

A Regional Approach to Collaboration

Cwm Taf Pilot Study – Final Report

Prepared for Cwm Taf Public Service Board Executives

June 2017

Executive Summary

Cwm Taf Pilot Study Conclusions

Introduction

This Report has been prepared by Cushman & Wakefield for the Cwm Taf PSB members. It provides conclusions and recommendations from the Cwm Taf Pilot Study.

The Study focus has been to consider opportunities to maximise benefits from the public sector estate across Cwm Taf via a strategic approach to collaboration having regard to four key criteria:

1. **Creating economic growth**
2. **Delivering more integrated and customer-focussed services**
3. **Generating capital receipts**
4. **Reducing running costs**

This Report demonstrates that some exciting collaborative opportunities are emerging and, with additional analysis, they have the potential to demonstrate significant benefits in accordance with the key criteria.

Cwm Taf Pilot Programme

The opportunities have been scoped, at a high level, as Pilot Projects which collectively make up the Cwm Taf Pilot Programme as follows:

1. **The Regional Approach to Strategic Estate Management Project**
2. **New Integrated Services and Sites**
3. **The Agile Working Project - A Collaborative Approach to the Back Office**
4. **The Pooling of Strategic Land Project - Meeting Economic Growth**

The four Projects are potentially interlinked as they are influenced by future service delivery strategies and the effective use of the public sector estate.

The Pilot Programme marks a new area of focus for the PSB. Cushman & Wakefield anticipates that the Projects will be developed so that the benefits can be quantified. The Projects will then be taken forward by a dedicated body of Partner representatives. In parallel, further opportunities to expand the Programme will be identified through strategic discussion amongst the PSB members using the comprehensive data gathered to support.

Putting in place the right governance arrangements and sourcing 'capacity' to drive the Programme forwards should be a key focus area for the PSB.

The Cwm Taf Pilot Programme has been developed during the course of the Study. It comprises four collaborative projects that are expected to deliver significant benefits:

- **new homes from surplus public sector land release**
- **significantly enhanced, customer-focussed services through integrated service planning and a better estate to support service delivery**
- **annual running costs savings from a rationalisation of the public sector estate and the prudent purchasing of property services**
- **capital receipts from the release of surplus public sector land and strategic brownfield sites. Creating a revolving fund for future investment.**
- **new jobs associated with the development of surplus land and service improvements**

The four potential projects identified to date require detailed analysis as a next stage so that a more accurate statement of benefits can be defined before moving into delivery. Ultimately, in order to drive the Programme forward, the Partners may require access to additional 'capacity' – and the source of this requires consideration.

Executive Summary

Cwm Taf Pilot Study Conclusions

The emerging Pilot Programme responds to the goals set out in the *Well-being of Future Generations (Wales) Act 2015* in terms of thinking more about the long term, working better with people and communities and each other, looking to prevent problems and taking a more joined-up approach.

The Programme addresses the **need for a comprehensive and strategic approach to estate management** to prevent 'silo' property-based decision and a collaborative approach to service-led estate strategy. This will enable the simplification of processes and procedures and a reduction of duplication. It will also create a scale of purchasing power.

The Pilot Programme builds upon work done to date on health and social care service integration and looks to the implementation of agile working to release efficiencies in the 'back-office' via a collaborative approach to the estate.

Subject to the availability of consistent, comparable and accurate data from the Partners to enable a more detailed analysis of the Pilot projects, the Programme will demonstrate how benefits can be accelerated via a strategic approach to collaboration involving estate planning at a regional level.

Study Context

Cwm Taf was selected as the Study focus area in early 2016 because of its multi public sector representation, including two local authority administrations, and its complex socio-economic and geographical characteristics.

The Study was commissioned by Welsh Government, but with the support from two key local authority Partners and interest from other public sector Partners responsible for service delivery and asset management across Cwm Taf representing the Public Service Board. Cushman & Wakefield was appointed to lead the Study, and has done so on an impartial basis, whilst maintaining a close working relationship with the Partners.

The observations, findings, conclusions, and recommendations set out within this Report are made by Cushman & Wakefield but based upon insight and guidance from the Partners.

Importantly, the Study has taken place against the backdrop of discussions related to regional resource alignment to encompass regional transport, planning and economic development and, potentially, public sector asset management under the Cardiff Capital Region (CCR) programme.

The timing of the Study is highly pertinent in view of the publication of the Local Government Reform White Paper in January 2017 which is consulting on the regional delivery of services in the absence of formal local authority mergers. The findings of the study will help to inform best practice in this field which could be used across Wales.

Whilst the delivery of major infrastructure projects, such as the Metro, under the CCR programme is some years off (and not a significant driver in the Study findings), a regional approach to estate management to promote more collaboration is a strong theme emerging from the Study.

Finally, during the latter stages of the Study, a Ministerial Taskforce for the South Wales Valleys was established to consider regeneration and economic growth and current service provision. Collaboration between this Taskforce and the Public Service Board will be an important factor moving forwards.

Holistic Approach

During the Study period to date, Cushman & Wakefield has engaged with senior representatives and estates officers for each of the PSB Partner organisations to gain a comprehensive understanding of the following:

- **The characteristics of the Cwm Taf region and influential factors.**
- **Approach to collaboration.**
- **The scale of the Partner estate across Cwm Taf.**
- **Partner service priorities.**
- **Partner service-led estate requirements.**
- **Partner approach to estate management.**

Most of the partners have clear service priorities and understand the impact of these on the estate although the Partners accept that these have not always been widely shared between partners to explore opportunities for collaboration. However, most significantly, the required estates management data has not been readily available on a consistent basis. As a result, this has warranted an extensive data collation exercise in order to establish a preliminary study 'baseline' to inform discussion and consideration of opportunities. Indeed, in the last week of the Study, Cushman & Wakefield continued to receive missing information and updates.

Executive Summary

Cwm Taf Pilot Study Conclusions

Cushman & Wakefield has worked with 11 public sector Partners, representing the Cwm Taf PSB, to consider opportunities to maximise benefits from the public sector estate across the region via a strategic approach to collaboration.

A key aspect of this has been setting a robust baseline. However, the consistent and complete supply of data has been challenging. Nevertheless, the following provisional 'headlines' are established:

- The Partners are responsible for c. 3,263 property assets of which c. 1,521 are considered to be 'material'.
- The assets are distributed across 133 different locations with the majority of assets found in Merthyr, Pontypridd, and Aberdare.
- The full cost of the estate remains unknown due to a lack of comprehensive information relating to running costs, backlog liabilities etc.
- The Partners are responsible for at least c. 68,900 sqm* of office accommodation in 32 buildings. Headcounts within all buildings are still unavailable, so analysis of space allocation / efficiency cannot be undertaken.
- All 11 Partners employ internal estate management resource. Data for 7 Partners indicate that they collectively employ c. 262 FTE, estimated to cost around £7.68M per annum in staff costs.
- Of the 262 FTE, only 7 FTE are allocated to strategic estate management activity.
- An additional £9.21M is spent annually on supplementary external property management services.

The PSB will need to allocate resource to take custody of the data gathered to date and to ensure that it remains up to date to avoid abortive effort.

* *Data incomplete*

Focus Areas

Having established a provisional baseline, Cushman & Wakefield has been working with the Partners to explore the following:

- The potential to **integrate estate-type services** (including estate management) to improve the customer experience and to create wider efficiencies. For example, some Partners have specific estates expertise that could be shared to create more effective and resilient teams and services.
- The potential to **unite physical estate requirements** (in support of service needs) to enable a rationalisation of the estate and overall improvement in quality, with associated revenue cost savings, surplus estate optimisation including land release for new homes and employment-related development.
- **Governance arrangements** to ensure that collaborative behaviour is embedded in ongoing decisions related to service and estate planning.

Moving forwards, the Partners have acknowledged that a regional and collaborative approach to strategic estate management and estate alignment, based upon a comprehensive understanding of service planning, could potentially deliver greater outcomes.

The opportunities identified as a result of focused area discussions (and comprised within the Cwm Taf Pilot Programme) have the potential to deliver significant benefits in terms of:

1. Creating economic growth (new homes and jobs)
2. Delivering more integrated and customer-focussed services
3. Generating capital receipts
4. Reducing running costs

However, more detailed analysis is required to fully understand the scale of potential benefits that could be realised. This is important in the context of seeking support Welsh Government to drive forwards collaboration on a much greater scale.

Executive Summary

Cwm Taf Pilot Study Conclusions

Programme Governance & Accountability

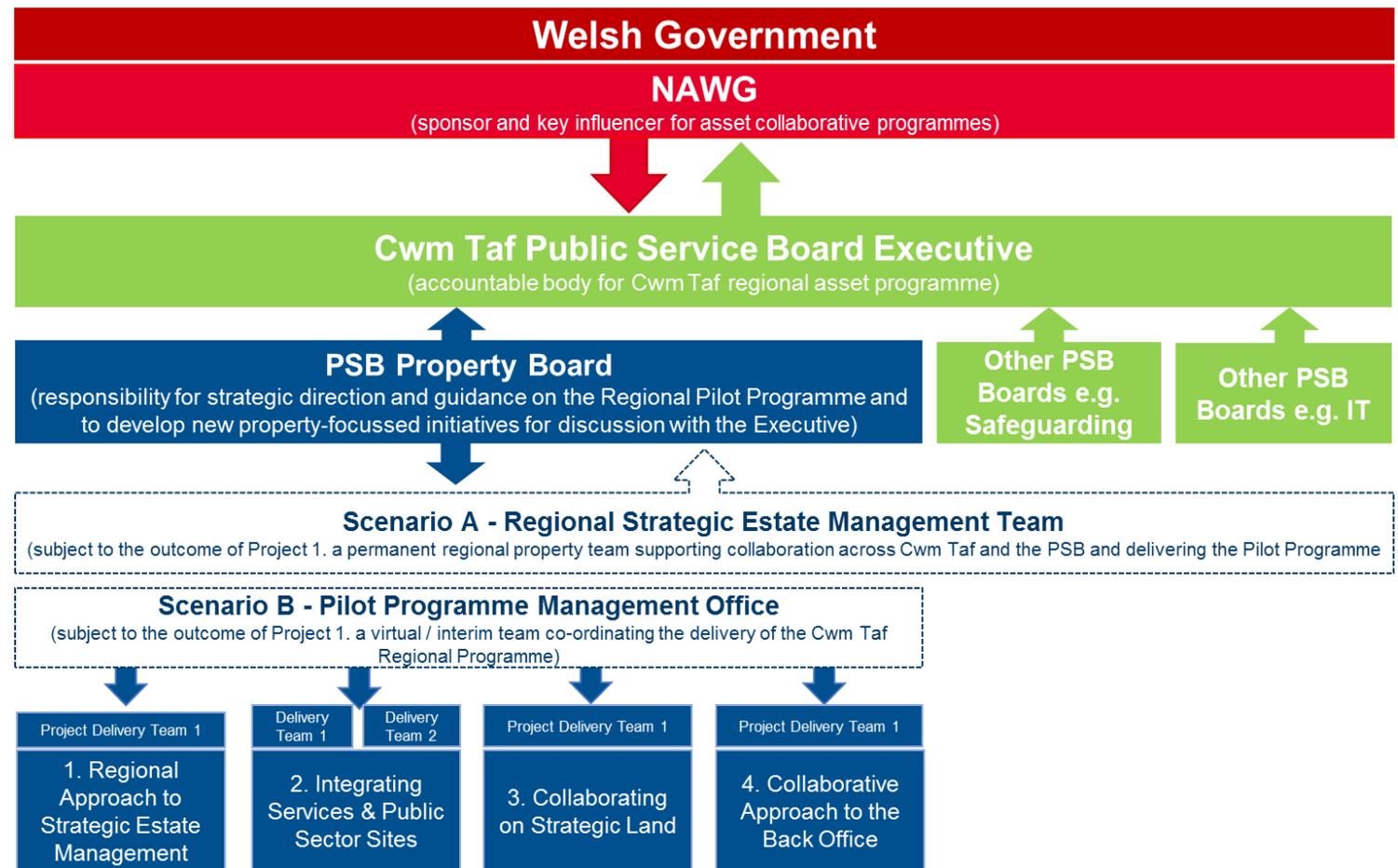
Cushman & Wakefield has considered future governance arrangements to ensure that collaborative behaviours are embedded into day to day estate management activity and decision-making by the PSB moving forwards. The diagram below illustrates a **potential governance structure** whereby the Cwm Taf Public Service Board is the lead and accountable body for the delivery of the Pilot Programme, potentially reporting progress to the National Assets Working Group / Welsh Government via a Property Board and the PSB.

Importantly, a 'layer' of Regional Strategic Estates Management (RSEM) is introduced. Two scenarios are shown. Scenario A potentially plays to the White Paper as it proposes a 'permanent' regional team supporting collaboration across Cwm Taf and delivering the Pilot Programme. Scenario B may represent an interim solution pending Scenario A being put in place

Both Scenarios will rely upon further analysis proposed under *Project 1. A Regional Approach to Strategic Asset Management* (see page 23).

The RSEM would report to a newly formed Property Board taking a lead on coordinating the Pilot Programme.

Governance will require further consideration by the PSB and should not sit in isolation from improved, joint service, workforce and financial planning where required.



Indicative Cwm Taf Regional Pilot Programme Governance Structure

Update Report Content

1. Study Brief, Context, Approach and Purpose
2. Cwm Taf Public Services and Estate Priorities
3. Cwm Taf Public Sector Estate Overview
4. Cwm Taf Estate Management Overview
5. Conclusions
6. The Cwm Taf Regional Pilot Programme & Projects
7. Programme Governance
8. Recommendations
9. Study Benefits

1. Study Brief & Context

Study Approach & Purpose

Study Origins

Welsh Government and the National Assets Working Group (NAWG) recognise that the effective use of public sector assets can contribute towards meeting prevailing financial targets and facilitate the delivery of services in a more effective and joined up way.

NAWG has stated an ambition to accelerate the pace of its work through the identification and delivery of relevant outputs from the public sector estate across Wales – via innovative programmes that have a collaborative approach at their heart.

It was decided to commission a ‘formal’ Pilot Study to consider the scale of ‘collaborative opportunity’ that might be possible on a regional basis – so that a best practice approach could then be applied across Wales.

The Cwm Taf Region was selected as the location for the Pilot Study because:

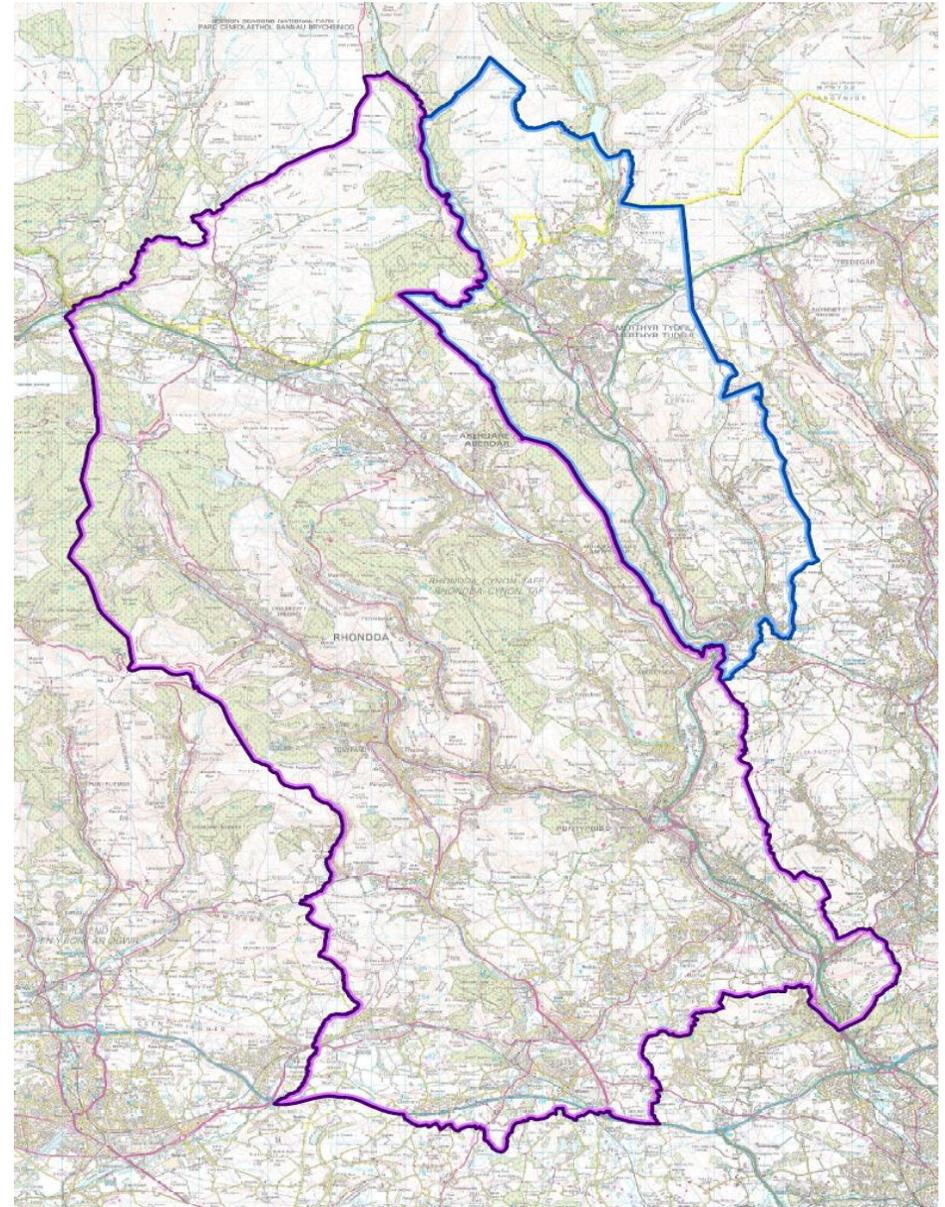
- It comprises two distinct County Boroughs (Rhondda Cynon Taf and Merthyr Tydfil) – both local authority’s Chief Executives volunteered to champion the study,
- It is diverse both in terms of its physical geography and its socio-economic challenges,
- It has a sufficient critical mass of public sector estate to potentially derive significant benefits.

