

REPORT OF THE LEADER OF THE COUNTY COUNCIL CORPORATE PROPERTY TRANSFORMATION PROGRAMME

Purpose of the Report

1. To seek approval of the new staffing structures for Property Services.
2. To seek approval to transfer the compliance function and associated posts to Arc Partnership (Arc) as part of a revised operating model for the service with the Council retaining client commissioning functions to ensure the delivery of its responsibilities under relevant legislation and related regulations

Information

3. In order to bring forward our plans for Investing in Nottinghamshire and the delivery of the Council Plan, having an effective set of property, land and asset management services is critical. Through reports to Policy Committee in 2018, the County Council embarked on a Property Transformation Programme to drive both improvements in the day to day operation of our property services that support Council services, and to realign the service to ensure maximum impact in investment and growth of the Nottinghamshire economy.
4. The Place Department engaged Turner & Townsend (T&T) as a strategic partner in January 2018 to undertake a diagnosis of the property function. It highlighted a need to re-instate a property strategy and develop management plans, improve systems, policies and measurements; to differentiate and clarify responsibilities; cleanse and better maintain information; improve co-operative working and improve relationships with other parts of the Council. Importantly, the programme highlighted a need to drive better value from the Council's estate and to deliver Members' ambitions both strategically and in local Divisional matters.
5. In June 2018 Policy Committee agreed to examine the split of property functions between the Council and Arc (the Council's joint venture property services company) and assist in the establishment of an intelligent client function to manage the relationship with Arc.
6. A new Corporate Property Strategy was approved by Policy Committee in October 2018. In November 2018, the committee approved the recruitment of a Group Manager Property Asset Management and in December 2018 this Committee approved the high-level operating model which showed the distribution of functions across retained Council property services and Arc.
7. A draft staff structure was shared with staff in December 2018 and this was refined through engagement with Officers during January and February 2019. Formal consultation on the structure commenced on 11 March ending on 5 April.

Staffing structure proposal

8. The proposed staffing structure, shown at **Appendix 1**, divides responsibilities between three teams:
 - a. Strategy and Information
 - b. Estates Practice
 - c. Property Commissioning
9. The Strategy and Information Team will manage the early development of initiatives, own property policies and will be the custodians of property-related data. Within this team the changed post of Compliance, Maintenance & Risk Manager will define the standards which ensure the Council complies with statutory obligations in respect of its properties and sites and discharges its duty of care to users and visitors. There will be three Strategic Business Partners (Band D), managing Schools and Children's Services schemes, non-schools schemes and corporate estate schemes respectively. The Development Surveyor (Band D), has been brought into this Team from the Estates Practice team, and will be responsible for undertaking complex development appraisals for land and property, negotiating terms of acquisition and sale and providing general property advice to support key objectives.
10. The Estates Practice Team will provide professional support to the Council across a full range of transactional activity, broadly categorised as acquisition, modification and disposal of land and buildings, including gathering income from the commercial and farms estate and capital receipts. New Principal Surveyor (Band D) and Estates Surveyor and Corporate Performance Manager (Band C) posts have been added to provide additional surveying capacity. The latter will also co-ordinate and report performance information across the property function in liaison with the Corporate Performance, Intelligence and Policy Team.
11. The Property Commissioning Team will contract manage the delivery of capital infrastructure and real estate projects and compliance, maintenance and risk activities so that projects meet agreed cost, quality and timescale and that swift action is taken where any variations arise.
12. The Strategy and Information and Property Commissioning teams will work closely together, and with Arc Partnership, to drive transformational change across the Council's estate and ensure the delivery of Nottinghamshire's regeneration and economic growth agenda. They will do this through a new operating model shown at **Appendix 2**, which defines how property-related capital projects are managed from inception to completion; through options appraisal, feasibility, scheme development and the Council's system of approvals and financial regulations. The process includes Arc as primary contractor and clarifies 'who does what and when'.
13. The proposed Property Services staff structure, which has undergone a job evaluation exercise, excludes the posts proposed to transfer to Arc and includes six new posts:
 - Group Manager Property Asset Management
 - Principal Surveyor
 - Estates Surveyor and Corporate Performance Manager
 - Senior Estates Technician
 - Special Projects Manager
 - Business Support Admin

The estimated cost of the new Property Structure is £1.68 million. The existing budget available is £1.52 million resulting in a shortfall of £160,000 . This shortfall will be funded from within the Place Department's existing revenue budget allocation.

The estimated staffing costs of the Compliance Team staff transferring to Arc Partnership is £520,000.. This sum will be retained by the County Council to commission a compliance service from Arc Partnership.

