

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2014-2015

**CORPORATE SERVICES
SCRUTINY COMMITTEE**

7TH OCTOBER 2014

**DIRECTOR OF CORPORATE
ESTATES**

Agenda Item No. 3

**The Role and Responsibilities of
Corporate Estates**

1. PURPOSE OF REPORT

The purpose of the report is to provide Members with an overview of the role and responsibilities of the Corporate Estates service.

2. RECOMMENDATION

Members are asked to:

- (i) note the content of the report;
- (ii) Scrutinise and comment on the information provided.
- (iii) Consider whether they wish to scrutinise in greater depth, any matters contained in the report.

3. BACKGROUND

The Council owns a property portfolio with a capital value in the accounts of approximately £534m (2013/14). It is not however engaged in owning property as a core activity; instead it holds property assets only to support delivery of services and policy objectives.

Property is a key resource and presents a very visible image of the Council. It has an opportunity cost, is a draw on revenue to own but is a critical component in the delivery of services to the community. The Council has recognised that property is a strategic resource, with the asset planning framework linked to clear corporate service and resource strategies.

To deliver a consistent management approach and to ensure the property strategy aligns with service properties, a Corporate Asset Management Framework has been established. Critical to this is the Corporate Asset Management Plan 2013/18, which was adopted by Cabinet in 2013.

4. MANAGEMENT ARRANGEMENTS

Corporate Estates sits within the Corporate Services Group alongside Customer Care and ICT, Financial Services, Legal and Democratic Services and Procurement. Our priorities support those of the Corporate Group. Our priorities are mostly cross cutting in nature and support numerous components / themes of the Improvement Plan and Council's Single Integrated Plan as well as contributing to Medium Term Service Planning.

Corporate Estates is the lead service for management of the Council's assets and delivers a wide range of strategic services to Corporate, Education, Environmental, Leisure and Community Services groups. A summary of the services provided is set out below.

The service is delivered through a staff structure of 101 posts, organised into specialist teams, as illustrated at [Appendix 1](#). A summary of main budgets is included at [Appendix 2](#).

5. OBJECTIVES OF MANAGING THE PORTFOLIO

As an indication to Members, the key objectives that underpin management of the property portfolio include the following.

- Provide practical support for delivery of Council policies, priorities and service programmes.
- Manage property assets in an effective and efficient manner, seeking to minimise costs and maximise income wherever possible.
- To keep under review the size and content of the portfolio to ensure it is no larger than necessary for service delivery.
- Develop policies for management that provide a framework that is consistent with best industry practice.

6. SERVICES DELIVERED BY CORPORATE ESTATES

Key services delivered are listed below in summary form and grouped together with closely related activity. If any aspects require clarification, I should be pleased to elaborate.

6.1 STRATEGIC ASSET MANAGEMENT

WORKSTREAM	COMMENT
Preparation and monitoring of the Corporate Asset Management Plan.	This is the key strategy document for property management. The current plan covers 2013-18 and is subject to regular review
Support production of Service Asset Management Plans	Each Corporate Service produces an annual update of the portfolio it occupies and identifies potential areas of change.

Property Records	A comprehensive record is maintained of all interests in land owned by or granted to the Council. This is held in plan form and as an electronic data base.
Accommodation Strategy for support office accommodation	Keep under review occupation of these premises. Active management has reduced the size of the portfolio over recent years and further improvements are being planned.
Implementation of policy for leasehold premises.	It is the stated intention of the Council to reduce the number of leasehold premises it occupies and to therefore avoid ongoing rental costs. There has been significant progress over recent years and the programme of lease end dates is constantly being reviewed to achieve this. It is unlikely however that utilising leasehold can be avoided entirely.
Participation in the Cwm Taf regional Asset Management Board	This forum is established to facilitate a collective approach to management of property assets by Public Sector organisations. Participants include all emergency services, LHB, Welsh Government, Housing Associations, third sector and Higher Education providers, as well as Merthyr CBC and RCT CBC.
Land Review Programme	This is a systematic process of reviewing the use of Council land and buildings to determine their potential for disposal.
Corporate Tenancy Agreements and School Tenancy Agreements	The CTAs and STAs were created in order to inform, in a clear way, building users/occupiers of their responsibilities and obligations in respect of those buildings. The programme currently incorporates offices, all schools and education buildings and the intention is to roll this out across other departments

6.2 ESTATE MANAGEMENT SERVICE

WORKSTREAM	COMMENT
Disposal Programme	The programme of disposals is identified and progressed to achieve capital receipts to support the Councils capital programme. In the financial year 2014/15 there are approx 60 entries, including where appropriate premises closed through the Medium Term Service Change programme.
Acquiring interests	The Council regularly acquires interests in

	property assets to support front line services and delivery of policy objectives. Methods employed include private treaty and compulsory acquisition.
Negotiating leasehold interests and other rights	Where the Council is seeking to occupy a premises not owned in its portfolio, the team will negotiate the terms upon which occupation can be achieved. This can be both long term and short term use.
Managing leases	The estate generates ongoing management actions including rent reviews, lease renewals, licences of consent, covenant enforcement and dispute resolution which allow for the upkeep of the agreements in place and where possible income increases.
Valuations	Property valuations of all types are undertaken to support decision making and good estate management practice.
Encroachments and boundary issues	This is action to contest claims against the Council where land is being taken without agreement. The clarification of boundary positions is handled in this team as well as the enforcement of re-positioning boundaries if necessary
Asset Register	The Council is required to keep an audited register of its assets. The register is held and maintained in the property records system. The upkeep of the record is carried out by Finance and Corporate Estates jointly.

