



CABINET – 15TH MAY 2019

SUBJECT: ASSET MANAGEMENT STRATEGY – PROPERTY AND LAND

REPORT BY: INTERIM CORPORATE DIRECTOR, COMMUNITIES

1. PURPOSE OF REPORT

1.1 To seek Cabinet approval to implement the Asset Management Strategy – Property and Land.

2. SUMMARY

2.1 The current Asset Management (Land and Property) Strategy was adopted in 2011 and does not now fully reflect current and anticipated societal, service area, staffing and financial trends and pressures.

2.2 The revised Asset Management Strategy – Property and Land (appended to this report) sets out the strategy for the management of the Authority's property and land assets for the period 2019 to 2024.

3. RECOMMENDATIONS

3.1 That Cabinet approve the adoption and implementation of the Asset Management Strategy – Property and Land 2019 – 2024.

4. REASONS FOR THE RECOMMENDATIONS

4.1 To put in place a strategy for managing the Authority's buildings and land portfolio that reflects current and anticipated societal, service area, staffing and financial trends and pressures.

5. THE REPORT

5.1 The current Asset Management (Land and Property) Strategy was adopted in 2011 and does not now fully reflect current and anticipated societal, staff and financial trends and pressures.

5.2 The Asset Management Strategy – Property and Land sets out the strategy for the management of the Authority's property and land assets for the period 2019 to 2024.

5.3 The overarching objective is to have the appropriate property and land, in the right place, operating in the right way, to facilitate safe and effective delivery of the Council's services taking due account of the of all relevant Council policies including the Corporate Plan, Well Being of Future Generations, Equalities Policy and in alignment with Caerphilly's transformation and financial planning agendas.

- 5.4 The strategy recognises that budget pressures mean rationalisation of the property and land estate is a necessity. Key elements are detailed below.
- 5.5 Decisions taken in relation to operational buildings will be informed by the relevant Service Area Asset Management Plan with the location and suitability, cost of retaining and the likely market value key considerations. In particular the need to retain leased in buildings will be challenged.
- 5.6 Workforce trends and opportunities for agile working will allow further rationalisation of the Corporate Office portfolio. The strategy proposes that the Tredomen campus is better utilised with outlying corporate offices progressively rationalised, again with leased in buildings under particular scrutiny.
- 5.7 Where the income from leased out buildings and land does not cover the cost of retaining these assets such leases will only be renewed where directed by Cabinet after consideration of all available options including viable community interest proposals.
- 5.8 Where surplus land is suitable for residential redevelopment the strategy proposes such land is progressively released to the market or otherwise developed to assist in the supply of new houses in the borough. Steps will be taken to ensure residential developments on such land deliver affordable housing in line with the Planning & Development Policies wherever possible.
- 5.9 The strategy notes that acquisitions will be considered where clear strategic or operational benefits for the Authority can be demonstrated. Such benefits could include securing a net revenue income or supporting economic development.

6. ASSUMPTIONS

- 6.1 The report assumes that Austerity will continue and that the Authority's asset rationalisation programme will consequently need to continue in accordance with the principles set out in the Asset Management Strategy.

7. LINKS TO RELEVANT COUNCIL POLICIES

- 7.1 The report links to the emerging Community Asset Transfer Policy as well as the Corporate Plan 2018-2023

7.2 Corporate Plan 2018-2023

The report contributes towards or impacts the Corporate Well-being Objectives as follows:

- Objective 1 ***Improve Education Opportunities For All***
Many buildings, in addition to schools within our portfolio, provide educational opportunities e.g. libraries, youth centres, adult education facilities
- Objective 2 ***Enabling Employment***
There are several buildings utilised by adult education who are aiding citizens of the borough to improve their employability options, through basic skills etc. Furthermore, the industrial units portfolio supports over 400 businesses in the borough.
- Objective 3 ***Address the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve people's well-being***
By ensuring land with residential potential is reviewed and supported where suitable to promote affordable housing in the borough.

Objective 5 ***Creating a county borough that supports a healthy lifestyle in accordance with the sustainable Development Principle within the Wellbeing of Future Generations (Wales) Act 2015.***

Numerous buildings and land within the Council portfolio are utilised to undertake a healthy lifestyle e.g. parks, leisure centres etc.

Objective 6 ***Support citizens to remain independent and improve their well-being.***

Numerous buildings promote independent living providing support e.g. community buildings holding groups and classes, day centres etc.

