

# Springing Forward – Asset Management – Carmarthenshire County Council

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# Summary report

## Summary

### What we reviewed and why

- 1 We reviewed the Council's arrangements for managing its assets with a focus on office accommodation and buildings from which the Council delivers services to its residents. We looked at how the Council strategically plans the use of its assets, how it monitors the use of its assets and how it reviews and evaluates the effectiveness of its arrangements.
- 2 We delivered this review as the world moves forward, using the experiences from the global COVID-19 pandemic, to look at how councils are strengthening their ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.
- 3 We have undertaken this project at all councils as part of our 2021 audit plans to help discharge the Auditor General's duties under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) and section 15 of the Well-being of Future Generations (Wales) Act 2015.
- 4 When we began our audit work under the Well-being of Future Generations (Wales) Act 2015 (the Act) we recognised that it would take time for public bodies to embed the sustainable development principle, but we did also set out our expectation that over the medium term we would expect public bodies to be able to demonstrate how the Act is shaping what they do. It is approaching seven years since the Act was passed and we are now into the second reporting period for the Act. Therefore, we would expect public bodies to be able to demonstrate that the Act is integral to their thinking and genuinely shaping what they do.
- 5 Under the Act, councils must carry out sustainable development in accordance with the sustainable development principle. To do something in accordance with the sustainable development principle means that the Council must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. To act in that manner, the Council must take account of the five ways of working: long-term, integration, involvement, collaboration, and prevention. Statutory guidance on the Act sets out seven core organisational activities that it is essential that the sustainable development principle is applied to. Assets is one of those core organisational activities.
- 6 This review had three main aims:
  - to gain assurance that councils are putting in place arrangements to transform, adapt and maintain the delivery of services;
  - to explain the actions that councils are taking both individually and collectively to strengthen their arrangements; and

- to inspire councils and other organisations to further strengthen their arrangements through capturing and sharing notable practice examples and learning and making appropriate recommendations.

7 We undertook the review during the period November 2021 to April 2022.

8 The Council holds a wide range of building assets including: administrative buildings, leisure centres, libraries, schools, children’s centres, care homes, community centres, day centres, and commercial properties. The value of the Council’s properties, excluding housing and infrastructure assets is approximately £754 million.

## What we found

9 Our review sought to answer the question: Is the Council’s strategic approach to its assets effectively helping the Council to strengthen its ability to transform, adapt and maintain the delivery of its services in the short and longer-term?

10 Overall, we found that: The Council is strengthening its arrangements for asset management and recognises that there are opportunities to use the sustainable development principle more to improve this work.

11 We reached this conclusion because:

- the Council is prioritising how it can use its assets to help support economic recovery and is drafting a new corporate asset management plan to cover the period to 2028.
- the Council is strengthening its corporate arrangements for asset management, and is working collaboratively with its partners in this area, but recognises that it could use the sustainable development principle more to further improve this work.
- there is limited performance information reported corporately on asset management and it is an area that the Council wants to strengthen.

## Recommendations

### Exhibit 1: recommendations

The table below sets out the recommendations that we have identified following this review.

Recommendations	
<b>Asset Management Planning</b>	
R1	The Council needs to apply and embed the sustainable development principle in the way it plans, delivers and monitors the management of its assets <sup>1</sup> .
<b>Performance management</b>	
R2	The Council needs to improve the performance management of its assets by: <ul style="list-style-type: none"><li>• developing a set of performance and outcome measures that reflect the Council's ambitions for its assets and monitor these measures at a corporate level, including reporting to overview and scrutiny committee(s);</li><li>• benchmarking performance on asset management with other organisations.</li></ul>

<sup>1</sup> The sustainable development principle is set out in the Well-Being of Future Generations (Wales) Act 2015

# Detailed report

**The Council is strengthening its arrangements for asset management and recognises that there are opportunities to use the sustainable development principle more to improve this work**

**The Council is prioritising how it can use its assets to help support economic recovery and is drafting a new corporate asset management plan to cover the period to 2028**

- 12 The Council has a clear vision to reduce the amount of office accommodation it uses, but recognises that the vision for its assets in some key service delivery areas eg education and social services needs to be reset. The Council intends to agree the vision for the future of its assets with Councillors following the local government elections in May 2022.
- 13 The Council is developing a new corporate asset management plan to cover the period 2023-28, but it is currently not systematically looking at the challenges and opportunities in relation to all its assets over the longer-term.
- 14 The Council is looking to reduce its corporate office space by at least 50% and has established a 'Better Ways of Working' corporate officer group to develop the proposals for this. Managers have been asked by the Better Ways of Working Group to consider their assets in light of how council services could operate going forward, rather than how they operated prior to the beginning of the pandemic. Economic regeneration is a key priority for the Council and it is focused on how it can use its assets moving forward to support that agenda. One of the ways that the Council is doing this is by working with its partners to develop office hubs in town centres to support footfall.
- 15 The Council has thought about the wider impacts of its use of assets, particularly on planning for economic recovery and regeneration. The Council has a strong external focus on actively engaging with partners on key asset projects that support national and local well-being goals, eg the Pentre Awel – Wellness Hub.

