NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

Economic & Community Regeneration Scrutiny Committee 20th January 2017

Report of the Head of Property & Regeneration Simon Brennan

Matter for Monitoring

Wards Affected: All

Strategic Property & Valuation Report Card

Purpose of Report

1. To present for Scrutiny the Report Card for the Strategic Property & Valuation section.

Executive Summary

- The Economic & Community Regeneration Cabinet Board on the 15th July 2016 approved the Divisional Business Plan for Property & Regeneration.
- 3. Each Business Unit within the division is required to complete a Report Card for each financial year, outlining the following:-
 - Performance against last year's Action Plan and Targets.
 - The challenges and opportunities faced in the short and medium term.
 - The actions and targets for the 12 months from April 2016 to March 2017.
- 4. The Report Card, set out in Appendix A, summarises the service priorities, key measures and key actions for the Strategic Property & Valuation section.

Consultation Outcome

5. Employees within the individual services and external customers, where relevant, have been consulted in the development of the Report Card.

Financial Impact

6. The work of the Section is funded by a combination of existing revenue budgets and some external fee income.

Equality Impact Assessment

7. Not applicable.

Workforce Impacts

8. These are covered in the appended report card.

Legal Impacts

9. Not applicable.

Risk Management

10. A Risk Matrix for the Directorate has been prepared which incorporates the risk within this service area.

Recommendation

11. This item is for monitoring purposes.

Reasons for Proposed Decision

12. Not applicable.

Implementation of Decision

13. Not applicable.

Sustainability Appraisal

14. The activities of the Environment Directorate have an impact on all themes of the Corporate Performance Plan. Operational Business Plans contribute to service improvement by setting out service specific priorities for the next 12 months and how they will be met. Managers are required to consider Corporate policies such as equalities and health when determining how they meet their service priorities.

Appendices

15. Appendix 1 – Strategic Property and Valuation Services Report Card.

List of Background Papers

16. Property & Regeneration Operational Business Plan - Economic & Community Regeneration Cabinet Board - 15th July 2016

Officer Contact

 Mr David Phillips, Strategic Property & Valuation Manager, Tel. 01639 686980, Email: d.phillips@npt.gov.uk

Service Report Card 2016-2017 Strategic Property and Valuation Service (Quarter 3 Update)

Section 1: Brief description of the service

The Strategic Property and Valuation service is made up of a number of property specialists whose areas of expertise include: Strategic Asset Management, Estate Management, Valuation, Energy Management, Property Compliance and Facilities Management (this includes cleaning of non-school buildings).

It is responsible for the following statutory services: property compliance, energy management, traveller sites and asset valuation. The section also supports the delivery of statutory services through its strategic property role.

The following provides an outline of the services that the Strategic Property and Valuation section delivers for the Council:

- To direct and lead the strategy, policy and management of the Council's land and property estate. This includes ensuring that operational properties are fit for purpose and that the Council's statutory obligations are met whilst also ensuring that any income generation (revenue and capital) from surplus and non-operational properties is maximised.
- To prepare annual reports, including asset valuations, capital and revenue estimates, property reviews and up-to-date statistical and comparable property records.
- To conduct complex property negotiations for the Council including acquisitions, disposals and compulsory purchase orders, together with any statutory valuations, including: asset, insurance and rating valuations.
- To continuously develop and implement the Corporate Asset Management Plan and Accommodation Strategy to ensure that the Council's property assets deliver an agreed standard of service.
- To work as part of multi-disciplinary project teams that encourages both internal and external partnership whilst also working to achieve the Council's corporate objectives. This includes providing support to regional projects, as the City Region.