7.3 There are further links to a number of other specific policies and strategies, namely.

- Medium Term Financial Plan 2016 – 2021.
- Conservation Strategy 2014 – 2019.
- Local Housing Strategy.
- 21st Century Schools Programme.
- Sport and Active Recreation Strategy 2019 – 2029.
- Emerging Community Asset Transfer Policy.
- Service Transformation Strategy (in development).

8. WELL-BEING OF FUTURE GENERATIONS

8.1 This report links directly to the Well-being goals within the Well-being of Future Generations Act (Wales) 2015:

Many buildings in addition to schools within our portfolio provide educational opportunities e.g. libraries, youth centres, adult education facilities.	A Prosperous Wales, A More Equal Wales, A Wales of Vibrant Culture Thriving Welsh Language, A Healthier Wales, A Globally Responsible Wales.
There are several buildings utilised by adult education who are aiding citizens of the borough to improve their employability options, through basic skills etc.	A Prosperous Wales, A More Equal Wales, A Healthier Wales, A Globally Responsible Wales.
By ensuring land with residential potential is reviewed and supported where suitable to promote affordable housing in the borough,	A Prosperous Wales, A Resilient Wales A Wales of Cohesive Communities A More Equal Wales, A Wales of Vibrant Culture Thriving Welsh Language, A Healthier Wales, A Globally Responsible Wales.
Numerous buildings and land within the Council portfolio are utilised to undertake a healthy lifestyle e.g. parks, leisure centres etc.	A Prosperous Wales, A Healthier Wales, A More Equal Wales, A Resilient Wales
Numerous buildings promote independent living providing support e.g. community buildings holding groups and classes, day centres etc.	A Healthier Wales A More Equal Wales

8.2 The report is consistent with the five ways of working as defined within the sustainable development principle in the Act in that it supports:

- Long Term The Asset Management Strategy provides longer term asset management solutions and allows for more effective and predictable resource and financial commitments in the future, and 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
- Prevention Carefully prioritised budget commitment for planned maintenance regimes will afford timely proactive response, thus ensuring the asset is best maintained and safe for use. Confidence in developed future maintenance programmes will prevent unnecessary deterioration of the assets and lessen the burden of reactive responses, promoting a more efficient use of finite budgets.
- Integration An efficient and effective property portfolio will support the council in carrying out its activities and meet its objectives where there are property requirements. The Asset Management Strategy is predicated on all areas functioning in an integrated manner to ensure the efficient and effective management of Property and Land Assets within the authority.
- Collaboration The Asset Management Strategy is based upon a collaborative approach bringing service departments together through Property Services to deliver not only a planned maintenance regime across the council but also promoting dialogue across service divisions.
- Involvement The Asset Management Strategy - Property & Land explains the Council's long-term approach to achieving its aims, fulfilling its Vision and how the goals and objectives are to be delivered. The Strategy provides guidance for directing Property Services and its activities over the longer-term. The Asset Management Strategy (Land and Property) along with the individual service priorities directly influence the individual service area asset management plans. In accordance with the Council's Constitution the strategy encompasses *"All land and property owned by the Council, with the exception of tenancies of Council Houses, Council built garages and garage plots on Council housing land..."*
Property Services will ensure the Asset Management strategy and process is aligned with the Service Transformation Strategy which is in development.
The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves.

9. EQUALITIES IMPLICATIONS

- 9.1 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, therefore a full EIA has not been carried out.

10. FINANCIAL IMPLICATIONS

- 10.1 Effective management and rationalisation of property assets in a key component of the Medium Term Financial Plan as the Authority aims to achieve the financial savings resulting from public sector austerity.

11. PERSONNEL IMPLICATIONS

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

12. CONSULTATIONS

12.1 The report reflects the views of the consultees listed below.

13. STATUTORY POWER

13.1 Local Government Acts.

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Appendices:

Appendix 1 - Asset Management Strategy – Property and Land 2019 – 2024

Asset Management Strategy - Property & Land

Version:	Issue
Strategy Ratified By:	Interim Head of Property Services
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Section 1 Introduction

1.1 Asset Management System

The definition of Asset Management according to ISO 55000 Asset Management standard suite is as follows:

*“the coordinated activity of an organization to realise value from assets”*¹

where an asset is an:

*“item, thing or entity that has potential or actual value to an organization”*²

An efficient and mature Asset Management system is a set of coordinated activities including people, processes and systems and can provide the following benefits to companies of all sizes including public, private, not for profit etc.

