by the appropriate Director or Head of Service with the relevant Cabinet Portfolio Holder in attendance.

Their roles are summarised in the table overleaf.

Group
Capital and Asset Management Groups
Property Asset Management Group
Education
Education Capital Monitoring group
Highway Operations Group
Open Space Working Group
Corporate Information Technology Services Group
Information Governance Project Team
Fleet Management
Caerphilly Homes Task Group

The indicators (referred to in [Section 2 | Strategy Outcomes](#)) that measure the success of the strategy are contained within service scorecards that will be monitored within the Councils Performance Management system called Ffynnon.

Any risks that escalate in severity will be escalated to the Council's Corporate Risk Register and will then be monitored monthly at the Councils Corporate Management Team.

Group	Role
Capital and Asset Management Groups	<ul style="list-style-type: none"> • Responsibility for the direction and scope of the Corporate Asset Management Strategy and the individual asset management plans. • Corporate monitoring of general services capital programme and consideration of variances. • Evaluation of emerging investment requirements and strategic outline business cases (SOBCs). • Oversee the coordination of corporate asset management projects and initiatives.
Property Asset Management Group	<ul style="list-style-type: none"> • Responsibility for the direction and scope of the Property Asset Management Plan. • Management and monitoring of the property general services capital programme including identifying and prioritising investment. • Ensuring adequate project management resources are employed for the successful delivery of projects, including the identification and management of risks. • Initial evaluation of emerging investment requirements and SOBCs. • Facilitate service liaison on specific property asset projects and general operational property management issues. • Monitoring performance and progress on initiatives relating to the Property Asset Management Plan. • Oversee the coordination of corporate property projects.
Schools Strategy Board	<ul style="list-style-type: none"> • Responsibility for the direction and scope of the Schools Asset Management Plan. • Management and monitoring of the education capital programme including identifying and prioritising investment. • Initial evaluation of emerging investment requirements and SOBCs. • Ensuring adequate project management resources are employed for the successful delivery of projects, including the identification and management of risks. • Monitoring performance and progress on initiatives relating to the Schools Asset Management Plan. • Oversee the coordination of education projects.
Highway Operations Group	<ul style="list-style-type: none"> • Responsibility for the direction and scope of the Highways and related Asset Management Plan. • Evaluation and prioritisation of the annual works programme to align with asset management priorities. • Monitoring performance and progress on initiatives relating to the Highways Asset Management Plan. • Initial evaluation of emerging investment requirements and SOBCs. • Ensuring adequate project management is employed for the successful delivery of projects, including the identification and management of risks.

Group	Role
Open Space Working Group	<ul style="list-style-type: none"> • Responsibility for the direction and scope of the Open Space Asset Management Plan. • Monitoring performance and progress on initiatives relating to the Open Space Asset Management Plan. • Initial evaluation of emerging investment requirements and SOBCs. • Ensuring adequate project management is employed for the successful delivery of projects, including the identification and management of risks.
Corporate Information Technology Services Group (CITSG)	<ul style="list-style-type: none"> • Responsibility for the direction and scope of the ICT Asset Management Plan. • Initial evaluation of emerging investment requirements and SOBCs. • Responsibility for prioritising investment and ICT projects. • Monitoring performance and progress on initiatives relating to the ICT Asset Management Plan. • Monitoring achievement of benefits from ICT projects to project closure.
Information Governance Project Team	<ul style="list-style-type: none"> • Coordinate action to ensure compliance with legislative requirements of freedom of information, data protection, records management, and information security. • Monitoring the council's performance in dealing with freedom of information and data protection requests.
Fleet Management	<ul style="list-style-type: none"> • Responsibility for the direction and scope of the Fleet Asset Management Plan. • Responsibility for identifying and prioritising investment in conjunction with service managers. • Undertaking internal transport reviews and implementing conclusions.
Caerphilly Homes Task Group	<ul style="list-style-type: none"> • To advise and make recommendations in relation to the Housing Capital Programme, including identifying and prioritising investment. • Overseeing the coordination of housing projects.

Assumptions

The Strategy is based on the following Assumptions:

- Good communications between groups
- Budgets will continue to reduce and efficiencies will need to be found
- Sustainability in its broadest sense will dominate decision making

These assumptions will be routinely checked as part of the monitoring of the strategy.

Constraints

- ➔ We are working with an aging and deteriorating building stock and a level of negative residual life on our roads

- ➔ Year on year reducing budget – impact can reduce preventative or planned maintenance, which affects new developments for example replacement IT stock or vehicles, reduced services (i.e. library or sport centre reduced opening hours)
- ➔ Service Asset Management Plans are part of a changing landscape making it difficult for ‘service asset management plans’ to be written as the position changes quickly and on an emergent basis; for example, WHQS is behind the planned programme due to a range of issues that are identified within their dedicated risk management register.

Opportunities

- ➔ Improved understanding as to how assets can work better together (e.g. agile working leading to reducing of building costs) can help deliver the council priorities.
- ➔ Community Transfer could allow communities to take over and maintain their own assets freeing the authority up to work on a more focused set of assets. In the future and under the Future Generations Act there may be opportunity to work in partnership with others in the public sector to pool and provide assets based on community needs using the assets of others such as the health board or police. Assets based on ‘place’ and community has the potential to take a wider perspective on the benefits and use of assets.
- ➔ **Culture Properties - BIP**
- ➔ The new Public Service Board, established with effect from 1st April 2016 will act as a conduit for shared building resource discussions.
- ➔ Investment in roads – preservation treatments extend the design life of carriageways and footways, though innovations are still being looked into for more permanent solutions
- ➔ Innovative methods for completing routine Highway tasks are currently being trialled, e.g. “multihog” for streamlining reactive patching works, cold-lay tarmac for safer and more flexible treatment of potholes; along with future trials, such as the use of drones for aerial inspection of the numerous tips within the County Borough
- ➔ The usage of low energy technology to reduce both the economic and environmental costs for highway assets, such as urban and rural street lighting