- To work with key stakeholders to improve service delivery and promote innovative ways of ensuring that services are maintained. This includes, where appropriate, working with Public and Third Sector partners on the most efficient and effective use of assets.
- To identify opportunities to utilise the Council's property portfolio to help deliver major property regeneration.
- To manage the Council's non-operational property portfolio and provide accommodation and support to new start-up businesses whilst providing revenue streams for the Council.
- To produce, implement and supervise annual programmes of work as well as manage and liaise with internal/external contractors to implement those works.
- To ensure property compliance on a Corporate level by managing and overseeing the Council's Energy Management Policy, Asbestos Management Service and Legionella Record System.
- To be responsibility for corporate management and delivery of energy/carbon and water efficiency for the Authority's 260 sites. This includes implementation of energy and water management protocols and procedures to enhance and improve energy efficiency and performance throughout the portfolio.
- To maintain and manage the day to day operation of the Civic Centre offices, this includes providing a concierge service as well as on-site catering facilities. To provide a cleaning service for a range of non-school Council properties, including 14 public toilets.
- To run the Council's archive and confidential waste services.
- To provide space utilisation advice and audits on operational properties as well as providing technical advice to the Margam Crematorium committee.
- To manage and oversee the Council's Traveller sites and the Council's on-site Traveller Warden.
- To manage and update the Total Property Management System (TPMS), Graphical Information Service (GIS) and provide corporate land and building surveys.
- To manage and operate the historic Neath September Fair.

• To programme and implement Disability Access works at a corporate level.

The section has a full time equivalent staff of 55.13 staff, which includes 32.32 cleaning and coffee shop staff.

Section 2: Overall Summary of Performance for 2015-16 Financial Year

The continued rationalisation of the Council's property portfolio has seen an unprecedented number of operational properties declared surplus to requirements. Despite this additional pressure, in 2015/16, the service area successfully disposed of a number freehold properties, surrendered leasehold interests on vacant properties, carried out a record number of community asset transfers and provided new accommodation for displaced staff.

For the 2015/16 financial year, the Council obtained £1,034,789 in capital receipts.

As part of the FFP, we acted on behalf of Streetcare Services and the Education Leisure and Lifelong Learning Directorate. We successfully agreed and co-ordinated the transfer of 22 sports grounds/pavilions and 4 community centres to community/third sector groups.

The service took on the management of the Baglan Bay Innovation Centre from Welsh Government and subsequently delivered additional revenue savings to support FFP

We have continued to deliver the Council's Accommodation Strategy. This resulted in over 100 staff vacating Llandarcy Institute, 11/12 Milland Road and Wellington Place and being relocated within the Council's operational buildings.

We have continued to negotiate and complete outstanding ratings appeals and have reached a total savings of £925,391 for the 2010-17 rating list period. The additional savings that the Council achieved for 2015/2016 was £164,711.

The service provides expert advice/consultancy on a number of property matters that effectively minimises the need for the Council to utilise third party consultants. For example, in 2015/16:

• We were the only Council in Wales to carry out an Affordable Housing Viability Study in-house. The findings were cross-examined by the planning inspector as part of the LDP examination, who accepted the study results.

- We completed a district heating feasibility study which evaluated the potential of district heating schemes within the Neath and Port Talbot areas.
- We provided specialist property support to the Strategic Schools Improvement Programme and helped ensure the completion of five Business Models Cases and the subsequent delivery of new school facilities.
- We supported the Transforming Adult Social Care programme, in particular, in regards to the construction of the new Older Persons Residential Care facility in Caewern, Neath at a total project cost of £5.5m.

The service budget for 2015/2016 was £2,259,201 and there was an underspend of £24,309 for the year.

Our 2015/2016 average full time equivalent sickness days lost figure of 6.7 days was below the Environment Directorate average of 10.2 days.

We did not have any recorded complaints or compliments during the year (the same as the previous year).

Section 3: Service Priorities 2016-17						
Priority	Actions to deliver priority	Officer Responsible	Timescale	What will be different? Measures and/or Outcomes		
1: Develop an Action Plan based on the findings of the District Heating Network feasibility report	Produce action plan	David Phillips	March 2017	An approved long term plan based on the findings of the feasibility report.		
2: To undertake a review of the cleaning service provision within corporate buildings and its integration with facilities management.	Review cleaning and facilities management service	David Phillips	March 2017	The review is on-going and the aim is to report to Cabinet Board in March 2017.		
3: To undertake a review of public toilets to assess their location across the County Borough and their proximity to other public buildings along with their frequency of use.	Assess usage and prepare report	David Phillips	July 2017	The review is on-going and the aim is to report to Cabinet Board in July 2017		
4: To undertake an additional review of the coffee shops and ensure that they can provide a cost effective operational model.	 Analyse spend profile Assess current procurement Review current operation 	David Phillips	March 2017	The review is on-going and the aim is to report to Cabinet Board in March 2017		
5: To continue to progress the accommodation strategy and	Staff numbers auditReview flexible	David Phillips	On-going	The accommodation strategy continuously		