- *“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”*³

Property is a significant asset within Caerphilly County Borough Council's portfolio and it is essential that the property portfolio is managed and reviewed to ensure value is realised from these assets.

A mature Asset Management system can support the following:

- An improved understanding of assets including fitness for purpose, condition and utilisation that will inform decisions on acquisitions, disposals and improvements.
- Community Asset Transfer. Where appropriate communities can take over and maintain assets allowing the authority to focus on retained assets. This can also include the community managing services from buildings retained in the ownership of the authority.
- Collaboration with other public sector organisations. The Future Generations Act promotes partnerships with others in the public sector with assets pooled or shared based on community need. The Public Service Board, established with effect from 1st April 2016, will act as a conduit for shared building resource discussions.
- Assist in setting principles that can guide future investment decisions such as acquisition of buildings and land where the authority could derive a revenue income.
- Supporting front line services to operate efficiently by maximising land and building asset use.

The Asset Management Planning Process is set out Appendix A

This document sets out the strategy for the management of the Authority's land and building assets for the period 2019 – 2024 and is aligned with Caerphilly's transformation agenda.

¹ BS ISO 550000:2014 Asset Management Overview, Principles and terminology Clause 3.3.1

² BS ISO 550000:2014 Asset Management Overview, Principles and terminology Clause 3.2.1

³ Caerphilly County Borough Council Asset Management Strategy 2016- 2026 Section 1 Page 5 What is Asset Management?

1.2 Asset Management Framework

Caerphilly County Borough Council has an overarching Corporate Plan which sets out the Council's priorities and Well-being Objectives in line with the Well-Being of Future Generations (Wales) Act 2015.

The Corporate Asset Management Strategy sets out the linkages between the Council priorities and the Corporate Asset Management Objectives. The enduring objective of the Corporate Asset Management Strategy is *"To secure reliable asset performance in order to enable safe and effective delivery of the Council's priorities."*

The Asset Management Strategy - Property & Land explains the Authority's long-term approach to achieving our aims, fulfilling our Vision and how the goals and objectives are to be delivered. The Strategy provides guidance for directing Property Services and its activities over the longer-term. The Asset Management Strategy (Land and Property) along with the individual service priorities directly influence the individual service area asset management plans. In accordance with the Council's Constitution the strategy encompasses *"All land and property owned by the Council, with the exception of tenancies of Council Houses, Council built garages and garage plots on Council housing land..."*

Property Services will ensure the Asset Management strategy and process is aligned with the Service Transformation Strategy which is in development.

1.3 Delivery of the Strategy – Key Roles

Property Services

Property Services maintains records of Authority land and property, manages freehold and leasehold acquisitions and disposals and manages statutory testing, reactive and planned maintenance for the majority of Authority buildings. A significant exception is schools where responsibility is devolved.

Property Services holds and manages the asset management capital budget for the majority of the Authority buildings excluding schools. The capital strategy is aligned to the council's Medium Term Financial Plan (MTFP) and the asset management strategies.

Property Services also holds and manages an access budget which is used to improve the accessibility of Authority buildings and a carbon reduction loan scheme which helps building managers to implement energy reduction works..

Property Services' role, structure, responsibilities and key risks are set out in Appendix B

Asset Management Group - Land and Buildings

An Asset Management Group – Property & Land meets quarterly and is chaired by the Head of Property Services. The attendees include senior officers from all key service areas and the agenda includes delivery of the overarching strategies, updates on tasks arising from the strategy.

The Terms of Reference for the Asset Management Group – Property & Land are included in Appendix C

Service Areas

Individual service areas are responsible for producing Service Area Asset Management Plans (SAAMP) which will set out the service area vision for the future requirement in form and location of service delivery, and the potential consequences for land and property. The SAAMPs will directly inform and influence decisions taken by the Asset Management Group.

Section 2 Strategy Statements

2.1 Overarching Vision

“To have the appropriate land and property, in the right place, operating in the right way, to facilitate safe and effective delivery of the Council’s services”.

2.2 Our Principles

The service objectives have been aligned with the following principles in accordance with the Well-being of Future Generations Act seven goals and five ways of working⁴

We will pursue our strategies and plans in accordance with the following principles:

- *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.*
- *We will explore opportunities to secure sustainable revenue income and/or economic development by strategic acquisition*

The efficiency and suitability of the property portfolio will impact both the corporate well-being objectives and the Well-being for Future Generation Act 2015 goals. Please refer to Appendix D for more detail regarding the alignment between the relevant objectives.