The Cwm Taf Pilot Study

In May 2016, Cushman & Wakefield was commissioned by Welsh Government in conjunction with the NAWG and the Cwm Taf Public Service Board to undertake a Study to investigate the scale of collaborative opportunity across Cwm Taf.

Four key criteria were set against which opportunities for asset collaboration would be assessed:

1. **Creating economic growth**
2. **Delivering more integrated and customer-focussed services**
3. **Generating capital receipts**
4. **Reducing running costs**



1. Study Brief & Context

Study Approach & Purpose

Policy Context

The Study has been undertaken against a number of recent policy developments that are informing its findings and highlighted the relevance of a strategic and collaborative approach to estate management.

These policy developments include:

Local Government Reform White Paper

In January 2017 the Welsh Government published the Local Government Reform White Paper which closes its consultation period in April 2017. There would be no change to the existing number of local authorities, but Welsh Government would support voluntary mergers.

Amongst the proposals are a mandatory economic development footprint that would also cover economic development, planning and transport functions while Councils would have flexibility over what footprint they use to share responsibilities for other mandated services.

The Paper says *“a more proactive collaborative asset management approach across the Welsh public sector offers the potential to integrate services (including estate management) to improve the customer experience and to create wider efficiencies. It also offers potential to rationalise the estate and improve the quality of public service assets by investing more in fewer shared physical assets. This will allow surplus assets to be included, sometimes in combination, in land release for new homes and employment-related development.”*

It notes that the Pilot Study in the Cwm Taf PSB area has been exploring the potential benefits of this approach.

The Welsh Government is keen to understand how local government and others, including Welsh Government, can work together better to make the best use of their collective assets. Barriers to this in the past have included knowledge of others' plans and opportunities. To support this work it is proposed that a 'Regional Asset Collaboration best practice toolkit' is developed. Such an approach will require appropriate governance arrangements to ensure that collaborative behaviour is embedded in ongoing decisions related to service and estate planning. Given the links to the economy the larger economic footprints may be appropriate in order to successfully engage with the wider public sector and reap the potential benefits.

The Cardiff Capital Region and Metro

The Cardiff Capital Region collaboration between Welsh and UK governments and the 10 local authorities in SE Wales, with a joint commitment to use devolved powers across the city region to accelerate development, support jobs growth and create a more productive economy. This will promote alignment of regional resources and partnerships including regional transport, planning and economic development and potentially public sector asset management.

The Metro is the proposed integration of heavy rail and development of light rail and bus-based public transport services and systems in the Capital Region. It aims to improve connectivity, linking communities with all major commercial, social and leisure attractors, enabling the region to function as a coherent economic entity.

Both the Capital Region and the Metro will impact on the planning of public services, providing a key focus for future economic and housing growth and focus new investment on transport corridors and interchanges. This will become an important factor for public bodies planning their future estate requirements and will provide an number of important opportunities.

South Wales Valleys Taskforce

In July 2016 Welsh Government ministers established a Ministerial Taskforce for the South Wales Valleys. The purpose of this expert group is to consider regeneration and economic growth including City Region and the Metro, and current service provision particularly in relation to health, education and housing and community engagement.

1. Study Brief & Context

Study Approach & Purpose

Cwm Taf Study Partners

The following public sector organisations have represented the Key Partners with whom Cushman & Wakefield has engaged during the Study period:

- Welsh Government
- Rhondda Cynon Taff County Borough Council
- Merthyr Tydfil County Borough Council
- Cwm Taf University Health Board
- Natural Resources Wales
- South Wales Police
- South Wales Fire and Rescue
- Welsh Ambulance Service
- Coleg Y Cymoedd
- University of South Wales
- National Probation Service
- Other partners engaged include the third sector represented by Interlink, VAMT, Trivallis, and Merthyr Valley Homes.

Cushman & Wakefield has worked closely with Chief Executives, Senior Officers, Service Managers, and Estates staff from each of the organisations to establish partnership working for the Pilot.

In addition, briefing meetings and discussions have taken place with Welsh Government, NAWG, and the PSB - who have provided strategic insight and Study direction.

Study Outputs

The Study Brief was developed in collaboration with Key Partners and approved by the PSB. The key expected outputs stated within the Brief were as follows:

The Pilot Study will be expected to identify the following:	
1.	The extent of the public sector estate (land and buildings) within the Pilot Area (based upon the agreed stakeholders).
2.	A commentary on stakeholder approach to asset categorisation, estate strategy, management and optimisation.
3.	An overview of estate liability.
4.	A view on estate opportunity eg. 'surplus' estate, estate duplications etc.
5.	Opportunities for a collaborative approach to the identified estate within the Pilot Area, including an integrated approach to asset rationalisation, disposal, accommodation sharing, and the identification of economic and social development opportunities, particularly those arising from strategic investment in, for example, the Metro, or other infrastructure. The development of an approach which is scalable, can involve consideration of collaborative opportunities across-boundaries (ie. outside the Pilot Area) if appropriate and result in practical recommendations/lessons learned for Authorities and or Transition Committees to consider
6.	Relevant criteria against which to assess outputs from identified opportunities eg: <ul style="list-style-type: none">• Economic growth• Integrated and customer-focussed services• Capital receipts• Reduced running costs
7.	Recommendations and lessons learned from the Pilot Study eg. recommendations for the alignment of disposal practices, policies and timetables; a short-list of medium and long term asset disposals with exemplar packages that might be disposed of quickly; how land might be used as a market incentive (and remain within the rules of Government Accounting) etc.

A significant proportion of Cushman & Wakefield's time (and the Study resource) has been invested in the gathering of baseline data from each of the Partners in order to respond to, and inform, the required outcomes of the Study. This has meant that aspects of the Brief have not been met in full, despite best endeavours. Furthermore, whilst a Programme of Projects has been scoped, the depth of analysis of these to define the benefits against the Study criteria has not been possible.

2. Cwm Taf Service & Estate Priorities

Partner Snapshots

Throughout the Study period, Cushman & Wakefield has engaged with Chief Executives and Senior Managers to understand their service and estates priorities, appetite for strategic estate collaboration programmes, and the benefits and challenges of this approach. The following represents a 'snap-shot' of some of the Partner's priorities and work in this area:

RCT County Borough Council

- Set a target to reduce office estate floorspace by 20% and promote agile and mobile working
- The rationalisation of the Council's corporate offices portfolio is ongoing. The aim is to create a smaller number of 'hubs' serving the north and south of the borough.
- Regeneration priority areas – Llantrisant, Llanillid, Hirwaun and Pontypridd (the Taff Vale site in Pontypridd town centre was acquired by the Council for regeneration). There is a view that reclaimed Welsh Government sites should be released for housing and mixed use, not just employment, to attract new investment to the north. Receipts from Welsh Government sites could be recycled into local regeneration initiatives managed by the local authority.
- Exploring opportunities with the Health Board to integrate health and social care services, in particular the introduction of Extra Care models that include health services.
- Actively transferring surplus assets to the Third Sector to operate community services.

Merthyr Tydfil County Borough Council

- Rationalised its corporate offices into two buildings in Merthyr Tydfil.
- Promoting (disposing of) surplus land for housing e.g. Riverside, Kier Hardie. Welsh Government clawback arrangements are cited as a key issue in preventing regeneration of reclaimed sites where wider public benefit (e.g. job creation, new homes) may outweigh commercial return.
- The Council's Social Care team, with the UHB, is integrating services at Kier Hardie Health Park.
- Pursuing a joint depot project with RCTCBC at Abercynon.
- The Council has benefited from Vibrant & Viable Places funding in Merthyr Tydfil town centre but WG clawback rules limiting some regeneration options.
- The Council is happy to enable further collaboration and co-location involving partners.

Welsh Government

- Welsh Government will consider its back office estate in Cwm Taf alongside Partner rationalisation and agile working models
- Supports a 'place-based' approach to regeneration and links to the Metro project and City Region across Cwm Taf.
- Owns strategic sites in Cwm Taf, including large sites in Llantrisant area. Policy is required to guide bringing the sites forward i.e.. how to balance maximum financial return with regeneration and infrastructure benefits.

Cwm Taf University Health Board

- Improved health and social care service integration with the Councils' social care and extra care models where relevant.
- Supporting the sustainability of GP practices and development of four cluster hubs at Kier Hardie University Health Park, Dewi Sant, Ysbyty Cwm Cynon and Ysbyty Cwm Rhondda.
- Royal Glamorgan Hospital, Llantrisant – focus on service redesign, some linked with the outcome of the South Wales Programme. Potential to cluster further innovation/R&D uses around the campus. Unknowns regarding growth rates in Cardiff and M4 corridor.
- Prince Charles Hospital, Merthyr Tydfil. Ground and first floor refurbishment project. Plus service redesign to further consolidate the strategic importance of Prince Charles Hospital in preserving access to services for the residents of South Powys and the wider heads of the valleys communities.

Commissioner for South Wales Police/South Wales Police

- The Force has rationalised its estate in recent years. It has embarked upon a comprehensive review of its whole estate to identify further estate re-alignment opportunities having regard to the need to maintain community presence, meet response targets, implement new space standards (fixed field flexible) and provide appropriate specialist facilities. Collaboration is key.
- The future model in Cwm Taf will comprise central hubs e.g. Merthyr Tydfil Bridewell and Pontypridd with smaller stations serving local communities.

2. Cwm Taf Service Delivery and Estate Strategy Overview

Partner Snapshots

Welsh Ambulance Service NHS Trust

- The Service is well linked with Fire across Wales but less so with South Wales Police.
- The Service requires two Make Ready Bases (MRD) bases in Merthyr Tydfil and Pontypridd and three Stand By Points (SBP) across Cwm Taf.

South Wales Fire and Rescue

- The Service is searching for new station sites in Pontypridd and Abercynon.
- The Pontyclun station has space available.
- There is potential shared space available for partners at stations in Merthyr Tydfil, Aberdare and Llantrisant.

National Probation Service

- The NPS occupies premises within Cwm Taf on the basis of a lease. Lease expiry is in 2019 and a satellite office is required.

Natural Resources Wales

- NRW is scoping a corporate office accommodation strategy and considering options for consolidating back-office in SE Wales (potentially including locations within Cwm Taf).
- The consolidation of Depots and Fleet Management facilities may represent an opportunity for collaboration.
- NRW has significant forest and flood defence landholdings (strategic infrastructure) that may have longer term leisure potential.

Coleg Y Cwmoedd

- The College is delivering a £70m capital programme, including the new Aberdare campus – and associated disposal of the former campus (12.5 acres).
- Options are being considered for a new £21M campus in Rhondda. This is also a College back-office location

- In Nantgarw, the College is proposing a new Centre of Sports Excellence. Welsh Government is disposing of a site opposite the College campus.
- The College recognises the need to maximise the utilisation of the estate and is willing to explore income generation opportunities with its Partners e.g. more use in the evenings, weekends, holidays.

University of South Wales

- The University is in the midst of a post-merger rationalisation and estate investment programme. A Property Strategy is being scoped.
- The University is Interested in collaboration if it represents 'value for money'.
- The University is willing to explore a more strategic approach to estates management.

Voluntary Sector - VAMT and Interlink RCT

- There are two Community Development Trusts in Merthyr Tydfil which are well established in managing assets.
- There are more underutilised community buildings in RCT than MTC.
- There are mixed results in dealing with Community Asset Transfers from the public sector.
- Interlink is considering the potential relocation of an office in the Pontypridd area.
- The VS is interested to understand more about public bodies in Cwm Taf so that members can be advised of the opportunities.

Trivallis and Merthyr Valley Homes (MVH)

- Two large social housing providers in the Cwm Taf region. They are not strategic landowners and generally control small plots on housing estates. MVH is building a new HQ.
- Both organisations have funding challenges in terms of limited public sector grants and difficulty in attracting private co-investors in weak market areas.
- Collaboration activity is focused around community and social care interface with other organisations.

2. Cwm Taf Service Delivery and Estate Strategy Overview

Partner Snapshots

Collaboration Track Record

The Partners in Cwm Taf have a track record of successful collaboration, for example:

- The Multi-Agency Safeguarding Hub, brings together all the major partners in one base to make informed safeguarding decisions for children and adults, and is recognised as a leader in its field;
- The Police and Fire services have a new combined emergency contact centre;
- Fire and Ambulance occupy a shared fire and ambulance station at Pontyclun;
- RCT and UHB have a shared call centre for out of hours;
- Merthyr Tydfil and UHB have brought together community health and GP services, outpatient clinics, therapies, mental health and learning disability services all under one roof at Kier Hardie;
- RCT and Merthyr Tydfil deliver a range of services in partnership including: Education Psychology, Social Services Training, Education Improvement Services, Joint Youth Offending Service, Joint Safeguarding Boards. From April 2017, they will share a Highways/Street Care Depot in Abercynon.

However, many of these collaborations have been opportunistic or out of necessity and not always strategically planned. The Cwm Taf Pilot has brought together all of the Partners, with the majority of the public sector estate in Cwm Taf in order to:

- Set out their service expectations in respect of the four geographical areas of Merthyr Tydfil, Cynon Valley, Rhondda and Taf Ely;
- Overlay the current estate of the two Councils, Welsh Government, UHB, Police, Fire, Ambulance, National Probation Services, Natural Resources
- Identify opportunities to bring services together to improve the quality, efficiency and effectiveness of the services, and rationalise the existing estate;
- Identify opportunities to release land sites to other partners, or for housing development or for sale.

3. Cwm Taf Estate Overview

Summary of the Partners' combined assets

The Cwm Taf Comprehensive Asset Register

On commencement of the Pilot Study, there was no single source of 'baseline data' about the Partners' property assets across the Cwm Taf region available to the PSB.

