



Llywodraeth Cymru
Welsh Government

State of the Estate

The efficiency and environmental performance of the Welsh Government administrative estate 2020-2021



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1. Introduction

The COVID-19 pandemic resulted in the closure of most of our offices for much of the year, all but essential staff working remotely. As a consequence, this report is restricted to reporting key benchmarks for cost and environmental performance.

Delivery of the 2015-20 Location Strategy concluded in March 2020. It is succeeded by a 10 year Workplace Strategy that sets out a framework of guiding principles to shape future plans and achieve maximum value from the Administrative Estate. The commitment to a dispersed estate remains, with greater emphasis on developing an estate that supports wider Government policies aligned to the climate and nature emergency.

A focus on supporting town centres, public and sustainable transport and sustainability of our buildings remain key drivers for shaping the future estate. Incorporating flexibility to accommodate policies and trends for more blended working patterns suggests a need for a different type of office space. Financial constraints, however, 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:
 - Rent¹
 - 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 CO₂ emissions; waste generation and recycling and water consumption.

The figures presented in this report provide a snapshot on the efficiency of the core operational offices held within the estate as at 31 March 2021. 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. This is reviewed every 5 years in line with the corporate asset valuation, the most recent review being 31 March 2020.

1.1 The Administrative Estate

The Estate provides 69,850 sq m of modern flexible working and meeting space for 5,517 full time equivalent staff and contractors, as at 31 March 2021.

The 15 core offices comprise 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 2021.
- **Appendix 2:** Savings achieved from properties vacated 2015, 2020 and 2021.
- **Appendix 3:** Performance Summary 2015, 2020 and 2021.
- **Appendix 4:** Performance Summary of Specialist Estate Properties.

Figure 1: Location of core Welsh Government Offices



2. Estate Performance

Most office based workers were working remotely during 2020-2021. For comparison with previous years the figures are based on the assumption that all office based workers and contractors worked from

their contractual base throughout the year, with the exception of staff based at QED, who for the purposes of this analysis only have been allocated to nearby offices.²

2.1 Efficiency

Overall the Administrative Estate continues to reduce in size, with the closure of Plas Carew, Nantgarw and QED, Treforest. Two floors at Picton Terrace, Carmarthen remain vacant and surplus to requirements and the lease at the storage facility at Llandough, Cardiff was not renewed. The QED building is to be sold and tenants are being sought for the vacant space in Picton Terrace Carmarthen.

The size of the core estate was reduced by 6,331 sq m during the year to 69,850 sq m.

The need 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 sub-letting surplus space or within other public buildings continue to be actively explored, however reduced activity as a result of the pandemic limited opportunities during 2020-21.

Planned rationalisation has been maintained at a ratio of 5 FTE to 10 workstations and 8 sq m per workstation. Reviews of Swansea and Treforest office requirements continue to progress on this basis into 2021-2022 and the offices at Newtown have been consolidated into a single floor.

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	Change 31 March 2020-2021
State of the Estate				
Total Area of Estate sq m	82,295	76,181	69,850	-8.31%
Number of Properties	25	17	15	-2
Cost of Estate (million)	£18.136	£20.42	£18.413	-9.83%
Efficiency				
Cost per FTE	3,285	3,778	3,337	-11.67%
Cost per sq m	212.4	268.04	263.61	-1.65%
Sq m per FTE	15.5	14.1	12.6	-9.93%

3. Environmental Efficiency

The COVID-19 pandemic resulted in a huge reduction of staff attending sites, which has had a profound effect on utility consumption and waste produced.

3.1 Energy

- Reduction in gross percentage tCO₂e emissions by **8.1%** over previous year.
- Reduction in Electricity consumption by **25%** over previous year.
- Increase in Gas consumption by **51%** over previous year.

The increase in gas consumption is attributable to the need to set air conditioning systems to allow for full fresh air supply and avoid recirculation of air to reduce the risk of COVID transmission.

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

3.2 Waste

COVID had a positive impact on the amount of waste produced, but a negative effect on the proportion that could be recycled due to contamination from medical waste such as masks, gloves and antibacterial cloths.

- Waste reduced by 82%, from 284 tonnes in 2019-2020 to 50 tonnes during 2020-2021.
- Actual waste sent to landfill fell by 71% over the same period, but the percentage of total waste sent to landfill doubled.

- 69% of total waste was recycled, a decrease from 83% the previous year.
- The proportion sent for waste to energy increased from 17% to 29%.

3.3 Water

The reduction in water consumption to 2.1 m³/per person was expected as offices saw less staff and contractors on site and closure of some offices.

