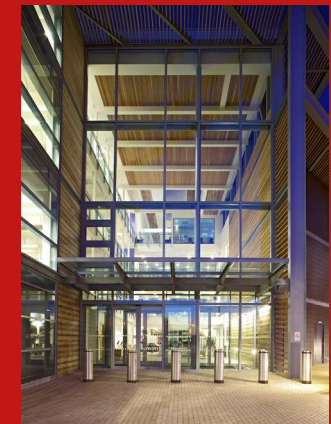




Llywodraeth Cymru
Welsh Government

State of the Estate

The efficiency and environmental performance of the Welsh Government administrative estate 2021-2022



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1. Introduction

The majority of Welsh Government staff continued to work remotely during 2021-2022, with social distancing remaining for those working from our office estate. A review of office requirements will be undertaken in 2023, which will inform the future direction of the estate. There remains a commitment to an office estate dispersed across Wales, supporting a stronger, fairer economy and enabling staff to work closer to, or at home.

This report is restricted to reporting key benchmarks for cost and environmental performance.

The 10 year Future Workplace Strategy (2020-30) sets out a framework of high level principles to shape future plans to maximise the strategic alignment, quality performance and use of the Administrative Estate. This reflects the need to provide accommodation fit for new ways of flexible and collaborative working, recognising that staff will be working away from the office more often and using our business space in a different way. Our aim for 50% of Welsh Government staff working remotely remains in place and sets the standard for space planning at 5 workstations per 10 staff. This is complimented by an increasing need for collaborative working space and a drive towards a ‘one public estate’ characterised by collaborating with our public sector partners to co-locate.

A focus on supporting town centres, public and sustainable transport and sustainability of our buildings remain key drivers for shaping the future estate. Our environmental impact remains a priority and we continue to invest in sustainable technologies to reduce our dependence

upon fossil fuels, reduce waste and enhance biodiversity. Incorporating flexibility to accommodate policies and trends for more blended working patterns suggests a need for a different type of office space.

Financial constraints will nevertheless remain a key driver for decisions.

Options for closure or replacement of offices will continue to include staff and Trade Unions in a detailed analysis of the costs and benefits, as opportunities arise.

This highlight report summarises the key efficiency and environmental performance data and compares these to corresponding figures for the previous strategy. Key indicators are:

Size and running cost of the estate	Rent ¹ Business Rates Other costs
Workplace efficiency	£ per full time equivalent (FTE) post Square metres (sq m) per FTE
Energy performance as Display Energy Certificate (DEC)	
Environmental performance for CO ₂ emissions; waste generation and recycling and water consumption.	

The figures presented in this report provide a snapshot the efficiency of the core operational offices held within the estate as at 31 March 2022. These offices are identified in Appendix 1.

Specialist properties are excluded from the cost efficiency figures reported in the main body of the report. Details of these specialist properties are shown at Appendix 4.

¹ Freehold offices are assigned a notional rent. Rents were reviewed as at 31 March 2020.

