

REPORT OF THE LEADER OF THE COUNTY COUNCIL

PROPERTY TRANSFORMATION PROGRAMME CLOSURE REPORT AND CORPORATE LANDLORD MODEL

Purpose of the Report

1. To detail the achievements of the Property Transformation Programme and propose its formal closure.
2. To provide an update on progress towards embedding a corporate landlord model for the facilities management maintenance and strategic development of the Council estate.

Information

3. The Council's property service manages an estate of over 1,000 assets including schools, libraries, social care buildings, youth clubs, offices and smallholdings with a combined value of over £700m and a typical annual running cost in excess of £30m. It is integral to the success of numerous multi-million pound change programmes affecting the estate. In 2018, the Council embarked on a programme to enable the service to better discharge its asset management responsibilities and support Nottinghamshire's investment and growth agenda.
4. The two phases of the programme delivered the Corporate Property Strategy 2018 – 2023; a restructure of the service; the transfer of elements of property compliance work to Arc Partnership; the establishment of a Group Manager Property Asset Management who embodies the role of corporate landlord and owns the corporate property strategy; new property governance arrangements, and an array of management process and system information improvements.
5. The Property Transformation Programme (PTP) closure report included in the background papers details the programme's aims, what it delivered, and compares the current performance of Property Services against an initial assessment of its approach to asset management.
6. Phase One delivered:
 - A Corporate Property Strategy 2018-2023
 - A restructure of the property service, including six new posts
 - The creation of a Property Services Leadership Team
 - The transfer of the Compliance Team (16 posts) to Arc Partnership
 - A capital operating model
 - Services Asset Management Plan (SAMP) process.
 - Asset Management Plan (AMP) process
 - Data cleansing

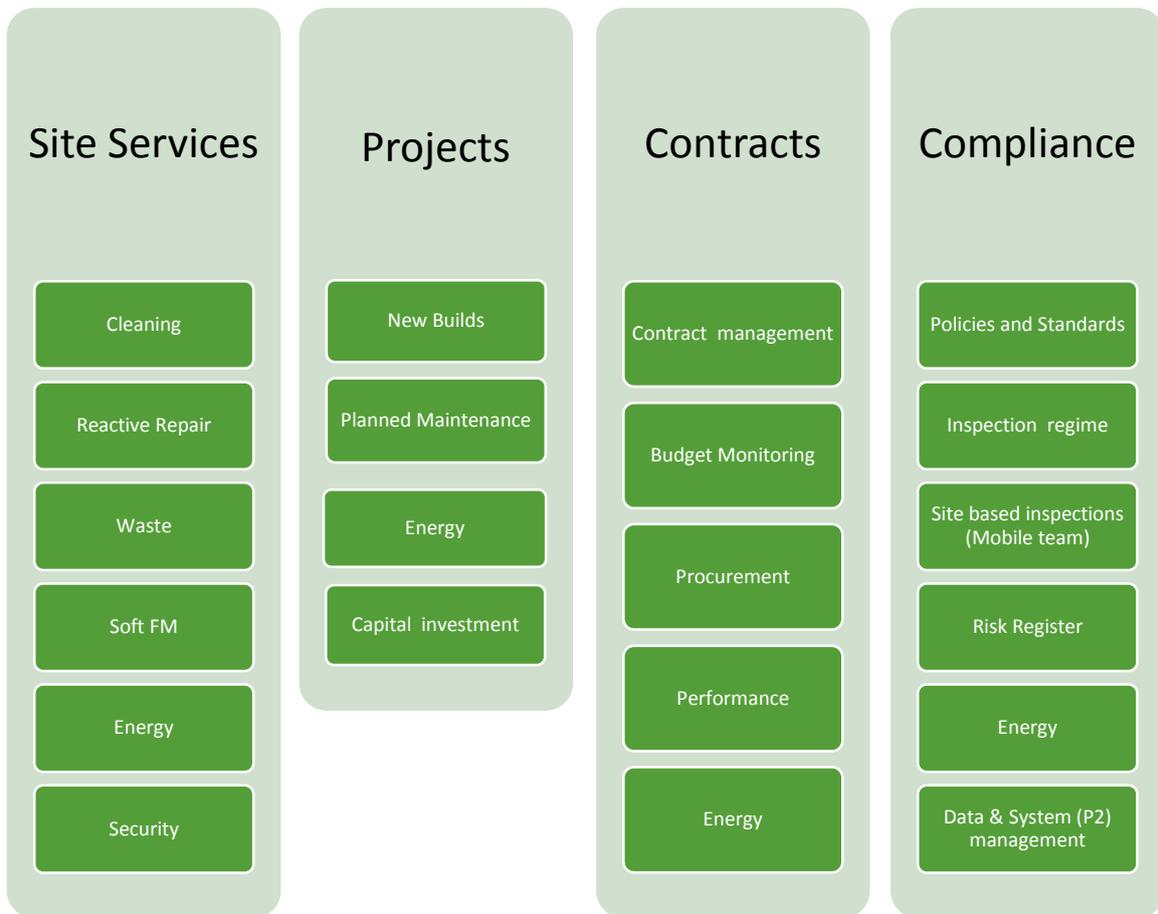
Phase Two delivered:

- Property Services Leadership Team
- The first Service Asset Management Plans
- 20 operational processes created / reviewed, inc improved case management
- The continuation of data cleansing which has become BAU activity
- Performance indicator pack produced and passed to BAU
- An audit of processes was also approved – to be undertaken in due course (Nov 2020)
- A Property Services SharePoint repository for management and staff information
- A system of P2 information management was proposed and is being introduced
- The Corporate Landlord project commenced and continues

The commitment of Property Services staff was integral to the success of the programme. Legal Services, a key partner, supported the programme and contributed time and energy.

7. At the start of the programme the Council's property service was assessed by Turner & Townsend (T&T) in terms of its approach to asset management, using a Maturity Assessment (MA) comprising of five themes and comparing the Council's score with T&T data for the UK and Local Authorities. The maximum score is five.
8. In August 2020 T&T were asked to reassess the Council's position and did so using documentation requested from the Council along with the answers from 19 Property Services employees to a T&T questionnaire.
9. The programme initiated by T&T addressed two of the MA's five themes – Corporate real estate / portfolio management, and Capital Investment planning. The first has risen from 3.4 to 4.3 and the second from 2.8 to 3.5. T&T comments that, "these improvements mean that the property function is now performing above all UK benchmarks in Corporate Real Estate management and is performing above the UK Local Authority benchmark for Capital Investment Planning." The targeted nature of the transformation at property governance has resulted in less immediate progress in the areas of facilities management, lifecycle replacement and energy and sustainability with an anticipation that these will be enhanced by the corporate landlord facilities management model as outlined below and other ongoing Council initiatives.
10. The introduction of a corporate landlord approach to the governance and management of the Council's property portfolio is a key principle of the corporate property strategy. The programme to date has provided clarity over the corporate approach to property governance and it is now necessary to focus on a corporate landlord approach to the delivery of facilities management and operational functions. This involves drawing together resources and budgets in order to proactively manage property and land at a corporate level as a corporate resource, to support the Council's vision for the portfolio and better serve citizens, staff and partners who use the Council's estate.
11. Managing property and land holdings corporately means a strategic, joined up approach to maximising their contribution to Council objectives and identifying opportunities for economic regeneration and development. The property portfolio will be managed effectively and the right money spent on the right buildings at the right time by a forward facing property service with a clear understanding of what it needs to deliver. It will replace a fragmented system in which premises-related budgets and maintenance responsibilities were dispersed across departments.