Section 4 | Appendices

<u>Appendix A: Future Generations National Well-being Goals</u>	38
<u>Appendix B: Foundation Standard – The Meaning of Accessible</u>	39
<u>Appendix C: Investment Decisions (Strategic Outline Business Case)</u>	40

Appendix A: Future Generations National Well-being Goals

Goal	Description of the Goal
A prosperous Wales	An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change), and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.
A resilient Wales	A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).
A healthier Wales	A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.
A more equal Wales	A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).
A Wales of cohesive communities	Attractive, viable, safe and well-connected communities.
A Wales of vibrant culture and thriving Welsh language	A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation
A globally responsible Wales	A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing make a positive contribution to global well-being.

Appendix B: Foundation Standard – The Meaning of Accessible

4. Foundation Standard – The Meaning of Accessible

4.1 The overall aim would clearly be to have all buildings fully physically accessible to all people by completing all recommendations from the access audit. This in the majority of cases could then be described as a fully accessible building.

4.2 As this is a number of years away the proposal in the interim is to set criteria that the Council can work towards. Four broad criteria are recommended to meet the definition of physically accessible.

Once a property can fulfil the four criteria, it will be physically accessible to the foundation standard.

Note – If any of the criteria proved to be unreasonable e.g. accessible parking bay in the centre of a shopping area, this would be highlighted in the access plan.

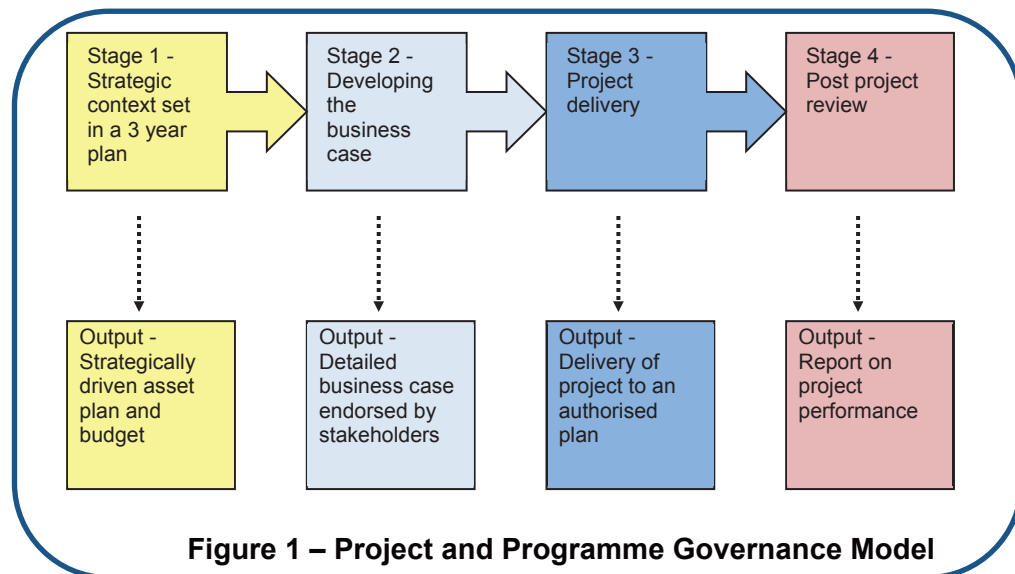
The four criteria are:

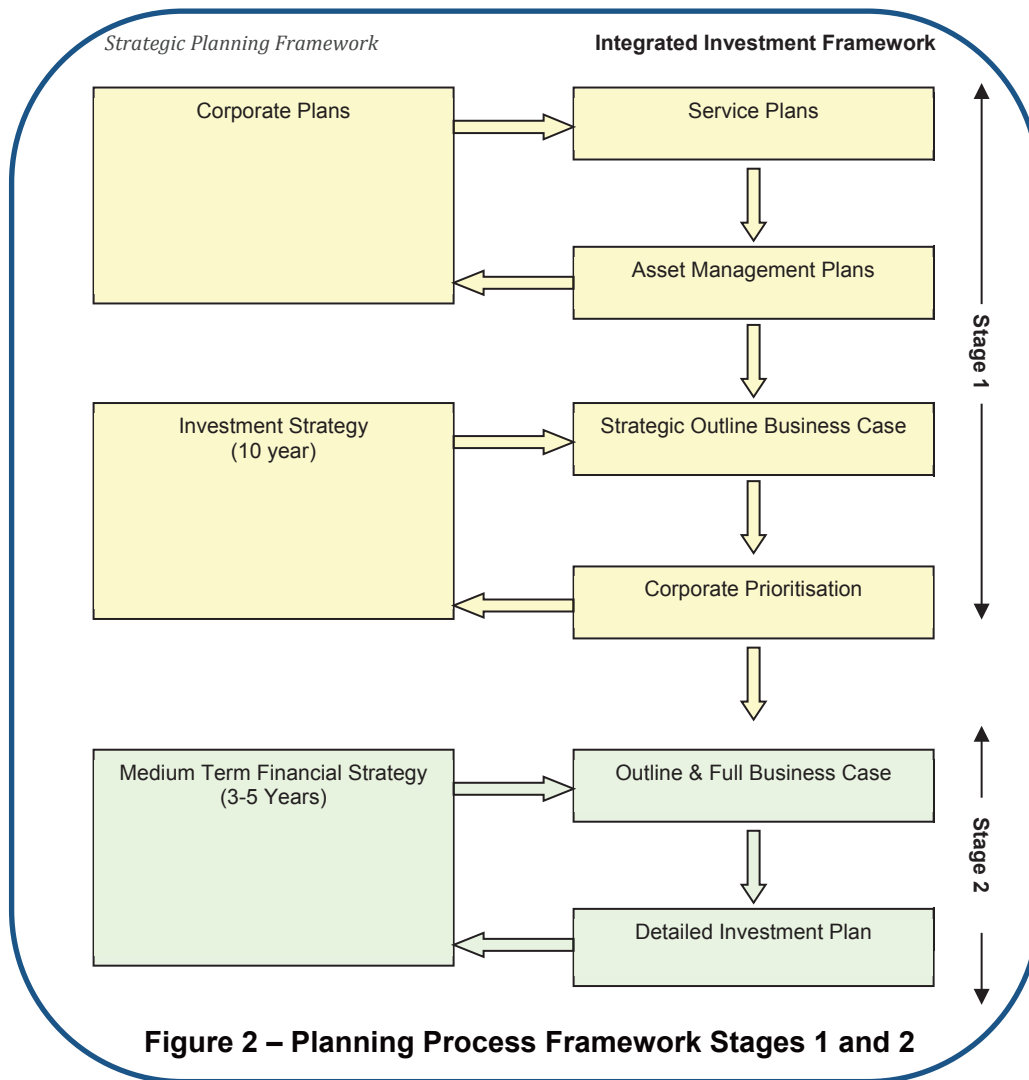
- **Parking** - clearly marked, designated, accessible bays with dropped kerbs, tactile paving and clear access routes,
- **Main Entrance** - level entrance and lobby doorways with accessible opening mechanisms
- **Reception** - clear access routes to the main reception area, with a low level counter and hearing loop system,
- **Accessible WC** - unobstructed route to an accessible WC near to the reception area or within a reasonable distance,

