

CORPORATE ASSET MANAGEMENT PLAN

REPORT OF DIRECTOR OF ECONOMIC DEVELOPMENT

AGENDA ITEM: 5

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

Reason for this Report

1. To enable the Cabinet to consider and approve the Corporate Asset Management Plan (CAMP) for 2015-2016.

Background

2. In November 2014 the Council, for the first time, adopted a Corporate Property Strategy, which has set a clear framework within which all property related issues can be addressed in a structured manner. The CAMP will act as the implementation vehicle for the Corporate Property Strategy, and will be produced annually. It details key data relating to the council's property estate; it sets out a summary of the objectives for the forthcoming year; a review of the state of the council estate; a brief analysis as to what was achieved over the past 12 months; and a summary of what will be done over the forthcoming year.

Issues

3. Property asset management is a key strategic activity which aligns business and property strategies; ensuring optimisation of property assets in a way which best supports the organisation's key business goals and objectives. The CAMP will be a dynamic document as a result of the ongoing Council service changes and requirements.
4. The requirement for asset management is based on treating property as a corporate resource because it:
 - Costs money to use and maintain
 - Is fundamental to the delivery of effective Council services.
 - Has inherent value, so commercial and community aspirations need to be balanced accordingly.
 - Supports affordability of the Council's Capital programme and Investment initiatives approved at a County Wide strategic level

5. The CAMP provides a snap shot at a given point in time. Asset management is a dynamic operation derived from service business plans.
6. The CAMP identifies targets for this financial year and is directly aligned with the ODP and Corporate Plan to ensure delivery of the long term targets agreed within the Corporate Property Strategy:
 - Realise £10m in Capital Receipts by 2018
 - Reduce operational GIA (Gross Internal Area) by 10% by 2018
 - Reduce the running cost of operational buildings by £2m by April 2018
 - Reduce the maintenance backlog by £12m by April 2018
 - Undertake 10 partnership / collaboration projects by 2018.
7. The CAMP will be implemented through the Asset Management Board. The Board, chaired by the Chief Executive, provides strategic oversight across the estate. It co-ordinates a range of interrelated initiatives to ensure better alignment of the Asset Management Plan to the Corporate Plan and to provide a Council wide, corporate and structured approach to the management of property. Alternate meetings of the Board are attended by senior officers from other major property occupying public sector organisations based in the city to explore opportunities to promote collaborative use of buildings and land. The Board is supported by the Asset Management Working Group, a forum of senior officers drawn from across property occupying Directorates, who assess in more detail opportunities to make more efficient cost effective use of property.
8. The schedule of properties which supports the CAMP will be informed by Fitness for Purpose Assessments of all the assets and these will be classified using a RAG status, with red properties prioritised for further consideration and action. Investment strategies and the disposals programme will also feature prominently.

Conclusion

9. The Corporate Asset Management Plan sets out objectives regarding the estate, key outcomes and future actions. Significant challenges lie ahead which can be encompassed in the Property Strategy strapline of “Fewer but Better Buildings” – achieving a leaner and fitter estate with all the efficiencies and capital receipts associated with such a strategy.

Reasons for Recommendations

10. To enable Cabinet to consider current asset management progress and initiatives.

Legal Implications

11. Welsh Government Guidance requires all local authorities in Wales to have Asset Management Plans which are to relate to property held by Councils, including land and buildings which provide a public service,

operational premises, non-operational surplus property and road infrastructure

Financial Implications

12. This report has no direct financial implications. 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. A sustainable and efficient property portfolio, based on a Corporate Asset Management Plan, will result in savings in expenditure and allow prioritisation of limited resources to assets essential in delivering improved services.
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.
14. The budget report 2015/16 highlighted the need for the Council to make savings. The release of property, based on a Corporate Asset Management Plan, will result in savings in revenue expenditure from the operating costs of holding property and allow prioritisation of limited resources to assets essential in delivering improved services.
15. The budget report has also consistently highlighted the need for the Council to undertake additional borrowing in order to support the Council's Capital Programme. The capital programme includes allocations to address property condition as highlighted in this report, however significant allocations are not affordable and relinquishment of assets can help minimise the backlog and allow the resources that do exist, to be prioritised on assets that are intended to be retained and essential in service delivery.
16. The budget report 2015/16 indicated that 'Further action is required to accelerate a reduction in the Council's asset base within a limited timeframe'. Unless assurance of progress in this regard can be demonstrated the affordability of the existing Capital Programme will need to be reviewed. For 2015/16, the Council's budget also assumed proceeds from the disposal of property would be used towards meeting the Staff revenue costs of organisational change, following approval of a capitalisation direction from Welsh Government.
17. This report highlights a range of property Initiatives, each potentially having a range of differing financial implications which will need to be considered in conjunction in Financial Services, as the strategy is implemented. The financial implications of such initiatives will be reported as part of the Assets and Property Board, identified in the report.
18. Whilst Capital receipts are a priority, the report suggests community asset transfers would also be considered where strategically relevant. This should be done only after consideration of the needs for receipts

and the sustainability of plans to services from any such buildings proposed for transfer.

19. Properties identified for disposal should be done so promptly in order to avoid any revenue costs of holding onto surplus property.

RECOMMENDATIONS

The Cabinet is recommended to approve the 2015/16 Corporate Asset Management Plan (Appendix A to this report).

NEIL HANRATTY
DIRECTOR OF ECONOMIC DEVELOPMENT
16 July 2015

The following Appendix is attached

Appendix A: Corporate Asset Management Plan 2015/16

CORPORATE ASSET MANAGEMENT PLAN

2015/2016



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EXECUTIVE SUMMARY

In November 2014 Cardiff Council approved a Corporate Property Strategy. For the first time this put in place a high level framework within which all Council property related initiatives could be identified and delivered in a coherent and transparent manner. The goals of the property strategy are directly aligned to those of the Cardiff Corporate Plan 2015-17.

The Council will publish an annual Corporate Asset Management Plan (CAMP) and this will serve as the delivery vehicle for the Corporate Property Strategy, setting out the plans for property assets during the current financial year. It is designed to complement the findings and assessments of the Strategy and to detail the measures being taken in the current financial year to ensure these are progressed and completed where appropriate. It is not a mandatory requirement to produce a plan each year it is good practice to do so and demonstrates a proactive and planned approach to property asset management.

The CAMP is part of the Council's change agenda as reported through the Organisational Development Programme (ODP). The Enabling and Commissioning Board (CAMB) serves as the principal forum to report property asset management progress. The Asset Management Board (AMB), chaired by the Chief Executive, and also the Asset Management Working Group, both support the asset management process and meet once a month to raise, discuss and reach decisions on all property issues. Every other month, public sector partnering organisations are invited to the Board meeting to progress opportunities for collaboration and partnership working.

In 2014/15 8 offices were proposed for vacation, 5 from the Office Rationalisation project and 3 resulting from service led moves. A total of 7 office properties were ultimately vacated, 4 of which were permanently relinquished via either sale or lease end/break.

