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Date / Dyddiad: 05 December 2014

Councillor Nigel Howells
Chair, Policy Review & Performance Scrutiny Committee
Scrutiny Services
Room 243
County Hall
Cardiff
CF10 4UW

Dear Councillor Howells

Policy Review & Performance Scrutiny Committee - 04 November 2014

Thank you for your letter and for the useful debate with Members at the November Committee meeting. I do appreciate that the short delay in finalising the report caused you some problems with managing your agenda and I can only thank you for being so accommodating.

Draft Corporate Property Strategy

I have asked officers to take account of the key suggestions raised in your letter and also in the debate at Committee in finalising the draft. In particular, there was a strong suggestion made by Committee for the report to articulate a clear direction of travel for the management of the estate. I believe the strategy is / was clear, encapsulated by the title – *'fewer, but better buildings'* – and the three key components of the strategy: modernisation; rationalisation; and collaboration. However, to illustrate the point further, we have now included a conceptual illustration of a neighbourhood to demonstrate how we expect the provision of public sector buildings in communities to change over time. In many respects this is common sense given the on-going changes to public sector funding.

The point you raised regarding the level of detail in the report and the 'interim' status of the document is acknowledged but not accepted. The Corporate Property Strategy (CPS) is a strategic document that provides a framework and vision for improving the performance of the Council's estate. It is not an action plan. Detailed actions will be provided through the annual Corporate Asset Management Plan (CAMP) which will be subject to further engagement and scrutiny by Members. The CAMP will outline the Council's intended work

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programme for the forthcoming year and will report on the performance of the previous year. There will be a detailed review of performance that will be benchmarked against relevant local authority comparators. The CAMP will also articulate the detailed process for disposals and how Members will be involved. I am happy that the Strategy has been pitched at the right level and that it will provide the basis for a significant shift to the way in which property is managed by the Council by enabling property to be dealt with as a 'corporate' asset, with decisions taken for the good of the Council as a whole.

Further to this, on the point you raised regarding clarity of intention/vision and in particular the importance of considering social, economic and environmental priorities in addition to financial ones, I do not feel it is necessary to make significant adjustments to the document as the strategy does not suggest at all that there will be a fire-sale of the Council's assets to meet financial pressures. In terms of the operational estate, the financial driver is to reduce operational costs, i.e. *'fewer, but better buildings'*. What happens to buildings once they are deemed surplus to operational requirement will be the subject of detailed assessment and engagement with Members that will consider a range of potential uses/opportunities.

With regard to the point you raise regarding access to confidential papers, I will ask officers to forward you a copy, but would ask that you continue to treat them as confidential. The papers capture the first stage of a high level review undertaken by officers which is based only on a review of property condition. Further work will need to be undertaken on the condition of buildings through Fitness for Purpose Assessments and the purpose of this initial work was to identify priorities for this further work. There has been no engagement with Cabinet or local Members at this stage.

On the issue you raise regarding the Investment Portfolio, we had hoped the independent review would have been concluded in time to report the findings at the same time as the Property Strategy and this was part of the reason for the short delay. However, I am assured that the Leader will be presenting the findings to Cabinet in January and as such it has been pencilled in to the agenda for PRAP scrutiny in January.

Finally you asked for the Committee to be fully engaged in the work to determine whether there should be a new core office building (County Hall). I can confirm that the findings of the detailed business case will be presented to Committee in due course before a decision is made on this important matter.

Organisational Development - Strategic Commissioning & Service Reviews

Officers are pleased to note the positive response from Scrutiny in terms of the approach being taken to develop our strategic commissioning approach and agree that practical examples of what the various approaches have delivered would be useful. We will look to compile these examples and share with Scrutiny.

The need for a Council resource to provide support and capacity building for communities has been recognised and a new post has been funded with the Communities Directorate to start this enhanced approach.

Performance Report Quarter 2 2014/15 & Challenge Forum Update

I thank you for the Committee's comments and trust you have now received the response to the 10 September 2014 letter. I have asked for the requests for information you have requested to be brought to Committee once available.

I trust this information is of assistance, and once again thank the Committee for their comments.

Yours sincerely,
Yn gwyir,



Councillor / Y Cynghorydd Graham Hincley
Cabinet Member for Corporate Services & Performance
Aelod Cabinet dros Wasanaethau Corfforaethol a Perfformiad

Cc Councillor Phil Bale, Leader of the City of Cardiff Council
Neil Hanratty, Director Economic Development
Charles Coats, Corporate Property & Estates Manger
Christine Salter, Corporate Director Resources
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