

**CARDIFF COUNCIL
CYNGOR CAERDYDD**



CABINET MEETING: 15 FEBRUARY 2018

**CORPORATE LAND & PROPERTY MANAGEMENT PLAN
2018/19**

**INVESTMENT & DEVELOPMENT (COUNCILLOR RUSSELL
GOODWAY)**

AGENDA ITEM: 8

REPORT OF DIRECTOR OF ECONOMIC DEVELOPMENT

Reason for this Report

1. To enable Cabinet to consider and approve the 2018/19 Corporate Land and Property Management Plan (CLPMP).

Background

2. The Council has previously adopted a five year Corporate Property Strategy (2015-2020), which sets out a framework within which all Council property related issues can be addressed in a structured manner. The Strategy established clear five year targets designed to deliver the objectives relating to modernisation, rationalisation and collaboration.
3. The CLPMP is an annual document which serves as the implementation plan for the Strategy. The annual targets within the CLPMP contribute towards the five year targets in the Property Strategy and sets out objectives for the operational estate. It sets out key data, reinforces overarching principles for the strategy of the estate, outlines what is planned for the year ahead, and provides explicit targets relating to the reduction in the size and cost of the estate.
4. The Council's estate is vast and the cost of operating the estate represents the second largest call on the Council's budget after staff costs. The ongoing changes to the way in which the Council delivers its services is inextricably linked to its operational property estate and therefore offers an on-going opportunity for review.

Issues

5. Land and Property management is a key strategic activity which aligns service strategies with the property estate. It ensures optimisation of property assets in a way which best supports the organisation's business

goals and objectives. The requirement for effective land and property management is based on treating property as a corporate resource which forms the basis of the new Corporate Landlord function. The importance of the corporate approach is due to the significant costs and value of the Council estate and its importance in assisting with the delivery of effective Council services.

6. An update on the implementation of a new Corporate Landlord model will be presented to Cabinet in March 2018. This will align with the CLPMP but will cover the wider matters relating to the management of the estate including maintenance and statutory compliance. The targets set out in the CLPMP relate to strategic management of the estate including reducing the maintenance backlog, reducing running costs and generating capital receipts.
7. Cabinet has also indicated that it intends to embark on an enhanced land and property disposal programme intended to generate circa £40 million over the next five years. The first £25 million will fund the Council's contribution to the Band B Schools Organisational Change Programme, with the balance funding the agreed capital programme. The CLPMP will include a new review designed to deliver the required receipts over the period and a report will be tabled for consideration by Cabinet in autumn 2018.
8. The implementation of the CLPMP will be overseen by the Asset Management Board (AMB), chaired by the Chief Executive in consultation with the Cabinet Member Investment & Development. This will enable a strategic and corporate oversight across the administration's objectives.
9. In addition to the internal Council review of the estate, opportunities to work closer with other public sector partners will be considered following quarterly meetings of relevant Chief Executives with support from property managers. Any ideas generated by this activity will be implemented in consultation with the Cabinet Member Investment & Development.

Local Member consultation

10. Member engagement will take place through the implementation of the plan.

Reason for Recommendation

11. To enable Cabinet to consider the 2018/19 Corporate Land & Property Management Plan.

Financial Implications

12. This report highlights a range of property initiatives. These initiatives potentially have a range of differing financial implications which will need to be considered in conjunction in Financial Services, as the strategy is

implemented. These could include, timing and value of disposal, options appraisal for sites, new acquisitions, liabilities on transfer of properties, valuation for accounting purposes and ongoing holding costs of property. The financial implications of such initiatives will be reported as part of the Governance arrangements identified in the report.

13. Property assets used by the Council influence a significant part of service delivery and also form a large part of the revenue and capital budget of the authority. Council budget reports have highlighted the requirement for the Council to undertake additional borrowing in order to support the Council's Capital Programme.
14. The budget proposals report for 2018/19 indicates that within the financial climate of reducing revenue resources it is clear that all necessary actions must be taken to reduce both initial capital expenditure by accelerating a reduction in the Council's asset base within a limited timeframe and also the subsequent need to borrow.
15. Properties identified for disposal should be done so promptly in order to minimise revenue costs associated with holding onto surplus property. The proposed capital programme for 2018/19 – 2022/23 assumes £40 million of non-earmarked capital receipts to support capital expenditure commitments. The report highlights the need for a detailed disposal strategy to support these commitments and this is to be the subject of a separate Cabinet report.

Legal Implications

16. The Council has an obligation to ensure value for money in its management, acquisition and disposal of land and property as public assets.

RECOMMENDATION

Cabinet is recommended to approve the 2018/19 Corporate Land & Property Management Plan attached at Appendix 1.

NEIL HANRATTY

Director of Economic Development

9 February 2018

The following appendix is attached:

Appendix 1: Corporate Land & Property Management Plan 2018/19