3.4 Environmental Performance

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

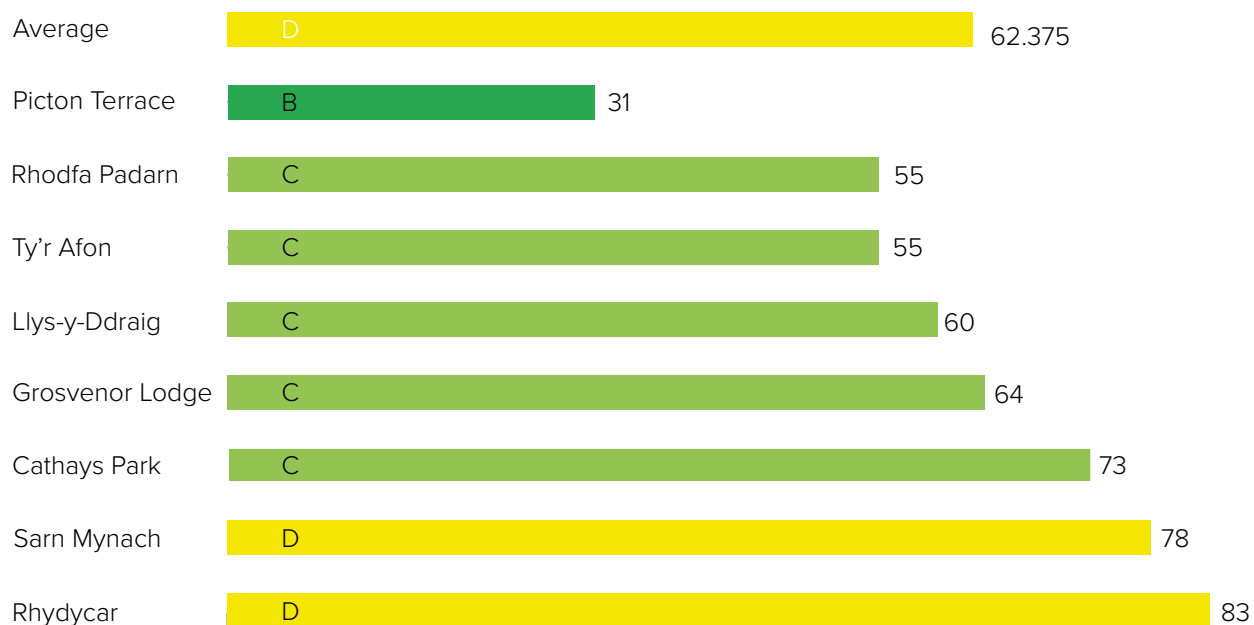
GHG	2018-2019	2019-2020	2020-2021	Change 31 March 2020-2021
Total Emissions (t CO ₂ e)	4236	3713	3500	- 5.74%
Electricity (t CO ₂ e)	3193	2647	1896	-28.37%
Gas (t CO ₂ e)	1043	1066	1604	+50.47%
Waste	2015-2016	2019-2020	2020-2021	
Total waste (tonnes)	372	284	50	-82.39%
Landfill (tonnes)	112	3.8	1.1	-71%
Landfill (%)	1	1	2	+100%
Waste to Energy (%)	11	17	29	+70.59%
Reused/Recycled (%)	88	82	69	-15.85%
Water	2015-2016	2019-2020	2020-2021	
(m ³ per person/year)	8	5.6	2.1	-419.64%

3.5 Display Energy Certificates – top 8 sites

As most offices were closed for all or part of the year, the Display Energy Certificates show a marked improvement over 2019-2020.

The average measure remained at Band D, with a reduction from 74 to 62.375.

Site DEC Performance 2020-2021



Environmental Performance

The average DEC rating has improved by 3 points since 2018-19. All offices performed better than the average for their type and size, with 7 out of 11 showing improvements since March 2019.

The estate has maintained or improved environmental performance across 6 out of 8.

4. Looking Forward

This 2020-21 State of the Estate report looks back on a year where our offices remained underoccupied as staff worked remotely during the pandemic.

Improvements have been made to efficiency from the reduction in the number of buildings, however with remote working supported by policy and technology, the future requirements of the estate remain unknown.

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 those retained buildings. However as blended working model appears to be replicated across the public sector, the reality is that there is likely to be a greater amount of underutilised space across the public estate as a whole. This will increase the challenges in improving efficiency.