ensure that we make the most economic use of these assets	working Review portfolio 			monitors the Council's building stock and staffing levels to ensure that efficiencies are achieved and the most economic use of assets is being achieved.
6: A review of the security provision in civic buildings to assess its value and to look into alternative options that may be provided by modern technologies/physical barriers	Assess current need and integration with existing service	David Phillips	On-going	Port Talbot Civic has been fitted with an intruder alarm and a new door access system is planned.
7: To consider the possibility of a digital solution that minimises the two thousand requests a year from the archive service	Report assessing potential options	David Phillips	November 2016	A new system was made live in November 2016 and initial feedback is that it has improved efficiencies significantly.
8: To continue to support the Asset Management Plan and Forward Financial Plan and deliver, when appropriate, the transfer of assets to the community. To draft and adopt a Community Asset Transfer policy for the Council	Identify and deliver FFP Savings	David Phillips	On-going	Savings delivered.
9: To review and implement the Corporate Asset Management Plan	Develop new Corporate Asset Management Plan	David Phillips	March 2017	Being drafted and will be reported to Cabinet Board in March 2017

10: Business Rates - to continue to negotiations and complete rating appeals for the 2010-2017 list and consider the possibility for additional appeals based on the 2017 draft list.	Complete any outstanding appeals and consider the 2017 draft list and whether any savings can be achieved prior to the publication of the 2017 rating list.	David Phillips	On-going	It will reduce the Council's total NNDR liability and provide significant saving on the Councils property rates liability.
11: To settle all outstanding PDR compensation claims	Settle claims or refer to tribunal	David Phillips	On-going	The Council has built PDR phase 2. A number of claims for compensation have been settled, this has reduced the number of outstanding claims.
12: To generate a total capital receipt of £3m over the next 3 year period	Market and dispose of surplus land/buildings	David Phillips	March 2019	Capital receipts generated and expected to achieve £3m target over three years despite a challenging property market.
13: To continue Compulsory Purchase negotiation work and acquire land and rights for major highway capital schemes. This includes PDR2, Coed Darcy Southern Access Road and Ffordd Amazon Stage 2.	To continue and conclude on-going negotiations	David Phillips	On-going	The Council has completed these schemes and negotiations are on-going to settle all outstanding claims for compensation.
14: To develop in-house upgrades to the property management database and develop new and existing modules to ensure that they comply with our Statutory record	The current in-house database to be re- written by I.T.	David Phillips	On-Going	Will improve the recording and analysing data held within property management database and assist the Council with compliance of its Statutory

obligations.				obligations.
15: To review the 5 year rolling programme of asset valuations with the director of finance and carry out a statutory revaluation of assets in the revised programme for the financial year 16/17	Rolling program of asset revaluations to be undertaken	David Phillips	On-going	An agreed list of assets to be re-valued in the 2016/17 financial year to comply with the Council's statutory obligations.
16: To dispose or lease any surplus assets that arise out of the FFP. This includes retaining surplus operational assets that are economically advantageous to bring within the Council's commercial estate. To maximise revenue streams to support corporate objectives.	Market and dispose/lease of surplus land/buildings	David Phillips	On-going	The Council has achieved additional revenues from leasehold agreements on surplus properties.
17: To ensure statutory compliance under Display Energy Certificates (DECs) legislation for the Council's operational building portfolio	Provision of DECs for qualifying buildings within the operational building portfolio	David Phillips	Annually	Statutory compliance and the identification of poor energy performance
18: To develop and deliver the energy 'Invest to Save' programme for the Authority's operational buildings.	Produce pilot programme for the Civic Accommodation portfolio	David Phillips	On-going	The formulation and delivery of energy improvement projects with improved energy performance and reduced costs
19: Smart low carbon	To complete phase	David Phillips	Phase 1	To increase the awareness