12. Under the corporate landlord model for facilities management, responsibilities currently held by the network of over fifty nominated property officers will be discharged by the corporate landlord team under the Group Manager Property Asset Management, which will specify and commission services as well as providing building compliance and facilities management services directly. The model will provide a greater level of assurance to the Council of the estate which is especially important in post Grenfell times where clearly defined responsibilities delivered by competent personnel are key. A centralised model affords better visibility of current compliance position and delivers inspection regimes more effectively.
13. The new model of operation will introduce greater co-ordination and control by providing:
- A focal point for the management and maintenance of the estate
 - A standard approach to estate management and compliance
 - Increased corporate control of risk management
 - Clearer processes
 - Clearer specifications and standards
 - Greater spend control and visibility
 - Improved supply contract arrangements
 - Less bureaucracy
14. Departments currently hold budgets for a range of buildings related items such as rent, repairs, cleaning and refuse collection which would be more appropriately held by the corporate landlord.
15. In 2019-20 approximately two hundred companies supplied buildings-related services to the Council. There were over one hundred and fifty premises-related budget holders. Instituting the corporate landlord as the primary controller of premises-related spend will assist cost control and the prioritisation of expenditure, and make it easier to manage and review these supply contracts in conjunction with Corporate Procurement which will have a single point of contact. In 2019-20 the Council spent between £6,000 and over £200,000 with sixty premises-related suppliers who were not on a contract. It will be easier for the corporate landlord team and Corporate Procurement to address this.
16. Diagram 1 below is the proposed operating model proposed for the corporate landlord FM team under the Group Manager Property Asset Management. This will be a new model within Property Services comprising functions from within existing property teams of Commissioning and Strategy and Information with additional staff from other areas. The new team will:
- Continue to commission large scale changes to the estate, through Arc Partnership
 - Continue to manage the planned maintenance programme, inc technical compliance
 - Performance manage premises-related supply contracts
 - Set buildings compliance policy in line with regulations
 - Control non-technical compliance checks, eg fire alarms, extinguishers, exits
 - Provide premises support across the estate, resolving issues and authorising repairs



- Programmes
- Basic Need (Includes S106)
- Schools Building Improvement Programme
- Catering Projects
- LAEF / ACE
- SAI/AAI
- Demolitions
- Investing in Notts
- Regen

- Interfaces with Econ Dev, Highways, Planning, Transport etc.
- ARC / VIA / Inspire
- Strategy & Information

Vacant Sites
Diagram 1. Corporate Landlord New Operating Model

17. Through the current round of savings proposals, the project is due to deliver a £250,000 non-staff saving in 2022-23. It is intended that the staffing changes to deliver the corporate landlord team will be achieved without net cost.

18. Use of the Council’s buildings is atypical right now with frontline service levels reduced and many staff working from home – including many of those who provide premises-related support. Therefore, the timing of the switch to a corporate landlord model will have to take account of the circumstances, including the trajectory of building re-occupancy and the return to a more normal way of working across the estate, in order to avoid adding complications to renewal efforts. Also, the desire to transfer budgets at the half year or year start, points to the possible commencement of the new model in October 2021 or April 2022.

19. A Stakeholder Group involving representatives from all departments is underway to develop detailed proposals for staffing, budgets and the future working relationship between the corporate landlord team and building users.

Other Options Considered

20. Do nothing but this would prevent savings and improvements being achieved.

Reason/s for Recommendation/s

21. Establishment of the corporate landlord model is Council policy, described in the Corporate Property Strategy 2018 – 2023 which was approved by Policy Committee in October 2018.

Statutory and Policy Implications

22. 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

23. Should any of the proposed tasks be deemed to possibly have data protection implications, they will be subject to a Data Protection Impact Assessment.

Financial Implications

24. The improvements proposed are due to deliver £250,000 of non-staff savings in 2022-23. The effect on staff costs is expected to be nil.

Human Resources Implications

25. Some restructuring of current arrangements will be required, however this will be identified during the next phase of detailed work.

RECOMMENDATIONS

- 1) To note the achievements of Property Transformation Programme and approve its closure.
- 2) To note progress towards the development of an operating model for delivery of corporate landlord facilities management services with a view to a further report being brought to Committee for implementation.

Councillor Mrs Kay Cutts MBE
Leader of the Council

For any enquiries about this report please contact: Mathew Neal , Service Director, Investment and Growth, Tel: 0115 9773822

Constitutional Comments (EP 06/11/2020)

26. The recommendations fall within the remit of the Policy Committee by virtue of its terms of reference.

Financial Comments (SES 06/11/2020)

27. The financial implications are set out in paragraph 23 of the report. The improvements proposed are due to deliver £250,000 of non-staff savings in 2022-23. The effect on staff costs are expected to be nil.

HR Comments (JP 27/11/2020) Any staffing or structure changes referred to as part of the report will be subject to the relevant HR policies and procedures where applicable.

Background Papers and Published Documents

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.

- Property Transformation Closure report

Electoral Division(s) and Member(s) Affected

- All