

**DISPOSAL OF SUFFOLK HOUSE, CANTON**

**REPORT OF DIRECTOR OF ECONOMIC DEVELOPMENT**

**AGENDA ITEM: 2**

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**PORTFOLIO: CORPORATE SERVICES & PERFORMANCE (COUNCILLOR  
GRAHAM HINCHEY)**

**Reason for this Report**

1. To seek authority to
  - a. Declare Suffolk House surplus to Council requirements
  - b. Dispose of the property on the open market.

**Background**

2. Suffolk House in Canton is a Council owned property historically utilised to deliver the 14 years and over Looked After Children (LAC) service within Children's Services. A site plan is attached at Appendix 1.
3. The Council is committed through the Corporate Property Strategy 2014 and the annual Corporate Asset Management Plan (CAMP 2016/17) to pursue 'fewer but better buildings'. Identifying opportunities to modernise the estate, reduce running costs, reduce the maintenance backlog, use space more efficiently and generate capital receipts. Suffolk House has been identified as being in poor condition with an extensive maintenance backlog.
4. Along with other Social Services teams, LAC are undergoing a transition to agile working which will complete in late 2016. This will facilitate new ways of working and reduce the office space requirement of the teams considerably, providing an opportunity to relocate to more suitable and cost efficient premises.
5. The Office Rationalisation team are in the process of moving the LAC team to Cord House, Fairwater, a smaller property within the existing operational estate. This move is projected to complete by end of 2016/17. Staff have been consulted on the move and are content.
6. The John Kane fund, reserved from the appropriation of 150 Thornhill Road to the Housing Revenue Account in 2014/15, will be utilised to

meet eligible costs required to facilitate the LAC move and ensure high standard, fit for purpose accommodation is provided. Initial costs are estimated at £60k.

7. Cord House will provide accommodation for the whole of the LAC Service in one place, including the Personal Advisor Service and the Fostering Service, all of whom now function as part of Specialist Services under one Operational Manager. Cord House will benefit children and young families by providing new facilities to deliver LAC services and create a modern office environment to compliment staff agile working and engage with children and young people.

## Issues

8. Due to the poor condition and high cost of outstanding repairs, no alternative operational use has been determined for Suffolk House. The property has also been assessed for its inclusion within the investment estate and considered to be an unsuitable investment with minimal revenue potential due to its poor condition and high maintenance backlog.  
As a result, the CAMP 2016/17 and the Office Rationalisation programme have identified the property as a disposal opportunity to realise capital receipts and CAMP targets.
9. Suffolk House, property impact summary:
  - Running Cost 2015/16: £55,000 pa
  - Maintenance Backlog: Over £215,600
  - Gross Internal Area: 8,763 sqft
10. The disposal of Suffolk House will contribute to the Council's CAMP 2016/17 targets:

	Reduction in building GIA (sqft)	Reduction in maintenance Backlog	Reduction in Running Cost	Capital receipts
CAMP target value	325,651	£4,500,000	£1,600,000	£7,300,000
CAMP target %	4.2	4.3	4.4	n/a

11. Suffolk House is located in a highly sought after area of Cardiff and as a consequence, a high level of interest from potential purchasers has been received.
12. The relocation of the services from Suffolk House will leave the property vacant and a potential security risk. The empty property will incur ongoing revenue costs until completion of a sale. To ensure the Council does not incur ongoing site costs it is proposed that Suffolk House is entered for sale on the open market as soon as possible after vacant possession has been provided.

## **Conclusion**

13. Relocating the LAC teams to alternative, fit for purpose accommodation represents an opportunity to modernise and improve services. The Council no longer has an operational requirement for Suffolk House and disposing on the open market for a capital receipt will make a significant contribution to the CAMP 2016/17 targets, whilst mitigating ongoing Council liabilities. Utilising the John Kane fund represents a long term investment in line with its intended use to directly benefit children and maintain the legacy of the John Kane name.

## **Local Member Consultation**

14. Local Members have been consulted. All queries received have been answered by officers and no objections have been received.

## **Reasons for Recommendations**

15. To ensure the Council achieves 'fewer but better buildings', provides fit for purpose accommodation for essential statutory services and delivers the CAMP 2016/17 targets.

## **Legal Implications**

16. The Council is required to obtain the best consideration reasonably obtainable in the circumstances from its land disposals in accordance with s123 of the Local Government Act 1972

## **Financial Implications**

17. The report recommends the Council dispose of Suffolk House. The annual running cost of this building in 2015/16 was £55,000 per annum. The property is deemed to have a large maintenance backlog as identified in the report. Operating costs of Cord house will be met from within existing revenue budgets.
18. Suffolk House is included in the Office Rationalisation programme and help support the revenue savings target of £1.25 million for 2016/17.
19. Although the disposal and relocation of staff at Suffolk House will release revenue savings, appropriate redevelopment building works and ICT technology is required at Cord House to accommodate the staff. Subject to meeting appropriate criteria, funding of £560,000 has been allocated in the 2017/18 capital programme relating to former John Kane home and can be used for such for the benefit of Children. The directorate should ensure that the balance of any funding available is considered as part of an overall Children's services accommodation strategy and any additional works required at additional sites are managed within the overall sum available.