For 2015/16 10 offices are in scope for either vacation or relinquishment. 8 are part of the Office Rationalisation exercise whilst 2 are service led. This is projected to realise £1.7m in capital receipts and offload the burden of £1.4m maintenance backlog.

A large proportion of the Communities estate was subject to a city wide budget consultation exercise in 2014/15 designed to understand the demand for Community Asset Transfer (CAT) opportunities and invite expressions of interest from community groups.

The HUBs programme progressed as planned, achieving its reported targets with new HUBs agreed for Grangetown and also a newly proposed HUB in Rumney. HUBs at St Mellons and Llanrumney were approved for expansion and investment. Sports and Leisure undertook separate procurement exercises for the Leisure Centre and Venues services to determine options for alternative service delivery from 2016/17 onwards.

In 2015/16 new HUBs will be established at Grangetown and Rumney whilst work will progress with partners to develop a "phase 2" expansion model for Ely and Caerau HUB. Three ongoing CAT proposals at Maes y Coed, Plasnewydd and Pentreban Community Centres are set to complete early in the year. Additional CAT opportunities continue to be explored at selected sites. The future of the sports, leisure and play assets will be subject to further review.

The School Organisational Programme (SOP) progressed in 2014/15 with key milestones including the formal closure of Llanedern High July 2014, completion of the Hywel Dda expansion in Sept 2014, Millbank remodelling investment completed Jan 2015 and the conclusion of Coed Glas/Ysgol Y Wern reorganisation proposals (with investment to follow).

For the next financial year approval was granted to proceed with new projects including development of plans for a new High School in the West, work to create a new 2 form entry Welsh Medium and a 2 form entry English Medium Primaries within the 4 wards area, a new 2 form entry English Medium Primary in Cyncoed, Penylan, parts of Roath, a new 2 form entry Primary School in Splott & Adamsdown and a new 2 form entry Primary School for Llandaff North.

Through the Asset Management Board, opportunities for partnership working will be further explored and new, feasible and realistically achievable projects will be instigated focussing on shared efficiencies and collaborative working.

Vital work on new, corporately networked SAP based data management systems will ensure the Council can confidentiality and accurately report property performance statistics in future years.

The Key themes of the CAMP are "fewer, but better buildings", collaboration and rationalisation. The outcome of this approach will result in a proactive disposal programme which will generate important capital receipts.

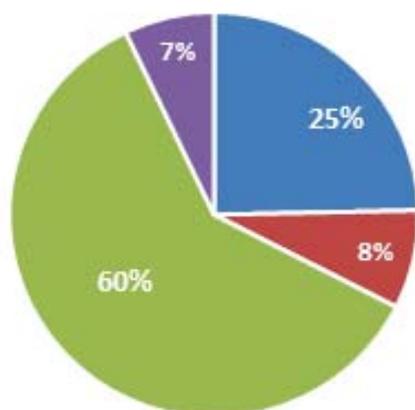
STATE OF THE ESTATE REVIEW

Description	Measure	Achieved 2014/15	Target 2015/16
Capital Receipts Secure £10m capital receipts by 2018	N/A	£4,421,435	£6.2m*
Gross Internal Area (GIA) Reduce the GIA of operational buildings by 10% by April 2018.	Total GIA 2013/14 = 7,815,675 sqft 726,100 sqm	GIA relinquished = 42,074 sqft 3,909 sqm Percentage reduction = 0.54 %	Target to relinquish = 273,549 sqft 25,414 sqm Percentage reduction target = 3.5%
Running Costs Reduce the running cost of operational buildings by £2m by April 2018	Estimated running cost 2013/14 = £36,000,000	Running cost reduced = £210,000 Percentage reduction = 0.6%	Running cost target = £1,620,000 Percentage reduction = 4.5%
Maintenance Backlog Reduce the maintenance backlog by £12m by April 2018	Maintenance Backlog estimate 2013/14 = £104,000,000	Backlog reduction via disposal = £301,100	Target reduction = £4,300,000
Property Condition Percentage reduction in the proportion of operational buildings rated as in "poor" or "bad" condition.	Estimated GIA considered in poor or bad condition 2013/14 = 410,546 sqft 38,141 sqm	New Measure	Percentage reduction = 55%
Fitness for Purpose Undertake a two year programme to complete 100% of prioritised Fitness for Purpose Assessments by April 2017	Introduced for year 2015/16	New Measure	Anticipated 50% of properties will have an up-to-date fitness for purpose assessment end of 15/16
Partnership Working Instigate 10 collaboration projects with public sector partners by 2018	Introduced for year 2015/16	New Measure	3 projects

*See page 34 for details regarding 2015/16 land and property capital receipts



CAPITAL RECEIPTS 2014/15



■ Appropriation to HRA ■ Land sales
■ Non-Operational ■ Operational

Type	Receipt
Appropriation to HRA	£1,090,000
Land sales	£348,125
Non-Operational	£2,668,311
Operational	£314,999
	£4,421,435

Cardiff Council secured £4.4m in Capital receipts during 2014/15. Over half of the receipts resulted from the sale of non-operational assets such as ground leases. A quarter of receipts came from land and property appropriations to the HRA account for the HPP programme. Last year just over £650k originated from operational property and land sales.

OPERATIONAL PROPERTY 2014/15

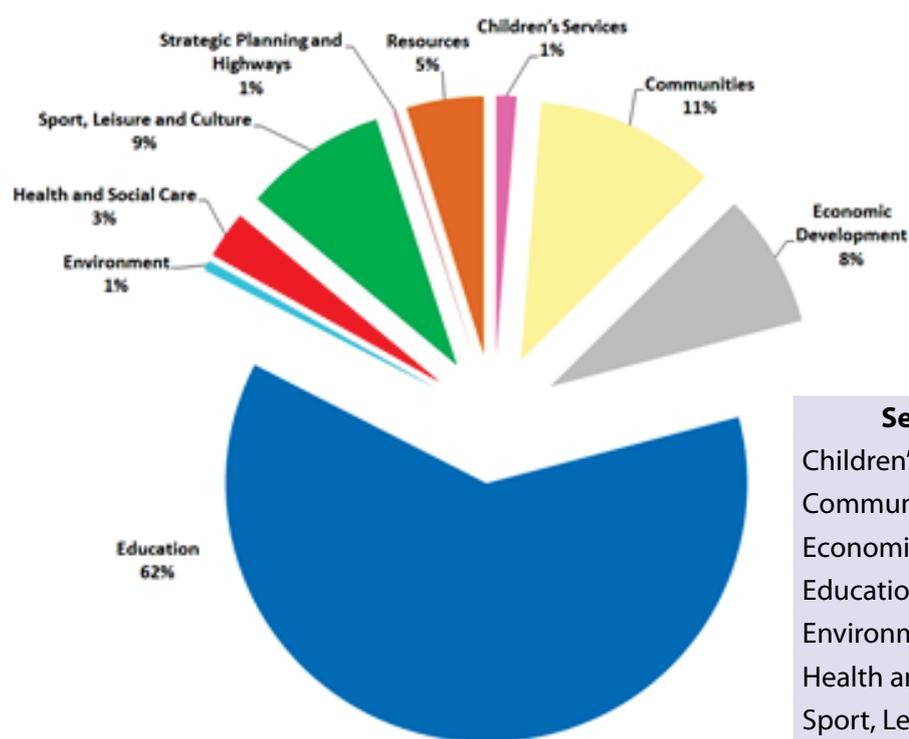
Operational property is directly managed by the Authority either to deliver services to the public through schools, libraries, leisure centres, homes and day care facilities etc. or to facilitate service delivery via back office and depot facilities. The Council also owns and manages extensive land assets primarily for the purposes of Parks, Council Housing Estates and the Harbour at Cardiff Bay, but these are largely excluded from the statistics below.