The Council’s strategy for both buildings and land is set out below.

⁴ In Line with the Well-being of Future Generations Act (Wales) 2015
Issue, April 2019

2.3 Property

The overarching objectives are:

1. To retain sufficient well maintained, accessible, safe, energy efficient and secure buildings to support and facilitate the current and future effective delivery of the Council's services.
2. To retain leased out buildings where they provide a net revenue income to the Council or where Cabinet direct they are retained to provide economic or social benefit to the borough.

Key considerations underpinning the overarching objectives:

- A. The suitability, the cost of retaining and the likely market value.
- B. The need to retain leased in buildings beyond the current lease term will be challenged.

2.3.1 Service Specific Operational Buildings

- In support of the overarching objective, the estate must be rationalised; the rationalisation will be driven by the individual Service Area Asset Management Plans (SAAMP), which will seek to retain buildings best fitting the service need having regard to location, size, layout, condition, residual life, running costs, accessibility and capital value.
- Opportunities to collocate service areas and to share accommodation with public sector partners will be explored

2.3.2 Corporate Office Accommodation

- Current and forecast budget constraints dictate that the authority's staff complement will reduce with time and this, coupled with the promotion of flexible and agile working will allow the office accommodation to be further rationalised.
- Priority will be given to efficiently utilising the Tredomen campus and flexible and agile working practices could allow staff density on the campus to increase in time.
- Off campus accommodation will be rationalised wherever possible and hot-desking within other operational buildings together with collaboration with public sector partners will be promoted to address logistical requirements.

2.3.3 Acquisition of Buildings

- Under a policy of rationalisation, acquisitions will be considered only where clear strategic benefits for the Authority can be demonstrated. Benefits could include allowing other less suitable buildings to be declared surplus, securing a revenue income from third party rental and supporting economic development. In all cases Cabinet approval would be required, and possibly that of Council (where there is no budget provision).

2.3.4 Buildings Leased Out to Third Parties

- Where a building can be leased on commercially viable terms, having taken account of current and future costs and obligations, the building will normally be retained to provide revenue for the Authority.
- Where a building is leased to community organisations on previously agreed lease terms which are commercially non-viable then the lease will be reviewed before renewal or extension beyond a break clause. If commercially viable terms cannot be agreed options for consideration will be presented to Cabinet. Options could include renewal of the lease on commercially non-viable terms, a termination of the lease in

certain circumstances, a Community Asset Transfer or marketing of the property for lease to others, or sale.

- Lease terms will clarify responsibility for maintenance and where the tenant is responsible for statutory testing, proof of periodic electrical testing and gas appliance testing will be obtained from tenants. Where tenants fail to comply with these requirements then appropriate actions in accordance with the lease terms will be initiated.

2.3.5 Buildings Declared Surplus

- Property held by Property Services will, ultimately, be for disposal whether leasehold or freehold although where a building can be leased on commercially viable terms, having taken account of current and future costs and obligations, the building will normally be retained to provide revenue for the Authority.
- Surplus buildings will normally be advertised on the open market and the disposal will proceed on the basis of best consideration, whether leasehold or freehold.
- Where considered appropriate by Property Services, and typically where a community interest in a given building is likely, 'Expressions of Interest' (EOI) in a building will be invited *before* any decision is taken regarding a disposal.
- Where there is one or more viable community interest proposals for a given building the options for disposal will be presented to Cabinet for a decision. (A Community Asset Transfer Policy is currently in development and Property Services will ensure the Asset Management strategy and process is aligned with the final adopted policy)
- In exceptional circumstances, including where there is economic benefit, Property Services may determine it to be necessary to demolish the buildings on a site before offering it for disposal.

2.4 Land

The overarching objective is to retain sufficient land to support and facilitate the current and future effective delivery of the Council's services.

Key considerations underpinning the overarching objective:

- A. The cost of retaining and the likely market value.**
- B. The need to retain leased in land beyond the current lease term will be challenged.**

2.4.1 Operational Land

- In support of the overarching objective the operational land portfolio will be rationalised where possible. The strategy for rationalisation will be led by the individual Service Area Asset Management Plans (SAAMP). All SAAMPs will seek to retain land which best fits the service need with due consideration of location, condition, maintenance costs and capital value.