1.1 The Administrative Estate

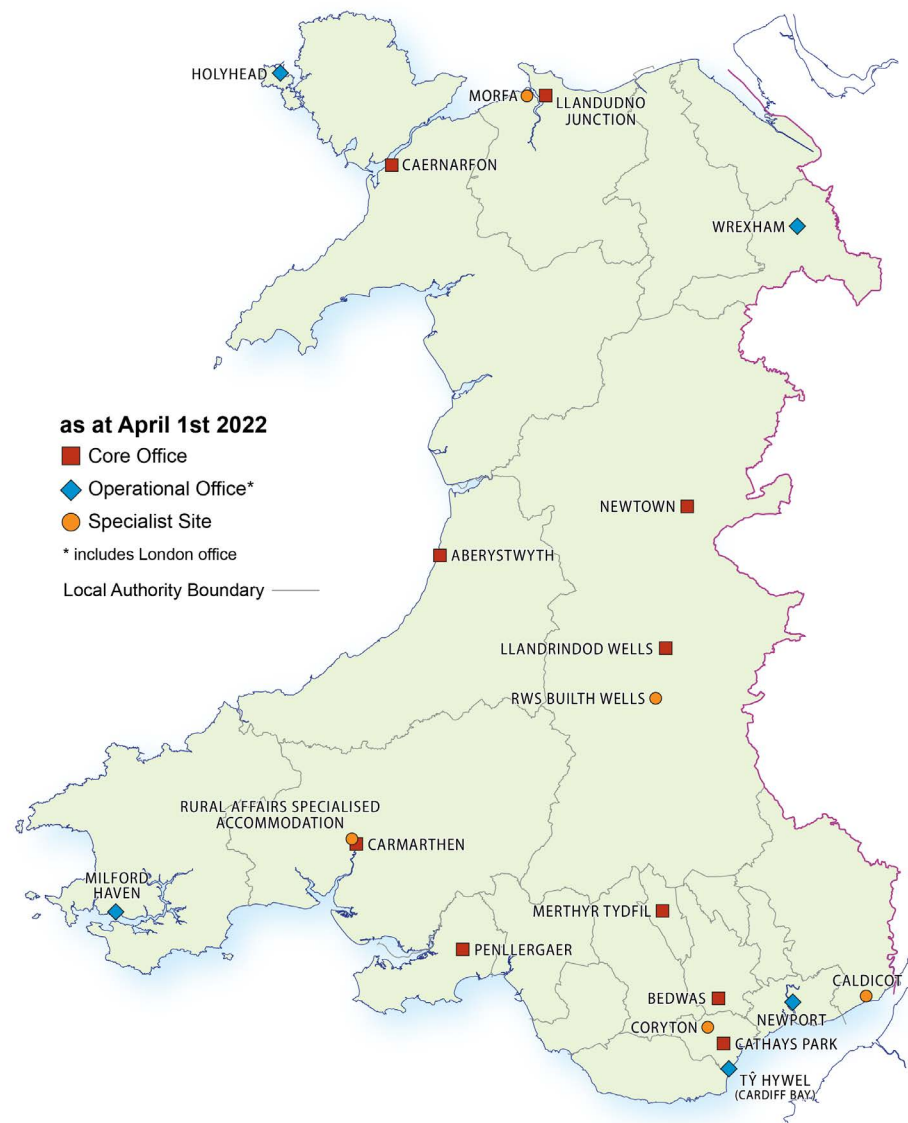
The Estate provides 68,669 sq m of modern flexible working and meeting space for 5,650 full time equivalent staff and contractors, as at 31 March 2022.

The 15 core offices include the main hubs of Cathays Park Cardiff, Rhyd-y-Car Merthyr Tydfil, Rhodfa Padarn Aberystwyth and Sarn Mynach Llandudno Junction. Other offices and premises are located across Wales to ensure a dispersed presence and to ensure that services can be delivered to meet business needs (Figure 1).

Supporting data is set out in Appendices to the report:

- **Appendix 1:** Key data for the 15 core offices of the Administrative Estate as at 31 March 2022.
- **Appendix 2:** Savings achieved from properties vacated 2015, 2020, 2021 and 2022.
- **Appendix 3:** Performance Summary 2015, 2020, 2021 and 2022.
- **Appendix 4:** Performance Summary of Specialist Estate Properties.

Figure 1: Location of core Welsh Government Offices



2. Estate Performance

Most staff continued to work remotely during 2021-2022. Policy remains that 50% of staff should be working away from the office at any one time, the evidence being that a higher proportion are doing so on a regular basis.

Performance figures are based on the assumption that all staff and contractors worked from their contractual base throughout the year, with the exception of staff with a contractual base at QED, who for the purposes of this analysis only have been allocated to nearby offices.²

2.1 Efficiency

Two floors at Picton Terrace Carmarthen remain vacant and surplus to requirements and are being actively marketed. Uncertainty about long-term working patterns have been a factor in these offices remaining vacant.

Overall the size of the core Administrative Estate reduced to 68,669 sq m., due to increased areas let to public sector partners.

The need for staff to be dispersed across Wales constrains opportunities for further office closures, however options to 'right size' are actively considered through development of business cases, investment appraisals and consultation with staff and Trade Unions as opportunities, such as break clauses or lease terminations, arise. As remote working practices become more embedded it is anticipated that the nature of the office estate will change further and more opportunities for efficiencies will arise.