Summary

- Circa 500 operational properties
- Approximately £1billion existing use value
- Total Operational GIA 726,823 sqm
- 62% of GIA relates to schools
- Maintenance Backlog is estimated at £102m in 2014/15
- Nearly 2/3 of all identified works are either urgent or will be in the near future
- Operational Running cost 2014/15 was circa £36m

The operational estate is allocated according to service and Council requirement and is seen to contain a very broad range of property types of various ages, types and sizes spread throughout each Ward of the Cardiff Council administrative boundary. It is generally recognised that Cardiff has a large operational property portfolio, particularly when compared to other similar sized authorities.

Operational Gross Internal Area

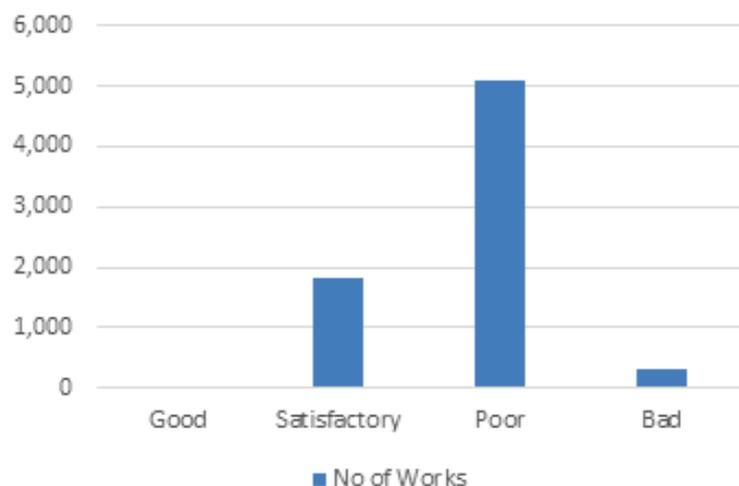


Service Area	GIA sqm	%
Children's Services	9,166	1.26
Communities	81,598	11.23
Economic Development	60,962	8.39
Education	448,435	61.70
Environment	4,426	0.61
Health and Social Care	21,345	2.94
Sport, Leisure and Culture	64,461	8.87
Strategic Planning and Highways	1,622	0.22
Resources	34,808	4.79

726,823

The gross internal area of the operational estate is predominantly allocated to the Education portfolio which consists of over 120 schools. Communities and Sports and Leisure manage significant floor space, largely to deliver front facing services to the public. Economic Development are responsible for a small number of large assets awaiting imminent redevelopment – plus also manage the communal areas of the investment portfolio. FM (within Resources) manages the Council's largest office buildings such as County Hall and City Hall. Children's Services and Health and Social Care manage various front facing Social Service facilities across the city.

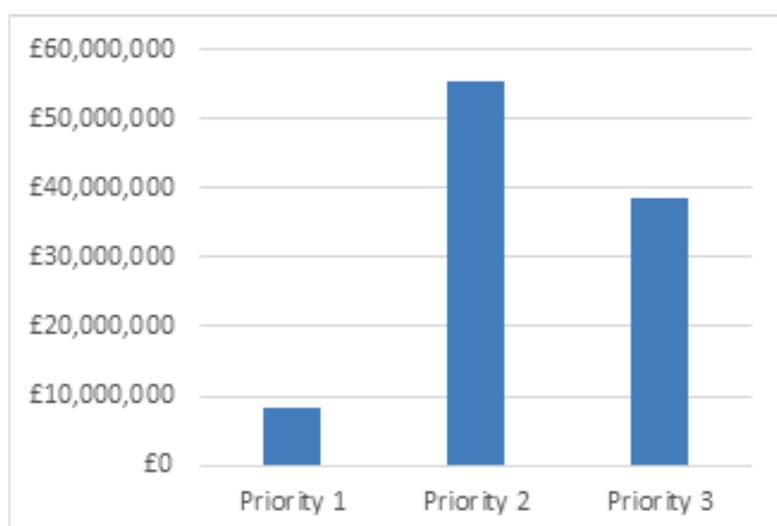
All identified work items in operational property by condition description 2014/15



Condition Type	No of Works	%
Good	2	0.03
Satisfactory	1,821	25.26
Poor	5,083	70.52
Bad	302	4.19

The table above describes the rating of each work item recorded on the Council's surveys database following programmed property condition surveys. Good and Satisfactory items will usually constitute low priority works. Poor or Bad work items however tend to relate to issues that will need to be addressed with some urgency. The fact that some 75% of all recorded items on the database are deemed to be in poor or bad condition is an indicator of the overall quality of the operational estate.

Total Cost of all identified works in operational and maintained property



Priority Rating	Cost of Works
Priority 1	£8,120,831
Priority 2	£55,567,559
Priority 3	£38,407,888
TOTAL	£102,096,278

All required work items recorded against operational property total £102 million.

This is the estimated cost required to restore the existing portfolio to a first rate condition. All works are attributed a priority rating which is intended to describe the urgency the repairs must be actioned. **Priority 1** = Urgent/Immediate works. **Priority 2** = Works will become urgent/immediate within 2/3 years unless actioned. **Priority 3** = Satisfactory at present but condition likely to worsen if left unresolved. The chart shows that just under 2/3 of recorded works require action either now or in the near future.