Transfer of compliance function to Arc Partnership

14. Ensuring statutory compliance with relevant legislation is a fundamental obligation placed on the County Council across all the functions it provides. In many service areas, these obligations are now fulfilled by commissioned suppliers, and managed through robust and proactive contract management processes.
15. The Arc provides an established, cost effective way of delivering the operational elements of the statutory compliance function, across the Council's estate. Integrating the inspection regime and delivery of compliance projects with the maintenance and improvement works already undertaken by Arc will be an extension of this approach.
16. Following the transfer of operational elements of property compliance work to Arc the Council will continue to discharge its responsibilities under relevant legislation and related regulations. Retaining the client and commissioning functions within the Council will ensure that accountability remains with the Council and that strategic assessment and prioritisation of work forms an integral part of the Council's wider corporate property asset management planning process.
17. Integrating the inspection regime, the updating of records, the delivery of compliance projects and the maintenance and improvement works already undertaken by Arc will reduce duplication. Following transfer and further analysis of existing processes, a business plan will be prepared showing when efficiency savings will be realised. These efficiency savings will be reinvested in reducing the remedial works backlog.
18. Sixteen Compliance Team posts are proposed to TUPE transfer to Arc Partnership.

Other Options Considered

19. Do Nothing - The issues identified in the Transformation Programme diagnostic report in 2018 would not be addressed and the service performance levels unchanged. This an untenable option.
20. An alternative to taking this action would be to wait until the appointment of the Group Manager. This option was discounted as the Council needs to secure ongoing improvements to performance in these critical service areas. Professional property advice has been embedded in the design of the new structure, operating model and Transformation Programme through T&T and existing professionally qualified officers of the County Council.

Reason/s for Recommendation/s

21. Reviewing the Property Services staff structure is an integral part of the transformation programme authorised by Policy Committee, which aims to reboot the service.
22. The transfer of compliance activities to Arc is in line with the utilisation of the partnership to deliver operational elements in a cost-effective way.

Statutory and Policy Implications

23. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Data Protection and Information Governance

24. A summary Data Protection Impact Assessment has been completed and evaluated by the Information Governance Team for the transfer of the compliance team to Arc. General Data Protection Regulations will continue to be adhered to.

Financial Implications

Staffing structure

25. These are detailed in paragraph 13 above.

Compliance transfer

26. The existing staffing budget and associated day-to-day costs will transfer to Arc. Other costs will be picked up through the remedial works budget. Efficiency savings will also be re-invested in line with a business plan to be produced by Arc and approved by the Council.

Human Resources Implications

Staffing structure

27. The staff restructure is being conducted according to Council guidelines with full involvement by HR.

Compliance transfer

28. The proposed transfer of staff to Arc is being undertaken in line with Council guidelines and TUPE regulations. Arc have Admitted Body status into the Local Government Pension Scheme. (LGPS). The Compliance Team staff who TUPE transfer to Arc will be admitted into the LGPS that is administered by the Nottinghamshire Pension Fund.

RECOMMENDATION/S

- 1) To approve the new staffing structures for Property Services.
- 2) To approve the transfer of the compliance function and associated posts to Arc and:
 - a) To provide delegated approval to the Corporate Director for Place, in consultation with the s151 Officer to approve the details of the terms negotiated; and
 - b) to enter into any legal documentation that is necessary to give effect to these proposals, such terms to be in a form approved by the Group Manager for Legal, Democratic and Complaints (or her nominee).

Councillor Mrs Kay Cutts
Leader of the Council

For any enquiries about this report please contact: David Hughes, Service Director, Investment & Growth, Tel 0115 9773825

Constitutional Comments (KK 26/4/19)

29. The recommendations set out in this report fall within the scope of the decisions which may be approved by Policy Committee

Financial Comments (RWK 09/05/2019)

30. The estimated cost of the new Property Structure is £1.68 million. The existing budget available is £1.52 million resulting in a shortfall of £160,000 . This shortfall will be funded from within the Place Department's existing revenue budget allocation.

The estimated staffing costs of the Compliance Team staff transferring to Arc Partnership is £520,000. This sum will be retained by the County Council to commission a compliance service from Arc Partnership.

HR Comments (JB 07/05/19) The proposal have been subject to formal consultation with staff and the recognised trade unions. The implementation of the recommendations will be undertaken in accordance with the County Councils agreed employment policies and procedures, including enabling, redundancy and redeployment. Tupe legislation will apply to the ARC Partnership proposal.

Background Papers and Published Documents

32. Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Turner & Townsend diagnostic report
- June 2018 Policy Committee paper
- October 2018 Policy Committee report
- November 2018 Policy Committee report

- December 2018 Policy Committee report

Electoral Division(s) and Member(s) Affected

- 'All' or start list here