demonstration projects study	one of the smart low carbon demonstration projects study funded by Welsh Government.		Sept 2016	of energy / carbon smart technology and investigate how the Authority can move towards a low carbon smart region.
	Secured funding from Welsh Government to undertake Phase2		Phase 2 Dec 2017	
20: To create a schools energy management programme commencing with a pilot cluster group.	To formulate draft programme targeting 5-10% of schools and implement within 2017/18	David Phillips	March 2017	Reduced energy consumption and costs within the schools building portfolio
21: To facilitate the renewal of the automatic meter reading contract.	One year extension on the previous 5 year contract with British Gas	David Phillips	April 2016	Continuation of the provision of electronic data from the Authority's main electricity and gas supplies Accurate monitoring of core operational buildings
22. To provide building condition information annually to the WG Data Unit.	Supply / collate annual building condition grades, backlog maintenance costs, maintenance expenditure, office running costs and other relevant building information.	David Phillips	On-going	Benchmarking against previous years submissions and other Welsh Local Authorities.

2010 and remove physical council barriers for disabled people. surrou remove barrier	ements to buildings and nding locale to e physical s that may disabled users.	On-going	Enhance the physical environment to ensure inclusivity and equality for all users.
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Section 4: Service Performance Quadrant 2016-17

Priority 1: Develop an Action Plan based on the findings of the District Heating Network feasibility report

Formulating a next step action plan by liaising with Local Partnerships and the Government's Heat Network Delivery Unit to establish an effective and deliverable business model.

Priority 2: To undertake a review of the cleaning service provision within corporate buildings and its integration with facilities management.

Significant work has been undertaken to fully appreciate the existing service and what potential efficiencies may be deliverable. Final review to be reported in March 2017.

Priority 3: To undertake a review of public toilets to assess their location across the borough and their proximity to other public buildings along with their frequency of use.

Significant work has been undertaken to fully appreciate the existing service and what potential efficiencies may be deliverable. Final review to be reported in July 2017.

Priority 4: To undertake an additional review of the coffee shops and ensure that they can provide a cost effective operational model.

Significant work has been undertaken to fully appreciate the existing service and what potential efficiencies may be deliverable. Final review to be reported in March 2017.

Priority 5: To continue to progress the accommodation strategy and ensure that we make the most economic use of these assets.

The asset stock is constantly under review to ensure that it meets individual Directorates requirements and provides

efficiencies.

Priority 6: A review of the security provision in civic buildings to assess its value and to look into alternative options that may be provided by modern technologies/physical barriers.

A new intruder alarm has been fitted in Port Talbot Civic and a new door access system is planned.

Priority 7: To consider the possibility of a digital solution that minimises the two thousand requests a year from the archive service

An in-house IT developed solution went live in November. To date, the system is functioning well and efficiencies have been achieved.

Priority 8: To continue to support the Asset Management Plan and Forward Financial Plan and deliver, when appropriate, the transfer of assets to the community. To draft and adopt a Community Asset Transfer policy for the Council.

We have continued to deliver savings as part of the FFP and have successfully transferred a number of assets to the community. A formal CAT Policy has not been developed but will be completed in 2017/18.

Priority 9: To review and implement the Corporate Asset Management Plan

The review is being carried out and will be reported to Cabinet Board in March 2017

Priority 10: Business Rates - to continue to negotiations and complete rating appeals for the 2010-2017 list and consider the possibility for additional appeals based on the 2017 draft list.

We continue to complete outstanding ratings appeals and the total savings for the 2010-17 rating list period are expected to be at least £1,091,470. This additional savings that the Council is predicted to achieve for 2016/2017 is £166,079. Potentially, there are still outstanding savings of £1,044,070 that could be achieved over the period of the 2010-2017 rating list.

We are currently assessing the 2017 draft list and whether there is any scope for savings before the list is published

in April 2017.

Priority 11: To settle all outstanding PDR compensation claims

There have been 5 outstanding claims settled and or legally completed to date. It is anticipated that the majority of the outstanding claims will be settled during the next financial year.