Total works priority backlog by Service Area

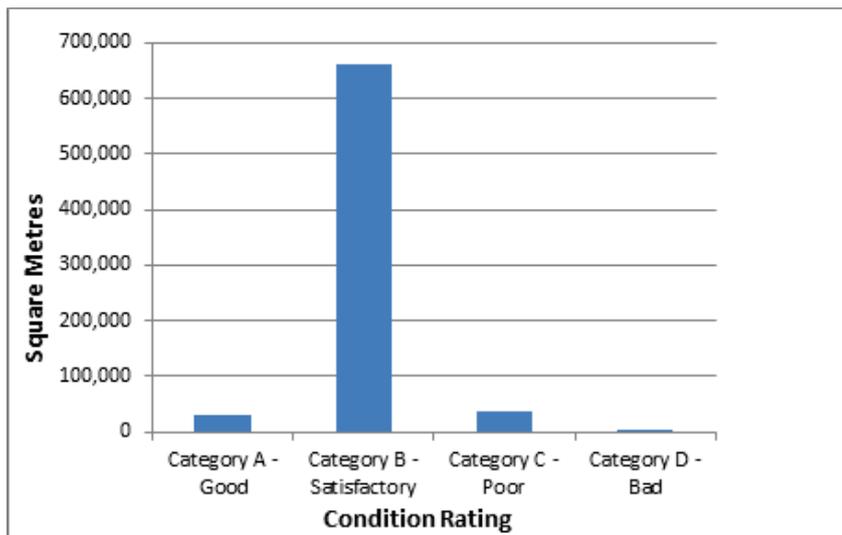
Service Area	Backlog	%
Children's Services	£620,375	0.6
Communities	£1,731,680	1.7
Economic Development	£2,628,830	2.6
Education	£73,526,928	72.0
Environment	£60,575	0.1
FM	£6,155,100	6.0
Health and Social Care	£841,363	0.8
Sport, Leisure and Culture	£16,419,677	16.1
Strategic Planning/Highways/ Transport	£111,750	0.1
	£102,096,278	

The maintenance backlog can be divided by responsible Service Area. Unsurprisingly it is the Education portfolio that carries the largest outstanding works cost at £73.5m which is nearly three quarters of the total works cost. Sports and Leisure also carry a significant backlog, this is predominantly found within the leisure centre and venue estate. FM are responsible for core office accommodation and the bulk of this works backlog is contained within County Hall and City Hall. Economic Development maintain communal spaces within the workshop estate and the heavy use of these sites necessitates regular repairs. Health & Social Care and Children's Services have a relatively small backlog considering the GIA space allocation in their portfolio.





Property condition rating by GIA

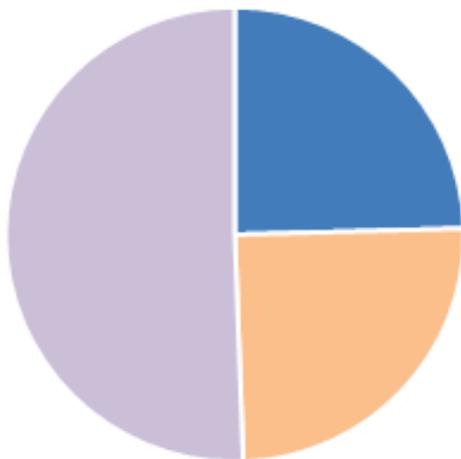


Condition Type	GIA sqm	%
Category A - Good	29,036	3.99
Category B - Satisfactory	659,646	90.76
Category C - Poor	37,510	5.16
Category D - Bad	631	0.09
	726,823	

This chart shows the property condition rating by GIA. It is interesting to note that according to this statistic, when considering the condition of the estate by total GIA, it would appear that over 90% of the estate appears in a Satisfactory condition. This however is very misleading as items such as roofs, walls, heating systems, electricity systems etc are not relevant to GIA. These items are in fact often the most critical and expensive aspects of a property when reviewing condition. Therefore taken in isolation this statistic is misleading and demonstrates the value of the methods of review noted previously in understanding the true condition of the Cardiff estate.



Total Estate Running Costs 2014/15



Portfolio	Cost	%
Office	£8,600,000	24.57
Community Buildings	£8,700,000	24.86
Schools	£17,700,000	50.57
TOTAL	£35,000,000	

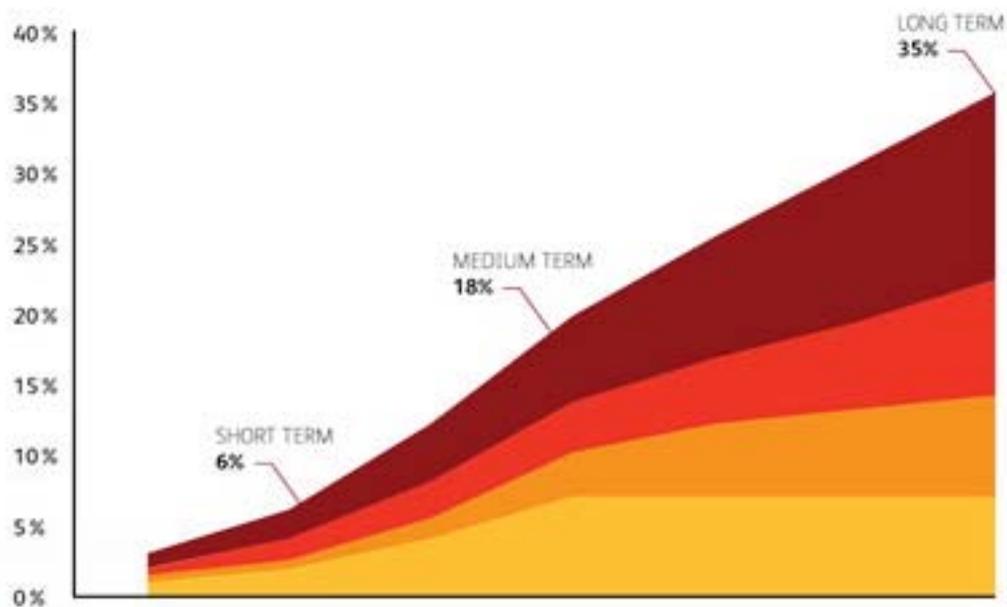
■ Office ■ Community Buildings ■ Schools

Calculating total running cost is currently a difficult task for Cardiff Council due to the compatibility of certain IT systems however work is underway to ensure reporting is easier and of suitable quality in future years.

Understanding the total running cost of the estate is a vital component of performance management. For the purposes of this report, running cost is considered to be all ongoing revenue costs recorded throughout the last financial year against a property including items such as utilities, security, business tax (NNDR), cleaning, rolling grounds and building maintenance etc. One off capital investments were not included. This chart clearly shows that approximately half of the total running cost of the estate is dedicated to the Education estate at £17.7 million in 14/15. The remaining cost is spread relatively equally between the Community buildings and the Office estate.

