



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2018/19

**Finance and Performance
Committee**

11 December 2018

Agenda Item No
Corporate Asset Management Plan

**REPORT OF THE DIRECTOR OF
CORPORATE ESTATES AND PROCUREMENT**

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1. PURPOSE OF THE REPORT

1.1. The purpose of the report is to inform Members of the strategic direction and policy framework of the Corporate Asset Management Plan 2018-2023 (CAMP) . The contents of the CAMP were agreed by Cabinet on the 21st November 2018. A copy of the plan can be seen at Appendix 1.

1.2. The report will inform Members of the key work streams outlined in the CAMP.

2. RECOMMENDATIONS

It is recommended that the Committee:

2.1. Acknowledge the content of the report.

3. BACKGROUND

3.1. The Authority holds a substantial land and property portfolio that comprises significant land holdings. The portfolio was valued at approximately £576M as at 31st March 2018.

3.2. The land and property portfolio comprises a significant capital commitment by the Authority with major implications for service delivery, environmental management and

potential economic regeneration. It therefore requires active management if it is to contribute positively to the financial and operational objectives of the Authority.

- 3.3. There are a range of issues within the wider economy that place particular pressures on the Authority at this time. The general economic downturn over the past few years has impacted directly on the CAMP by its affect on property values and the level of property activity.
- 3.4. The CAMP is one of the key strategic documents of the Authority and should be read alongside the Medium Term Financial Plan and the corporate priorities of the Corporate Plan. The work streams contained within the CAMP need to be kept under review over the plan period to ensure it reflects and is coordinated with the developing corporate priorities.
- 3.5. In 2016 the Welsh Audit Office Review of the Council's Strategic Approach to Asset Management made one recommendation for Improvement - that the Council should develop mechanisms for reporting a comprehensive picture of the management of its assets to senior managers and elected members to enable ongoing insight and to inform decision making. In response to the recommendation the CAMP update is reported to Cabinet bi annually.
- 3.6. The CAMP provides a co ordinated strategic approach to the management of property assets and provides a framework to deliver benefits to the Council. For the benefits to be realised it will be necessary for Elected Members, service managers and estates officers to commit fully to the process.

4. STRATEGIC MANAGEMENT OF THE PROPERTY PORTFOLIO

4.1. CORPORATE OFFICE ACCOMMODATION STRATEGY

- 4.1.1. Significant rationalisation of the office accommodation portfolio during the period of the CAMP for 2013-18 has been achieved. Property rationalisation has been identified as one of the 6 key whole authority priorities in the Council's Corporate Plan 2016-2020. A challenging target to reduce office accommodation floor space by 20% by 2020 has been set.
- 4.1.2. The programme has resulted in 8 office buildings becoming vacant which has led to a reduction of office accommodation floor space of 21.53% ahead of target. It is projected that the reduction will reach 24.66% when the lease of Fairway Court comes to an end.
- 4.1.3. The reduction in the Authority's office accommodation portfolio is supported by the Council's Agile Working strategy. The agile working strategy aims to reduce the number of desks utilised by staff by the use of hot desks and mobile devices and also reduces the storage space needed across the Authority.

4.1.4. The Council's storage of furniture falling out of the downsizing of the portfolio is being reviewed in order to find a single storage place and better recycling solutions instead of new purchases being made wherever possible.

4.2. CAPITAL RECEIPTS PROGRAMME

4.2.1. The identification, marketing and disposal of surplus or under utilised property is a key work stream of the CAMP. The disposal programme for 2018/19 is currently projected to generate circa £4.8M however it is recognised that the level of sales achieved will depend on the market reaction to land and building offer and other economic factors outside the Council's control. This figure will be adjusted during the year with consultation with Finance officers.