4.3 These criteria may or may not provide full access to the service or facility from which the premises operates, as individual services may have more specific requirements e.g. access to a library's first floor. It is however a reference/base point to set up a program of works, which can be monitored and measured year on year. In the meantime, consideration needs to be given to how the service can be provided in an alternative way e.g. staff to obtain requested books from library's first floor for the individual.

Appendix C: Investment Decisions (Strategic Outline Business Case)

1. There must be 3-year rolling asset management plans for each directorate setting out the property requirements over the period of the plan and identifying the associated budgets for recurring revenue, non-recurring revenue and capital expenditure. Reactive maintenance, by its very nature, is difficult to plan, but the intention is to maintain a programme of planned maintenance. There will, nonetheless be a requirement for a budget heading for reactive maintenance within the 3-year programme.
2. An integrated investment framework will be established. The framework will provide the link between individual and corporate asset management plans and the investment strategy enabling capital/revenue allocations that are supported by corporate prioritisation and an option appraisal. Fig 1, below, sets out the recommended governance model from a strategic context to post project review. Fig 2, overleaf, further defines the planning process of stages 1 and 2.
3. This longer term integrated approach to corporate prioritisation and asset management will ensure that investment is clearly linked to effective and sustainable management of the authority's extensive asset portfolio. The key objectives are to ensure the deployment of fit for purpose assets that support service provision and to target investment to where the benefits are maximised





4. A Strategic Outline Business Case (SOBC) will be prepared for each proposed investment (excluding annual recurring revenue expenditure). The SOBC will provide high-level information for each investment in order that informed decisions can be taken during the planning and prioritisation process. It will also set the base on which to build a full business case, if appropriate.
5. The SOBC must place the proposal in a strategic context setting out the following key information:-
 - The needs and purpose of the project
 - Who the interested parties are
 - The project scope and definition
 - Its benefits profile (and aims and objectives)
 - The links to strategic and corporate programmes and plans
 - The links to business and service improvement and change plans.
 - Budget cost estimates

Corporate Prioritisation

6. The SOBC's must:-

- ↳ Give an indication of the total financing requirement.
- ↳ Identify core statutory, compliance and lifecycle investment.
- ↳ Prioritise the investment against pre-determined criteria
- ↳ Authorise projects in principle and allocate any funds required to move the project forward to the full business case stage
- ↳ Measure the impact on the property condition status

Outline and Full Business Case

7. This will enable informed decisions to be taken for the inclusion of investments in a detailed 3-5 year capital programme and to progress individual projects to completion. The Outline and Full Business Cases build on the SOBC and will contain more detail, as a result of a project being authorised and funded to proceed in principle during the corporate prioritisation process. The business case should set out the following key data:-

- ↳ The benefits profile (and aims and objectives);
- ↳ Links to strategic and corporate programmes and plans
- ↳ Links to business and service improvement and change plans
- ↳ Operational costs and efficiency savings
- ↳ Sign off from all key stakeholders and contributors.
- ↳ The risks involved – and how they can be managed
- ↳ Detailed costs, and criteria for evaluation and prioritisation
- ↳ Support from the financial model
- ↳ An implementation project plan and timetable
- ↳ Plans for procurement strategy development



POLICY AND RESOURCES SCRUTINY COMMITTEE – 4TH OCTOBER 2016

SUBJECT: CAPITAL OUTTURN 2015/16

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

1. PURPOSE OF REPORT

- 1.1 To provide information to Members relating to the capital outturn for the 2015/16 financial year.
- 1.2 To present details of proposals to fund overspends on specific schemes prior to consideration by Cabinet.

2. SUMMARY

- 2.1 The report provides details of actual capital expenditure for the 2015/16 financial year and slippage that has been requested to be carried forward into 2016/17.