Cushman & Wakefield has worked with the Partners to create a Comprehensive Asset Register (the CAR) providing a single source of consistent information about the Cwm Taf Partners' assets. Specifically the CAR:

- allows the generic categorisation of Partner assets so that asset specific 'sub-portfolios' can be reviewed,
- allows an analysis of the geographical clustering of assets so that 'place-based' reviews can be undertaken,
- provides data in a format that allows analysis of KPIs (once full data has been collated)

Whilst the CAR has required significant effort to create, **the PSB must now take ownership of the data**, ensure that it is up to date and use the CAR as an important 'interim strategic collaboration tool' to inform service and area based discussions. **The PSB should consider establishing a Property Workstream to take receipt of the CAR - having regard to the proposed governance arrangement illustrated on page 38.**

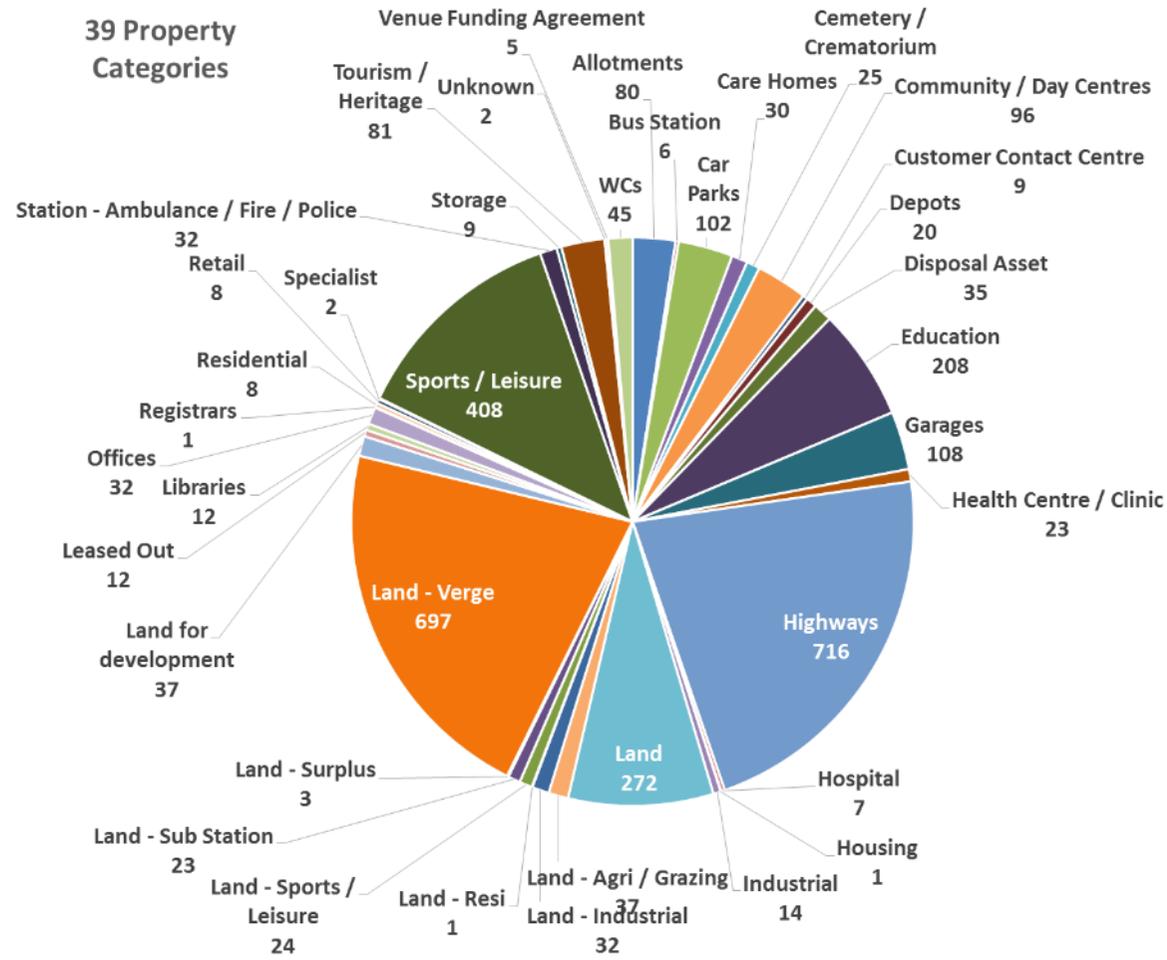
Scale of the Cwm Taf Estate

Using the CAR to draw some high-level statistics, Cushman & Wakefield has found that **the Partners are collectively responsible for circa 3,263 property assets.**

On receipt of Partner data, Cushman & Wakefield noted 106 different categorisations – which made the estate difficult to analyse on a 'sub-portfolio' basis. The categories were, therefore, reduced to 39 - as illustrated in the pie chart opposite.

A further re-categorisation exercise simplified the asset base further by excluding 1,742 'non-material' assets e.g. WCs ,allotments, bus stations, highway verges, etc. which would not be suitable for collaboration projects.

The Comprehensive Cwm Taf Estate (3,263 assets including 'non-material' assets)



3. Cwm Taf Estate Overview

Summary of the Partners' combined assets

The 1,521 'material' assets are summarised as follows:

Cwm Taf 'Material Assets' / Sub-Portfolios	No. Assets	Total Floor Area (GIA sq m)*	Total Land Area (ha)*	Total Rent Payable p.a.*	Other Outgoings p.a.*	Backlog Maintenance*
1. Car Parks	102	-	4.78	-	-	-
2. Care / Community / Day Centres	126	65,018	66.99	£ 44,816	£ 1,304,502	£ 9,448,201
3. Depots	20	4,201	0.94	£ 84,118	£ 210,358	£ 433,666
4. Education	208	87,500	177.08	£ 70,000	£ 15,561,346	£ 66,154,394
5. Health	30	185,429	13.62	-	£ 3,223,872	£ 51,502,022
6. Housing / Residential	9	1,795	8.32	-	-	£ 2,650
7. Industrial	14	40,680	1.47	£ 57,189	£ 130,067	£ 40,564
8. Investment Portfolio	47	573	0.22	-	£ 137,997	£ 714,348
9. Libraries / CAP / Registrars	22	7,402	2.71	£ 27,473	£ 225,972	£ 548,218
10. Offices	32	71,098	15.48	£ 1,471,317	£ 5,015,213	£ 5,017,567
11. Retail	8	668	2.08	-	-	£ 13,450
12. Sports / Leisure	432	53,107	188.17	-	£ 2,222,044	£ 118,243
13. Stations – Bluelight	32	19,805	3.04	£ 83,078	£ 1,341,855	£ 2,624,121
14. Strategic Land	345	9,578	644.32	£ 2,500	-	-
15. Misc.	94	17,935	61.08	£ 19,995	£ 508,113	£ 3,799,486
Total	1,521	564,789	1,190.30	£ 1,860,486	£ 29,881,339	£ 140,416,930
<i>Non-Material assets excluded, e.g. highways, verges, allotments, WCs, etc.</i>	1,742	892	229.38	£ 52,188	£ 93,827	£ 71,426

* Data incomplete

Tenure

The assets are held on different basis, ranging from Freeholds to Mixed Tenure Leasehold / Licences, and Agreements.

- 1,341 (88% of assets being considered) are held on a pure Freehold basis. Of these, at least 280 (21%) are let to tenants generating an income of at least c. £292,700*. Another 6 assets are held on a Mixed Tenure, 2 of which are sublet generating an income of at least c. £ 3,700*.
- The remaining 175 assets are held on a leasing, licence, etc. arrangement, of which at least 20 (11%) are sublet generating an income of at least c. £ 467,400. The data is incomplete and income generation could, therefore, be higher.

3. Cwm Taf Estate Overview

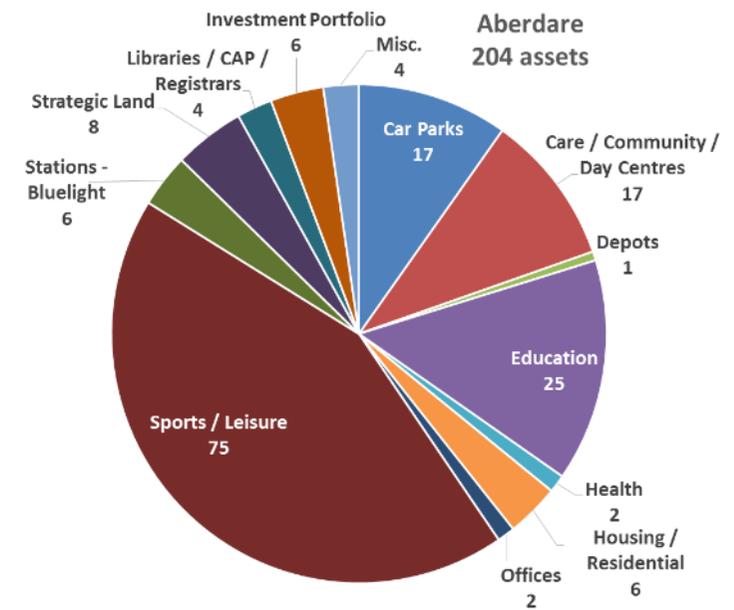
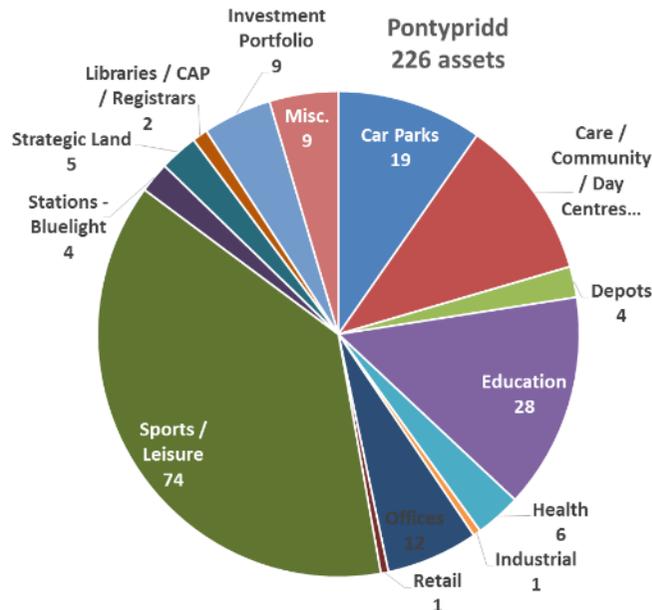
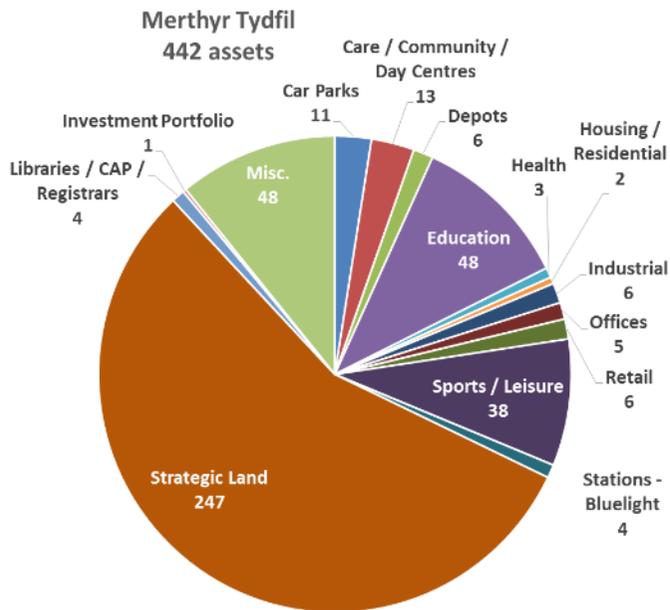
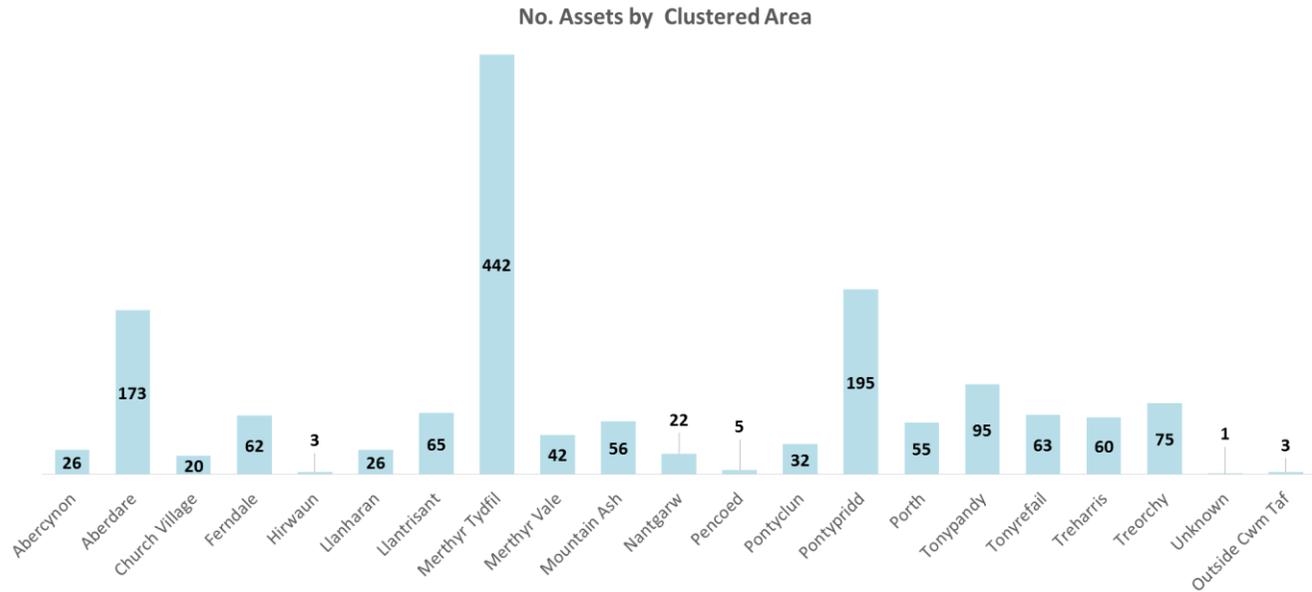
Summary of the Partners' combined assets

Geographical Reach

Cushman & Wakefield analysed the data within the CAR and found that the 1,521 'material' assets are distributed across c.133 locations.

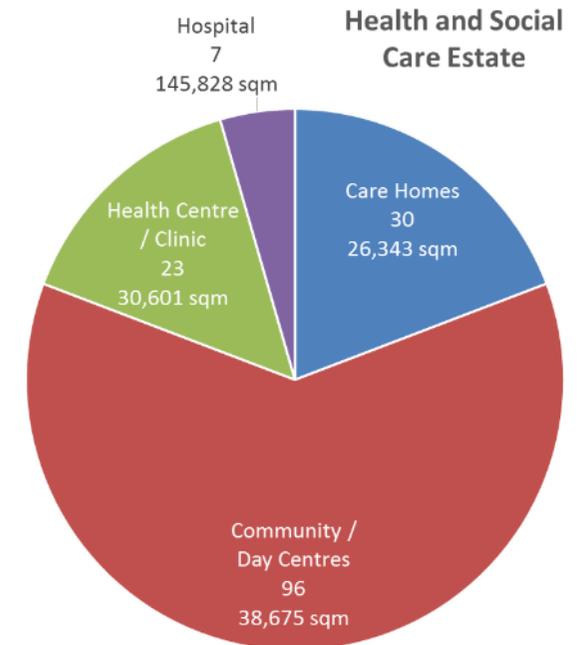
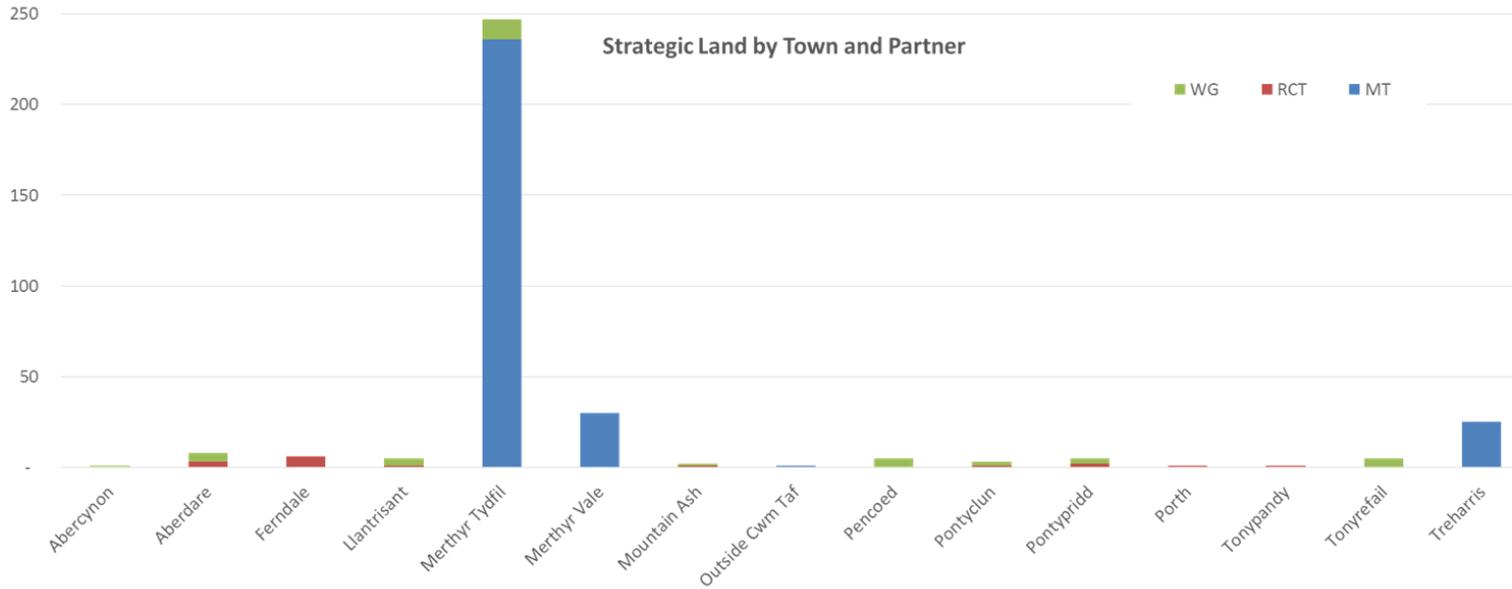
In order to support the PSB to undertake place-based service planning and asset reviews, Cushman & Wakefield created 21 Cluster Areas representing a 'concentration' of assets within specific geographies. These were shared with Key Partners for comment having regard to their understanding of key service delivery areas. However, no comments were forthcoming, but the CAR can flex to assess any form of clustering analysis in any case.