Operational Energy performance

CO2 Reduction Initiatives

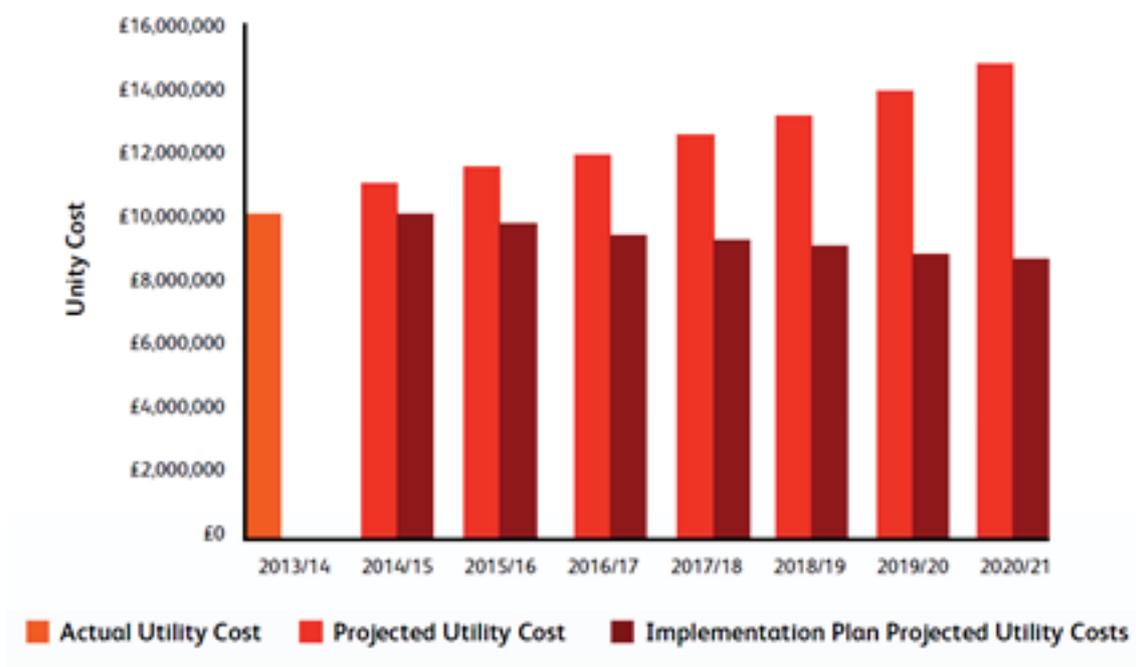


	2016	2017	2018	2019	2020	2021	2022
Invest To Save	1.00%	2.00%	4.00%	6.00%	8.50%	11.00%	13.00%
Design & Asset Management	0.50%	1.50%	2.50%	3.50%	4.50%	6.00%	8.00%
Renewables	0.50%	0.50%	1.50%	3.50%	5.00%	6.00%	7.00%
Good Housekeeping	1.00%	2.00%	4.00%	7.00%	7.00%	7.00%	7.00%

Energy consumption for existing buildings can initially be minimised by driving down energy demand (through passive building design for new build and contemporary operation techniques) before focusing on energy efficient plant and controls. The Council's Energy Strategy has been created primarily with data collated from recent studies undertaken.

Operational Energy performance

Implementation Plan Utility Cost Projections



The projection here highlights how the absolute reduction in CO₂e emissions could potentially be attained through targeted reduction interventions as recorded within the Council's Carbo/energy report. The capital cost of the interventions excludes inflation/other cost increases during the period. If these initiatives are addressed the following business case would be demonstrated:

Recommended £2.4M annual budget for works

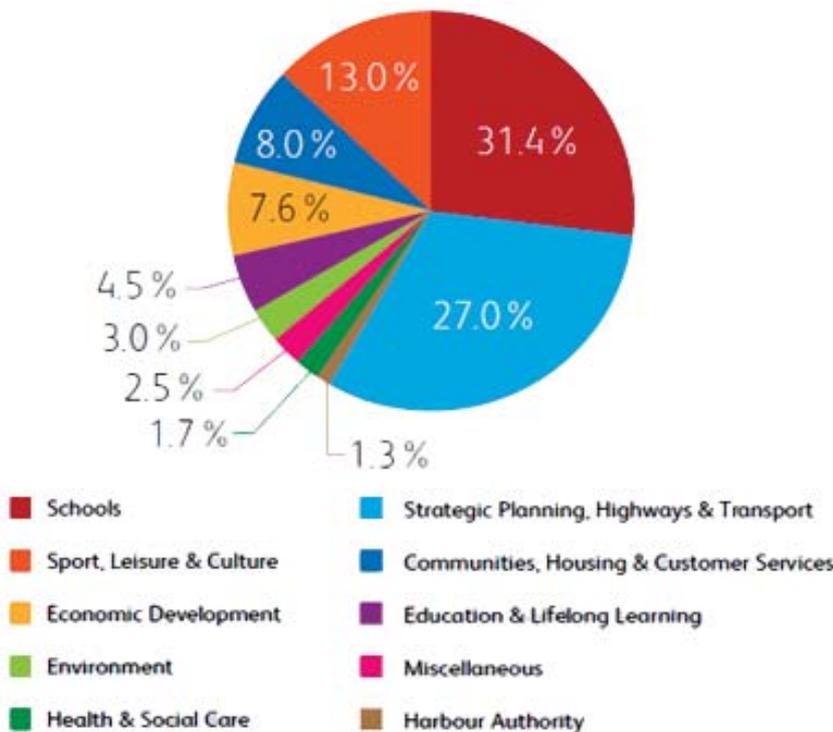
- Total utility cost value at stake estimated £3.6M/annum
- Good Housekeeping 3,565 tCO₂e (7%) CO₂e emissions reduction – (no cost/absorbed within current budget)
- Invest to Save 6,621 tCO₂e (13%) CO₂e emissions reduction - £7.4M cost
- Renewable Technologies 3,565 tCO₂e (7%) CO₂e emissions reduction - £9.5M cost
- Design & Asset Management, 4,075 tCO₂e (8%) emissions reduction

Carbon Emissions by Directorate 2013/14

Fuel	Total tCO2	Total
Schools	15,970	31.4%
Strategic Planning, Highways & Transport	13,755	27.0%
Sport, Leisure & Culture	6,618	13.0%
Communities, Housing & Customer Services	4,092	8.0%
Economic Development	3,850	7.6%
Education & Lifelong Learning	2,284	4.5%
Environment	1,551	3.0%
Miscellaneous	1,291	2.5%
Health & Social Care	847	1.7%
Harbour Authority	675	1.3%
Total	50,931	

Based on the 2013/14 financial year the total CO2e emissions for the estate are 50,931 tCO2e. It has been determined that prioritising carbon reducing measures addressing electricity consumption will yield the greatest carbon emission savings and utility cost savings.

Carbon emissions can be measured by Service Area output and the table and graphs here show that nearly 2/3 of the Council's Carbon output is emitted by Schools and SPH&T. Schools is by far the largest property managing service area so this is to be expected. SPH&T emissions are the result of the street lighting managed by this service area.