3. LINKS TO STRATEGY

- 3.1 The contents of this report are in accordance with the Budget Strategy agreed by Council at its meeting on the 25th February 2015.

4. THE REPORT

- 4.1 The approved Capital Programme for the 2015/16 financial year totalled £49.15m, consisting of £12.86m for the General Fund and £36.29m for the Housing Revenue Account (HRA). During the year specific grants, slippage and contributions were received for various service areas taking the total available capital resources for 2015/16 to £91.11m. This is summarised in the table below: -

	General Fund £000s	HRA £000s	Total £000s
Approved 2015/16 Budget	12,861	36,290	49,151
Slippage Brought Forward from 2014/15	23,397	0	23,397
In Year Grants, Contributions	13,153	0	13,153
S106 Funding	2,483	0	2,483
Revenue Contribution to Capital Outlay (RCCO)	2,058	0	2,058
Other Funding	864	0	864
Total:	54,816	36,290	91,106

4.2 The following table provides a summary of the 2015/16 outturn against each service area: -

Capital Programme	Revised Estimated Target Spend £000s	Outturn Capital Spend £000s	Variance £000s
Education	23,639	14,861	8,778
Lifelong Learning	126	-	126
Social Services	852	649	203
Private Housing	4,232	2,467	1,765
Urban Renewal & Countryside	4,495	3,658	837
Engineers	10,448	6,674	3,774
Land Reclamation	1,901	-	1,901
Property Services	2,194	1,145	1,049
Community & Leisure Services	3,342	935	2,407
Public Protection	884	824	60
Economic Dev & Regeneration	558	537	21
Corporate Services	692	375	317
Corporate Finance Balances	1,453	-	1,453
General Fund Total: -	54,816	32,125	22,691
HRA Total: -	36,290	28,861	7,429
Total Capital Programme: -	91,106	60,986	30,120

4.3 The 2015/16 Housing Revenue Account (HRA) underspend of £7.4m will be carried forward into the 2016/17 financial year to support the ongoing programme of works to meet the Welsh Housing Quality Standard (WHQS).

4.4 The General Fund variance of £22.69m can be split between schemes that are ongoing or have been delayed in 2015/16 (slippage), ring-fenced budgets, schemes that were underspent as at 31 March 2016 and schemes that have resulted in overspends.

4.5 **Slippage:** Schemes to the value of £14.7m have been slipped into 2016/17 as a result of an ongoing program of works and delays in contractual arrangements. Appendix 1 sets out the schemes where slippage has occurred.

4.6 **Ring-fenced budgets:** As at 31 March 2016, a number of ring-fenced budgets remained unspent to the value of £7.6m. These budgets relate to specific grants, contributions and Section 106 monies or earmarked revenue funding transferred to a capital reserves. Appendix 2 provides a breakdown of the £7.6m.

4.7 **Underspends:** As at 31 March 2016, underspends totalling £868k were released into capital balances following agreement with budget holders. Details are provided in Appendix 3.

4.8 **Overspends:** As at 31 March 2016 a number of service areas were reporting overspends against capital schemes to the value of £478k. Appendix 4 details the schemes and the proposed funding correction required as agreed with budget holders. The overspends in relation to Bargoed Regeneration (£197k), Newbridge Regeneration (£75k) and Hafod Deg (£67k) remain unfunded as at 31 March 2016.

4.9 Bargoed Regeneration Overspend

4.9.1 From 2009 to 2015, the Council led the delivery of major European funded regeneration programmes for Newbridge and Bargoed Town Centre. Over £20m worth of investment was secured towards physical improvements in both of the town centres. However, both programmes experienced issues which have led to the Council being financially exposed.

- 4.9.2 With respect to Bargoed, a number of circumstances arose during the design, procurement and implementation of projects delivered as part of the phase 4 Bargoed Regeneration Programme. These unforeseen circumstances delayed overall progress and resulted in expenditure being incurred after the Wales European Funding Office (WEFO) deadline of 30th June 2015. This expenditure is ineligible for recovery via the European Regional Development Fund (ERDF) grant and the Council is wholly liable for it.
- 4.9.3 As at 31 March 2016, the overspend relating to Bargoed amounted to £197k. It is anticipated that a further £54k of costs will fall also due in 2016/17.
- 4.10 Newbridge Regeneration Overspend**
- 4.10.1 In December 2013, the Council secured additional ERDF grant funding to undertake a final phase of regeneration projects in Newbridge. Both the Stage 3 Public Realm Town Centre Enhancement and Riverside Walk projects achieved substantial practical completion prior to the WEFO deadline of 30th June 2015. However, residual engineering and landscape architect fees continue to be incurred post completion. Additional remedial costs in relation to the Riverside Walk and Public Realm works have also been incurred and have been exacerbated by a number of latent defects being exposed with the Riverside Walk project which cannot be addressed by the main contractor as they have gone into administration.
- 4.10.2 Post June 2015 expenditure also includes a final grant payment to the project's Joint Sponsor in relation to the Memo restoration works and payment of a grant recovery invoice from WEFO following a European Funding Audit Team (EFAT) audit which identified ineligible project expenditure.
- 4.10.3 As at 31 March 2016, the Newbridge overspend was £75k. This expenditure is ineligible for recovery via ERDF grant and the Council is wholly liable for it. It is anticipated that a further £31k of costs will also fall due in 2016/17.
- 4.11 Hafod Deg Overspend**
- 4.11.1 In June 2014 an outline business case was submitted to Welsh Government (WG) to seek £1m funding for Rhymney from the Welsh Government Vibrant and Viable Places (VVP) – Tackling Poverty Fund. WG had awarded the Authority a grant allocation of £200,000 for the refurbishment of Hafod Deg.
- 4.11.2 Due to delays in both WG approvals in scope of works and the need to undertake unforeseen additional works, the works programme fell behind schedule resulting in a drawdown of only £152,413 to fund capital expenditure in 2014/15 (amounting to £138k). £47,587 was therefore considered ineligible for recovery from WG's VVP programme forming the main component of the Council's exposure on the project.
- 4.11.3 A further £167k was expended in 2015/16. A WG virement part funded the 2015/16 expenditure, but as at 31 March 2016 the net overspend was £67k.
- 4.12 It is proposed that the unfunded expenditure as at 31 March 2016 for Bargoed, Newbridge and Hafod Deg totalling £339k should be met from the following sources: -
- Communities Directorate Revenue Reserves amounting to £247k.
 - 2015/16 underspend on the Urban Renewal Commercial Improvements Grant scheme amounting to £32k.
 - Underspends relating to completed capital schemes in the Economic Development and Regeneration service area totalling £17k.
 - £35k from a partial release of match funding previously set aside for the Heritage Lottery Fund (HLF) Llancaiach Fawr scheme. This match funding is no longer required due to additional grant approvals.
 - 2016/17 estimated underspend on the Urban Renewal Commercial Improvements Grant scheme amounting to £8k.

