

21 March 2016

Agenda Item: 8

REPORT OF SERVICE DIRECTOR ENVIRONMENT, TRANSPORT & PROPERTY

PROPERTY GROUP- RETAINED STRUCTURE

Purpose of the Report

1. To seek Finance and Property Committee approval for the structure of the retained 'Client' posts within the Property Group following the establishment of the Property Joint Venture.

Information and Advice

2. Members will recall that at the 9 November 2015 Finance and Property Committee it was resolved to progress with the establishment of a property joint venture (JV) involving the SCAPE Group. Once established the design and operational activities of the Property Group would be transferred to the new JV.

There has been positive progress in the development of the JV. Notable areas of work advanced include:-

- Formal staff consultation between 11 December 2015 to 18 January 2016.
 - Draft documentation prepared for JV service contract.
 - Draft documentation prepared for Shareholders agreement and Articles of Association including reserved matters.
 - Agreed Key Performance Indicators.
 - New accommodation identified at City Gate East, Nottingham.
 - Agreement on new Company name – Arc Property Services Partnership Ltd; trading as Arc Partnership
 - Completion of 'health check' by Local Partnerships.
3. As part of the consultation exercise all staff were advised of the proposed positions that would be transferred to the JV and retained within the Property Group. There were only two minor comments received as part of the consultation feed-back and as a result the proposals for the transfer and retention of the positions remain unchanged.
 4. A copy of the existing structure chart for the Property Group is outlined in appendix 1.0 comprising of 124 occupied positions covering design and operations and strategic functions such as asset/estate management and property health and safety compliance. The proposal for the retained structure involves the posts outlined in appendix 2.0 comprising 44 positions broadly following the existing structure across the three teams.

Specific Changes

5. The retained structure has needed to adapt to reflect the changes in service delivery as a result of the transfer to the JV of the design and operational functions. Most notably:-
6. Value for Money: A senior Quantity Surveyor's (QS) position has been retained in order to assist commissioning Clients in establishing target budgets with the JV and monitor and assess value for money for completed schemes. It is intended the post is located within the Departmental Service Team which will take primary responsibility for monitoring the performance of suppliers such as the JV and who commission the major Basic Need School builds. These capital schemes will represent predominantly the core income flow for the JV in the early years of operation. Regardless of positioning of the post within the team, the remaining two teams within the Property Group will have access to the service offered by the QS. This post is fully funded currently within the property group and its retention will be cost neutral.
7. Group Business and commissioning - Currently there are two teams comprising 22 positions including two team managers which provide support for the operation of the whole of the Property Group, invoice and ordering; operation of the Careline reactive repair function; commissioning; data analysis; plan preparation etc. Under the new structure arrangements both of these teams will be disbanded and the positions transferred to the JV. However, there will remain a requirement for some support function particularly associated with monitoring/managing the performance of the JV; other ad-hoc suppliers including operation of the estate management computer system and invoice and ordering. A total of eight posts will be retained from these transferring teams and will be embedded within each of the three retained teams, positioned in order that they can best support the specialism of each of the teams. These posts are fully funded within the property group and are therefore cost neutral in terms of changes.
8. Space Planner - This post holder has been seconded over to the Transformation team for almost three years. The Transformation team has indicated the ongoing need for this resource as part of the Smarter Ways of Working project and will be fully funded from that services budget, for which provision has been confirmed. As a result this post will not transfer to the JV and will be de-established from the property group structure.
9. Compliance – Technical Support. The Compliance team has been the subject of a minor restructure during the last 12 months following the early retirement of the Team Manager. An opportunity was taken to transfer the planned building works programme to the strategy team to provide better joined up working arrangements and not replace the specialist post of fire risk assessor following the appointment of the post-holder to the revised position of Team Manager, Compliance. However, in view of these changes there is an identified need for some technical support and it is proposed to provide an additional 0.4 FTE post within the structure which will be a flexible role also supporting the property and strategy teams as required.
10. Property and Strategy Management: The team requires strengthening in two key areas; improved resilience and better ability to maintain the integrity of vacant sites

and buildings pending disposal or change of use.

Currently the team is struggling to resource additional strains caused by property changes as departments and the Council adapt to new service delivery models which impact on building needs. Similarly posts within the team are somewhat specialised and could cause business continuity issues if the post-holder for whatever reason is unable to perform the role. It is therefore proposed to remove the dedicated post of Property Analyst/Tenant liaison and replace with a more generalistic Estate Technician post with functions currently being undertaken by the post-holder being spread more evenly across the group of technicians. While predominantly cost neutral this change will also provide a degree of more usable resource to meet existing needs.

In addition, recent internal audit and external insurance audit reports have highlighted the need to improve the frequency of vacant building and land inspections. Given current resourcing within the team this is not possible without a detrimental impact on other priority work. To overcome this issue a new 2 year fixed term 0.5 full time equivalent post is proposed. The duties conducted by this post-holder will significantly assist in reducing health and safety claims that may arise due to unlawful occupation of property and potentially lower insurance cover premiums.

The above proposals are subject to formal consultation with staff and unions regarding the changes which are anticipated to be completed by the date of this committee meeting.

Minimising Changes for Staff

11. During the consultation exercise, there has been care taken to ensure that the eight staff who are being internally transferred within the property group to support the retained Client structure will experience minimal disturbance. The activities that they perform will remain wholly and mainly unchanged and as a result there will only be nominal changes required to job descriptions. As a result there is no anticipated changes to pay grading.

Budgetary Savings

12. The Property Group has challenging budget savings to achieve over and above any efficiency savings that will be achieved through the operation of the JV and the return of funds via the anticipated future payment of a dividend.
13. During the Period 2013/14 until 2017/18 the property group has been required to achieve budget savings of £1.46m of which £838,000 relate to staff budget savings. £280,000 of this target will need to be delivered during the next two years. All savings required to date have been achieved. The retained structure proposed continues this trend of achieving savings

Current Staffing budget= £2,175,538

Proposed retained staffing budget = £1,822,596

Other Options Considered

14. Alternative options for the delivery of property service functions were outlined in the report to Finance and Property Committee in November 2015. Following the resolution of that Committee there will be a need for a retained client function and the structure being proposed aligns with the committee resolution. Members will recall that changes in the delivery of property functions is a two stage approach, with design and operations representing the first phase with the remainder of the group being combined within a common property unit with other public sector partners. This work is on-going and will form the subject matter of a specific report at a later Committee.

Reason/s for Recommendation/s

15. To obtain approval of the Finance and Property Committee to the retained client structure following the establishment of the property JV.

Statutory and Policy Implications

16. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

- 1) That Finance and Property Committee approves the structure for the Property Group outlined in appendix 2.0.

**Jas Hundal, Service Director
Environment, Transport & Property**

**For any enquiries about this report please contact:
Andrew Stevens on 0115 977 2085**

Constitutional Comments (CEH 23.02.16)

17. The recommendation falls within the delegation to the Finance and Property Committee under its terms of reference.

Financial Comments (DK 07.03.16)

18. The structure has been fully costed, taking into account likely increases in Salary, NI and Pensions for both staff transferring to the JV and also those being retained by the Client function.
The cost of all staff is fully covered within the confines of the budget for 2016/17.

Background Papers and Published Documents

19. None.

Electoral Division(s) and Member(s) Affected

20. Ward(s): all
Member(s): all

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Properties affected: 09996 – Staffing
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