2.4.2 Non Operational Land Required for Strategic Purposes

- In certain cases the Council will hold assets in anticipation of some wider benefit to be secured through re-development, sometimes for long periods.
- These assets will be maintained in a secure and safe condition. Where possible, holding costs will be defrayed by securing temporary rental or licence fees.
- The continued holding of such land usually has an opportunity cost and this is not generally justified where the redevelopment potential is small or remote.
- Continued justification will need to be substantiated on the basis of specific development proposals and estimated timescales, holding cost and return assumptions. Such matters will be reported to, and discussed at, the Asset Management Group.

2.4.3 Non Operational Land with No Strategic Purpose

- Disposal of Land for Residential Redevelopment
 - There is a shortage of new housing within the borough and the Authority will support the redevelopment of suitable land owned by the Authority. Each parcel of land will be reviewed case by case and those with the least barriers to redevelopment will be prioritised for disposal. Options for redevelopment will be presented to Cabinet and could include collaboration with a Registered Social Landlord, or sale on the open market.
 - Steps will be taken to ensure residential developments on such land deliver affordable housing in line with the LDP wherever possible
 - Due consideration will be given to the Welsh Government policies and initiatives relating to "Plot Shop" and stimulation of self-building within the Authority.
- Disposal of Land for other Redevelopment
 - Consideration will be given to the preparation of a planning brief for any other land capable of redevelopment to identify the most advantageous use and nature of the redevelopment, which should have the objective of stimulating further regeneration in the locality.
 - An evaluation should be carried out in each case, as appropriate, to identify whether additional land should be acquired to enhance the impact and viability of any redevelopment. Similarly where the land forms or could form part of a larger redevelopment scheme in private ownership consideration will

be given to selling the land to the owner by private treaty at an appropriate price reflecting beneficial value and subject to positive planning covenants producing additional benefits for the Council.

o Other Land

- o The Authority will take steps to ensure the retained land is reasonably maintained. This could include maintaining a secure boundary, addressing health and safety issues, boundary works and funding works required via riparian obligations.
- o Non-operational land places cost and legal responsibilities on the Authority and where costs outweigh any income arising from third party use the land will be considered for sale.
- o Each such parcel of land would be considered on a case by case but as the likely capital receipts are low the sale of such land will only be pro-actively pursued when workload allows.

Section 3 Property Portfolio

The Council's Corporate Estate extends over 671 sites, many of which contain more than one building. The gross internal area of the portfolio is 472,185 m², having a total net book value of £760m (as at 31st March 2018).

An Annual Property Review Report is published which provides a snapshot of the buildings portfolio including the size, condition, statutory compliance, utilisation and carbon footprint of the estate. The report also summarises in periods, replacements, acquisitions and disposals and sets out expected activity in the coming period.

The Annual Property Review Report includes appendices which schedule all Authority property including operational, leased in, leased out, surplus and vacant buildings.

Condition surveys are updated every four years and help inform decisions on planned maintenance and the future of a building within a given portfolio.

The access budget has been efficiently utilised and all public access buildings, some 260 in total, include clearly marked accessible parking bays, an accessible main entrance, a suitable reception with a low level counter and hearing loop system and an accessible WC near to the reception area.

The Council's Carbon Reduction Strategy was launched in 2008/9 and the Property Services Energy team provides monitoring, training and technical advice to building managers and manages an invest to save carbon reduction fund all of which is focused on reducing the Authority's carbon footprint.

Section 4 Five & Ten Year Strategy

The following activities have been undertaken following the first edition of the asset management strategy.

- Asset Management Group - Property & Land meets quarterly chaired by the Head of Property Services. The group provides governance and strategic direction to ensure the alignment of Asset Management with the corporate objectives. The Cabinet Member for Asset Management is a member of the AMG to ensure effective communication between officers and Cabinet.
- The Corporate Landlord model has been adopted for Social Services, their office accommodation has moved into the central corporate portfolio (managed by Property Services together with directorate personnel employed to manage property matters).
- Asset Management function within Property services has been strengthened through recruitment to aid with the completion and review of Service Asset Management plans
- Reactive maintenance has been centralised, and a framework of suppliers created
- The responsibility for the management of statutory testing associated remedial tasks has progressively passed to Property Services. The Head of Property Services chairs bi-monthly Statutory Maintenance Group meetings and formally reports compliance to the Corporate Management Team quarterly.
- Asset rationalisation has resulted in savings to the Council; please refer to the Annual Property review Report for more details.