- 4.13 It is proposed that the additional 2016/17 liabilities of £54k in respect of Bargoed and £31k for Newbridge should be funded by a Revenue Contribution to Capital Outlay (RCCO) from the 2016/17 revenue budget for the Regeneration, Planning and Economic Development Division. The Division is currently projecting a revenue underspend of £125k.

5. EQUALITIES IMPLICATIONS

- 5.1 An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor negative impact has been identified regarding this report; therefore a full EIA has not been carried out.

6. FINANCIAL IMPLICATIONS

- 6.1 As detailed throughout the report.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no direct personnel implications arising from this report.

8. CONSULTATIONS

- 8.1 There are no consultation responses that have not been reflected in this report.

9. RECOMMENDATIONS

- 9.1 The Policy & Resources Scrutiny Committee is asked to: -

9.1.1 Note the 2015/16 capital outturn position.

9.1.2 Consider and support a recommendation to Cabinet to fund the overspends in relation to Bargoed and Newbridge regeneration schemes and Hafod Deg as detailed in paragraphs 4.12 and 4.13 of this report.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To ensure that Members are advised of the 2015/16 Capital Programme outturn.

11. STATUTORY POWER

- 11.1 Local Government Act 1972.

Author: N. Akhtar – Group Accountant -Treasury Management & Capital

E-mail: Akhtan@caerphilly.gov.uk Tel: 01443 863313

Consultees: S. Harris - Interim Head of Corporate Finance

A. Southcombe - Finance Manager, Corporate Finance

N. Scammell – Acting Director of Corporate Services & S151 Officer

M. Eedy - Finance Manager- Corporate Services

D. Roberts - Principal Group Accountant

C. Harrhy - Corporate Director Communities

D. Whetter - Bargoed Regeneration Programme Manager
A. Dallimore - Team Leader- Urban Renewal & Conservation
Cllr B. Jones - Deputy Leader & Cabinet Member for Corporate Services

Background Papers:
Budget Monitoring Reports 2015/16
Capital Outturn Report 2014/15

Appendices:
Appendix 1 – 2015/16 Slippage
Appendix 2 – 2015/16 Ring-fenced Budgets
Appendix 3 – 2015/16 Underspends
Appendix 4 – 2015/16 Overspends

Appendix 1: 2015/16 Slippage

Service Area	Scheme	Outturn Position 31/03/2016 £000s	Comments
Education	General Schemes	176	Ongoing delivery of programme
Education	Asset Management	861	Ongoing delivery of programme
Education	21st Century Schools	7,755	Ongoing delivery of programme
Social services	Various Schemes	203	Ongoing delivery of programme
Private Housing	Minor Works	100	Ongoing delivery of programme
Countryside	Environmental Schemes	30	Ongoing delivery of programme
Engineers	Infrastructure Retaining Walls	304	Delay in works
Engineers	Major Highway Reconstruction	197	Ongoing delivery of programme
Engineers	Bridge Strengthening	249	Delay due to planning issues
Engineers	Monmouth & Brecon Canal.	207	Delays due to planning issues
Engineers	Various Schemes	185	Ongoing delivery of programme
Land Reclamation	Former Land Reclamation Sites	1,907	Delay in settlement
Property Services	Corporate Asset Management	207	Ongoing delivery of programme
Property Services	Risca Flood Alleviation	900	Ongoing delivery of programme
Property	Various Schemes	44	Ongoing delivery of programme
Community & Leisure Services	Cemeteries	1,261	Ongoing delivery of programme
Public Protection	Coed Top Closed Landfill Site	2	To fund retention relating to 15/16 works
Economic Development & Regeneration	Llancaiach Fawr Extension	3	To fund retention relating to 15/16 works
Corporate Services	IT Hardware & Software	56	Ongoing delivery of programme
Corporate Services	One Stop Shop Development	56	To fund additional works
Total Slippage 2015/16: -		14,703	