Opportunities to co-locate, either by letting surplus space or relocating Welsh Government operations within other public buildings continue to be actively explored. Interest from potential occupiers in our main hubs increased during 2021-2022.

Planned rationalisation has been maintained at a ratio of 5 FTE to 10 workstations and 8 sq m per workstation.

The planned disposal of the freehold interest at Penllergaer Business Park has yet to take place, and staff remain at that location. Options continue to be explored in Swansea city centre.

The key performance figures for the estate as a whole are set out below. An analysis by building can be found at Appendix A.

² For the purposes of this report, those staff, including Welsh Revenue Authority have been nominally assigned to Cathays Park, Bedwas and Merthyr Tydfil. This is for analytical purposes only. It has no impact on the key benchmark which relates to the estate as a whole.

2.2 Size and Running Costs

	31 March 2015	31 March 2020	31 March 2021	31 March 2022	Change 31 March 2021-2022
State of the Estate					
Total Area of Estate sq m	82,295	76,181	69,850	68,669	-1.7%
Number of Properties	25	17	15	15	0
Cost of Estate (million)	£18.136	£20.42	£18.413	£18.80	2.12%

The area of the occupied estate has reduced through lettings of surplus space. Running costs have decreased for many buildings, this has been offset by a significant increase in repair costs at Llys y Draig, Swansea.

	31 March 2015	31 March 2020	31 March 2021	31 March 2022	Change 31 March 2021-2022
Efficiency					
Cost per FTE	3,285	3,778	3,337	3,329	0.24%
Cost per sq m	212.4	268.04	263.61	273.90	3.9%
Sq m per FTE	15.5	14.1	12.6	12.2	-3.2%

3. Environmental Efficiency

The change in working patterns brought on by the pandemic continues to have an effect on pre-covid utility consumption and waste produced, including that available for recycling. Increased waste that could not be recycled has increased the amount of waste to energy, the amount sent to landfill remaining the same. Carbon produced and electricity and gas consumption reduced across the estate.

3.1 Energy

- Reduction in gross percentage tCO₂e emissions by **14.29%** over previous year.
- Reduction in Electricity consumption by **20.89%** over previous year.
- Increase in Gas consumption by **12.72%** over previous year.

Welsh Government is continuing to follow industry guidance on the safe operation of its building systems.

3.2 Waste

- Waste increased from 50 tonnes in 2020-2021 to 72 tonnes during 2021-2022. This is due to workers slowly returning to the office compared to the previous year when the vast majority of workers working from home.
- Waste sent to landfill remained identical to the previous year (2% of total).

3.3 Water

There was a small increase in water consumption to 2.5m³ per person as offices saw more staff and contractors on site.

3.4 Environmental Performance

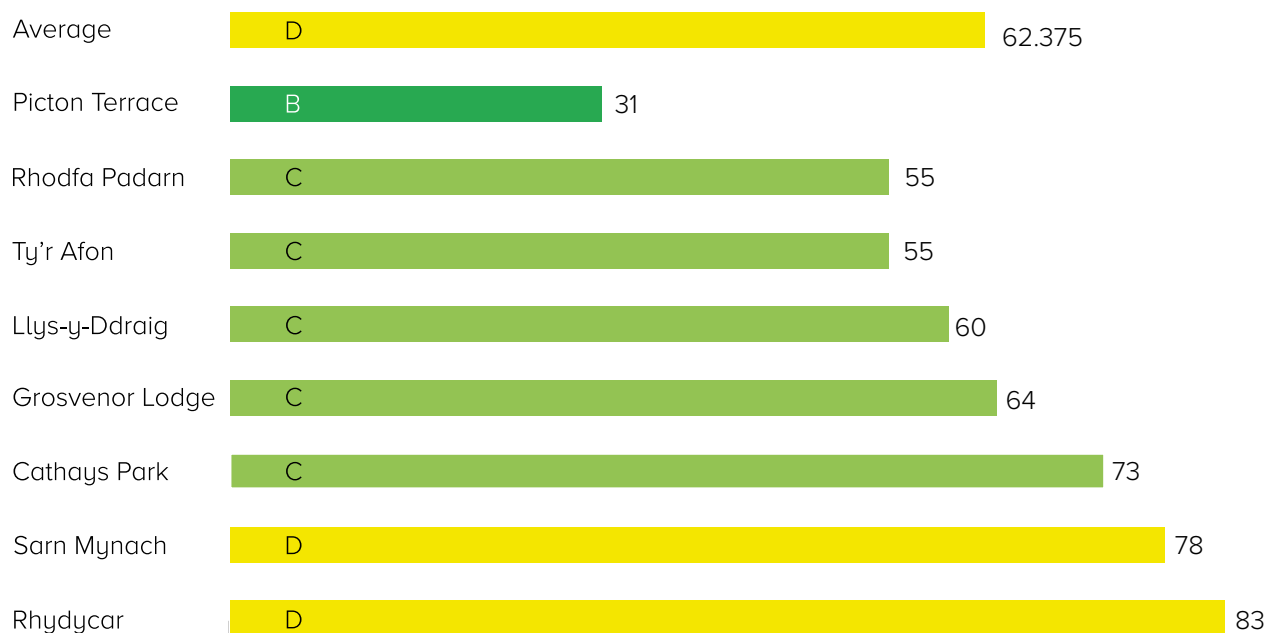
Details of greenhouse gas emissions, waste produced and water consumption on the Administrative Estate are shown below:

GHG	2018-2019	2019-2020	2020-2021	2021-2022	Annual Change
Total Emissions (t CO ₂ e)	4236	3713	3500	3000	- 14.3%
Electricity (t CO ₂ e)	3193	2647	1896	1500	-20.9%
Gas (t CO ₂ e)	1043	1066	1604	1400	-12.72%
Waste	2015-2016	2019-2020	2020-2021	2021-2022	
Total waste (tonnes)	372	284	50	72	44%
Landfill (%)	1	1	2	2	0%
Waste to Energy (%)	11	17	29	14	-51.7%
Reused/Recycled (%)	88	82	69	84	-4.34%
Water	2015-2016	2019-2020	2020-2021	2021-2022	
(m ³ per person/year)	8	5.6	2.1	2.5	19%

3.5 Display Energy Certificates – top 8 sites

The average measure remained at Band D, with an average of 62.375.

Site DEC Performance 2021-2022



Environmental Performance

The estate has maintained DEC 2020-21 environmental performance across the top 8 sites.

4. Looking Forward

This 2021-22 State of the Estate report looks back on a year where our offices remained underoccupied as staff continued to work remotely.

A slight increase in number of staff attending the office resulted in an increase in the figures for some areas of environmental performance, however overall key indicators such as carbon emissions improved over the year. Waste sent to landfill remained the same, largely due to an increase sent for power production.

Evidence began to emerge that there is a greater amount of underlisted office accommodation across the public estate as a consequence of flexible and homeworking during the pandemic. Whilst the efficiency of the Welsh Government Administrative Estate has improved significantly since 2015, the challenge in coming years will be to ensure optimum utilisation of Welsh Government offices.

Given the commitment to a dispersed estate, opportunities to make further efficiency improvements in the future will be largely dependent upon increasing the utilisation of retained buildings through letting to public sector partners.

Appendix 1: Key data for the 15 core offices of the Administrative Estate as at 31 March 2022