Priority 12: To generate a total capital receipt of £3m over the next 3 year period

For the 2016/2017 financial year, the Council is on target to achieve over £1m in capital receipts and has in place a further £2m of agreed sales that are likely to complete in the next two financial years. The Council is on target to achieve capital receipts of £3m over the 3 year period.

Priority 13: To continue Compulsory Purchase negotiation work and acquire land and rights for major highway capital schemes that includes PDR2, Coed Darcy Southern Access Road and Ffordd Amazon Stage 2.

The Council has completed these schemes and negotiations are on-going to settle all outstanding claims for compensation. It is anticipated that the majority of the claims will settled in the next financial year.

Priority 14: To develop in-house upgrades to the property management database and develop new and existing modules to ensure that they comply with our Statutory record obligations.

Discussions are on-going with IT on how to improve and upgrade to the property management database and it is anticipated that progress on this will be made in the next financial year.

Priority 15: To review the 5 year rolling programme of asset valuations with the director of finance and carry out a statutory revaluation of assets in the revised programme for the financial year 16/17

Completed the revaluation of all school assets and we are on target to complete the remainder of the agreed list of assets by the end of 2016/17.

Priority 16: To dispose or lease any surplus assets that arise out of the FFP. This includes retaining surplus operational assets that are economically advantageous to bring within the Council's commercial

estate. To maximise revenue streams to support corporate objectives.

The Council has achieved additional revenues for 2016/17 from leasehold agreement on surplus properties that have arisen out of the FFP. For example, the Council successfully leased the former Afan Forest Visitors Centre building to a third party operator. This has helped secure the long-term future of the site as a whole and also provided the Council with an additional revenue stream.

Priority 17: To ensure statutory compliance under display energy certificates (DECs) legislation for the Authority's operational building portfolio.

Display energy certificates (DECs) have been provided for all qualifying sites within the Authority's operational building portfolio for 2016. Additional work and costs will be incurred for 2017 due to the 7 year renewal of the required DEC advisory reports.

Priority 18: To develop and deliver the energy "Invest to Save" programme for the Authority's operational buildings.

The Energy Section are currently formulating a co-ordinated 'invest to save' programme across operational sites within the Civic Accommodation portfolio, the intention will be to roll this programme across the Authority's whole portfolio.

Priority 19: To increase the awareness of energy / carbon smart technology and investigate how the Authority can move towards a low carbon smart region.

Completed phase one of the smart low carbon demonstration projects in 2016. Phase 2 will commence in the 2017/18.

Priority 20: To create a schools energy management programme commencing with a pilot cluster group.

To formulate a draft programme targeting 5-10% of schools and implement energy improvement plans within 2017/18

Priority 21: To facilitate the renewal of the automatic meter reading contract.

Completed a one year extension on the previous 5 year contract with British Gas in 2016. There will be a renewal of the contract in 2016/17.

Priority 22. To provide building condition information annually to the WG Data Unit.

Collated information which has been provided to WG Data Unit.

Priority 23. Comply with Equality Act 2010 and remove physical barriers for disabled people.

As part of the on-going program to ensure inclusivity and equality for all users with the Council, 6 DDA schemes have been completed in 2016/17.

Measure	2014-15 Actual (Full Year)	2014-15 Actual (Full Year)	Comparative Performance	2015-16 Qtr. 2 (cumulative)	2016-17 Qtr. 2 (cumulative)
Corporate measure (CM01): a) Number of transactional services fully web enabled	0	0	If available	0	0
b) Number of transactional services partially web enabled	0	0		0	0

Nb. Due to the work that is done by the service, we do not have any fully web enabled or partially web enabled services. However, we have do have number of web pages that provide comprehensive information to the public regarding the services we provide, including information on properties for sale/lease, industrial start-up

units and Neath Market. All web pages provide the public with the means to contact the relevant officer and where possible also includes application forms. Moreover, the service has third party web pages with Rightmove and Estates Gazette.

Section 5: Financial Quadrant 2016-17:

Summary of financial performance

As at the end of the Quarter 3, the service is operating within budget with no anticipated overspend.

Budget Savings Strategies – The FFP savings identified in the Business Plan are on target to be achieved.