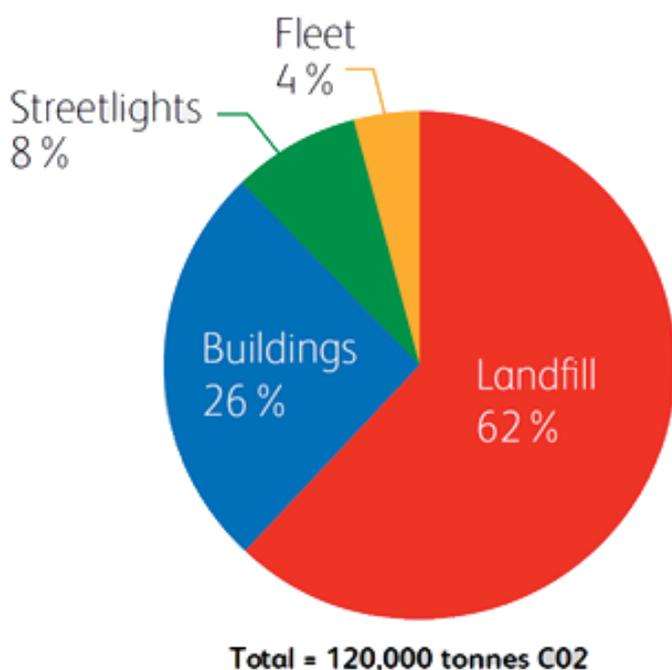


CO2e Emission Data

Further analysis of the data in the table below highlights that the number one source of carbon emissions is street lighting across the city, followed by County Hall and City Hall. Active targeting of these sites is likely to achieve the highest carbon savings.

Site Name	Electricity CO2e (tCO2)	Gas CO2e (tCO2)	Total Carbon Emissions (tCO2)	Total
1 Street Lighting (All)	11,836	0	11,836	23.2%
2 County Hall	2,105	287	2,392	4.7%
3 City Hall	661	526	1,187	2.3%
4 Traffic Signals (All)	1,127	0	1,127	2.2%
5 Fitzalan High School	517	376	894	1.8%
6 St David's Concert Hall	573	289	863	1.7%
7 Lamby Way Cleansing Depot	788	22	810	1.6%
8 Cardiff International White Water Centre	679	44	723	1.4%
9 Western Leisure Centre	376	185	561	1.1%
10 Radyr Comprehensive School	355	190	545	1.1%

The chart below shows the 2005/06 breakdown of carbon emissions for the Council. Of particular note is that the majority of emissions were recorded from landfill waste, however the Council has more direct control over the emissions from buildings, vehicles and street lighting – which still comprise some 1/3 of all emissions.



Completed projects will also have an impact on absolute CO2e emissions for the estate. The following list summarises some of the key projects completed/in progress since the 2008 plan:

- LED Lighting Installations
- Building Insulation Programme
- Heating Controls Programme
- Variable Speed Drives – Pumps & Fans
- Lighting Controls in Council Buildings
- IT projects – virtual servers, blade servers, extreme PC's
- Lamby Way Landfill Gas CHP
- In-vessel composting facility
- Automatic Meter Reading
- Voltage Optimisation Installations
- Heating Controls in Demountable Classrooms
- Biomass feasibility/implementation
- Energy Awareness Campaigns
- Detailed Energy Auditing of largest energy consumers
- New Build – Beacon Project
- Low Carbon Building Performance Standard
- Heating Controls Audit
- School Pool Hall Energy Improvements-

WHAT WE SAID WE WOULD DO IN 2014/15

Office Estate

The office portfolio is subject to the ongoing Office Rationalisation project as well as other service area led moves. Applying the principle of “Fewer, but better buildings” the core objective of Office Rationalisation is to reduce the number of office buildings the council operates and consolidate staff in core offices such as County Hall, maximising the utilisation of these buildings. There is a focus on the retention of good quality freehold properties (particularly centrally located), and the active relinquishment of leasehold premises.

In 2014/15 office rationalisation proposed to vacate and relinquish/dispose 5 buildings and realise £382k savings. 4 properties were vacated but the Council disposed only 1 site resulting in £72k Office Rationalisation savings made. Some savings were offset with the need to invest in the relocation of teams. Alexander House was not vacated in time so will now be relinquished in early 2015/16. The Bessemer Road properties were vacated but not sold, but will be disposed by the end of 2015/16. In addition to Office Rationalisation, service area led reviews also resulted in a further 3 properties being vacated and either disposed or appropriated.

The total combined Office estate summary 2014/15 is shown below.

Property	Ward	Intent	Result	Tenure
Alexander House, Excelsior Rd	Gabalfa	Vacate and Relinquish	Not Realised	Leasehold
Bessemer Close site 1 - Procurement and Supplies Depot	Grangetown	Vacate and Dispose	Vacated, but not sold	Freehold
Bessemer Close site 2A - Schools Maintenance Depot (DSU)	Grangetown	Vacate and Dispose	Vacated, but not sold	Freehold
Bessemer Close site 2B - Terrapin Building	Grangetown	Vacate and Dispose	Vacated, but not sold	Freehold
Brindley Road Highways Depot (northern element)	Grangetown	Vacate and Dispose	Vacated & SOLD	Freehold
Crofts Street Laboratory's	Plasnewydd	Vacate and Dispose	Appropriated to HRA	Freehold
150 Thornhill Road	Lisvane	Vacate and Dispose	Appropriated to HRA	Freehold
Heath Park Offices	Heath	Vacate and Dispose	Vacated & Leased to third party	Freehold



Community Buildings

All of the community buildings within the estate were subject to review during 2014/15 as part of a pre-budget public consultation exercise.

The following project streams were progressed by the relevant managing service areas:

Community Buildings and Community Asset Transfers (CATs)

As part of the Cardiff budget consultation for 15/16 expressions of interest were sought from groups interested in the CAT of community properties proposed for closure. The Stepping Up Toolkit was created and made available to aid individuals and groups who are interested in the CAT process. 3 CATs were actively progressed to the point of completion, with Heads of Terms expected to be agreed in early 2015/16.

HUBs

The HUBs programme progressed as planned, achieving its reported targets with new HUBs agreed for Grangetown and also a newly proposed HUB in Rumney. HUBs at St Mellons and Llanrumney were approved for expansion and investment. The HUB programme will be aligned to the aims and objectives of the Corporate Property Strategy in 15/16, with a particular focus on the development of community campus schools in future years.

Leisure Centres and Venues

Sports and Leisure are undertaking procurement processes for the Leisure Centre and Venues services to determine options for alternative service delivery from 2016/17 onwards. The results are expected late 15/16. The outcome of this exercise is likely to have a significant impact on the performance of the estate in future years.

The primary community building project summary for 2014/15 project is shown on the right.