Address	WG Total Ownership NIA	NIA sq m	Snowdrop Staff 2021 (inc contractors using WG space)	Snowdrop sq m. per staff	Desk Ratio	Tenure	Annual O/G Ex Rent & Rates	Rates Paid 2022	Rent inc VAT
CP1 and CP2 Cathays Park, Cardiff	37,923	37,923	3,116.5	12	0.98	○	£4,950,810	£1,278,650	£3,430,000
Part Second/Part 5th Floor, Ty Hywel, Cardiff Bay		1,792	132.0	14	1.32	■	£695	£0	£0
Ty'r Afon, Bedwas Road, Bedwas, Caerphilly		2,486	208.2	12	0.99	■	£255,909	£123,318	£374,490
Rhyd-y-Car, Merthyr Tydfil	6,097	6,097	559.4	11	1.01	○	£1,147,581	£264,825	£825,000
Picton Terrace, Carmarthen	3,791	2,920	269.3	11	0.88	○	£233,318	£106,826	£202,100
Havenshead BP, Milford Haven		155	30.8	5	0.58	■	£14,333	£7,089	£17,100
Llys-y-Ddraig, Penllergaer Business Park, Swansea	1,792	1,792	290.8	6	0.68	○	£717,874	£80,785	£148,180
Rhodfa Padarn, Aberystwyth	6,262	5,764	282.3	20	1.42	○	£986,005	£260,979	£544,325
Crown Building, Spa Road East, Llandrindod Wells		886	110.8	8	0.63	○	£76,233	£20,196	£57,500
Ladywell House, Newtown		1,166	72.2	16	0.78	■	£205,024	£35,511	£126,018
Timekeepers Office, Holyhead		55	6.0	9	1.33	■	£18,931	£3,531	£5,000
Sarn Mynach, Llandudno Junction	7,105	6,129	424.4	14	0.94	○	£1,031,242	£323,274	£541,497
1 Grosvenor Lodge, Grosvenor Road, Wrexham		318	16.4	19	1.52	■	£41,043	£13,509	£40,800
Suites 5, 7 & 8 Block A, Victoria Dock, Caernarfon		738	88.4	8	0.86	■	£83,005	£15,916	£76,200
Ground floor, Unit 2 Oak House, Celtic Springs Business Park, Newport		448	42.5	11	0.80	■	£33,653	£26,349	£63,600

○ Freehold

■ Leasehold

NB. Rates figure for Suites 5, 7 & 8 Block A, Victoria Dock, Caernarfon for part only. Estimated rates payable on the whole is the region of £48,000

Appendix 2: Savings achieved from properties vacated 2015, 2020, 2021 and 2022

	Date Vacated	Total Estimated Savings 2015-16	Total Estimated Savings 2016-17	Total Estimated Savings 2017-18	Total Estimated Savings 2018-19	Total Estimated Savings 2019-20	Total Estimated Savings 2020-21	Total Estimated Savings 2021-22	7 Year Total
Wynchway House, Haverfordwest	01/02/2016	£21,861	£131,168	£131,168	£131,168	£131,168	£131,168	£131,168	£808,869
Arran Road, Dolgellau	31/03/2016	-	£7,073	£7,073	£7,073	£7,073	£7,073	£7,073	£42,438
National Park, Penrhyndeudraeth	31/03/2016	-	£29,094	£29,094	£29,094	£29,094	£29,094	£29,094	£174,564
Brecon House, Caerphilly	31/05/2017	-	-	£106,280	£127,606	£127,606	£127,606	£127,606	£616,704
Tyr Llyn, Swansea	23/06/2017	-	-	£371,811	£481,245	£481,245	£481,245	£481,245	£2,296,791
Old Vicarage, Holyhead	12/01/2018	-	-	£7,110	£33,271	£33,271	£33,271	£33,271	£141,094
Hill House, Picton Terrace, Carmarthen	01/04/2018	-	-	-	£139,078	£139,078	£139,078	£139,078	£556,312
Bocam Park, Bridgend	22/06/2018	-	-	-	£92,863	£119,770	£119,770	£119,770	£452,173
Crown Buildings, North Penrallt, Caernarfon	27/07/2018	-	-	-	£242,337	£356,666	£356,666	£356,666	£1,312,335
Clarence House, Newport	30/05/2019	-	-	-	-	£79,381	£94,999	£94,999	£269,379
Southgate House, Cardiff	19/09/2019	-	-	-	-	£87,042	£163,766	£163,766	£414,574
33 Newport Road, Cardiff	31/03/2020	-	-	-	-	-	£4,340	£4,340	£8,680
Plas Carew	12/02/2021	-	-	-	-	-	£72,318	£561,619	£633,937
Unit 22 Llandough I.E, Penarth Road, Cardiff	23/03/2021	-	-	-	-	-	£2,588	£118,089	£120,677
Crown Buildings, Spa Road East, Llandrindod Wells*	31/07/2021	-	-	-	-	-	-	-	-
Total Savings		£21,861	£167,335	£652,536	£1,283,735	£1,591,394	£1,763,432	£2,368,234	£7,848,527