Appendix 2: 2015/16 Ring-fenced Budgets

Service Area	Scheme	Outturn Position 31/03/2016 £000s	Comments
Urban Renewal	Risca s106	2	S106 carried forward
Engineers	Various s106 Schemes	1,813	S106 carried forward
CLS	Playgrounds Reinstated S106	374	S106 carried forward
Lifelong Learning	Fochriw Youth Centre	126	At its meeting on the 21 st September 2016, Cabinet resolved that £126k be used to develop the youth service facilities at Fochriw Community Centre.
Private Housing	Home Improvement Loans	559	WG grant funding for loans. Scheme not fully operational as yet.
Private Housing	Houses into Homes Loans	559	WG grant funding for loans. Scheme not fully operational as yet.
Urban Renewal	Town Centres Loan Scheme 15/16	500	WG loan funding.
Urban Renewal	Bargoed Unit Shops Tenants Incentive Fund.	35	Grant funding - ongoing programme
Urban Renewal	Park Lane Development	98	Options being developed for utilisation of site
Urban Renewal	Bargoed Cinema Development	411	Under review.
Engineers	Various Schemes	828	Earmarked funding for historical liabilities & grant funded schemes
Community & Leisure Services	Ty Duffryn	769	Funding initially set-aside for potential Waste Transfer Station. Funding to remain ring-fenced pending the outcome of the ongoing waste strategy review.
Economic Development & Regeneration	Llancaiach Fawr (HLF)	66	Earmarked funding for Llancaiach Fawr (HLF)
Corporate Services	LIDW	5	Scheme has ended, residual grant remaining and subject to WG approval to utilise.
Corporate Services	Corporate Finance Balances	1,453	Cumulative underspends earmarked to fund 2016/17 capital programme.
Total Ring Fenced Budgets 2015/16: -		7,598	

Appendix 3: 2015/16 Underspends

Service Area	Scheme	Outturn Position 31/03/2016 £000s	Comments
Private Housing	Disabled Facility Grants	246	Unable to expend full budget In year due to resource issues
Private Housing	Home Imp Grants/Misc	231	Unable to expend full budget In year due to resource issues
Private Housing	Minor Works	70	Unable to expend full budget In year due to resource issues
Urban Renewal	Commercial Improvements Grant	32	Unable to expend full budget In year
Property Services	Blackwood Miners Institute	8	Schemes completed.
Property Services	Civic Building P/Fraith	3	Schemes completed.
Community & Leisure Services	Various Schemes	3	Schemes completed.
Public Protection	Coed Top Closed Landfill Drain	58	Schemes completed.
Economic Development & Regeneration	Various Schemes	17	Schemes completed.
Corporate Services	One Stop Shop Development	200	Schemes completed.
Total Underspends 2015/16: -		868	

Appendix 4: 2015/16 Overspends

Service Area	Scheme	Outturn Position 31/03/2016 £000s	Comments
Education	St James Primary Replacement School	-15	To be funded from 2016/17 slippage.
Urban Renewal	Bargoed Regeneration	-197	To be funded from Communities Directorate Revenue Reserve and capital underspends subject to Cabinet approval.
Urban Renewal	Newbridge Public Realm	-75	To be funded from Communities Directorate Revenue Reserve and capital underspends subject to Cabinet approval.
Engineers	Sirhowy Enterprise Way	-7	To be funded from 2016/17 slippage.
Land Reclamation	Various Schemes	-6	To be funded from 2016/17 slippage.
Property Services	YF Sports Facility Relocation	-111	To be funded from 2016/17 capital budget.
Economic Development & Regeneration	Hafod Deg	-67	To be funded from Communities Directorate Revenue Reserve and capital underspends subject to Cabinet approval.
Total Overspends 2015/16: -		-478	

This page is intentionally left blank



POLICY AND RESOURCES SCRUTINY COMMITTEE – 4TH OCTOBER 2016

**SUBJECT: HOUSING REVENUE ACCOUNT BUDGET MONITORING – PERIOD 4
2016/17**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151
OFFICER**

1. PURPOSE OF REPORT

- 1.1 This report is to inform members of the projected expenditure for the Housing Revenue Account (HRA) for the 2016/17 financial year.

2. SUMMARY

- 2.1 Members will be aware of the distinction between the HRA, which is funded by rental income received from council tenants, and General Fund Housing and Private Housing, which fall under the General Fund and is funded via the Council taxpayer. Although there is a clear separation of these funds, the majority of council tenants rent is funded from housing benefits which is derived from the tax payers purse and therefore value for money must always be sought.
- 2.2 This report outlines the projected outturn for the HRA based upon the expenditure and income for the first four months of the financial year.

3. LINKS TO STRATEGY

- 3.1 The content of the report is in accordance with the budget strategy agreed by Council at its meeting of 24th February 2016. Cabinet approved the HRA estimates on the 3rd February 2016.
- 3.2 Budget management itself is in accordance with the Corporate theme of Delivering the Strategies.
- 3.3 The Wellbeing of Future Generations Act 2015 sets out the following wellbeing goals which link with the aims of this report:-
- A sustainable Wales
 - A prosperous Wales
 - A healthier Wales
 - A more equal Wales
 - A Wales of cohesive communities
 - A Wales of vibrant culture and thriving Welsh language
 - A globally responsible Wales

4. THE REPORT

4.1 HRA (£870k underspend)

4.1.1 The HRA is currently projecting a year end outturn of £870k underspend, which represents just under 2% of the total HRA budget. The main variances are summarised below and full financial details are provided in Appendix 1.

4.2 Salaries & Mileage (£86k overspend)

4.2.1 Salaries and associated costs within the HRA are currently expected to overspend by some £86k. This is a net position where underspends in some areas are offset by overspends in others, in particular underspends are expected in public sector area housing, sheltered and strategy (£230k). Historically there has always been a high turnover of staff in the area offices given the volume of staff and this budget tends to generate savings throughout the year. The offsetting overspends are projected mainly in the Housing Response Operations team and Building Maintenance (£252k) as a consequence of increased work in supporting the WHQS programme, and also in the Allocations team (£76k) which has been recently reviewed to address the new Common Housing Register. A further underspend of £12k is currently projected for other salary related budgets such as mileage allowances.