6.3 ENERGY MANAGEMENT AND CARBON REDUCTION

WORKSTREAM	COMMENT
Compliance with CRC legislation	The Council is a participant in the CRC scheme due to the quantity of energy it consumes. This entails detailed reporting arrangements and payment of an annual "tax".
Annual programme of "invest to save" schemes	This is an initiative to retrofit technology improvements into existing premises. Examples include lighting upgrades, voltage optimisers, new heating/boiler controls and CHP units.
Renewable energy technology	The programme includes installation of numerous Photo Voltaic arrays on the roofs of

	Council premises. The first Council Hydro electric scheme is in course of development at Dare Valley.
Display Energy Certificates and Energy Performance Certificates	These documents are produced in house by accredited assessors, as required by legislation.
Staff behaviour change programme	An initial sample of 6 Council premises has been subject to an assessment through this programme. The experience of this process is being reviewed, with the intention of rolling out to other premises.

6.4 CORPORATE DESIGN

Corporate Design facilitate the design and project management processes for all new build and major refurbishment projects for Education and Lifelong Learning, Corporate Services, Environmental Services and Community and Children's Services, providing a single point of contact from inception to completion through a specialist technical, design, project management, cost, change, risk and value management service.

We provide a proactive dedicated support service on all design and major refurbishment projects by facilitating effective communications and decision making, advising client departments on all procurement, construction and cost related issues, promoting collaboration for effective and timely delivery of schemes.

WORKSTREAM	COMMENT
Programme Management	Projects within the Capital Programme are managed at a high level to ensure the design team have the capacity to deliver projects within the prescribed time and budget constraints. The team are currently delivering the 21 st Century Schools Programme in conjunction with Education and Lifelong Learning.
Project Management	Individual projects are delivered by the team using a combination of internal and external resources. The Project Manager is responsible for co-ordinating all activities to ensure projects are delivered to the right quality, on time and within budget.
Design Services	When projects are delivered using internal resources, we are able to take them through from concept to detail design. The team has experience of delivering schools, offices, leisure facilities and community services buildings.
Engineering Services	Mechanical and Electrical Engineers within the team ensure we are able to provide a multi-

	disciplinary approach to the design and delivery of projects. The team has experience of delivering energy efficient solutions for projects which allows us to achieve EPC ratings of A and BREEAM Excellent Certificates where appropriate.
Cost Management	Initial budget estimates are produced for projects and these are managed as the design progresses to ensure we have robust cost plans for projects. Projects are tendered and contracts entered into with suppliers. Costs are monitored as work proceeds and reports are produced in conjunction with Finance colleagues.
Programme Support	Processes are followed to monitor progress of projects and programmes. Reports are produced for client departments in a timely manner to allow monthly meetings to take place.
Logistics Support	Purchase of new furniture and equipment for the occupation of projects. The team also manage the logistical moves of existing furniture, equipment and emptying surplus buildings arising from projects.
CAD Management	The CAD team support the designers and produce technical drawings in electronic format for projects. Plans/drawings of the Councils Assets are held centrally and updated on an ongoing basis.
Land Reclamation	Maintenance of land reclamation sites is provided with particular expertise in drainage solutions. The Engineer is also available to support the project team on new projects.

