

REPORT TO CABINET

13.12.2016

Cabinet Member: Councillor Dafydd Meurig

Subject: Co-locating services

Contact officer: Dafydd Gibbard – Corporate Property Senior Manager

Decision required

Commission the Corporate Property Service to assess the Property portfolio in specific locations across the County, with the aim of trying to identify opportunities for co-locating services in order to make the most efficient use of our buildings.

Local member's opinion

Not a local matter

Background

1. As part of the Corporate Asset Strategy (2009) a buildings' disposal programme was set following a comprehensive prioritising process. In subsequent years it proved possible to dispose of a substantial number of these buildings, together with a number of other buildings as opportunities arose and as Departments had to make efficiency savings and cuts. A list of all the buildings that have been disposed of since establishing the Corporate Asset Strategy is shown in Appendix 1.
2. It was possible to reduce the area of the Council's building stock by 24% following these disposals. A number were in poor condition and their disposal has been one of the factors that has contributed to our ability to improve a proportion of our buildings in good or satisfactory condition, from 78% in 2009 to 97% today. The Strategy has, therefore, been a great success which means that the users of our schools, residential homes, leisure centres, libraries etc. are in much better buildings today than they were a few years ago.
3. In addition, the disposal created almost £12 million of capital receipts, which, in

turn were diverted to realise the Council's capital spending priorities.

4. As can be seen in Appendix 1, a number of the buildings that have been disposed of were not operational and were, possibly, easier to dispose than operational buildings in use to deliver services.
5. However, we have also been able to dispose of a substantial number of operational buildings. The fact that office buildings are under the direct control of the Property Service has meant we could be proactive in their disposal and today we have 8 fewer office buildings in use than in 2009. We have also been able to empty half of the Penrallt office which has created a new annual income of £150,000.
6. The changes in the education and care fields has also reduced much of the buildings' portfolio and the requirement to make further savings and cuts has driven the efficient use of buildings' agenda as never before.

Next Step

7. The purpose of this report is to consider whether we should go even further in this field by challenging whether buildings in specific locations are being efficiently used. Though we considered the whole buildings' portfolio individually in 2009, it was done on the basis of individual Services rather than on geographical areas. Full consideration was not given at that time to the opportunities that may exist to co-locate services in fewer buildings in individual towns and villages.
8. A few similar exercises have been held in some areas in the past e.g. Dolgellau, Pwllheli and Barmouth and, at that time, it proved possible to work jointly and successfully with other public bodies to rationalize our use of buildings.
9. Having said that, the results of a number of formal collaboration projects with other public bodies consider property across the county have been disappointing. Although the Council has had a clear Asset Strategy for many years, it seems that other bodies in the area are not totally clear about their middle term property needs and this has been one factor that has restricted the ability to rationalize assets on a wide scale.

10. There is reason to believe that we could be successful in this if the Council leads on the work of considering the rationalization of buildings in a series of specific locations across the county. Following an initial assessment of the likely opportunities, it is suggested that we should try to concentrate mainly on the locations listed in Appendix 2 where the best opportunities are to realise co-location plans.

Considerations

11. Whilst considering opportunities, health and safety risks appear as a possible obstacle to inviting other users into some buildings. Adaptation works and changes in managerial organisation can overcome a number of these, but it must be emphasised that School sites will be more difficult with where much effort has been spent recently to prevent the general public gaining entrance.

12. A number of our buildings exist for a very specific use e.g. leisure centre or residential home. This means that they can be inflexible at times and may need considerable expenditure before spaces can be adapted for different uses.

13. Having said that, there are a number of recent examples of services being relocated to other buildings in our ownership e.g. Porthmadog library has now been relocated to Glaslyn Leisure Centre and Dechrau'n Deg relocated to Plas Ffancon Leisure Centre, Bethesda. Work is also underway to relocate a number of different users from Canolfan Frondeg, Pwllheli to other buildings in the town.

14. The Council has already disposed of a substantial number of buildings and therefore the obvious opportunities to make substantial savings have already been used up. Although we believe there is room for us to go a step further, as our portfolio is now a good deal smaller it is likely to be a matter of taking advantages of opportunities as they arise rather than a host of opportunities presenting themselves in every area we look at.

Next steps and timetable

15. Even though we will need the help of other Departments to consider our relocation options, it will be possible to achieve the first steps of this work within the Property

Service's present resources By the beginning of the summer 2017 we will have assessed the initial options in the locations which are listed in Appendix 2. It is possible that more detailed feasibility work will be required at that time before being able to establish whether some of the opportunities are practical and if there is a sensible business case for co-location. Any opportunities identified will help in establishing the Council's new Assessment Management Plan for the next decade.

16. Our ability to move the work forward promptly will depend on the co-operation and support of other area public bodies at times, as well as the various Council Departments themselves.

Statutory officers' opinion

Chief Executive:

"It is good that the report reminds us of the progress the Council has made recently in rationalising its property assets. However, in this period of shrinkage when ensuring value for money in all our work is key, continuing with this effort is key. I commend this work recognising that it could take some time to realise but it will, I hope, also be able to pull in our other partners in the public sector as there is a responsibility on us all to ensure the best value from the public pound."

Monitoring Officer:

The report identifies opportunities to rationalise the Council's property estate and a reasoned plan for moving ahead. No further observations from a propriety perspective.

Head of Finance:

As the report notes, there is an ongoing programme in place to assess the Council's property portfolio needs, and Appendix 1 shows the rationalisation that has occurred over a number of years. Underutilised property can lead to unnecessary costs to the Council and I therefore support efforts to seek further opportunities to improve efficiency. However, because of the steps that have already been taken since the establishment of the current Corporate Assets Strategy in 2009, with the most obvious rationalisation having now been implemented, finding further efficiencies will be increasingly difficult.

Appendix

Appendix 1 – Buildings disposed of

Appendix 2 – Possible locations