* Replacement accommodation was acquired at County Hall, Llandrindod Wells

Appendix 3: Performance Summary 2015, 2020, 2021 and 2022

	31st March 2015	31st March 2016	31st March 2017	31st March 2018	31st March 2019	31st March 2020	31st March 2021	31st March 2022
State of the Estate								
Total Area of Estate sq m	82,295	81,888	82,275	80,325	76,836	76,181	69,850	68,669
Cost Efficiency £ per sq m	£220.37	£212.82	£223.85	£230.02	£233.22	£268.04	£263.61	
Number of Properties	25	22	22	20	18	17	15	15
Cost of Estate £	£18.136m	£17.428m	£18.417m	£18.477m	17.920m	£20.420m	£18.413m	£18.808m
Rent £	£5.849m	£5.835m	£5.891m	£5.600m	£5.328m	£7.360m	£6.507m	£6.452m
Rates £	£2.721m	£2.771m	£2.785m	£2.810m	£2.863m	£2.877m	£2.573m	£2.561m
Other £	£9.564m	£8.821m	£9.740m	£10.067m	£9.729m	£10.183m	£9.333m	£9.796m
Vacant Space	-	-	-	-	-	-	-	-
Efficiency								
Cost per FTE	£3,139	£3,229	£3,380	£3,576	£3,428	£3,778	£3,337	£3,329
Cost Efficiency – £ per sq m	£220.37	£212.82	£223.85	£230.02	£233.22	£268.04	£263.61	£273.90
Rent £ per sq m	£71.08	£71.26	£71.61	£69.71	£69.34	£96.60	£93.15	£93.96
Rates £ per sq m	£33.07	£33.84	£33.85	£34.98	£37.26	£37.76	£36.84	£37.29
Other £ per sq m	£116.23	£107.72	£118.39	£125.33	£126.62	£133.68	£133.62	£142.65
Space Efficiency - sqm/FTE	14.2	15.2	15.1	15.5	14.7	14.1	12.6	12.2
Sq m per workstation	11.46	11.95	12.21	12.63	12.91	12.85	13.35	12.54
Workstations per FTE	1.24	1.27	1.24	1.23	1.14	1.1	0.95	0.97

	31st March 2015	31st March 2016	31st March 2017	31st March 2018	31st March 2019	31st March 2020	31st March 2021	31st March 2022
Environmental Performance								
Total Emissions (t CO ₂)	8,498	6,939	6,259	5,376	4,236	3,713	3,500	3,000
Electricity (t CO ₂)	7,185	5,863	5,193	4,259	3,193	2,647	1,896	1,500
Gas (t CO ₂)	1,313	1,076	1,066	1,117	1,043	1,066	1,604	1,400
Total Waste Arising (Tonnes)	500	498	553	350	372	284	50	72
Landfill (% of total)	25	22	18.5	12	1	1	2	2
Recycling (% of total)	75	78	81.5	88	88	82	69	84
Waste to Energy (% of total)	-	-	-	-	11	17	29	14
Water (CU.M/person/yr)	8.3	8	7.1	6.3	6.2	5.6	2.1	2.5

* Figures include oil & LPG consumption

Appendix 4: Performance Summary of Specialist Estate Properties

Address	Reason for Exclusion	Floor Area sq m NIA	Total Annual Cost 2016-2017	Total Annual Cost 2017-2018	Total Annual Cost 2018-2019	Total Annual Cost 2019-2020	Total Annual Cost 2020-2021	Total Annual Cost 2021-2022
25 Victoria Street, Westminster	Office located outside Wales	304	£334,994	£479,844	£435,749	£358,403	£371,782	£445,258
Specialist Facility, Caldicot	Specialist Use	N/A	£523,807	£768,651	£544,002	£597,208	£669,404	£602,578
Traffic Management Centre, Coryton, Cardiff	Specialist Use (traffic)	763	£230,799	£236,951	£298,460	£174,748	£176,786	£197,856
Traffic Management Centre, Morfa BP, Ffordd Sam Pari, Morfa	Specialist Use (traffic)	1,128	£165,272	£190,144	£179,382	£127,542	£133,418	£174,659
Plt 233, Pavilion Royal Welsh Showground, Builth Wells	Specialist Use (Pavilion)	220	£50,600	£74,932	£69,050	£47,438	£45,446	£45,808
Rural Affairs Specialised Accommodation, Carmarthenshire	Specialist Use	452	£49,592	£34,123	£36,957	£36,104	£35,091	£35,998