The distribution of assets across the 21 Cluster Areas is illustrated opposite. The Merthyr Tydfil, Pontypridd and Aberdare clusters have the highest number of assets. The large numbers of assets in some of the 'minor' locations suggest an opportunity for rationalisation.



3. Cwm Taf Estate Overview

Summary of the Partners' combined assets



Strategic Land Portfolio

Across the Cwm Taf area 345 sites have been categorised as Strategic Land, i.e. land that could be developed. The majority of the sites (72% or 247 sites) are located in Merthyr Tydfil and are controlled by Merthyr Tydfil CBC (236 sites, 305.2 ha) and Welsh Government (11 sites, 17.0 ha).

At least 96 sites measure 0.5 hectares or more and are considered to offer the best opportunities for collaboration. The 96 sites equate to at least c. 619.9 ha in total. The sites are controlled by 3 Partners:

- Merthyr Tydfil CBC – 71 sites measuring c. 385.4 ha
- Welsh Government – 24 sites measuring c. 95.3 ha
- Rhondda Cynon Taf CBC – 10 sites measuring c. 139.1 ha

Health and Social Care Estate

There are 156 assets listed in the Comprehensive Asset Register as Health and Social Care assets. These represent a total floor area of c. 250,400 sq m and are owned / occupied by 3 Partners:

- Rhondda Cynon Taf CBC – 84 Community / Day Centres and 26 Care Homes
- Cwm Taf UHB – 22 Health Centres / Clinics and 7 Hospitals
- Merthyr Tydfil CBC – 12 Community / Day Centres, 4 Care Homes, and 1 Health Centre / Clinic.

Whilst Pontypridd has the largest number of Health and Social Care with 27 assets (17%) measuring c. 26,523 sqm (11%), Merthyr Tydfil has c. 74,169 sqm (30%) across 16 assets (10%) and Pontyclun has c. 51,875 sqm (21%) across 4 assets (3%).

3. Cwm Taf Estate Overview

Summary of the Partners' combined assets

Back-Office Estate

Office Sub-Portfolio	No. Assets	Total Floor Area (GIA sqm)**	Total Land Area (ha)**	Total Outgoings p.a.**	Backlog Maintenance**
RCT	19	37,368	12.4	£ 1,761,244	£ 4,913,362
WG	3	11,810	0.2	£ 3,207,805	-
SWP	3	142	-	£ 13,349	£ 39,928
NPS	2	1,639	-	£ 513,967	-
MT	2	13,324	1.9	£ 663,039	£ 64,277
Uni S. Wales	1	172	0.0	Data unavailable	Data unavailable
UHB	1	1,291	-	£ 84,667	-
SWF&R	1	5,351	1.0	£ 242,459	Data unavailable
Total	32	71,098	15.48	£ 6,489,530	£ 5,017,567

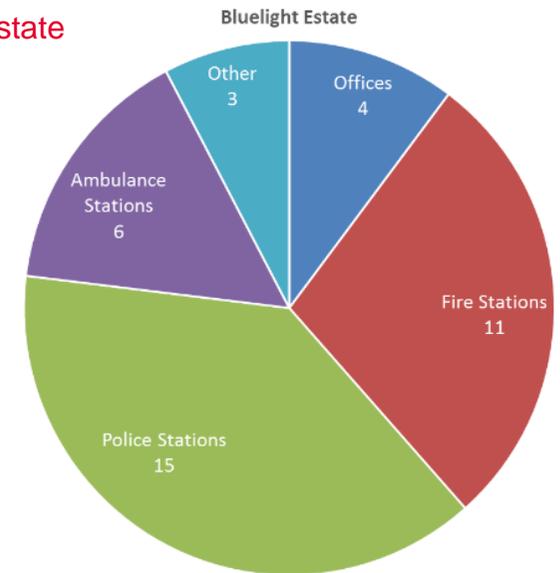
* Please note that property information relating to University of South Wales has been obtained through ePIMS

** Please note that data is incomplete and the floor area, land area, total outgoings, and backlog maintenance might be more than stated above

8 Partners are responsible for 32 **back office assets** within the Cwm Taf area as highlighted above:

- More than a third of the assets (12) are located in Pontypridd, measuring c. 15,745 sqm GIA
 - Rhondda Cynon Taf CBC is responsible for 8 back office assets collectively measuring c. 10,700 sqm GIA
 - The other 4 back office assets are occupied by Welsh Government, University of South Wales, National Probation Services, and South Wales Police.
- Merthyr Tydfil has the highest concentration of back office assets by size. There are 5 assets measuring c. 20,050 sqm GIA:
 - Merthyr Tydfil CBC is responsible for 2 back office assets collectively measuring c. 13,320 sqm GIA
 - Welsh Government is responsible for 1 of them (c. 6,097 sqm GIA) and this is held on a Mixed Tenure (private partnership agreement).
 - The other 3 back office assets are occupied by South Wales Police, National Probation Services, and Rhondda Cynon Taf CBC.

Blue Light Estate



There are currently 39 **Blue Light** assets within the Cwm Taf area:

- South Wales Fire and Rescue occupies the following on a Freehold basis:
 - Headquarters in Llantrisant measuring c. 5,351 sqm of office accommodation and c. 2,184 sq m of industrial / specialist use on c. 1 hectare of land.
 - 11 Fire Stations collectively measuring c. 4,790 sq m on c. 3 hectares of land.
- South Wales Police has:
 - 3 back offices measuring 120 sq m – 2 of these area on a leasehold basis with a rental tone of at least £ 1,633 p.a. (1 unknown),
 - 14 police stations measuring c. 12,227 sq m, all freehold,
 - 1 storage asset measuring c. 246 sq m on a freehold basis, and
 - 1 Specialist unit measuring c. 1,782 sq m on a freehold basis
- Welsh Ambulance Services NHS Trust has 6 ambulance stations measuring c. 2,587 sq m, 4 of which are on a leasehold basis and attract a rent of around £ 83,078 p.a.

4. Cwm Taf Estate Management Overview

The current approach

A strategic approach to estate management can enable the maximisation of benefits from the asset base - especially, the identification of collaborative opportunities. In addition to the review of Cwm Taf public sector estate, Cushman & Wakefield has undertaken an exercise to establish the scale, capability and annual cost of the Partners' collective **estate management service**.

In order to inform the analysis, information was sought from the Partners in respect of their internal resource (FTE employees) and external services acquired on an annual basis.

In addition, senior estate management representatives from each of the Partner organisations were invited to explain the function of their teams, the services provided, their approach to 'strategic' asset management and the challenges encountered.

Estate Management – deployment of Internal Resource

The Partners were asked to confirm how their internal staffing resource is deployed across five generic skill areas as follows:

Strategic - staff who set the strategy, i.e. work on e.g. estates strategy, asset management plan, etc.
Estates - staff who implement the strategy, i.e. work on e.g. condition surveys, valuations, L&T, disposals / acquisitions, rent reviews, etc.
FM - staff who work on Hard and Soft FM (excluding catering) e.g. cleaning (TBC), security, reactive maintenance, compliance, etc.
Capital Projects - staff who work on e.g. planned maintenance, building works, refurbishment projects, etc.
Property Info and Admin - staff who work on e.g. data inputting, managing systems, manage property records and asset register, etc.

The information gathered to date shows that **c.262 Full Time Equivalent (FTE) staff are employed by seven Partners to managing the Cwm Taf estate. The annual cost of this resource is estimated at c. £7.68M.**

The majority (78%) of internal resource is employed by the UHB and RCT:

Partner	% of Total FTEs
Rhondda Cynon Taf CBC	36%
Merthyr Tydfil CBC	7%
Welsh Government	4%
Coleg y Cymoedd	7%
South Wales Fire & Rescue	2%
South Wales Police	2%
Cwm Taf UHB	42%
Total	100%

The information received from the seven Partners shows that their internal asset management resource is distributed as follows:

Skill Area	Internal FTE	Annual Internal Cost*
Strategic	6.98	£ 389,300
Estates (professional)	18.99	£ 559,600
Capital Projects	32.10	£ 977,800
Facilities Management	182.76	£ 5,208,900
Property Info & Admin	21.58	£ 544,900
Total	262.40	£ 7,680,500

* Rounded to the nearest 100

4. Cwm Taf Estate Management Overview

The current approach

Estate Management Regime & Challenges

Each Partner's Estate Manager was engaged during the course of the Study with regard to information requests and property specific issues, but also to discuss the internal functioning of their respective Estates teams, their approach to strategic estate management, and the primary challenges faced. The following observations have been noted about the Partners' approach to strategic estates management and internal estate management resource:

1. Resource varies widely amongst the Partners making it difficult for some Partners to respond to peaks and troughs in workload.
2. The majority of resource (70%) is deployed within Facilities Management. There is a relatively large Property Info / Administration resource, a small part of which is focused on strategic planning.
3. Most Estates Teams focus on the day to day job with limited capacity available for strategic estate management and collaboration with other Partners' estates in the region.
4. Some of the larger Partner organisations do not appear to operate a full Corporate Landlord Model (see opposite), therefore, budgeting and decision-making is often devolved to service departments making it hard to exert 'control' on a holistic basis.
5. Whilst there is limited dedicated strategic estate management capability within the Estate function, additional capacity is often provided within service areas. For example, school strategic asset management capacity is part of the two local authorities' Education Services Teams.
7. Some Partners were unable to share an up to date Strategic Estate Plan / Estate Management Plan setting out a clear direction for their estate having regard to the organisation's service priorities.
8. Where Estate Plans are available, there is limited consideration as to the estate staff resources/capability that is required to deliver organisational objectives.
9. The majority of Estates Managers were able to provide an asset list but they did not have a comprehensive asset register containing sufficient information about the estate to enable the monitoring of KPIs. In many cases multi-documents were provided from different information sources.

9. The Partners have rightly focused on the effective management of their own estate, some undertaking significant rationalisation programmes to meet efficiency targets. As a result, there has been limited prioritisation of estate collaboration projects within estate strategies prepared by the Partners.
10. However, the majority of Partners have been involved in some form of property-based collaboration but these have tended to be opportunistic and reactive rather than planned.
11. While the benefits of estate collaboration are appreciated it is viewed as difficult to deliver because of incompatible strategies, budgets and procurement which drives

Clarity about service delivery objectives and access to a rich source of data about the estate are essential components of 'strategic estate management'. Both have represented key challenges during the course of the study.

Corporate Landlord Model

The Corporate Landlord model centralises all estate related budgets, decision making and activities within a central team – the Corporate Landlord. Service departments become tenants of the Corporate Landlord. The service department has to make a case for the property that they wish to deliver a service from, which allows for the Corporate Landlord to offer sufficient space – and no more space than is required – for these functions.

The Corporate Landlord is the predominant asset management model in larger private sector organisations and is increasingly popular within central and local government. This is due to the scope for efficiencies and the effective delivery of corporate outcomes including collaboration and regeneration objectives.

The Corporate Landlord approach is designed to enable a public sector landowner to utilise its assets to deliver better, more efficient services to communities, and:

- *To unlock the value of assets, seek efficiencies through joint arrangements with public sector partners and maximise private sector investment;*
- *To support the delivery of their Corporate Plan;*
- *To integrate thinking about property with financial, regeneration and other considerations.*

The approach can deliver economies of scale in terms of capacity, procurement and opportunities for collaboration across an organisation and with other organisations. Where it is most effective is ensuring that an organisation's property portfolio drives, supports, and delivers corporate change, service efficiencies and regeneration.

4. Cwm Taf Estate Management Overview

The current approach

The Importance of a Robust Data Set to inform Service-Based discussions

Cushman & Wakefield has invested significant effort in establishing the extent of the public sector estate within the Pilot Area – as per Objective 1 of the Study Brief. Without an understanding of the extent of the estate, it is very difficult to define estates-related collaborative opportunities, and their impact in terms of the four key criteria.

On commencement of the Study a full representation of the Cwm Taf asset base was not available from the WG ePIMS lite system. This is because the Partners data was either incomplete or out of date. This also meant that the PSB had no ‘tool’ for assessing the scale and characteristics of the public sector estate across Cwm Taf.

Cushman & Wakefield therefore asked each Partner for an Asset Register so that the information could be combined into a Comprehensive Asset Register (CAR) for the public sector asset base across the Cwm Taf region. The Asset Registers produced by each Partner varied considerably in format and content. Whilst, the Partners collect and maintain a range of estate based information that suits their needs, this made it hard to pull the information together to create one accurate, consistent comprehensive record. This was particularly challenging where Partners estates were complex and sizeable – and time resource was required from the Partners to provide the required information – which was sometimes difficult given the other demands on estates officer time.

The following is a summary of the issues:

- a lack of available resource within the Partner organisations to supply data and to respond to estate requirements within a reasonable amount of time,
- a initial reluctance from some to supply the information requested – potentially due to a lack of understanding as to why the information was needed, or because it was deemed confidential, or because it represented a challenge because data is held in different sources.
- a considerable variance in the quality/extent of information within Partner Asset Registers, which made the bringing together of data (e.g. operational/occupational costs, asset valuations, condition, tenure etc.) in a single source difficult,
- not all the required information is accounted for on an individual property basis which means that individual asset performance cannot be checked,
- surveys and valuations commissioned to meet statutory requirements but the information collated does not assist ‘strategic’ decision making.

Despite the issues, Cushman & Wakefield has maintained a commitment to developing a CAR as a key output of the Study and as an important tool for the PSB to use moving forwards to inform ‘place-based’ service discussions and other collaborative estates opportunities. The Partners were given an opportunity to observe how the CAR can be used in this regard at Workshops organised during the course of the Study. The important issue now is putting in place a mechanism for maintaining up to date information to avoid abortive effort.

4. Cwm Taf Estate Management Overview

The current approach

Estate Management – the scale and cost of External Resource

In addition to c. 262 FTE internal employees, the seven Partners also purchase supplementary external estate services each year.

Partners were invited to provide best estimates of their annual spend in each of the five core discipline areas set out previously together with an indication of how the services are procured.

The information is incomplete but suggests that the cost of external estate services exceeds **£9.2M** per annum. The spend per Partner shows that the majority of external resource is acquired by the UHB (£3.07M), RCT Council (£3.07M), and Merthyr Tydfil Council (£1.71M). The spend per discipline suggests that the greatest area of 'supplementary' services spend falls in FM (£5.66M per annum):

Skill Area	Annual External Cost*
Strategic	£ 47,900
Estates (professional)	£ 194,600
Capital Projects	£ 3,258,900
Facilities Management	£ 5,656,300
Property Info & Admin	£ 43,500
Total	£ 9,211,200

** Rounded to the nearest 100*

In terms of the sourcing of external estates services, the Partners use a mix of Framework appointments, direct appointments and agency staff. The source of over 20% of spend was not, however, stated.