Property	Ward	Type	Intent	Result	Tenure
Ely and Caerau HUB	Caerau	HUB	Continued investment	Continued investment	Freehold
St Mellons HUB	St Mellons	HUB	Continued investment	Continued investment	Freehold
Llanrumney HUB	Llanrumney	HUB	Continued investment	Continued investment	Freehold
Butetown HUB	Butetown	HUB	Continued investment	Continued investment	Leasehold
City Centre HUB	Cathays	HUB	Review accommodation strategy	Decision to relocate to Central Library	Freehold
Rumney HUB	Rumney	HUB	Seek approval to proceed	New HUB agreed	Freehold
Grangetown HUB	Grangetown	HUB	Seek approval to proceed	New HUB agreed	Freehold
Plasnewydd Community Centre	Plasnewydd	CAT	Implement CAT agreement	CAT – nearing completion	Freehold
Maes y Coed Community Centre	Heath	CAT	Implement CAT agreement	CAT – nearing completion	Freehold
Pentrebane Community Centre	Fairwater	CAT	Implement CAT agreement	CAT – nearing completion	Freehold
Meteor Street Day Centre	Adamsdown	Service review	Vacate and appropriate to HRA	Appropriated to HRA	Freehold
Ely Library, 8 Grand Avenue	Ely	Service review	Vacate and appropriate to HRA	Appropriated to HRA	Freehold
Public Conveniences – Kingsway	Cathays	Service review	Dispose	SOLD	Freehold
All Libraries	City Wide	Budget Consultation	Determine CAT interest	Libraries to be retained	Various
All Play Centres	City Wide	Budget Consultation	Determine CAT interest	Play Centres retained for 2015/16	Freehold
All Youth Centres	City Wide	Budget Consultation	Determine CAT interest	Service and property rationalisation agreed for 2015/16	Various
All Day Centres	City Wide	Budget Consultation	Determine CAT interest	Day Centres retained for 2015/16. Further review required	Freehold
All Leisure Centres	City Wide	Service Area Review	Initiate procurement project	Procurement project agreed to proceed.	Freehold
All Venues	City Wide	Budget Consultation	Initiate procurement project	Procurement project agreed to proceed.	Freehold
All Sports facilities	City Wide	Service Area Review	Determine future property strategy	Pursue CAT and disposal options where possible	Freehold

Schools Estate

Investment in the schools estate is a major part of the Council's Investment Plan.

£137m was approved for Schools Organisational Programme (SOP) Band A by Welsh Government (WG) in Nov 2011. This is composed of £68.5m from WG and £68.5m Cardiff Council (funded by capital receipts and prudential borrowing). WG is providing funding subject to approval of business cases for individual projects.

SOP resulted in the following impact on the Council's property estate in 2014/15

Property	Ward	Status end 2014/15	Tenure
Llanedeyrn High School	Pentwyn	Formal closure in July 2014	Freehold
Hywel Dda Primary School	Ely	Expansion complete Sept 2014	Freehold
Millbank Primary School	Ely	Remodelling investment complete Jan 2015	Freehold
Coed Glas/Ysgol Y Wern	Llanishen	Reorganisation proposals concluded (investment to follow)	Freehold
The Four Wards engagement exercise	Various	Cabinet approval was granted to proceed with consultation	Freehold
Michaelston/Glyn Derw to share site proposal	Ely/Caerau	Cabinet approval was granted, site proposal consultation spring 2015	Freehold
Howardian consultation	Cyncoed	Cabinet approval was granted, Spring 2015	Freehold
Gabalfa/Ysgol Glan Ceubal Primary Schools	Gabalfa / Llandaff North	Cabinet approval was granted consultation undertaken Spring 2015	Freehold
Pontprennau Primary School	Pontprennau	Formally approved for implementation	Freehold
Birchgrove Primary School Caretakers House	Llanishen	Disposed	Freehold



Albany Nursery & Primary School

Telephone: 01293 26499500 Email: school@albanynursery.com
Headteacher: Mrs. A. Lopez Web: www.albanynursery.com



Land and other assets

Generating capital receipts from disposals is also of key importance to the Council's budget. Various surplus sites were declared surplus and disposed during 2014/15 as per the rolling schedule managed by Strategic Estates:

Property	Ward	Result	Tenure
Land at Landsea Square	Butetown	SOLD	Freehold
Land at Oxford Street	Plasnewydd	SOLD	Freehold
Land East of Tyndall Street	Butetown	SOLD	Freehold
Land Adj to Brindley Rd Place	Grangetown	SOLD	Freehold
Land at Mount Pleasant Avenue	Llanrumney	SOLD	Freehold
Land at Lamby Way	Rumney	SOLD	Freehold
Land at Fairwater Green	Fairwater	SOLD	Freehold
Unit 31 Mermaid Quay	Butetown	SOLD	Freehold
Waun Lee & Pent Lee	Pontprennau	SOLD	Freehold
Wilfred Brook House	Grangetown	SOLD	Freehold
Syr Davids Court Clive Road	Canton	SOLD	Freehold
Land at St Mellons off Coleford Drive	St Mellons	SOLD	Freehold
Tyn y Gollen St Mellons Re	St Mellons	SOLD	Freehold
Unit 23 & 25 Ipswich Rd Ind estate	Penylan	SOLD	Freehold
Caxton Place Unit 2	Pentwyn	SOLD	Freehold
4 Dunraven Court	Penylan	SOLD	Freehold
128 Cowbridge Road West	Ely	SOLD	Freehold
92 Templeton Avenue	Llanishen	SOLD	Freehold



Investment Estate

The investment estate continued to serve a significant economic, community and social benefit role to Cardiff in 2014/15. A review was commissioned to determine how maximum value could be extracted from this estate in future. The investment (or non-operational estate) serves a vital role within Cardiff, providing opportunities and facilities for small/starter businesses to grow and develop. This results in a revenue rental income for the Council.

The Investment Estate revenue target for 14/15 was £3.59m. Cardiff Council secured £3.45m.

The workshop estate secured a further £686k .

Total revenue for 2014/15 = £4.14m

SUMMARY EFFECT 2014/15

This summary describes the NET effect on key indicators following vacation and disposal.

	GIA	Maintenance Backlog	Running Costs	Capital Receipt
Offices	32,744	£192,000	£210,000	£948,000
Communities	8,530	£69,100	£36,000	£299,999
Schools	800	£40,000	£3,000	£157,000
Land	-	-	-	£384,125
Non-operational	-	-	-	£2,668,311
TOTAL	42,074	£301,100	£210,000	£4,421,435



WHAT WE WILL DO IN 2015/16

There will be a continued focus on realising efficiency savings through reduced running costs, negating maintenance backlog where possible through disposal/lease relinquishment and reducing the Gross Internal footprint within operational buildings. The realisation of capital receipts from surplus assets will be attributed highest priority, with investment to focus on retained, core buildings required for statutory service delivery.

Office Estate

The rationalisation of the Office estate will continue, led by the Office Rationalisation project and complimented by Service led moves. A further 10 offices are to be vacated, relinquished or disposed in 2015/16.

The Office Rationalisation business case aims to have realised a total of £1.7m revenue savings and release assets valued at £4m by 2017. As a consequence, approximately 500 staff will need to be accommodated in County Hall (or other core offices). To facilitate this, modern ways of working, e.g. hot-desking, are being introduced to enable existing retained office space to be used cost effectively.