Our five-year strategy (Stage 1) will focus on the following:

- Addressing the backlog maintenance of the buildings (5 year cycle)
- Review and market land with residential redevelopment potential
- Continue to promote increased utilisation of the office accommodation on the Tredomen Campus to allow rationalisation of additional office accommodation
- Assist the completion of Service Asset Management Plans
- Exploring opportunities to secure revenue income and/or economic development by strategic acquisition
- Facilitating community usage and/or community asset transfer

Under our ten-year strategy (Stage 2), we will continue to review and undertake rationalisation of both buildings and land following on from the work carried out in Stage 1. Property Services will continue to enhance its role as estate maintenance and facilities manager for the land and buildings portfolio.

All strategies will take account of:

Wider Influencers

- The Councils Corporate Plan;
- Medium Term Financial Plan;
- Carbon Reduction Strategy
- Other Council strategies or initiatives;
- Service area improvement plan;
- External or internal audits;
- Statutory requirements e.g. space requirements, care standards;
- Changes in demand for the particular service;
- New working practices e.g. home working, hot desking;
- Shared use, co – location and collaborative working;
- Internal, external and service user consultation.

Asset Specific

- 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
- Location: Fitness for purpose,
- Residual life: Cost of maintaining
- Utilisation: Usage and cost per member of staff
- Running costs: Rental cost, energy efficiency
- Disposal potential: Alternative use and sale potential

Section 5 Ownership, Monitoring and Review

The Head of Property Services is the responsible asset lead officer for Property Services. The strategy is approved by the Head of Property Services and the Cabinet Member for Homes and Places and will be reviewed on a five year cycle. If there are any major changes in legislation, regulation or Council driven objectives within the five year cycle, the strategy will be reviewed and updated accordingly.

The Asset Management Group – Property and Land is in place to provide governance for the asset management process to ensure best practices are undertaken to enable the Council to meet their organisational objectives. The Asset Management Group will ensure:

- Delivery of the strategy and plan, linking it to the Council Medium Term Financial Plan
- Facilitate and provide a focal point for a corporate approach to asset management.
- Review the performance of asset management processes.
- Review the documentation and keep it up to date.
- Ensure that consultation is undertaken with all relevant stakeholders
- Develop and manage a performance framework for asset management
- Ensure that appropriate information is available on assets and their condition.

The strategy is available on the Council's intranet, website and a hard copy can be provided on request by Property Services.

Appendix A - Asset Management Planning Process

The Asset Management planning process aligns the service Asset Management objectives to the Corporate/ Organisational priorities and objectives. The following sections demonstrate the process being undertaken to review the assets and identify if investment is required along with the investment planning process. The asset lifecycle shown below is considered throughout the stages of the planning process.



Asset Reviews

The Asset Management Strategy Coordinator/ Property Review Officer and Facilities Manager consult with each service, meetings and workshops are held with senior members of the service along with site visits of the property portfolio to identify:

- Current Performance
- Future Performance requirements
- Performance Gaps
- Property Portfolio

Data Systems are interrogated to compile property data e.g.

- Tribal and Terrier (GIS) Recording building information, and land and building ownership together with related title matters respectively
- RAMIS (Risk and Compliance Monitoring)
- OLA (Financial Data)
- AIRS (Council Asset Register)

Asset reviews will be carried out with an initial high-level desktop review covering all aspects of the property in terms of need, sufficiency, suitability, condition and costs. This will identify opportunities and determine direction and complexity. The diagram below illustrates examples of the high level questions the service will be asked to complete for their assets.

Non-Operational Property	Service Property	Administrative Property
<ul style="list-style-type: none">•What does it cost?•Why do we own it?•What is the value?•Is retention of the Property Justified?	<ul style="list-style-type: none">•Are there other ways of providing service?•Is the building sustainable?•Is the building used effectively?•Is the building in the right place?•Is there an opportunity to share?	<ul style="list-style-type: none">•Is space used effectively?•Does it embrace the concept of open plan working?•Is a desk needed for every person?•Could we relocate somewhere cheaper?

A more detailed review will then be undertaken to review the feasibility to identify and prioritise those opportunities that should move forward as projects in the Medium Term Financial Plan (MTFP)

By collating the information above, the service requirements can be aligned with the asset portfolio and opportunities for asset rationalisation or a “need for improvement” can be identified.