4.2.2. The projected gross capital receipts from asset disposals over the next 3 years is shown in the table below:

Projected Gross Capital Receipts

YEAR	PROJECTED GROSS CAPITAL RECEIPTS
2018/2019	£4,898,251
2019/2020	£4,143,300
2020/2021	£3,355,000

4.3. SHARED SERVICES

4.3.1. During 2017 a pilot study entitled "A Regional Approach to Collaboration" was undertaken on behalf of the Cwm Taf Public Services Board (and Welsh Government) cutting across several authorities and public services with RCT as the defined lead authority. The report was published in 2017 and the key recommendations were:

- Cwm Taf Regional Pilot Programme for regional asset management
- Strategic Asset Management of the Cwm Taf estate
- Establishment of a Regional Property Board
- Welsh Government be approached regarding funding gaps

The board has been set up and meetings scheduled and the aim of the programme is to achieve regional collaboration in terms of service provision and rationalisation of accommodation seeking reduced costs and improved services. Opportunities for regional collaboration will be explored during the period of the CAMP 2018-2023.

4.4. FORMER TAFF VALE PRECINCT

4.4.1. The redevelopment of the former Taff Vale precinct at Pontypridd is a £50M project that will deliver an ambitious three building, office led, regeneration scheme. The redevelopment will consist of a mixture of offices with a gym and library. The contract works commenced on March 2018 and piling and substructures has progressed well.

4.5. 21ST CENTURY SCHOOL PROGRAMME

4.5.1. The 21st Century School programme remains a key work stream in the CAMP. Good progress has continued across the whole programme and the budget for the programme is £175M. Corporate Estates continue to employ dedicated resources to manage the programme and use robust procedures to monitor progress and deliver the various projects. The Progress details are set out in 2.6 of the CAMP 2018-2023.

4.6. COMMUNITY HUBS

4.6.1. An emerging work stream in the CAMP is to support the development of Community Hubs. The Community Hubs will include a range of services provided by the public and voluntary sectors creating economies of scale and more cost effective use of community assets which will assist services to be sustainable in the longer term. The key focus is to identify potential Hub buildings for each area through a mapping exercise of existing public and third sector assets and services.

4.7. TOWN CENTRE REGENERATION

4.7.1. During the life of this plan an area of focus will be to identify strategic properties to aid the regeneration process. Strategic asset management has an important role in “ place- making” by shaping the look and feel of public spaces into more vibrant and sustainable communities.

4.8. MANAGEMENT OF UTILITIES

4.8.1. The Council’s budgets face a significant annual cost for the energy consumed from delivery of service through its property portfolio. The cost of energy is around £4.8M despite significant improvements over recent years, The Council has a commitment to improve the energy efficiency and reduce emissions of Carbon Dioxide from its premises and has been actively investing to improve the energy efficiency of its premises funded by the Invest to Save Energy Conservation Programme.

4.8.2. There are a number of work streams developing intended to improve energy efficiency, including larger renewable energy schemes, whereby parcels of land are being assessed for large solar fields and wind turbine projects, and new innovations to bring new concepts for renewable energy to RCT.

4.8.3. Water and waste utilities are currently provided by Dwr Cymru Welsh Water with the current spend just below £1M on this service. A water management Policy has been developed and is attached at Appendix 6 of the CAMP. The policy includes water saving measures, moving all Council's water accounts into the Systemslink Energy Management system and bills paid through a consolidated billing system and new build projects with BREEAM Excellence.

4.9. OPERATIONAL MANAGEMENT OF THE PROPERTY PORTFOLIO

4.9.1. As the Council's property portfolio comprises of premises with a variety of architectural styles and a range of ages it can present particular maintenance challenges. Funding for building maintenance remains an issue with a higher proportion of the budget required to fund reactive maintenance tasks than planned maintenance.

4.9.2. There are specific obligations to diligently manage certain components and processes, such as the management of asbestos, legionella risk assessment and fire risk assessments. In order to discharge its obligations a series of procedures have been established. Compliance will be actively managed and changes in regulations will be responded to throughout the plan period.

5. CONCLUSION

5.1. The strategic management of the Council's property assets contained in the CAMP has been approved by Cabinet. It is for the Estates Division to ensure that the key workstreams are progressed and monitored.

5.2. The work streams contained within the CAMP will be kept under review over the plan period to ensure the CAMP reflects the developing corporate priorities. Update reports will be presented to Cabinet biannually over the plan period.