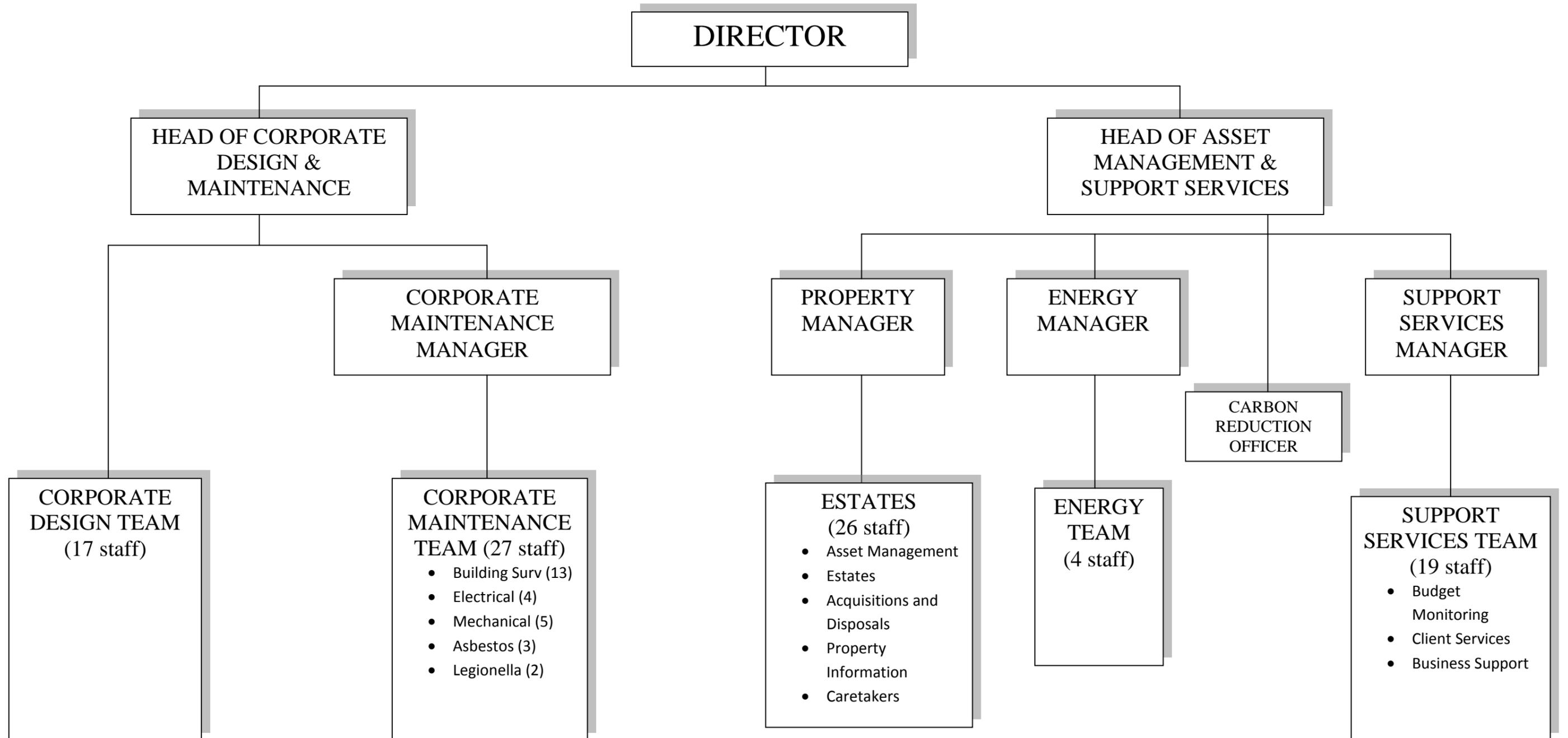
6.5 CORPORATE PROPERTY MAINTENANCE

Corporate Maintenance provide a fully integrated property services function attending to the needs of Council Members, Chief Officers, the Public (Building Users) and Staff. Providing advice and direction in property related matters, the team aim to ensure that buildings are maintained in a safe condition and that the Council is compliant with Statutory Requirements. The teams of property professionals undertake multiple projects to improve the standard of accommodation that the Council provides to assist in the improvement of service standards. They also identify economic methods of extending the life of buildings and plant/equipment contained therein.

WORKSTREAM	COMMENT
Reactive Maintenance	The team respond to day to day issues on site, ensuring buildings are maintained and kept open to deliver services. The team also operate and out of hours emergency service on behalf of the Council where they are able to call upon contractors to respond to emergencies and more routine work outside of working hours.
Planned Maintenance	Programmes are agreed early in the new financial years and the team manage and deliver individual projects ranging from £5K to £250K.
Contract Maintenance	Compliance with Statutory Obligations is one of the key functions. The team procure/manage term contracts such as; building maintenance, boiler maintenance, periodic electrical testing, PAT testing, fire alarm maintenance and emergency lighting maintenance. This is not an exhaustive list but more detail can be provided if required.
Surveying Services	Building Surveyors are employed to manage the Councils Maintenance. They also provide condition reports, schedules of dilapidations, and are experienced in defect analysis and rectification.
Engineering Services	Mechanical and Electrical Engineers manage the Councils Maintenance. They also work closely with the Building Surveyors to provide condition reports and deliver solutions to defects.
Legionella Management	Specialist Engineers are employed to routinely monitor and check for compliance with Legionella obligations, taking correct action as and when necessary.

Asbestos Management	Specialist Surveyors manage the on-going surveying obligations for the Council, ensuring compliance with Legislation. The team also assist the Maintenance and Design teams when delivering projects where asbestos identification/removal is required.
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CORPORATE ESTATES STRUCTURE (Summary)



APPENDIX 2**Summary of Main Budgets**Revenue – original budgets 14/15

	Amount (£)
Property Budgets (summary)	2,262,000
Centralised property repairs & maintenance budget	310,700
Statutory Contract maintenance Budget	356,820
Property Planned Maintenance budget	128,170
Management of Surplus land and property budget	72,450
Property income / misc income	(- 164,170)

Capital – original budgets 14/15

Strategic maintenance	276,000
Major Rationalisation of Service Group Accommodation	393,000
Asbestos Management	297,000
Asbestos remediation	523,000
Legionella Management	313,000
Legionella remediation	285,000
Asset Management	147,000
Disabled access initiative	82,000