Options Appraisal

When preparing the Asset Management Plan and agreeing on the options to go forward as part of the option appraisal the following will be reviewed and assessed in accordance with the Corporate priorities:

- Total operational costs of the asset
- Capital Investment Required
- Risks/ opportunities to the service
- Constraints e.g. statutory constraints, budget constraints, health and safety etc.
- Facilities Management

When all the above are considered and assessed, the options within the plan can be agreed along with timescales. By reviewing the property portfolio for each service the following options will be reviewed:

- Reduce the portfolio through space optimisation
- Reduce the portfolio through service remodelling
- Reduce the portfolio through shared use with internal services
- Reduce the portfolio through shared use with external services
- Convert freeholds to leaseholds
- Reduce costs through community asset transfer
- Reduce costs through energy efficiency improvements
- Purchase buildings where there is an economic/commercial opportunity

A detailed options appraisal for the proposed options will be undertaken separately. The service asset management plans will undertake an asset gap analysis and review the risks and constraints.

Appendix B – Property Services

Property services consist of five teams:

- Estates: Strategic estate and property review – strategic planning of the estate, acting as a landlord, modernising facilities and selling assets that are no longer required (buying new assets as needed).
- Projects: Dedicated provider of building related design and advice, as well as management of building projects, planned maintenance, and Operational delivery of facilities management services.
- Maintenance: Dedicated provider of response maintenance of the estate, including statutory responsibilities.
- Facilities: Dedicated provider of support and facilities services, such as health and safety, maintenance, electrical and cleaning within the corporate offices.
- Energy: Energy monitoring, training and technical advice and management of an invest to save carbon reduction fund.

All areas function in an integrated manner to ensure the efficient and effective management of Property and Land Assets within the authority.

Key Risks

There are three key tiers in CCBC for Risk Management/ Registers- Corporate, Directorate and Service. The Service Risk registers are owned by the Heads of Service and form part of the Service Plans.

The table below highlights the key risks within Property Services. The Council is working with an aging and deteriorating building stock. Each year the reducing budget impacts on the preventative and planned maintenance capabilities. A robust Asset Management process is required to ensure the available budget is utilised to its full capacity to ensure we continue to provide high levels of service.

The risks / opportunities below are scored utilising the 5 x 5 Corporate risk matrix

Risk/ Opportunity	Consequence/ Benefit	Likelihood	Severity	Risk Level	Mitigation
Reducing budget	Less money to spend on planned/reactive maintenance Less capital investment	5	4	High	Informed targeted investment via rigorous Investment Planning Process
Reducing resource	Fewer people to maintain sites	4	4	High	Centralised FM Team utilising shared skills
Ageing stock	Buildings will require more money to maintain standards and condition	5	2	Medium	Planned and reactive maintenance and Prioritised Capital Investment

Service Objectives

The service objectives are shown in the table below highlighting the timescales and the alignment with the Council Priorities and Well-being of Future Generations (Wales) Act 2015, for further details. An efficient and effective property portfolio will support the council to carry out their activities and meet their objectives where there are property requirements. By reviewing the performance of the service against their objectives we can also measure the effectiveness of the assets.

Objective	Performance Measure	Timescale	Council Well-being Objectives *	Well-being of Future Generations Goal *	Property Requirements
Ensure Building Condition Surveys are maintained and updated.	Refer to Ffynnon Score Card	Ongoing	*Refer to note 1	A Resilient Wales	N/A
Reduce the cost of the Authority's buildings and land portfolio	Meet MTFP targets	3 years	*Refer to note 1	A prosperous Wales	Asset rationalisation post service reviews
Ensure buildings are maintained in a safe manner, undertaking statutory maintenance	Refer to Ffynnon Score Card	Ongoing	*Refer to note 1	A Resilient Wales	N/A
Produce Service Asset Management Plans	Completion of strategies/ plans within given timescales	2 years	*Refer to note 1	A globally responsible Wales	Reviews will identify opportunities to alter the portfolio to increase efficiencies and effectiveness
Ensure information systems are updated and integrated with other systems to capture a complete and accurate asset database.	K2 system updated	Ongoing	*Refer to note 1	A Resilient Wales	N/A

**Note 1 By ensuring the Property and land portfolio is fit for purpose Property Services is aiding other services to undertake their roles more efficiently and effectively, thereby contributing to numerous council well being objectives and well being goals.*