4.3 Service Specific Related and Office Related (£92k underspend)

4.3.1 Non pay related budgets (which include office running costs, one-off projects and tenant related expenditure) are predicting a £92k underspend. There are numerous headings that make up these budgets, including, Security of Void Properties, Energy Performance Certificates, Decoration Allowances, IT Equipment and Stationery.

4.4 Income (£1.3m additional)

4.4.1 The projected additional income is mainly as a result of the increased expenditure in the Housing Response Operations (HRO) team which is recharged to the WHQS programme.

4.5 Building Maintenance (£283k overspend)

4.5.1 The HRA is utilised to fund the maintenance of the public housing stock.

4.5.2 The HRO is projected to incur additional expenditure of £1m as a result of increased work in particular in supporting the WHQS programme and end of tenancy voids. The increase relates in the main to materials, sub contractors and tipping charges.

4.5.3 An underspend of £393k is anticipated for Revenue Projects. This category mainly includes budgets that fall outside of the other budgets remits (i.e. not planned, cyclical or in house responsive). The underspend mainly relates to the contingency budget (£162k) where a small provision is set each year for any unforeseen repairs. Projects for sheltered complexes are expecting an underspend of £85k and the environmental infrastructure works £47k. The Non-DLO budget which is typically used to contract works out that the HRO are unable to complete are expected to make efficiencies of some £182k as a result of more work being absorbed in-house and contracted work being controlled more efficiently. Damp proofing is projecting a £117k overspend based on its current expenditure pattern.

4.5.4 Planned Cyclical (£390k underspend) – this relates to costs associated with our statutory servicing and maintenance obligations, e.g. heating, electrical, and legionella testing. Underspends in this area relate mainly to Alarm & Light Servicing (£44k), Gas & solid fuel remedial works (£214k), and Gas & Solid Fuel Servicing (£116k),

4.5.5 As part of the merger of the Building Maintenance DLO with the HRA, the WHQS holding account was set up to monitor the in house workforce costs that would be recharged to the WHQS capital programme. A budget of £8.8m was allocated in 2016/17 along with an income

recharge to the capital programme so that the HRA had a nil cost. The same principle applied to the WHQS management team responsible for delivery of the WHQS programme where £2.1m budget was allocated with an associated income recharge to capital.

- 4.5.6 The in house workforce for WHQS is expected to increase its spend to £10m due to the increase of properties expected to be completed this year compared to last year (additional 240). The additional costs are fully funded from the WHQS programme and therefore do not form part of the HRA variance in this report.

4.6 Revenue Contribution to Capital (£147k overspend)

- 4.6.1 The HRA allows for some £13.5m of revenue contributions towards the WHQS programme this year, and £2.1m for the delivery team fees.
- 4.6.2 There is an expectation that the HRA RCCO will be fully utilised this year.
- 4.6.3 The delivery team costs are expected to be some £148k higher due to an increase in agency posts.

4.7 HRA Working balances

- 4.7.1 Working balances at the end of 2015/16 stood at £19.8m. The majority of this funding is earmarked to fund the WHQS programme. To date no borrowing has been undertaken to fund the WHQS programme; however, the current business plan anticipates a borrowing requirement of £57m to fully deliver the programme.

5. EQUALITIES IMPLICATIONS

- 5.1 There are no potential equalities implications of this report and its recommendations on groups or individuals who fall under the categories identified in Section 6 of the Council's Strategic Equality Plan. There is no requirement for an Equalities Impact Assessment Questionnaire to be completed for this report.

6. FINANCIAL IMPLICATIONS

- 6.1 As detailed throughout the report.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no direct personnel implications arising from this report.

8. CONSULTATION

- 8.1 There are no consultation responses, which have not been reflected in this report.

9. RECOMMENDATIONS

- 9.1 Members are requested to note the contents of this report.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To inform Members of the projected financial position of the Housing Revenue Account.

11. STATUTORY POWER

11.1 Local Government Acts 1972 and 2003 and the Council's Financial Regulations.

Author: Lesley Allen - Group Accountant, Housing
(E-mail: allenl@caerphilly.gov.uk)

Consultees: Nicole Scammell - Acting Director of Corporate Services & Section 151 Officer
Shaun Couzens – Chief Housing Officer
Fiona Wilkins - Public Sector Housing Manager
Paul Smythe – Housing Repairs Operations Manager
Stephen Harris – Acting Head of Corporate Finance
Cllr Sean Morgan – Chair P&R Scrutiny Committee
Cllr Gez Kirby – Vice-Chair P&R Scrutiny Committee
Cllr Barbara Jones – Deputy Leader/Cabinet Member for Corporate Services
Christina Harry – Corporate Director Communities
Marcus Lloyd – WHQS Programme Manager

Appendices:
Appendix 1 HRA Financial Plan 2016/17 (Period 4 Projection)