Measure	2014-15 Actual (Full Year)	2015-16 Actual (Full Year)	2016-17 Qtr.3 (projected to year end)
Corporate Measure (CM02): % revenue expenditure within budget	1.54% - £39,925 overspend	1.08% - £24,309 underspend	0% - estimating nil variance
Revenue Budget £	£2,585,435	£2,259,201	£2,570,705
Corporate Measure (CM03):	£	£	£
Amount of FFP savings	£578,000	£300,000	£38,000
Amount of FFP savings at risk	£0	£0	£0

Section 6: Employee Quadrant 2016-17

Summary of employee performance.

The table below shows that up to the second quarter of 2016-17, sickness levels were 4.7 days per employee. This is an increase on the same period from 2015-16, when sickness levels were 3.3 days per employee. Despite this increase, the level of sickness absence is still below the average for the Directorate and is at a similar level to the Authority as a whole. In addition, all staff have been informed of the sickness management procedures and the service is continually monitoring sickness absence and is working with Human Resources to improve its sickness record for 2017/18.

There have not been any reportable accidents or injuries to staff and the service continues to have a robust approach to H&S management.

Up to the third quarter of 2016-17, there have been 4 unplanned employee departures, as compared to the third quarter of 2015-16 where there were 7 employee departures. For the whole of 2015-16, there were 10 unplanned employee departures. The majority of the departures were part-time cleaning staff.

In 2015-16, two Estates Officers resigned from the Council and another Estates Officer took maternity leave. In addition, a Property Compliance Officer took maternity leave in 2016-17. To minimise the disruption to the section, the service has employed two people on temporary contracts and has seconded another officer from Social Services.

It is expected that no staff will have retired on the ER/VR scheme during 2016-17.

Staff development reviews are scheduled to take place over the next few months and staff satisfaction surveys will be undertaken as part of these reviews.

NB Sickness data for Qtr 3 is not available at the time of reporting.

Measure	2014-15 Actual	2015-16 Actual	2015-16 QTR. 2	2016-17 QTR. 2
	(Full Year)	(Full Year)	(cumulative)	(cumulative)

Corporate Measure (CM04): Av	erage FIE (Full ul	no oquitaionity noi	ining days lost ado	ID SICKIIESS absence
Strategic Property and Valuation Management Service – Average FTE working days lost per employee	5.3 days	6.7 days	3.3 days	4.7 days
Total Service FTE days lost in the period	502.2 days	513.2 days	265.3 days	329.8 days
Directorate: Environment	9.8 days	10.2 days	4.7 days	5.0 days
Council:	9.4 days	9.7 days	4.2 days	4.6 days
		2015-16 Actual (Full Year)	2015-16 QTR. 3 (cumulative)	2016-17 QTR. 3 (cumulative)
Corporate Measure (CM11): Sta	ff engagement			
Measure	in engagement	N/A	N/A	Under development for 2017-18
Corporate Measure (CM05): % of received a performance appraisa (Target 100%) Number of staff who have received	of staff who have I during 2016-17	N/A 0%	N/A 0%	•
Corporate Measure (CM05): % received a performance appraisa (Target 100%)	of staff who have I during 2016-17 ed a performance mber of			for 2017-18 Appraisals are scheduled to be carried out in 2016-

Summary of customer performance

Strategic Property and Valuation Service has no complaints or compliments to report during 2016/17 Quarter 1-3.

Measure	2015-16 Actual (Full Year)	2015-16 Qtr. 3 (cumulative)	2016-17 Qtr. 3 (cumulative)
Corporate Measure (CM07): Total number of complaints			
Internal	0	0	0
External (from the public)	0	0	0
Corporate Measure (CM08): Total number of compliments			
Internal	0	0	0
External (members of the public)	0	0	0
Corporate Measure (CM09): customer satisfaction measure/s	None	Client satisfact will be underta the next few m note below.	ken during

Note:

External customer satisfaction is not formally measured due to the wide ranging nature of the work that is undertaken. However, Strategic Property and Valuation Service will undertake client satisfaction surveys with other departments and key stakeholders over the next few months.