**The Council is strengthening its corporate arrangements for asset management, and is working collaboratively with its partners in this area, but recognises that it could use the sustainable development principle more to further improve this work**

- 16 The Council is working effectively with its partners on asset management. The Council has a corporate asset transfer programme and reports that approximately

95% of relevant assets have been transferred from Council management to other partners. For example, nearly all park and playground facilities have now been transferred to either Town and Community Councils or other organisations who are managing and maintaining these assets under long leases. The Council will be engaging with Town and Community Councils and the third sector to make sure that the asset transfers are working well, as the Council wants to ensure that the model remains successful and sustainable.

- 17 The Council's Head of Property chairs the Mid and West Wales Asset Collaboration Group on behalf of the Welsh Government's Ystadau Cymru<sup>2</sup>. The Mid and West Wales Asset Collaboration Group covers the Pembrokeshire, Ceredigion, Powys, and Carmarthenshire county areas. This Asset Collaboration Group has the potential to identify and extend best practice in estate management through property-related projects to support the four Public Service Boards' Wellbeing Objectives. An example includes a current initiative to map community assets in Carmarthenshire and support Community and Town Councils to develop improved property mapping data.
- 18 Hywel Dda University Health Board and the Council's Social Care Department work together and have co-located offices in Llanelli, Carmarthen and Ammanford. There is also a proposal, developed through the Public Service Board (PSB), to open a shared office accommodation hub in Llandelio. This is a pilot project and if it works well the partners plan to develop more of these hubs. The PSB assets working group has signed up to a 'Charter and Principles' paper. The objectives of this charter include: development of shared town centre hubs (providing agile working areas that allow staff from any of the partner organisations to use the space for flexible working), commitment to reduced travel, working towards meeting the Welsh Government's target to have 30% of staff work at or close to home, and development of an electric vehicle charging network. In these hubs there will also be the potential to provide customer facing provision, eg the library having provision there on some days.
- 19 The Council has introduced an acquisition and disposal programme and is considering the sustainable development principles when taking decisions on its assets. For example, the Council when disposing of assets does not just consider the amount of money it can get for the asset but what else it might achieve from using it in a different way or selling it under market value to help to deliver other corporate objectives eg delivery of affordable housing.
- 20 The Council approved a Net Zero Carbon Plan on 12 February 2020, and its Corporate Strategy sets out that the it 'will continue to implement and promote the increased use of renewable energy and become carbon neutral by 2030'. The Council is currently participating in the Welsh Government supported RE:FIT

<sup>2</sup> Ystadau Cymru (formerly known as the National Assets Working Group) encourages excellence in active management of the Welsh public sector estate through strategic collaboration and good practice guidance.



Cymru programme<sup>3</sup>, which aims to carry-out energy efficiency opportunities in non-domestic buildings. Phase 1 of the Council's RE:FIT programme is anticipated to result in overall carbon savings of 675 tCO<sub>2</sub>e<sup>4</sup> per year.

- 21 The Council is updating the information it holds on its assets, undertaking a rolling programme of condition surveys. The property service section has recently been given approval to recruit extra condition surveyors. The updated conditions surveys will be integral to improving knowledge on backlog maintenance requirements and support future maintenance planning. The improved data on building condition will also help to better inform the Council's decisions regarding rationalisation and investment in properties for future service delivery. The Council is also migrating all information on compliance related matters eg fire risk assessments, electrical certificates into one system to help ensure a consistent approach to estate management across service areas.
- 22 The Council's regeneration, major projects, and property management services are under one management function which helps it to ensure good strategic alignment on asset management. The Council has not identified any major concerns on staff resources in relation to asset management but there are concerns about national increases in labour and materials costs which are impacting on both the Council's maintenance and capital programmes.
- 23 The Council has a successful track record in its funding bids to Welsh Government and more recently in the Levelling Up bids, to help support development of its asset base. The Council is committed and ambitious to use its assets to support economic recovery in the county.

### **There is limited performance information reported corporately on asset management and it is an area that the Council wants to strengthen**

- 24 The Council, in its draft corporate asset management plan, has a number of measures to assess its performance on its assets including: property condition, suitability and sufficiency, running costs, and rent arrears on its commercial estate. The only performance measure that gets reported corporately through to overview and scrutiny committee in relation to asset management is the percentage performance against target to generate capital receipts to support the capital program. The Council recognises that the current performance indicators are not sufficient to assess the performance position on its assets nor necessarily focused

<sup>3</sup> Welsh Government is supporting public sector bodies in Wales to make their buildings and assets more energy efficient. RE:FIT Cymru enables the Welsh public sector to secure guaranteed savings and reduce carbon impacts by accessing Energy Performance Contracts.

<sup>4</sup> tCO<sub>2</sub>e means the amount of greenhouse gasses emitted during a given period, measured in metric tonnes of carbon dioxide equivalent.

on the right areas and wants to address this when it develops its new asset management plan.

- 25 The Council's new business planning arrangement is helping it to develop a better corporate oversight of the asset management plans of its services. The Head of Service with corporate responsibility for asset management sits on the new corporate engagement and challenge sessions when the individual service business plans are considered.
- 26 The Council is part of various local authority groups that look at asset management issues but is not involved in any benchmarking regarding data on its assets.
- 27 The Council reports positively on learning from responding to the pandemic. This learning has enabled the Council to work more closely with partners and respond more quickly to opportunities. A recent example of this was the six week turn around to submit the successful funding bid to purchase the former Debenhams building in Carmarthen for a town centre partnership hub, that can serve both as office accommodation and for front facing service delivery.





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