Appendix 1: Key data for the 15 core offices of the Administrative Estate as at 31 March 2021

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 2021	Rent inc VAT
CP1 and CP2 Cathays Park, Cardiff	37,923	37,696	3,012.2	13	0.85	○	£4,559,322	£1,270,978	£3,409,420
Part Second/Part 5th Floor, Ty Hywel, Cardiff Bay		1,792	127.8	14	1.34	■	£47,924	£0	£0
Ty'r Afon, Bedwas Road, Bedwas, Caerphilly		2,486	212.3	12	1.16	■	£306,588	£107,776	£374,490
Rhyd-y-Car, Merthyr Tydfil	6,097	6,097	559.4	11	1.02	○	£1,208,144	£264,825	£825,000
Picton Terrace, Carmarthen	3,791	2,920	273.1	11	0.89	○	£215,773	£106,826	£202,100
Havenshead BP, Milford Haven		155	28.0	6	0.64	■	£19,592	£7,089	£16,800
Llys-y-Ddraig, Penllergaer Business Park, Swansea	1,792	1,713	255.9	7	0.89	○	£267,497	£80,785	£148,180
Rhodfa Padarn, Aberystwyth	6,262	5,781	291.3	20	1.29	○	£1,054,750	£260,979	£544,325
Crown Building, Spa Road East, Llandrindod Wells	2,672	2,346	109.1	22	1.47	○	£194,402	£51,116	£133,212
Ladywell House, Newtown		1,166	71.6	16	1.35	■	£193,057	£40,613	£126,018
Timekeepers Office, Holyhead		55	8.0	7	0.63	■	£5,966	£3,531	£5,000
Sarn Mynach, Llandudno Junction	7,105	6,139	425.2	14	1.01	○	£1,092,607	£323,274	£541,497
1 Grosvenor Lodge, Grosvenor Road, Wrexham		318	16.8	19	1.43	■	£39,935	£13,509	£40,800
Suites 5, 7 & 8 Block A, Victoria Dock, Caernarfon		738	86.0	9	0.93	■	£86,606	£15,916	£76,200
Ground floor, Unit 2 Oak House, Celtic Springs Business Park, Newport		448	40.7	11	0.76	■	£40,810	£25,906	£63,600

○ Freehold

■ Leasehold

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

	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
Total Savings		£21,861	£167,335	£652,536	£1,283,735	£1,591,394	£1,763,432	£2,368,234	£7,848,527

Appendix 3: Performance Summary 2015, 2020 and 2021

	31 March 2015	31 March 2016	31 March 2017	31 March 2018	31 March 2019	31 March 2020	31 March 2021
Efficiency							
Cost per FTE	£3,139	£3,229	£3,380	£3,576	£3,428	£3,778	£3,337
Cost Efficiency £ per sq m	£220.37	£212.82	£223.85	£230.02	£233.22	£268.04	£263.61
Rent £ per sq m	£71.08	£71.26	£71.61	£69.71	£69.34	£96.60	£93.15
Rates £ per sq m	£33.07	£33.84	£33.85	£34.98	£37.26	£37.76	£36.84
Other £ per sq m	£116.23	£107.72	£118.39	£125.33	£126.62	£133.68	£133.62
Space Efficiency sq m per FTE	14.2	15.2	15.1	15.5	14.7	14.1	12.7
sq m per Workstation	11.46	11.95	12.21	12.63	12.91	12.85	13.35
Workstations per FTE	1.24	1.27	1.24	1.23	1.14	1.1	0.95
Environmental Performance							
Total Emissions (t CO ₂)	8,498	6,939	6,259	5,376	4,236	3,713	3,500
Electricity (t CO ₂)	7,185	5,863	5,193	4,259	3,193	2,647	1,896
Gas (t CO ₂) ³	1,313	1,076	1,066	1,117	1,043	1,066	1,604
Total Waste Arising (Tonnes)	500	498	553	350	372	284	50
Landfill (% of total)	25	22	18.5	12	1	1	2
Recycling (% of total)	75	78	81.5	88	88	82	69
Waste to Energy (% of total)	-	-	-	-	11	17	29
Water (CU.M/person/yr) ⁴	8.3	8	7.1	6.3	6.2	5.6	2.1

³ Figures include oil & LPG consumption.

⁴ Regular flushing of water systems during COVID in order to maintain a safe working environment have had an impact on this figure.

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
25 Victoria Street, Westminster	Office located outside Wales	304	£334,994	£479,844	£435,749	£358,403	£371,782
Specialist Facility, Caldicot	Specialist Use	N/A	£523,807	£768,651	£544,002	£597,208	£669,404
Traffic Management Centre, Coryton, Cardiff	Specialist Use (traffic)	763	£230,799	£236,951	£298,460	£174,748	£176,786
Traffic Management Centre, Morfa BP, Ffordd Sam Pari, Morfa	Specialist Use (traffic)	1,128	£165,272	£190,144	£179,382	£127,542	£133,418
Plt 233, Pavilion Royal Welsh Showground, Builth Wells	Specialist Use (Pavilion)	220	£50,600	£74,932	£69,050	£47,438	£45,446
Rural Affairs Specialised Accommodation, Carmarthenshire	Specialist Use	452	£49,592	£34,123	£36,957	£36,104	£35,091