Appendix C – AMG Terms of Reference

ASSET MANAGEMENT GROUP - PROPERTY AND LAND TERMS OF REFERENCE FEBRUARY 2019

1. PURPOSE

The Asset Management Group (AMG) will;

- Be an internal advisory group of key officers within the Council
- Be an active working group with an holistic approach to asset management
- Give strategic leadership on the management of the Authority's land and property assets
- Take account of the condition, location and legal status of assets
- Take account of the recommendations and conclusions within the various Service Area Asset Management plans and the overarching Asset Management Strategy (Land and Property) 2019
- Make recommendations for the relocation of staff where applicable
- Identify and consider opportunities for the acquisition, sale or rental of land and buildings and make recommendations
- Agree and facilitate further discussion and liaison with stakeholders, the Corporate Management Team and elected members as appropriate
- Record and report the status of the property portfolio via an annual Property Review Report
- Monitor production of the various Service Area Asset Management plans and other Asset Management documentation

2. EXCLUSIONS AND EXCEPTIONS

The asset management of schools at a strategic level is the responsibility of the Head of Education, Planning & Strategy and the Schools Strategy Board but key strategies and decisions will be reported to the AMG.

3. GROUP COMPOSITION

The Group will comprise a small group of key cross – directorate representatives supported by the Cabinet Member for Asset Management and will include:

- Relevant Cabinet Member
- Head of Property Services
- Head of Education, Planning and Strategy
- Green Spaces and Transport Services Manager
- Development Control Management – Planning
- Housing Services Manager
- Estates Manager
- Property Review Officer
- Asset Management Strategy Coordinator
- Maintenance Manager (also representing Social Services)
- Group Manager (Strategy Funding & Support), Communities
- Director of Communities (Optional)

Other attendees from across the authority (and outside stakeholders if appropriate) will be invited to attend AMG meetings to meet the demands of meeting agendas.

Substitute officers will be accepted on occasions when those officers above are unavailable, subject to the comments below.

4. QUORUM

It is recognised that not all officers and member(s) identified will be available to attend every meeting scheduled throughout the process, nor would that be necessarily appropriate at every stage. It is agreed that substitutes will be acceptable where they are of equal or sufficient status to have both the capacity and authority to take part in strategic high level discussions. To enable the AMG to proceed there should be a quorum of four people.

5. CHAIRPERSON

The Head of Property Services will assume the Chair of the AMG

6. FREQUENCY OF MEETINGS

It is expected that the AMG will meet quarterly.

7. AGENDA

It will be the responsibility of the Head of Property Services to agree the agenda in consultation. Requests to the Group to deal with 'Any Other Business' will be considered by the Chairman.

8. REPORTING MECHANISM

Minutes of the meetings will be recorded and circulated to all group members and any additional attendees and the Director of Communities will forward to the Corporate Management Team if appropriate

Appendix D – Well-being objectives

The table below demonstrates the alignment between the strategy statements, the Council and Well-being objectives.

Corporate Well-being Objective	Well-being of Future Generations Act Goals	Property Alignment
1 Improve Education opportunities for all	A Prosperous Wales, A More Equal Wales, A Wales of Vibrant Culture Thriving Welsh Language, A Healthier Wales, Globally Responsible Wales.	Many buildings in addition to schools within our portfolio provide educational opportunities e.g. libraries, youth centres, adult education facilities.
2 Enabling employment	A Prosperous Wales, A More Equal Wales, A Healthier Wales, Globally Responsible Wales.	There are several buildings utilised by adult education who are aiding citizens of the borough to improve their employability options, through basic skills etc
3 Address the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve people's well-being	All 7 of the goals	By ensuring land with residential potential is reviewed and supported where suitable to promote affordable housing in the borough,
5 Creating a county borough that supports a healthy lifestyle in accordance with the Sustainable Development Principle within the Wellbeing of Future Generations (Wales) Act 2015,	A Prosperous Wales, A Healthier Wales, A More Equal Wales, A Resilient Wales	Numerous buildings and land within the Council portfolio are utilised to undertake a healthy lifestyle e.g. parks, leisure centres etc
6 Support citizens to remain independent and improve their well-being	A Healthier Wales & A More Equal wales	Numerous buildings promote independent living providing support e.g. community buildings holding groups and classes, day centres etc.