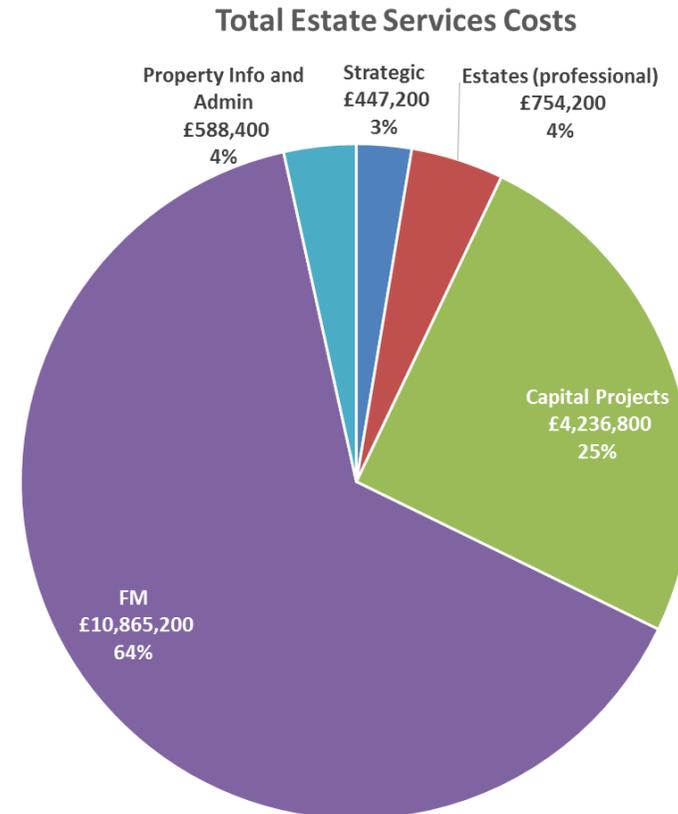
£4.92M	£1.89M	£0.15M	£ 0.35M	£1.90M
NPS Framework	Direct Appointment	Agency staff	Other	Don't know

Source of External Estates Services

Total Estates Services Costs

The information related to internal and external estates services costs that has been provided and analysed to date indicates that seven of the Partners spend **more than £16.9m per annum on internal and external estates services in relation to the public sector estate across Cwm Taf.**

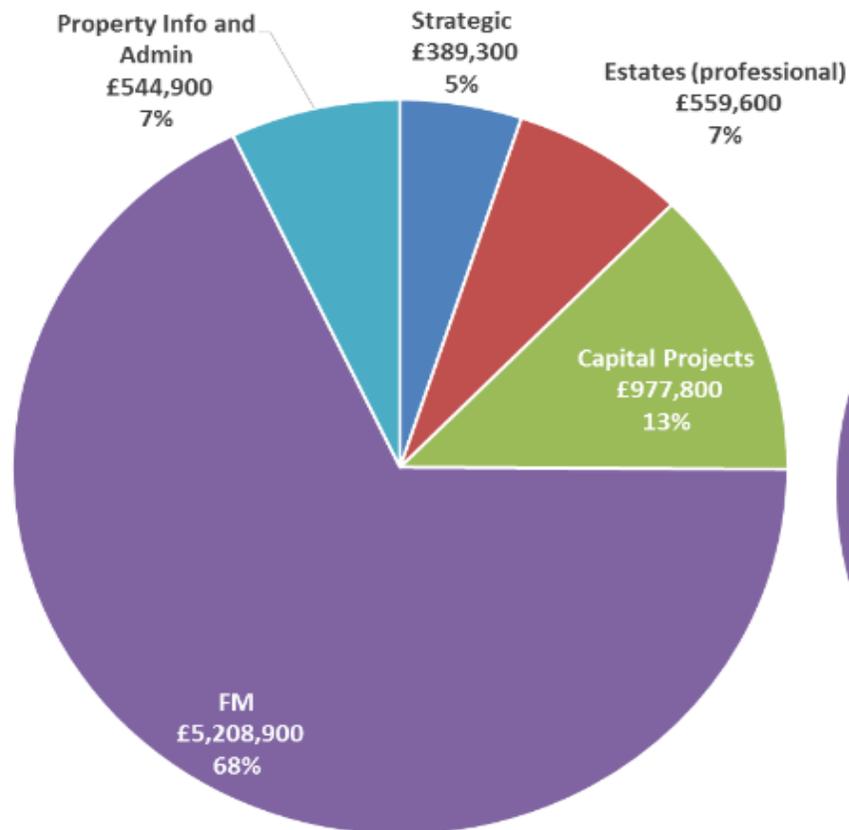
The majority of this spend is on FM services (64% or £10.87M) – of which around 50% is incurred by the UHB, followed by MTC Council (14%) and RCT Council (13%).



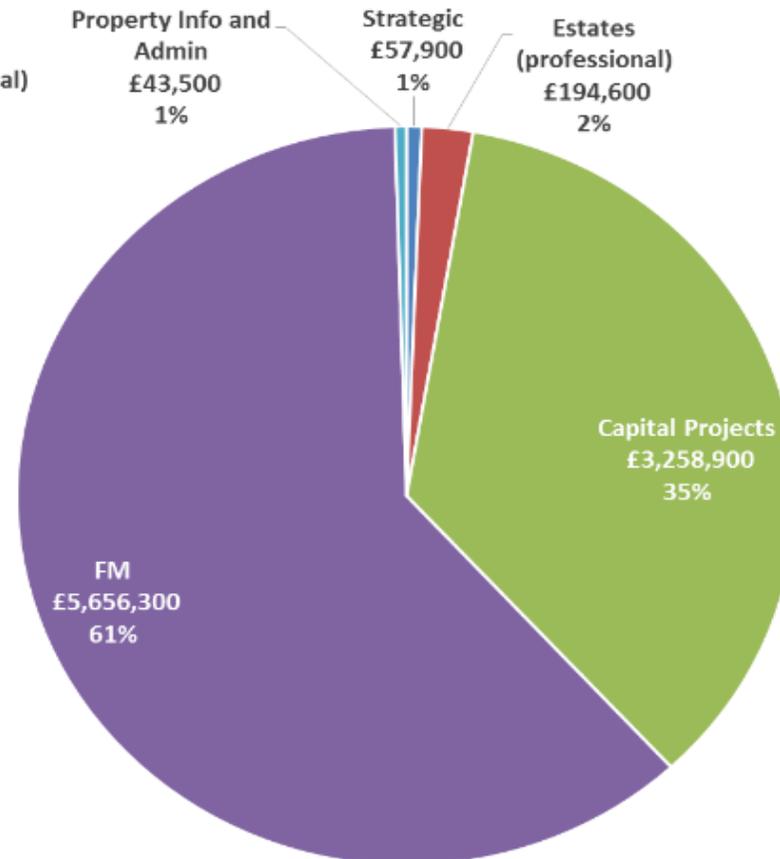
4. Cwm Taf Estate Management Overview

The current approach

Annual Cost of Internal Estates Services



Annual Cost of External Estates Services



5. Conclusions

Findings, themes and barriers

General Findings

The Cwm Taf Pilot area is a compact region, with a sufficient and diverse estate and overlapping service priorities, to warrant a proactive regional collaboration programme.

Whilst there are many good examples of service collaboration between Cwm Taf Partners that have improved the quality and range of public services, estate based collaboration to date has been limited and has been ad hoc and opportunistic. The Cwm Taf Partners see the opportunities in taking a more strategic approach to estate management and exploring the opportunities to share resources across the region to deliver further service improvements, save costs and raise capital receipts.

Longer term benefits of collaboration are appreciated but Partners usually focus on projects within their own organisations as they have greater control over their delivery and often consider that collaborative projects are too complex and difficult to deliver for a variety of reasons.

Barriers

Significant barriers to collaboration have been identified including :

- Different financial/administrative regulations and procedures and lack of funding and flexibility with budgets are hampering collaboration between Partners. Examples of these include:
 - WG clawback on remediated sites. The local authorities would like more flexibility to sell land for less than market value where greater public and regeneration benefits could result from a scheme.
 - Partners' capital budgets, timescales and receipt regulations are not compatible. This makes it difficult to share construction budgets, for example, which have long lead-in.
 - In view of individual organisational targets and financial pressure, Partners may require to maximize open market returns within the short term, thereby hindering longer term approaches to capital receipt pooling and value equalization across a portfolio of assets. This may be needed to get the best long term economic growth outcomes and to use valuable assets to subsidise those in weaker market areas.

- Different corporate, planning and project timescales. There is a need for Partners to understand and agree their collective strategic priorities over a 5-10 year timescale to efficiently plan their estates and new buildings.
- A new experience for partners to enter into a medium term “programme” of delivering partnership projects and collaborative projects.
- Limitations on capacity, dedicated strategic estate management / collaboration-focused resource and expertise – therefore requiring multi-Partner interaction, especially related to data.
- Need for a national leadership by Welsh Government to champion collaboration by providing capacity funding and grants, technical support, reviewing regulations and restrictions, supporting long term strategies within Cwm Taf and across neighbouring regions to encourage collaboration at the right level.
- Need for joint policy and planning by Partners to drive asset collaboration e.g. a policy stating “all new build projects in the region must consider the option to be undertaken as collaborative projects”.
- Need for dedicated leadership to prioritise collaboration projects against an overarching strategy and gain political support.

Key Themes

The Partners, working with Cushman & Wakefield, have identified a number of mutually beneficial themes that meet the priorities of their organisations but to achieve the greatest effect are best delivered collaboratively. The Partners consider that these themes potentially form the focus of an emerging Pilot Programme. The Programme will demonstrate potential ‘worth’ of strategic collaboration across the Region whilst working within the Partners’ individual policy frameworks, estate commitments and budget constraints.

With the benefit of policy and regulation reforms and targeted budgets a regional collaboration programme could be scaled up to achieve a critical mass of benefits in Cwm Taf and other regions.

6. The Cwm Taf Regional Pilot Programme

A collaborative approach to Project delivery

The Cwm Taf Regional Pilot Programme

In order to test the potential benefits that a collaborative approach to regional strategic asset management can deliver, Cushman & Wakefield has worked with the Partners to translate a series of themes into potential Projects that comprise *The Cwm Taf Regional Pilot Programme*.

The Projects that have been identified are as follows:

- 1. A more strategic and shared approach to regional estate management.** Dedicated staff and expertise to manage a regional assets strategy and delivery of collaboration projects; joint FM and procurement on Partners estates; standardising estate data management
- 2. New integrated services and sites** providing extra care housing, health and care services and community facilities to enable more people to live independently in their communities reducing the need for acute hospital and intense social care services. These new facilities could also incorporate joint blue light centres, education and community uses, joint depots, warehousing and other public services as appropriate.
- 3. Sharing back office facilities in key locations.** Some rationalisation of Partners back office and administrative estate has taken place e.g. MTBC offices, Health Board. Future demand include RCTBC offices, NPS and NRW relocations with a focus at key locations in Pontypridd and Abercynon. New developments could drive regeneration, such as the Taf Vale site at Pontypridd, and enable the release of other surplus assets for disposal and new homes etc.
- 4. Strategic land collaboration to drive economic growth and regeneration and maximise the potential of the City Deal priorities and Metro hubs and corridors.** Partners pooling land and funding at key locations and providing infrastructure funding to deliver mixed use regeneration and economic growth.

The Projects are based upon service improvements and other collaborations to drive efficiencies from the public sector estate. An overview of the Projects is provided from page 26 onwards.

Programme / Project Benefits

Whilst there is still the need for a detailed assessment of the Projects identified, the potential outcomes, having regard to the four key Study criteria, are significant.

The Benefits Table overleaf provides an overview of the aims of the Projects and how these could meet the four key criteria. The quantification of the benefits will follow the further detailed analysis.

Potential to Scale Up

It is important to note that the four Projects identified within the Pilot Programme represent the start of a new approach for the PSB. Their scoping and delivery will test this new approach and to help shape a best practice and sustainable approach moving forwards.

The Programme has every opportunity to be 'scaled-up' as new collaborative initiatives and opportunities arise as a result of the new focus of the PSB.

6. The Cwm Taf Regional Pilot Programme

Review of Project Benefits

	Pilot Study Key Criteria			
Programme	Service Improvements	Running / Revenue Cost Savings	Capital Receipts	Regeneration and Jobs
Project 1: A more strategic and shared approach to regional estate management.	Each of the Partner organisations provides / procures Estates (and other related) Services independently. This is not an efficient model and leads to duplications and a missed opportunity to benefit from economies of scale. This Project will identify opportunities to improve Estates Services through a collaborative approach to estates work-planning and skills sharing. The extent of collaboration could range from full Estates Services integration to 'partial' shared services. A detailed exercise will be undertaken to establish the scale of opportunity.	The Partners pay over £16.9m per annum to provide an Estates Service. This Project will seek to reduce this annual cost through a re-alignment of resource to meet the future estate workplan and the maximisation of opportunities to procure more efficiently via economies of scale.	The Partners collective estate comprises 564,789 sqm of floorspace and 1,190 hectares of land. The present model for Estates Services delivery is preventing the maximisation of collaboration opportunities – especially regarding joint estate planning and rationalisation opportunities. This Project will seek to maximise opportunities to release surplus estate and generate capital receipts by providing a platform for strategic collaboration.	As opportunities to rationalise the estate and release surplus land are maximised via improved Estates Services, this Project will also increase the identification of sites for development for new homes and jobs.
Project 2: New integrated services and sites (2a and 2b)	The Partners have wide-ranging service delivery responsibilities but with some strong parallels. The two Projects highlighted will explore service integration benefits that could arise from a collaborative approach to health and social care service delivery and also blue light service delivery and how these can translate into opportunities for estate collaboration.	There are 156 assets falling within the Health and Social Care category across Cwm Taf. These represent a total floor area of c. 250,400 sqm and cost £4.57M p.a. to occupy. There are 39 Blue Light assets within the Cwm Taf area. These provide a total floor area of c. 29,510 sqm and cost £1.9M p.a. to occupy. The Projects proposed will seek to identify opportunities to rationalisation, but improve, the public sector estate across Cwm Taf thereby releasing revenue cost savings.	The collective land area allied to the health and social care and blue light estate across Cwm Taf is c. 85 hectares. This Project will seek to maximise opportunities to release surplus estate and generate capital receipts.	As opportunities to rationalise the estate and release surplus land are maximised via improved Estates Services, this Project will also increase the identification of sites for development for new homes and jobs.

