



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.

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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