Holding property has financial implications in terms of costs of keeping the property and also in addressing its maintenance condition. Where property is not required, it should be disposed of promptly to minimise such costs. Any disposal should ensure that the Council minimises its long term liabilities and costs. The Council is reliant on capital receipts to increase the affordability of the capital programme and towards meeting commitments already entered into as part of the Office Rationalisation programme.

## **RECOMMENDATIONS**

The Cabinet is recommended to:

1. Declare Suffolk House surplus to Council requirements.
2. Agree the disposal of Suffolk House on the open market to achieve best value.
3. Delegate authority to the Director of Economic Development in consultation with the Cabinet Member for Corporate Services and Performance to agree the method of open market disposal and disposal price.

**NEIL HANRATTY**

**Director**

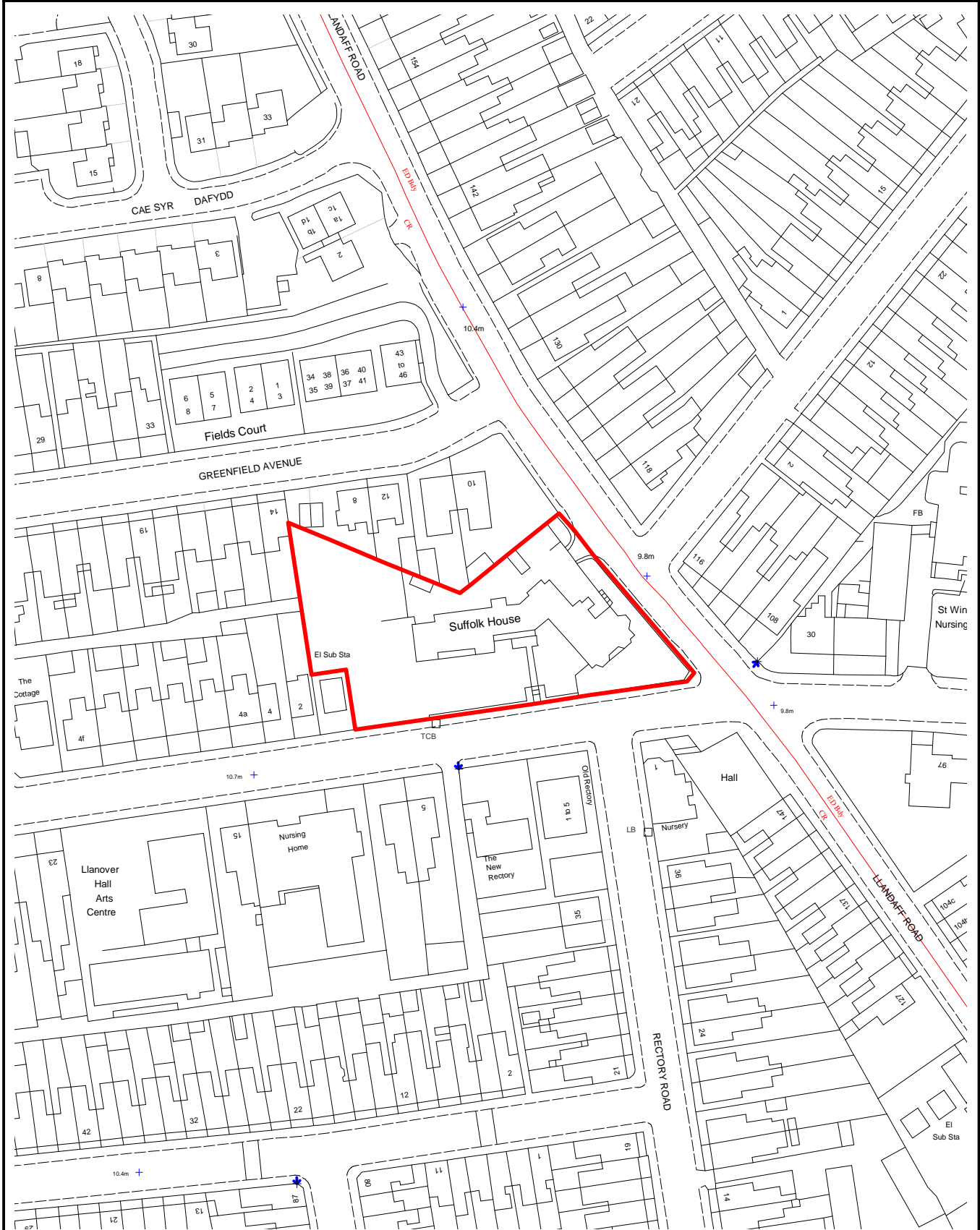
**22 September 2016**

*The following appendix is attached:*

Appendix 1: Suffolk House Site Plan

# Suffolk House

# Appendix 1



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<b>Drawn by</b> LHC	<b>Date</b> 29/4/13	<b>Drawing No.</b> 1	<b>Property Information</b>  Financial Services  Strategic Estates  Chief Officer Christine Salter
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