6. The Cwm Taf Regional Pilot Programme

Review of Project Benefits

	Pilot Study Key Criteria			
Programme	Service Improvements	Running / Revenue Cost Savings	Capital Receipts	Regeneration and Jobs
Project 3: Sharing back office facilities in key locations	<p>Each of the Partner organisations occupy back office floorspace, often independently, and sometimes in buildings in the same street / area.</p> <p>This Project will identify opportunities to improve the utilisation of back office floorspace. The extent of collaboration could range from all Partner organisations sharing back office facilities to 'partial' shared facilities, e.g. two or three Partner organisations within one location consolidating their back office facilities. A detailed exercise will be undertaken to establish the scale of opportunity.</p>	<p>The Key Partners have indicated that they occupy 32 back office facilities of which 28 comprise a total floor area of c. 68,400 sqm NIA, cost c. £6.27M p.a. to occupy, and accommodate c. 3,896 people.</p> <p>The Project proposed will seek to identify opportunities to rationalise the floorspace occupied thereby releasing revenue costs savings.</p>	<p>The collective land area related to back office occupations across Cwm Taf is c. 15.5 hectares. The Project will seek to identify opportunities for the Partner organisations to rationalise their back office floorspace to release surplus estate, potentially leading to disposals and capital receipts.</p>	<p>As opportunities to rationalise the back office floorspace, thereby releasing surplus accommodation, are maximised, this Project will also increase the possible identification of sites for delivery for new homes and jobs from alternative uses.</p>
Project 4: Strategic land collaboration to drive economic growth and regeneration and maximise the potential of the City Deal priorities and Metro hubs and corridors	<p>The Partners have identified a need to jointly drive the regeneration of strategic priority brownfield sites in the Cwm Taf region to deliver significant economic growth and maximise the opportunities offered by local government reform, the City Deal and Metro programmes and to take a holistic approach to economic regeneration in the Valleys. This joint approach to delivering strategic sites will complement the proposed city region approach to services in transport, planning and economic development.</p>	<p>Not applicable.</p>	<p>A comprehensive regeneration of the sites is likely to require public sector investment in the early stages but would yield capital receipts in the longer term. A potential revolving land and infrastructure fund to recycle receipts into further strategic sites regeneration in Cwm Taf would also be explored. Welsh Government to consider recycling existing clawback for reinvestment by the local authorities in regeneration priorities.</p>	<p>The regeneration of 4 sites initially identified comprising c.73 ha of strategic brownfield land could accelerate the delivery of:</p> <ul style="list-style-type: none"> c.2,000+ new homes c.2,000+ new jobs <p>subject to viability and a collaborative approach to funding abnormal costs by the Project Partners.</p>

The Cwm Taf Pilot Programme

Project 1 : The Regional Approach to Strategic Estate Management Project

Rationale

The Study has investigated the current estate management practices of the Partner organisations, the scale of estate management resource deployed and the annual cost of this resource. Seven Partners were able to provide data to enable the analysis. The following conclusions have been drawn:

1. Seven Partners employ 262 FTE estates staff. The annual cost of this resource is £7.86M. The majority of resource and cost (c.70%) falls within Facilities Management.
2. Estate management resource and capabilities vary widely amongst the Partners.
3. There is limited dedicated Strategic Asset Management capability across Cwm Taf.
4. There is a relatively large Property Info / Administration resource, only a small part of which is focused on strategic planning.
5. The level of information within Partner Asset Registers varies considerably. There appears to be a lack of understanding from within some organisations about the importance of robust estates data to enable performance management.
6. The seven Partners also procure £9.2M of supplementary (external) estates services each year.

Whilst there is a good track record of service based collaboration amongst Partners, there has been limited estates based collaboration across Cwm Taf. Positive examples, such as the Keir Hardie Health Park, have not occurred consistently across the region on a planned basis, but have tended to take place in the absence of a comprehensive understanding of service strategies and the public sector estate across Cwm Taf.

This collaborative Project proposes a new strategic and collaborative approach to public sector estate management across multi-partners and geographies within the Cwm Taf region. The creation of a resilient estates and procurement team with a range of skills and expertise in specialist areas such as project management of large and complex projects, energy, asbestos and legionella management, and regional procurement would provide the right critical mass to support other partners with a smaller estate or limited resource. The new approach will be designed to support the participating Partners' future estates service needs driven by the wider service objectives of their individual organisations, how these translate into property requirements and the characteristics of the Cwm Taf combined property portfolio.

The specifics of the new regional strategic estate management regime will emerge as a result of a robust options appraisal exercise to determine the best value for money model having regard to qualitative and quantitative metrics eg. future estates Workplans.

Opportunity

From a qualitative perspective, the Cwm Taf Partners recognise the opportunity to provide strategic asset and estate management services on a regional basis, as the majority of the functions are consistent across the range of Partner services, albeit that some Partners also have specialist requirements eg. health - maintaining highly technical operating theatres through to stringent hospital cleaning specifications.

From a quantitative perspective, the Study has indicated that the Partners invest some £16.9M per annum in estates management services and are keen to ensure that this represents best value for money and whether alternative models exist to enhance service delivery whilst reducing annual cost.

The range of collaboration options vary from the sharing and joint commissioning of specialist estate management functions (such as asbestos management and the procurement of architectural services via an SLA) through to the creation of one estates team for a number of the Cwm Taf Partners. *The latter could follow a similar model to an initiative established under the One Public Estate programme whereby a public sector owned, arms length asset management company was created (initially comprising a very similar scale of resource ie. 269 staff) from the amalgamation of five stakeholder organisations' estates teams. The company went live in September 2015 and demonstrated qualitative and quantitative benefits within its first year.*

The two local authorities have undertaken an initial, high-level exercise to consider the benefits that a single estates and procurement team to serve both organisations might deliver. The initial conclusion drawn is that the proposal would increase the capacity and resilience of the service, but not deliver initial savings. However, it is recognised that, as the service develops and the amount of work delivered externally reduces, savings would emerge. Cushman & Wakefield recommends that a detailed exercise involving more than two Partners is undertaken as a next stage.

The Cwm Taf Pilot Programme

Project 1 : The Regional Approach to Strategic Estate Management Project

The scoping of the opportunity for a new regional strategic estate management regime, is linked to Project 3 – Agile Working and the Back Office, as service integration and digitalisation could enable a new way of working that could see a reduction in the demand for back-office space, thereby freeing up space for other council services, partners or disposal.

Recommended Action Plan

Senior level discussions between key Partners have taken place to discuss the next stages in progressing towards further estates collaboration. The Partners have agreed to undertake further analysis within the next 6 months.

Cushman & Wakefield is of the view that a robust asset management regime is crucial to translate service-based PSB discussions into property-based PSB collaborative opportunities. A new regional strategic estate management regime with the right skills, experience and capability is an important factor for the PSB to consider, particularly in the light of the recent White Paper.

The following actions are recommended:

- An independent exercise be undertaken to review the future Estates Workplan for each organisation. The review would establish planned capital and revenue property activity and review the scale of 'reactive' activity. The Estates Workplan would comprise a 3 year plan and would inform the type of estates resource required by the Partners.
- An independent exercise to review the skills, experience and capabilities of the internal and external estates services resource utilised by the Partners within each of the function areas identified. The Resource Review would consider whether the current resource will support the planned activity in the Estates Workplan.
- Identify the 'gap' between the future Estates Workplan and the availability of Resource and appraise options for sharing services and collaboration from a qualitative and quantitative perspective.
- Define a Preferred Option and consider a Delivery Plan.
- Move towards delivery of the new Strategic Estates model starting with a Business Plan for Partner approval.

Project Benefits

As a minimum, a new approach to strategic estate management will be expected to deliver:

- An overall improved strategic asset management capability on a regional scale that explores opportunities for regional collaboration.
- Optimisation of the public sector estate via a number of shared specialist estates services.
- Economies of scale that will support the partners' buying power.
- Efficiency savings through the streamlining of property management systems and processes.
- Equalisation of services across all partners.
- An acceleration of collaboration projects.

Further detailed analysis is required to enable the preparation of a robust Business Case.

The Cwm Taf Pilot Programme

Project 2a : New Integrated Services and Sites – health and social care focus

Rationale

The Study has investigated the scale of the Cwm Taf estate within different sub-portfolios. Analysis of the data contained within the CAR shows that there are 156 assets falling within the Health and Social Care category. These represent a total floor area of c.250,400 sq m and are owned / occupied by 3 Partners as follows:

- Rhondda Cynon Taf CBC – 84 Community / Day Centres and 26 Care Homes
- Cwm Taf UHB – 22 Health Centres / Clinics and 7 Hospitals
- Merthyr Tydfil CBC – 12 Community / Day Centres, 4 Care Homes, and 1 Health Centre / Clinic.

Building upon the Partners' track record of successful collaboration, this Project proposes to identify new integrated services and sites providing extra care housing, health and care services and community facilities to enable more people to live independently in their communities reducing the need for acute hospital and intense social care services.

The integration of services will be supported by a collaborative approach to the public sector estate, potentially releasing sites and buildings that are no longer fit for purpose or surplus to requirements, and securing sites that enhance overall estate quality. In supporting future health and social care services, the aim will be to achieve estate rationalisation. The Project will also provide an opportunity to incorporate other public services, such as joint blue light centres, education and community uses, joint depots, warehousing and other public services as appropriate.

Opportunities

Partners from across a number of public services have identified the following possible integrated services opportunities. These will be developed, having regard also to opportunities within the public sector estate, and taken to a feasibility stage:

- Through utilizing Band B of the 21st Century Schools Programme and with other financial support from partners, the opportunity exists to build a new 400 place primary school, a new Primary Care provision with hot desk space for social care and Police staff. This could potentially release a school site, an underutilised social care establishment, GP accommodation, a small police premise, and a former public building.
- The opportunity exists to develop an integrated health and social care hub, based at/on land adjoining a community hospital. This hub could combine the community hospital facilities, a new extra care provision, along with new primary care services including GPs and social care day service provision. The new hub could have a specific dementia focus, providing varying levels of care to meet the needs of residents/patients with dementia. This could facilitate a rationalisation of outdated social care provision and improved access to services, via the delivery of primary care services in the town and the surrounding communities. This new provision will also include hot desking space for police, health and social care staff.



The Cwm Taf Pilot Programme

Project 2a : New Integrated Services and Sites – health and social care focus

- The UHB is creating a Health Park based on existing accommodation, with the aim of bringing in some primary care service provision and other community services on one site, to improve the quality of the service provision and ensure they are more resilient to deal with the increase in demand. The UHB is releasing a number of sites, at least two of which provide the opportunity for the Council to consider providing an integrated extra care facility that will serve a range of client needs including older people, learning disabilities and mental health. This will also potentially release land and buildings currently providing social care day centre and residential care provision.
- In some areas the UHB commissions a range of primary care services which may be unsustainable in the near future due to workforce challenges and/or poor accommodation. The opportunity exists in some areas to deliver the services from new primary care bases that could include the Council library services, adult education provision, and hot desks for council and Police staff.
- Finally, the opportunity exists in some areas to look at building new extra care facilities on site(s) close to or adjoining the local community hospital and develop a range of provision that better meets individual and a couples needs rather than a residential or nursing home. This new provision would enable existing social care day and residential provision to be reviewed and rationalised.

Action

The Partners agree that the potential benefits of a strategic and collaborative approach to integrated health and social care are significant and that the Cwm Taf Pilot study has represented an important impetus to move towards a regional plan thereby enabling delivery of enhanced service and estate outcomes.

Meetings are being held between UHB, Welsh Government and Council officers to develop appropriate funding models that take into account a range of capital funding programmes across health and local government and ensure that funding solutions can be established.

It is anticipated that this project would see the involvement of all key health and social care partners, plus potentially offer service and space for other partners where opportunities arise e.g.: Welsh Ambulance, Fire and Rescue and the Police.

Furthermore, where there is joint development on UHB land, the two Councils are seeking support from Welsh Government that a pragmatic approach is taken in valuing the land for the benefit of the public purse and the local communities and that the projects remain viable.

Once there is clarity on the funding models, feasibility work will commence on a number of these projects as a priority.

Project Benefits

As a minimum, new integrated health and social care models would look to deliver:

- Sustainable health and social care services through the creation of ‘cluster footprints’.
- Improved access to services.
- A critical mass of services and economies of scale.
- Enriched employment opportunities and promote growth in healthcare workforce within our communities.
- Strengthened local economies through improved employment opportunities.
- A significant reduction in the public sector estate thereby reducing the public sector carbon footprint, releasing revenue savings, generating capital receipts from the disposal of surplus land whilst creating opportunities for new homes or alternative uses that may stimulate job creation.

The Cwm Taf Pilot Programme

Project 2b : New Integrated Services and Sites – blue light focus

Rationale

The Study has investigated the scale of the Cwm Taf estate within different sub-portfolios. Analysis of the data contained within the CAR shows that there are 39 Blue Light assets within the Cwm Taf area:

- South Wales Fire and Rescue has a Headquarters in Llantrisant and 11 Fire Stations.
- South Wales Police has one Bridewell/BCU HQ in Merthyr Tydfil, one BCU HQ in Pontypridd, 16 operational bases (neighbourhood/response), one Specialist Unit and a storage facility.
- Welsh Ambulance Services NHS Trust has 6 ambulance stations.



This Project proposes to identify new integrated services and sites supporting blue light Partners to meet their objectives of being positioned to meet response targets, population risk profiles and maintaining a community presence. In doing so, there could be estate rationalisation opportunities. The Project is linked to Project 3 and the health and social care project referred to under 2. above as it could provide a catalyst for further collaboration opportunities. *It is worth noting that, at the time of writing, South Wales Police is in the midst of a comprehensive review of its estate with a view to developing an Estates Strategy Framework. This provides an excellent opportunity to instigate further blue light partnership discussions.*

Opportunities

The Pilot Study process has provided greater ‘collective’ awareness of individual operational Partner requirements. Whilst further detailed discussion is required, as an initial Project opportunity, the Blue Light Partners would like to explore the creation of a collaborative hub. It is too soon to provide specific detail about the project opportunity. However, a scenario could emerge as follows:

1. The Fire Service has a requirement to replace two Stations with one facility. A potential location has been identified by Cushman & Wakefield comprising public sector owned land (**collaboration point 1**).
2. Subject to further detailed analysis, South Wales Police may have an operational case to relocate a BCU Hub – which provides a potential opportunity to consider co-location with the Fire Service (as part of 1. above) and drive out other operational benefits through integrated services and facilities also (**collaboration point 2**).
3. In addition, there could be an opportunity to accommodate aspects of the Police BCU Hub operation (eg. BCU Command, or other functions) within surplus space at the Fire Service HQ (**collaboration point 3**).
4. South Wales Police must retain an ongoing town centre Neighbourhood Policing Team presence at the location under 2., and this may provide an opportunity to be part of a public service centre within a major, Council-led regeneration scheme (**collaboration point 4**).
5. Welsh Ambulance has a requirement for a small footprint within the same locality referred to under 1. and this could potentially be accommodated on the Bluelight-led Hub site also (**collaboration point 5**).

The Cwm Taf Pilot Programme

Project 2b : New Integrated Services and Sites – blue light focus

7. If a new Bluelight-led Hub were to be delivered (subject to detailed viability assessment), then this may create opportunities for further 'back-office' collaboration – for example with National Resources, RCT Council etc. (**collaboration point 6**)
8. If a new Bluelight-led Hub were to be delivered, this would enable the release of two fire station sites – one of which is adjacent to a Council depot that may wish to take this site over to improve joint depot operations with another Council (**collaboration point 7**).
9. If a new Bluelight-led Hub were to be delivered this would enable the release of a major Police asset that occupies a prominent position within a town centre, requires a reasonable level of investment, but is not fit for purpose. The release of the site may represent an opportunity to expand a planned regeneration scheme (or bring forward other development in isolation that supports the regeneration agenda). As such, this site could be offered to the Council or other partners (**collaboration point 8**)

It is clear that the project scenario described above has the potential to deliver many of the objectives of the Pilot Study ie. delivering integrated services, generating capital receipts, reducing running costs and creating economic growth.

Action

Cushman & Wakefield recommends the following actions in order to drive forward the potential blue light collaboration project:

1. A meeting be organised comprising Cwm Taf Blue Light representatives (and other Partners) to discuss operational requirements and estate implications and opportunities (*Note: the Joint Estates Group met on 5 May 2017, this potential project was discussed and 'in principle' interest was expressed by Partners, potentially including those outside Cwm Taf*).
2. Agree priority requirements and locations.
3. Begin to scope opportunities and analyse the potential qualitative and quantitative implications.
4. Discuss the opportunities at a PSB level to ascertain further collaborative potential.
5. Move to delivery, subject to robust business cases and approvals.

Project Benefits

As a minimum, a blue light collaboration could deliver:

- An opportunity to re-think the way in which emergency services engage with their communities, respond to incidents and share information (service integration) - and the extent to which this can be enabled through physical co-locations.
- Creating critical mass to release economies of scale in the back office, estates costs etc.
- A rationalisation of the public sector estate reducing the carbon footprint, releasing revenue savings, generating capital receipts from the disposal of surplus land (potentially creating opportunities for new homes or alternative uses that may stimulate job creation).
- The intensification in the use of existing assets where latent capacity exists.

The Cwm Taf Pilot Programme

Project 3 : The Agile Working Project - A Collaborative Approach to the Back Office

Rationale

The Key Partners occupy office space within 32 buildings totalling at least 71,098 sq m. The 32 buildings are distributed across 11 locations within Cwm Taf. From an estates perspective, whilst comprehensive information related to density of occupations, office running costs, backlog liabilities etc. is not complete, it is clear that the buildings vary significantly in terms of their age, configuration, condition, energy consumption, and utilisation. Further detailed analysis is needed but it is highly likely that the present position does not represent value for money, and this represents an opportunity to adopt a new approach to the public sector back-office across the Region.