In addition, other projects and service area reviews will result in further changes to the Council's office requirement. The anticipated effect on offices for 2015/16 is shown here:

Property	Ward	Action	Tenure
Carnegie Centre, St Davids House	Cathays	To Vacate	Freehold
Traffic Wardens Office, 47 Landore Court	Cathays	Lease to be relinquished	Leasehold
Clare Road Depot (former Tram Shed)	Grangetown	To dispose	Freehold
Bessemer Close site 1 - Procurement and Supplies Depot	Grangetown	To dispose	Freehold
Bessemer Close site 2A - Schools Maintenance Depot (DSU)	Grangetown	To dispose	Freehold
Bessemer Close site 2B - Terrapin Building	Grangetown	To dispose	Freehold
Global Link	Grangetown	To Vacate	Leasehold
Howardian Office Accommodation	Cyncoed	To Vacate	Freehold
Mynachdy Centre	Gabalfa	To Vacate	Freehold
Alexander House, Excelsior Rd	Gabalfa	Lease to be relinquished	Leasehold



Community Buildings

The Community property portfolio will continue to be reshaped and adapted to enable new and alternative service delivery models to be introduced.

The result of alternative approaches to core community services such as libraries, youth centres, and play centres may result in additional properties becoming surplus to Council requirements.

- The HUB programme will proceed (as per Cabinet Reports 16/9/2014 & 19/3/2015) and will see Marland House close and services moved to Central Library.
- Work will be undertaken to determine the future of Play Centre, Youth Centre, Day Centre and Library services for 16/17 and beyond.
- The results of the Venue and Leisure Centre procurement process will determine the future of those services and assets. This has the potential to have a significant effect on the Council's operational estate performance.
- Additional support will be provided to community groups and organisations who are interested in undertaking a CAT. Selected properties within the Communities estate such as Play Centres and Youth Centres will offer the best opportunities as they provide community services that cannot be supported by the Council indefinitely – either in regard to service provision or building management.

Key property projects for 2015/16 are shown on the right:

Property	Ward	Type	Action	Tenure
Ely and Caerau HUB	Caerau	HUB	Pursue “phase 2” expansion opportunities	Freehold
St Mellons HUB	St Mellons	HUB	Continued investment	Freehold
Llanrumney HUB	Llanrumney	HUB	Continued investment	Freehold
Butetown HUB	Butetown	HUB	Continued investment	Leasehold
Rumney HUB	Rumney	HUB	Continued investment	Freehold
Grangetown HUB	Grangetown	HUB	Continued investment	Freehold
City Centre HUB, Marland House, City Centre	Cathays	HUB	To dispose	Freehold
Central Library, The Hayes	Cathays	Library / HUB	Conversion to new Central HUB	Freehold
The Old Library, The Hayes	Cathays	Venue	Pursue conversion to Welsh Language Centre	Freehold
Maes-y-coed Community Centre	Heath	CAT	CAT to complete	Freehold
Plasnewydd Community Centre	Plasnewydd	CAT	CAT to complete	Freehold
Pentrebane Community Centre	Fairwater	CAT	CAT to complete	Freehold
Pentwyn NLC - The Dome	Pentwyn	Service review	To dispose	Freehold
Howardian Youth Centre	Cyncoed	SOP	Redevelopment	Freehold
Pontprennau Community Centre	Pontprennau	SOP	Redevelopment	Freehold
Caerau / Trelai Library and Community Centre (former)	Caerau	Service Area Review	To dispose	Freehold
All Libraries	City Wide	Service Area Review	Re-shape service where appropriate	Various
All Play Centres	City Wide	Service Area Review	Determine future provision requirement	Freehold
All Youth Centres	City Wide	Service Area Review	Pursue CAT interest	Various
All Day Centres	City Wide	Service Area Review	Determine future provision requirement	Freehold
All Leisure Centres	City Wide	Service Area Review	Finalise procurement project	Freehold
All Venues	City Wide	Service Area Review	Finalise procurement project	Freehold
All Sports facilities	City Wide	Service Area Review	Determine future provision requirement	Freehold

Schools Estate

As reported in the Schools Organisational Plan (SOP) for 2015/16, the following projects will be pursued this year following business case approval from Welsh Government and consideration of financial affordability of the 21st Century Schools Financial Model:

Project	Ward	Action	Tenure
New High School in the West	Ely / Caerau	Develop a New High School in the West to replace both Michaelston College and Glyn Derw High	Freehold
New primaries for the Butetown, Grangetown, Riverside & Canton area	Butetown, Grangetown, Riverside & Canton	Develop a new 2 form entry Welsh Medium & 2 form entry English Medium primaries for the Butetown, Grangetown, Riverside & Canton area	Freehold
New English Medium primary for Cyncoed, Penylan, parts of Roath	Cyncoed, Penylan, parts of Roath	Develop a new 2 form entry English Medium primary for Cyncoed, Penylan, parts of Roath	Freehold
New Primary School for Splott & Adamsdown	Splott & Adamsdown	Develop a new 2 form entry Primary School for Splott & Adamsdown	Freehold
New Primary School for Llandaff North	Llandaff North	Develop a new 2 form entry Primary School for Llandaff North	Freehold
Grangetown caretakers house	Grangetown	Dispose via auction 2015	Freehold
Herbert Thompson caretakers house	Ely	Dispose via auction 2015	Freehold
Dispose Howardian caretakers house	Penylan	Dispose via auction 2015	Freehold
Pontprennau Primary	Pontprennau	Demolish primary school and rebuild on site	Freehold
Llanedeyrn High	Pentwyn	Demolish High school for use as St Teilo's playing pitches	Freehold

SOP is to be directly aligned with the Asset Management process to ensure a joined up corporate approach to estate management, as per the objectives of the Corporate Property Strategy.

Land and other assets

In addition to the core operational estate, other Council land and property assets are subject to ongoing rationalisation initiatives. Various sites are proposed for disposal, shown below.

Property	Ward	Status	Tenure
Johnston Bldgs Site (former), John Street	Butetown	To dispose	Freehold
Land North of County Hall	Butetown	To dispose	Freehold
Brindley Rd surplus land	Grangetown	To dispose	Freehold
Land at Hadfield Close	Grangetown	To dispose	Freehold
Land adjoining, Lamby Way Workshops	Trowbridge	To dispose	Freehold



Investment Estate

In 2014/15 an independent review of the estate was commissioned and its recommendations are being considered. Essentially the report advises the estate is streamlined to produce a better yielding and easier to manage estate with an emphasis on improving the quality of the portfolio. The Council is considering the best model for enabling professional management of the estate to ensure it operates in line with its objectives.

The revenue target for 15/16 is £3.8m and the Workshop estate target is £641k.

Therefore the combined revenue target for 2015/16 is £4.44m

PROPOSED SUMMARY EFFECT 2015/16

This summary describes the proposed NET effect on key indicators following vacation and disposal.

	GIA sqft	Maintenance Backlog	Running Costs	Capital Receipt
Offices	97,887	£1,408,555	£360,668	£1,700,000
Communities	76,091	£1,118,070	£607,744	£540,000
Schools	99,361	£2,326,688	£11,000	£270,000
Land	-	-	-	£3,765,000
Non-Operational	-	-	-	tbc
TOTAL	273,339	£4,853,313	£979,413	£6,215,000*

* Capital Receipt allocation

The anticipated capital receipt for 2015/16 is £6.2m. £4.5m is reserved for Capitalisation Direction. £1.7m is ring-fenced for other Council projects and initiatives.