HOUSING	Page	Revised Budget	Projected Outturn	Variance
	No	2016/2017	2016/2017	2016/2017
<u>HOUSING REVENUE ACCOUNT</u>		£	£	£
<u>SUMMARY</u>				
GENERAL MANAGEMENT		891,406	884,223	7,183
CAPITAL FINANCING		7,919,873	7,919,873	0
CENTRAL RECHARGES		2,178,519	2,178,519	0
STRATEGY AND PERFORMANCE		1,580,675	1,411,332	169,343
PUBLIC SECTOR HOUSING		5,156,778	5,095,595	61,183
SUPPORTED HOUSING		0	0	0
BUILDING MAINTENANCE SERVICES		29,543,645	28,836,299	707,346
GROSS EXPENDITURE		47,270,895	46,325,841	945,054
INCOME		(47,270,895)	(47,195,801)	(75,094)
(SURPLUS)/DEFICIT CONTRIBUTION (TO)/FROM WORKING BALANCES		(0)	(869,960)	869,960
<u>HOUSING REVENUE ACCOUNT</u>		£	£	£
<u>GENERAL MANAGEMENT</u>		891,406	884,223	7,183
<u>CAPITAL FINANCING COSTS</u>				
Interest Charge		5,621,634	5,621,634	0
Principal		2,332,190	2,332,190	0
Debt Management		23,730	23,730	0
Resheduling Discount		(57,681)	(57,681)	0
EXPENDITURE TO HRA SUMMARY		7,919,873	7,919,873	0
<u>CENTRAL RECHARGES</u>				
Central Recharges		1,736,652	1,736,652	0
Grounds Maintenance recharge to HRA		441,867	441,867	0
EXPENDITURE TO HRA SUMMARY		2,178,519	2,178,519	0

<u>HOUSING REVENUE ACCOUNT</u>		£	£	£
STRATEGY & PERFORMANCE		85,169	22,582	62,587
PERFORMANCE DEVELOPMENT		623,238	607,916	15,322
COMMUNICATIONS & ENGAGEMENT		96,867	96,922	-55
TRANSFORMING LIVES & COMMUNITIES		697,012	683,912	13,100
EXPENDITURE TO HRA SUMMARY		1,502,286	1,411,332	90,954
<u>HOUSING REVENUE ACCOUNT</u>			£	£
<u>PUBLIC SECTOR HOUSING</u>				
Landlord General		168,457	162,058	6,399
Sheltered Accommodation		1,434,092	1,410,532	23,560
Holly Road Community support		1,866	1,866	0
Lower Rhymney AHO		22,135	(13,690)	35,825
Eastern Valley AHO		642,690	646,321	-3,631
Upper Rhymney AHO		776,535	754,556	21,979
Gilfach NHO		0	0	0
Lansbury Park NHO		332,579	297,043	35,536
Graig Y Rhacca NHO		270,314	256,555	13,759
Allocations		141,285	177,372	-36,088
TENANTS & COMMUNITIES INVOLVEMENT		471,397	459,491	11,906
LEASEHOLDERS MANAGEMENT		49,038	50,988	-1,950
Tenancy Enforcement		271,266	263,008	8,258
Rents		697,844	673,824	24,020
Community Wardens		(44,329)	(44,329)	0
EXPENDITURE TO HRA SUMMARY		5,235,167	5,095,595	139,572

<u>HOUSING REVENUE ACCOUNT</u>			£	£
<u>SUPPORTED HOUSING</u>				
Dispersed Alarms		0	0	0
Telecare Centre		0	0	0
Ty Croeso Hostel		0	0	0
EXPENDITURE TO HRA SUMMARY		0	0	0
<u>HOUSING REVENUE ACCOUNT</u>			£	£
<u>RESPONSE REPAIRS & MAINTENANCE</u>				
Employee Expenses net of recharges		1,325,382	1,317,445	7,937
Repairs & Maintenance on Housing Stock				
Responsive Repairs		7,977,713	7,903,070	74,643
Revenue Contribution to Capital - WHQS Programme		15,615,928	15,763,871	-147,943
Group/Planned Repairs (priorities 5 & 8)		0	0	0
Void Repairs (priority 6)		0	0	0
Revenue Projects		2,234,000	1,841,047	392,953
Planned Cyclical		2,176,000	1,787,406	388,594
Planned Programme		0	(2,317)	2,317
		28,003,641	27,293,077	710,564
Transport Related		25,270	20,371	4,899
Supplies & Services		189,352	205,406	-16,054
EXPENDITURE TO HRA SUMMARY		29,543,645	28,836,299	707,346

<u>HOUSING REVENUE ACCOUNT</u>			
		£	£
<u>INCOME</u>			
<u>Rents - Dwelling</u>			
Gross Rent - Dwellings	(40,682,689)	(40,682,689)	0
Gross rent - Sheltered	(4,530,468)	(4,530,468)	0
Gross Rent - Hostel	0	0	0
Voids - General Needs Dwelling/Sheltered	600,000	688,512	-88,512
Voids - Hostel	0	0	0
Net Rent	(44,613,157)	(44,524,645)	-88,512
<u>Rents - Other</u>			
Garages	(360,120)	(390,869)	30,749
Garage Voids	144,354	161,685	-17,331
Shop Rental	(58,250)	(58,250)	0
	(274,016)	(287,434)	13,418
<u>Service Charges</u>			
Sheltered - Service Charges	(1,421,134)	(1,421,134)	0
Sheltered - Heating & Lighting	(158,230)	(158,230)	0
Sheltered & Dispersed- Alarms	0	0	0
Catering Recharge - Sheltered Accommodation	(53,657)	(53,657)	0
Voids Schedule Water	51,022	51,022	0
Non Scheduled Water Rates	(47,899)	(47,899)	0
Welsh Water Commission	(705,624)	(705,624)	0
Leaseholder - Service Charges	(10,000)	(10,000)	0
	(2,345,522)	(2,345,522)	0
<u>Government Subsidies</u>			
Housing Subsidy	0	0	0
	0	0	0
<u>Interest Receivable</u>			
Mortgage Interest	(1,200)	(1,200)	0
Investment Income	(7,000)	(7,000)	0
	(8,200)	(8,200)	0
<u>Miscellaneous</u>			
Miscellaneous	0	0	0
Private Alarms	0	0	0
Ground Rent	(30,000)	(30,000)	0
	(30,000)	(30,000)	0
<u>INCOME TO HRA SUMMARY</u>			
	(47,270,895)	(47,195,801)	-75,094