The two Councils have already embarked upon a back office rationalisation programme and an Agile Working Project is being implemented to enable this transition. As part of re-thinking the back-office, the other Partners have expressed interest in developing a collaborative approach to Agile Working. It is important to note that Agile Working is dependent upon a robust 'infrastructure' platform being in place to support the organisation. The back-office is one component of an 'infrastructure' platform, the other components being - records storage (physical and digital), ICT/telephony, and HR. All components are inter-related and will ultimately influence the scale of the back-office estate.

Partner	No. Assets	No. Staff	Office Sqm (GIA) by Partner and Town*										Total Office sqm (GIA) by Partner
			Abercynon	Aberdare	Ferndale	Llantrisant	Merthyr Tydfil	Nantgarw	Pontypridd	Porth	Tonypanydy	Treorchy	
Rhondda Cynon Taf CBC	19	2,064**	6,640	2,320	288	-	-	-	10,667	5,184	11,769	500	37,368***
Welsh Government	3	822	-	-	-	-	6,097	1,950	3,763	-	-	-	11,810
South Wales Police***	3	12	-	-	-	-	58	-	76	8	-	-	142
Merthyr Tydfil CBC	2	578	-	-	-	-	13,324	-	-	-	-	-	13,324
NPS	2	113	-	-	-	-	573	-	1,066	-	-	-	1,639
South Wales Fire & Rescue	1	300	-	-	-	5,351	-	-	-	-	-	-	5,351
Cwm Taf UHB	1	60	1,291	-	-	-	-	-	-	-	-	-	1,291
Uni S. Wales	1	Data unavailable	-	-	-	-	-	-	172	-	-	-	172
Total	32	3,949	7,931	2,320	288	5,351	20,052	1,950	15,745	5,192	11,769	500	71,098

* The data has been re-confirmed by the Partners following a Data Workshop on 31st January 2017 and phone conversations.

** Data relates to number of staff occupying 16 buildings

*** Data relates to total office sqm (GIA) for 18 buildings

**** South Wales Police also occupies office space within police stations or specialist accommodation which could not be quantified at this stage.

The Cwm Taf Pilot Programme

Project 3 : The Agile Working Project - A Collaborative Approach to the Back Office

Current back office / headcount

Of the 32 buildings, Cushman & Wakefield received information about the headcount and size for 28 assets. The four assets for which information was not available equated to 2,698 sq m GIA. The 28 buildings are distributed across 10 locations within Cwm Taf accommodating 3,896 Partner Staff in c. 68,400 sqm (GIA). Not all Partners were able to provide the Net Internal Area (NIA) of the buildings. Where unknown, Cushman & Wakefield has estimated that given the age and configuration of the buildings, a 75% NIA:GIA ratio could be applied. This leads to an overall estimated NIA of c. 51,745 sqm. The 28 buildings cost c. £6.27M p.a. to run, or c. £92 per sqm (GIA).

If 90% of staff are full time equivalent, and each were allocated 8 sqm (NIA) as back office accommodation (Welsh Government target), the overall Partners' back office accommodation requirement translates to c. 28,050 sqm (NIA) with an average 13.8 sqm (NIA) per head. **The current accommodation provided is c. 84% more than this.** Should the FTE to staff ratio is even lower at 80%, the requirement for back office accommodation based on the 8 sqm (NIA) would mean that the overall back office accommodation requirement translates to c. 24,935 sqm (NIA). **The current accommodation is c. 108% bigger.**

Partner	Current GIA sqm	No. Staff	Estimate of building efficiency	Estimated NIA sqm	Estimated Average sqm NIA per head	Indicative Requirement based on 5 sqm per Headcount	FTE @ 90% (estimate)	Indicative Requirement based on 8 sqm per FTE	FTE @ 80% (estimate)	Indicative Requirement based on 8 sqm per FTE
RCT	34,842	2064	75%	26,132	12.7	10,320	1,858	14,861	1,651	13,210
SWP	142	12	NIA provided	142	11.8	60	11	86	10	77
WG	11,810	822	75%	8,858	10.8	4,110	740	5,918	658	5,261
NPS	1,639	41 (113 incl Partners)	NIA provided	1,639	14.5*	205	37	295	33	262
MT	13,324	578	75%	9,993	17.3	2,890	520	4,162	462	3,699
UHB	1,291	60	75%	968	16.1	300	54	432	48	384
SWF&R	5,351	300	75%	4,013	13.4	1,500	270	2,160	240	1,920
Total	68,400	3,896	75%	51,745	13.8	19,480	3,506	28,051	3,117	24,934

* The estimated average sqm NIA per head for NPS has been calculated using the total number of people using the NPS accommodation, i.e. 113 staff.

Opportunity

A number of Partners have expressed an interest in exploring collaborative back office solutions and/or Agile Working. In discussing their physical requirements, Abercynon, Merthyr Tydfil, and Pontypridd have been referenced as key locations. In addition:

- Inter Link has a lease expiry in 2018 and a potential relocation requirement.
- Welsh Government has identified the QED Centre (c. 3,763 sqm / 483 desks) as a rationalisation opportunity which, given its proximity to Abercynon and Pontypridd, could be looked at as a possible back office accommodation for the Partners.
- The UHB is keen to explore Agile Working in the context of integrating health and social care services.

Opportunities to accommodate requirements within the Cwm Taf public sector estate could therefore be explored.

The Cwm Taf Pilot Programme

Project 3 : The Agile Working Project - A Collaborative Approach to the Back Office

Pontypridd

Pontypridd has the largest cluster of back office accommodation with 9 buildings measuring c. 13,050 sqm (GIA) with 510 staff. The buildings cost c. £1.5M p.a. to run, or c. £118 per sqm (GIA) or £3,013 per member of staff.

Estimating the NIA at 75% efficiency (where unknown) equates to c. 10,070 sqm (NIA) or c. 19.4 sqm (NIA) per member of staff.

Based on an estimated 90% FTE to Staff ratio and 8 sqm (NIA) per FTE, **the current back office accommodation represents c. 174% more** than is required in Pontypridd.

With an NPS lease expiry due in 2019, this could represent an opportunity for Partners in Pontypridd to consolidate their estate, albeit the overall accommodation would still represent c. 124% more than is required (or 17 sqm NIA per head).

Partner	No. Staff	Estimated NIA sqm (75% efficiency)	Estimated Average sqm NIA per head	Indicative Requirement based on 8 sqm NIA per FTE	
				90% FTE : Staff	80% FTE : Staff
RCT	379	6,106	16.1	2,729	2,426
WG	100	2,822	28.2	720	640
SWP	4	76	19.1	29	26
NPS	27	1,066	14.2	194	173
Total	510	10,071	19.4	3,672	3,264

* The estimated average sqm NIA per head for NPS has been calculated using the total number of people using the NPS accommodation, i.e. 75 staff.

The PSB Partners will be aware of the the Council's plan for the Taff Vale site that will see Transport for Wales occupying headquarters accommodation as part of the scheme together with the company that wins the Metro franchise - a contract that will be awarded in 2018. The regeneration project will also deliver a new Fitness Centre and Library building. The project clearly represents an opportunity for a wider discussion with Partners to ensure that any additional requirements (eg. Police NPT presence, back office etc) are considered and potentially accommodated.

Merthyr Tydfil

Merthyr Tydfil Partners occupying 5 back office buildings measuring c. 20,050 sqm (GIA) with 1,223 staff. The buildings cost c. £2.6M p.a. to run, or c. £129 per sqm (GIA) or £2,019 per member of staff.

Estimating the NIA at 75% efficiency (where unknown) equates to c. 15,200 sqm (NIA), or 12 sqm (NIA) per member of staff*.

Based on an estimated 90% FTE to Staff ratio and 8 sqm (NIA) per FTE, **the current accommodation represents c. 69% more** than is required in Merthyr Tydfil.

With NPS' lease expiry on their accommodation in 2018, this could represent an opportunity for Partners in Merthyr Tydfil to consolidate their estate, albeit the overall accommodation would still represent c. 66% more than is required.

Partner	No. Staff	Estimated NIA sqm (75% efficiency)	Estimated Average sqm NIA per head	Indicative Requirement based on 8 sqm NIA per FTE	
				90% FTE : Staff	80% FTE : Staff
MT	578	9,993	17.3	4,162	3,699
WG	624	4,573	7.3	4,493	3,994
SWP	7	58	8.2	50	45
NPS	14	573	15.1	274	243
Total	1,223	15,197	12.0	8,978	7,981

The estimated average sqm NIA per head for NPS has been calculated using the total number of people using the NPS accommodation, i.e. 38 staff

* Information from Merthyr Tydfil Council includes the warehouse at Unit 5 which has an NIA of 5031m2 and an occupied space per person at 8.7m2 per person. As other Partners were unable to provide a comprehensive picture of NIAs, C&W has had to use GIA data.

The Cwm Taf Pilot Programme

Project 3 : The Agile Working Project - A Collaborative Approach to the Back Office

Abercynon

In Abercynon, Rhondda Cynon Taf CBC and Cwm Taf UHB occupy 3 buildings measuring c. 7,900 sqm (GIA) with 585 staff. The buildings cost c. £470,000 p.a. to run, or c. £59 per sqm (GIA) or £803 per member of staff

Estimating the NIA at 75% efficiency equated to c. 5,950 sqm (NIA), resulting in a 10.2 sqm NIA per head.

Based on an estimated 90% FTE to Staff ratio and 8 sqm (NIA) per FTE, **the current back office accommodation represents c. 41% more** than is required in Abercynon.

There is an opportunity to utilise the back office accommodation in Abercynon especially since Partners have expressed an interest in securing back office accommodation, e.g. Natural Resources Wales (c. 400 staff) and National Probation Services (c. 40 staff). Offering surplus space to these two Partners would reduce the sqm NIA per head in Abercynon to the Government's target of 8 sqm (NIA).

4. Scope the future back-office / storage requirement
5. Retrieve future headcount data from the Partners so that a broad scale of back-office requirement can be calculated
6. Discuss staff working styles / processes with the Partners (based on ICT assumptions) so that future requirements can be tested at different space densities / workstation allocations
7. Appraise options for providing the physical requirements e.g. Taff Vale, QED Centre, better utilisation of the existing estate etc. to understand affordability.

Project Benefits

A collaborative approach to agile working across Cwm Taf could accelerate the delivery of:

- Back-office rationalisation and associated running cost savings
- Better utilisation of the existing public sector office portfolio and/or regeneration sites earmarked for office development
- A holistic move towards the Welsh Government target of 8:10 flexible working practices for existing buildings and more flexible working supported by modern IT infrastructure as encouraged by the Welsh Government for new buildings.
- A collaborative working environment for the Partners – synergies between different departments from different Partners, e.g. health and social services.
- Surplus estate disposals (capital receipts) and opportunities to bring forward alternative uses (new homes)
- Additional savings from shared back-office (e.g.. reductions in duplicated equipment and resources)

Partner	No. Staff	Estimated NIA sqm (75% efficiency)	Estimated Average sqm NIA per head	Indicative Requirement based on 8 sqm NIA per FTE	
				90% FTE : Staff	80% FTE : Staff
RCT	525	4,980	9.5	3,780	3,630
UHB	60	968	16.1	432	384
Total	1,025	5,948	10.2	4,212	3,744

Next Steps

In order to scope the benefits that a collaborative approach to Agile Working could derive, the following actions are required:

1. Set a robust 'baseline' for the current back office / storage estate
2. Retrieve current headcount data from the Partners so that space efficiency can be understood
3. Retrieve running cost etc. information so that an annual and longer term spend profile can be established

The Cwm Taf Pilot Programme

Project 4 : The Pooling of Strategic Land Project - Meeting Economic Growth

Rationale

The Partners have identified a need to jointly drive the regeneration of strategic priority brownfield sites in the Cwm Taf region to deliver significant economic growth and maximise the opportunities offered by local government reform, the City Deal and Metro programmes and to take a holistic approach to economic regeneration in the valleys in accordance with the requirements of the Wellbeing of Future Generations Act .

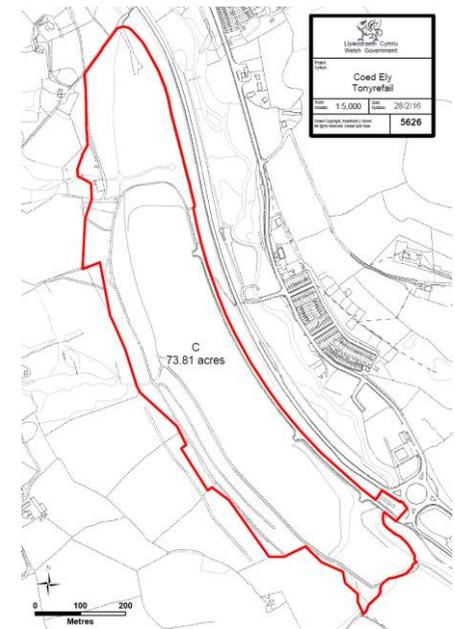
Delivery of strategic sites is currently undertaken by the separate owners or in local authority/WG reclamation schemes. It is considered by Partners that a collaborative approach can target those sites which will maximise economic growth are jointly prioritised and resourced to accelerate delivery. A strategic sites collaboration will build capacity and expertise to develop a rolling programme for strategic site regeneration.

The purpose of this priority is to encourage collaboration between Welsh Government and the two local authorities to:

- Review the strategic sites in Cwm Taf within Welsh Government's ownership, and identify opportunities to reconsider their future use, and whether they could be brought forward for mixed use development, such as Coed Ely or Parc Eirin, or alternative uses for sites such as Navigation Park to extend a successful park and ride;
- Review strategic and other land sites in the councils' ownership that have a claw back on the sale of the site. Many of these sites have access and other abnormal costs that make the sites uneconomic to small and larger house builders or other developers. The two councils are keen to pilot an approach where the councils invest up front in addressing the issues with the site, and cover their costs from the sale of the land. Any remaining financial surplus is rolled forward and used to support the development of other sites creating a revolving infrastructure fund. As part of the revolving fund WG will consider relaxing clawback conditions from previous reclamation schemes on sites where this will stimulate further investment by the local authorities. Examples of where development has stalled because of site viability and claw back issues are at Cwm Cynon and Lady Windsor, Ynysybwl.

Progress to date

Progress has been made by the two Councils in identifying strategic land sites and other land available for small housing development and an appraisal has/is being undertaken to understand what the barriers to development are. The proposal is that the two councils identify the most marketable sites, de-risk the sites and facilitate redevelopment with the proceeds of the sale covering the upfront costs. The two councils will package these proposals together and seek Cardiff Capital City Deal funding to initially facilitate this investment.



The Cwm Taf Pilot Programme

Project 4 : The Pooling of Strategic Land Project - Meeting Economic Growth

Opportunity

This project will explore how a collaborative approach, including acquisitions, the reinvestment of WG clawback, pooling land and infrastructure funding in a joint venture and sharing risk and receipts can accelerate regeneration.

An initial group of priority brownfield sites that have been identified by the Partners which include:

1. Goat Mill Rd, Dowlais - MTCBC and WG ownerships. 27 Ha
2. Coed Ely former colliery site – WG ownership. 30 Ha
3. Ex Phurnacite land, Abercwmboi. Owned by Coal Products Ltd. 61 Ha site mixed housing and employment.
4. Former coking works, Beddau. Owned by Coal Products Ltd. 88 Ha site mixed housing and employment.

This is an indicative list and other sites may emerge and be prioritised which can deliver greater economic and housing benefits for given levels of public investment and which have stronger alignment with regional plans.

The sites have various ownerships including: Welsh Government, the local authorities and the private sector. Although some reclamation has been undertaken some sites are not viable or sufficiently attractive to the private sector and require further public funding interventions to stimulate development such as acquisitions, comprehensive planning, removing site abnormal costs, site and access infrastructure, advanced buildings and marketing to release their potential for mixed uses, jobs and homes. These sites should be included in the Local Plans as priority strategic sites to be the focus for regeneration.

The project and sites selected need to be consistent with and aligned to the emerging economic strategy and priorities for the Cardiff Capital Region and the Metro project and national policy agendas particularly housing.

There may be an opportunity to look at strategic sites and their funding prioritisation, and economic growth and housing impact across the larger geography of the City Region and Valleys Taskforce. Therefore the Cwm Taf PSB should look at the opportunity to structure a larger collaboration programme for strategic land with adjoining areas which could provide greater capacity and funding.

Next Steps

More detail is needed on the above sites from the Partners to fully appreciate the scale of benefits that could be released.

Further discussions will be held between local authorities and WG to establish the basis for taking forward the pilot project and the need to undertake feasibility work including – land ownership, planning and optimum land uses, priority infrastructure required, funding availability, policy on receipts/clawback, project management and delivery mechanism

Capacity funding is likely to be required in order that a Project Delivery Team comprising Welsh Government and RCTCBC and MTCBC can be assembled and feasibility work on the priority strategic sites commissioned. This Team would report to the PSB Property Board per the proposed governance arrangements – see section 7.

Project Benefits

A collaborative approach to planning for the regeneration of the initial group of major sites which could produce the following outputs subject to site viability and abnormal costs being funded by the Project 4. Partners:

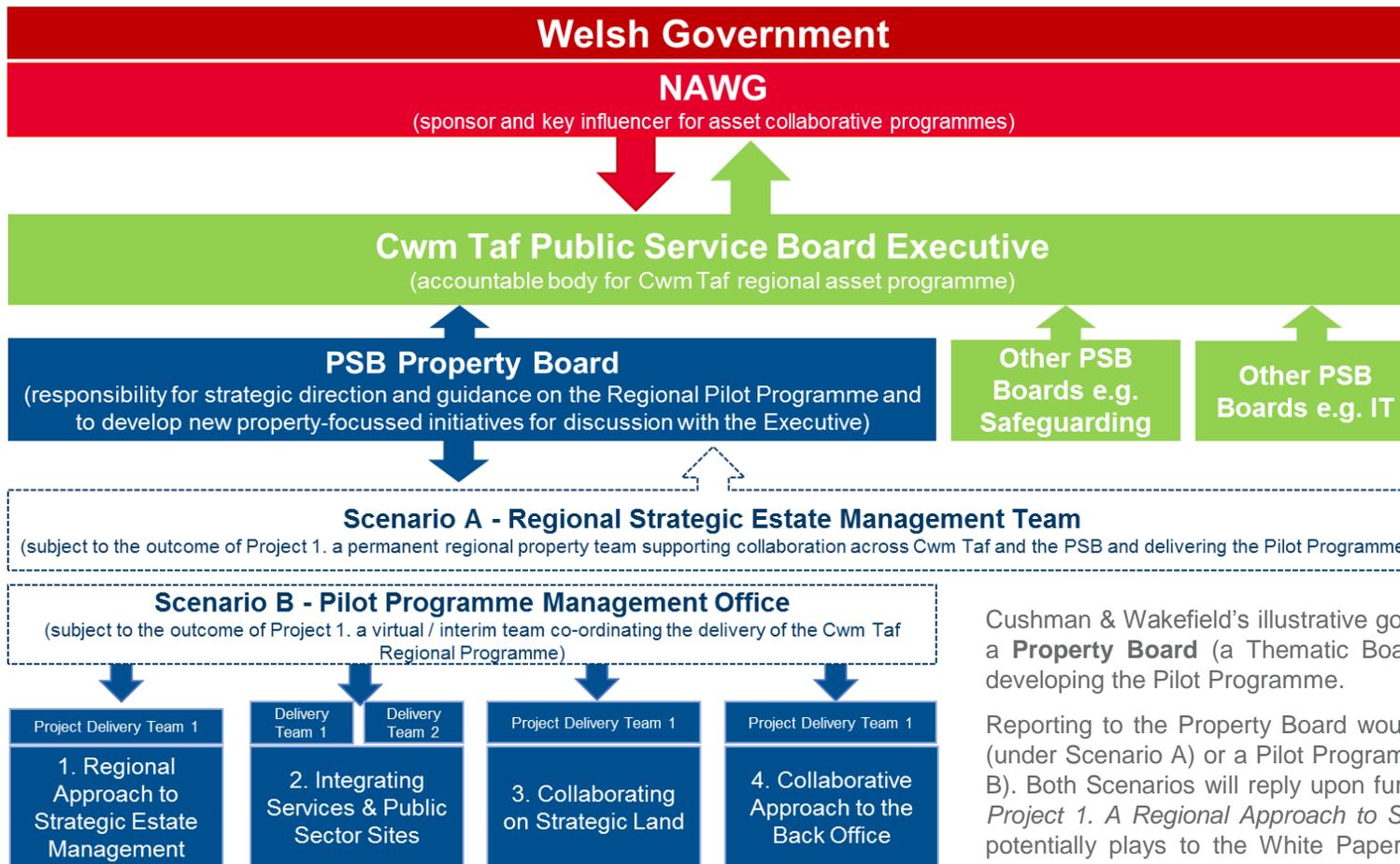
- c 2,000 new homes
- c 2,000 new jobs
- Capital receipts
- Create a revolving land and infrastructure fund to recycle receipts into further strategic sites regeneration in Cwm Taf

7. Programme Governance

Regional accountability and delivery

A Regional Approach to Collaboration

A dedicated governance and management structure will be required to provide the leadership and resources for a regional asset collaboration programme. The following diagram sets out Cushman & Wakefield's view of a possible governance model, whereby the Cwm Taf Public Service Board becomes the lead and accountable body for the delivery of the Pilot Programme. An explanation is provided overleaf.



Cushman & Wakefield's illustrative governance structure shows the creation of a **Property Board** (a Thematic Board) responsible for driving forward and developing the Pilot Programme.

Reporting to the Property Board would be a Regional Strategic Estate Team (under Scenario A) or a Pilot Programme Management Office (under Scenario B). Both Scenarios will rely upon further analysis as part of moving forwards *Project 1. A Regional Approach to Strategic Asset Management*. Scenario A potentially plays to the White Paper. Scenario B may represent an interim solution pending Scenario A being put in place.

Indicative Cwm Taf Regional Pilot Programme Governance Structure

7. Programme Governance

Regional accountability and delivery

Welsh Government: The Welsh public sector estate is estimated at around £12bn with annual running costs of circa £500 million. There is a view from some of the Partners that, unless, regional collaborative behaviour is somehow ‘mandated’, the full benefits will not be realised. The role of Welsh Government requires further consideration.

National Assets Working Group (NAWG): Within the indicative governance model, the NAWG will work with, and support, regional delivery structures to develop and deliver collaboration and has a key role in advocating best practice in asset collaboration to partners regions.

Public Service Board: The Cwm Taf Public Services Board (PSB) is constituted in line with the requirements of the Well Being of Future Generations Act and is a merged Public Services Board covering the areas of Merthyr Tydfil and Rhondda Cynon Taf. Within the indicative model, the PSB acts as the principal strategic leadership forum for the planning, commissioning and delivery of public services across organisational boundaries. Among its responsibilities the PSB will determine appropriate and proportionate resourcing for collective functions, including consideration of funding, shared expertise, exploring use of shared assets and pooled budgets. The PSB could act as the lead authority and accountable body for a regional asset management strategy and programme.

Public Service Board Property Board: Within the indicative governance model, it is envisaged that the PSB would form a dedicated Property Board to lead the regional asset management theme and preparation of a Regional Asset Strategy. The Property Board would control capacity funding for the Pilot Programme and, potentially, targeted investment funding for the projects. The Property Board should have a flexible structure and be scaled up to take a more ambitious approach to collaboration and regional asset management as the PSB and Partners gain confidence in their methods and outcomes.

Regional Strategic Estates Team: a ‘layer’ of regional strategic estates management capability has been suggested. The identity of this layer is presently unknown but could take on a range of forms initially to create the capacity to improve the data sharing between Partners and maintaining the Comprehensive Asset Register. The RSEM would report to the Property Board and could take a lead on coordinating the Pilot Programme and the agreed project level work being undertaken by the Partner’s in-house estates teams –from completing a wide ranging collaborative review that could explore the sharing of Partner estates functions, through to the joint procurement of facilities management contracts, or in the longer term creating joint Estates Team(s) for the Cwm Taf Region.

The 2017 Local Government Reform White Paper is proposing planning, transport and economic development functions should be managed on the Capital Region City Deal footprint and we can suppose that the regional estate management function might be organised in this way in future.

The Partners : Within the indicative governance model the Partners will share control of the regional estates management function through their membership of the PSB and the Property Board. They will consider whether to delegate the necessary authority and resources to the Property Board to enable it to perform its role.

Project Delivery : Projects would be prioritised by the Property Board in its Regional Asset Strategy and delivered by the Partners and private sector.

Appropriate Governance models to drive forward collaboration on a regional basis will require further discussion amongst the parties referred to above to arrive at a robust and sustainable solution with appropriate support.

Governance will require further consideration by the Cwm Taf PSB to ensure that the Pilot Programme is scoped having regard to the four key criteria, and delivered as expediently as possible.

8. Recommendations

As a result of the Pilot Study process, and in the light of the findings, Cushman and Wakefield is making the following recommendations to the PSB:

Recommendations for the Cwm Taf Public Service Board:

- a) The principle of a Cwm Taf Regional Pilot Programme for regional asset collaboration is approved by the PSB as an approach to delivering collaborative projects and realising benefits.
- b) The PSB adopts a Governance Structure for the Regional Pilot Programme (having regard to the illustration on page 38) with the objective improving the alignment of service planning to strategic management of the Cwm Taf asset base.
- c) A Property Board be established (Thematic Board) to manage the delivery of the Pilot Programme and, in the interim, a dedicated (or virtual) Strategic Estates Team 'layer' is resourced by the Partners providing an 'executive team' for the Property Board.
- d) The longer term principle of expanding the Strategic Estates Team is worked up in further detail by the Partners and PSB with a view to transferring collaborative estate management functions to the Property Board.
- e) Consideration be given to the resources and capacity which the Partners can contribute to the Programme, and quantifying the gap – in respect of which Government support may be required.
- f) Focus on developing the Programme further and plan shorter term projects to be delivered within 3 financial years, together with longer term projects.
- g) Base project targets and objectives on the 4 key criteria – service improvements, capital receipts, running cost savings, economic regeneration.

PSB suggested asks of Welsh Government

Subject to e) above, Cushman & Wakefield, recommends that the PSB:

“Requests Welsh Government to provide capacity funding to enable the Pilot Programme and Governance structure to be set up and feasibility funding for the projects that clearly demonstrate outcomes against the 4 key criteria”.

“Requests Welsh Government to relax clawback conditions on joint Welsh Government/local authority strategic sites where this value is re-invested by the local authorities in a rolling programme of strategic sites and other regeneration projects”

The PSB should be aware that, if funding is forthcoming, this would have attached to it a series of performance caveats – reinforcing the need for a governance arrangement dedicated to driving the Programme forward.

Cushman & Wakefield recommendations to Welsh Government

- 1) The Welsh Government should consider providing capacity funding to the Cwm Taf PSB and Property Board to support delivery of the Pilot Programme over a 2 -3 year period. The capacity funding award should, however, be subject to the demonstration of outputs against the 4 criteria, robust governance and a clear plan for delivery.
- 2) Welsh Government explores a formalised national programme and invites all regions to formulate and pursue Collaborative Programmes. This could include using mandatory standards to accelerate asset collaboration eg. data standards, strategic estate plans, KPIs for collaboration, and a range of incentives to support Partners eg – Welsh Government is able to consider contributing their clawback on Council reclaimed sites where the Council can demonstrate that equal value will be generated and other policy objectives delivered through a collaboration project ; budgets are co-ordinated and prioritised across Government departments to support collaboration projects which will deliver multiple policy objectives.
- 3) A Regional Asset Collaboration 'best practice toolkit' be developed by the National Assets Working Group (NAWG) to support other regions developing collaboration programmes. This would include, inter alia, governance models, comprehensive asset register guidance, advice on management structures and dedicated resources and expertise, exemplar project guides.
- 4) Welsh Government and NAWG roles in supporting and driving collaboration be clarified and reinforced so that both are seen as the champion and national sponsor for regional asset collaboration programmes.

9. Study Benefits

The Cwm Taf Pilot Study process has presented some challenges and may not have gone far enough to quantify:

1. How much economic growth the Pilot Projects identified will create
2. How the Pilot Projects identified will deliver more integrated and customer-focussed services
3. The potential value of capital receipts generated by the Pilot Projects identified, and
4. The potential annual reduction in running costs resulting from the Pilot Projects identified

However, Cushman & Wakefield is of the view that the Pilot Study has been highly valuable for the following reasons:

- **Fundamentally, a Pilot Programme of Projects has been scoped that will give the PSB some focus. It should be noted that the Projects will require significant attention (including programme management) to move them from ‘concept’ to ‘delivery’ and it is likely that capacity resource / funding will be required due to their scale.**
- **The Partner’s approach to project scoping will change so that the first question asked is “how can we collaborate with our Partners on this project”, rather than this being an after-thought. Behaviours will change as a result of the Study – but the PSB needs to ensure that this is embedded right the way through their organisations.**
- **Whilst the extensive baseline data collation exercise has not, perhaps, been valued by all Partners, Cushman & Wakefield has received positive comments from some estates representatives who confirmed that the exercise has been a good opportunity for them to gain a better appreciate of their estates, to re-think how they hold and categorise asset data – and to cleanse the data that they had.**
- **The focus of the Study, and the importance of being able to quantify benefits against the four criteria, will change the way in which the outcomes of the Pilot Projects are monitored in both a service and property sense.**
- **In general terms, the Study has raised a number of lessons learned that will inform a Best Practice Toolkit (see overleaf) to potentially be taken forward by the National Assets Working Group in support of other partnerships across Wales that will be embarking up collaboration with a focus on the asset base in the light of the White Paper.**
- **With the timing of the local government reform White Paper (January 2017), the Pilot Programme and its governance structure will have a more natural fit with the proposed ‘regional footprint’ for the related public services in planning, transport and economic development. The PSB could, therefore, be starting from a good position.**

A key output from this Study will be recommendations related to a ‘Collaboration Toolkit’ – that can be used to inform further regional-based collaborations as they arise.

Cushman & Wakefield has produced a Collaboration Toolkit framework providing a ‘check-list’ of items that should be in place, or available to regional Partnerships moving forwards.

It is expected that the NAWG will take the Toolkit Framework forward and develop it into a formal guidance document.

Promoting Best Practice – Indicative NAWG Toolkit

Cushman & Wakefield has produced the following ‘toolkit’ framework for NAWG to develop into guidance to support partnerships to collaborate around the asset base on a regional basis:

1. Ensure that PSBs have a full understanding of **best practice estate collaboration programmes** and projects both within and outside Wales eg case studies from across Wales (including the Cwm Taf Pilot Study), the recent Northern Ireland National Assets Study, One Public Estate in England.
2. Create **‘model’ collaboration projects** to guide PSB discussion e.g. public sector hub buildings, health and social care integration, blue light collaboration, shared property management services etc. Consider setting common standards guidelines eg. office estate target occupancy ratios, energy efficiency, design and maintenance standards.
3. Encourage all PSBs to create a **Shared Partnership Vision** and relate this to property and property management collaboration.
4. Encourage all PSBs to formulate a **Collaboration Programme** (comprising projects and initiatives) linked to a Region-Wide Estate Strategy having regard to Partners’ service aspirations and collaborative opportunities.
5. Provide an opportunity for PSBs exhibiting positive collaborative behaviour to **access capacity funding** to support the gathering of baseline data, the scoping of projects and initiatives and the development of governance arrangements . Consider this becoming a ‘rolling programme’ where multi-bids can be made, subject to proposing projects that meet the Key Criteria. Set stringent expectations for ‘bidding’ PSBs.
6. Publish **Key Criteria** eg. service improvements, capital receipts, running cost savings and economic growth – so that partnerships are clear about project opportunities to define and pursue together, potentially using capacity funding.
7. Develop **‘model’ Governance and Accountability Frameworks** eg. relationship to Welsh Government, NAWG, PSBs and property boards, delivery teams etc.
8. Provide guidance on the **resource required during the delivery stages** of collaboration projects – project management, feasibility, funding and delivery mechanisms, monitoring targets and standards.
9. Share a **template for common data collection** and the creation of a Comprehensive Asset Register.
10. Provide a best practice specification for the **role and function of Strategic Estate Management Team(s)**.
11. Provide guidance on how to set **estate performance targets and monitoring** mechanisms.

A Regional Approach to Collaboration

Cwm Taf Pilot Study – Final Report

Prepared for Cwm Taf Public Service Board Executives

June 2017