

Meeting **STRATEGIC MANAGEMENT OF PROPERTY SUB-COMMITTEE**

Date Monday, 20th December 2004 at 12 noon

THE MANAGEMENT OF THE COUNTY COUNCIL'S PROPERTY FUNCTIONAL ROLES AND RESPONSIBILITIES

Purpose of Report

1. To clarify the roles and responsibilities across the Council required to achieve the corporate and departmental objectives in the management and use of property portfolio.

Introduction

2. Nottinghamshire County Council (NCC) is one of the largest landowners in the country with nearly 1100 properties and land with a combined value of nearly £750 million.
3. The land and property which is owned or leased by NCC is one of the key resources for the delivery of front-line services, with an annual spend of nearly £70 million (or 12% of the entire budget of the County Council).
4. In addition, the Council has a capital programme of almost £100 million for new/refurbished schools, social care establishments, new libraries and area offices etc to ensure that its buildings are suitable for the provision of quality services to the people of Nottinghamshire.
5. Effective management of the property is critical to ensure that these assets are used to achieve best possible results for service users, as well as maximising value and returns from the portfolio.

Development of Strategic Property Function - Background

6. Prior to the establishment of the Council's policy of corporate ownership in 1996 and the new Strategic Division in 1998, service departments were managing property which they considered as "their own" to meet their own operational needs. In 1995, the Council's external Auditors identified this as being an area of poor practice with little being given to the overall effectiveness of the use of assets.
7. External consultants were commissioned to make recommendations on how this could be improved which led to the Council adopting a policy of corporate

ownership of all property assets 1996, although effective implementation did not start until the New County Council structures were established in 1998. This included the separation of ownership and occupation through the development of internal tenancies with economic rents being charged.

8. This Policy Framework was reviewed as part of a Best Value Review in 1999 and confirmed as being an appropriate mechanism for the most effective management of the Council's assets.
9. Subsequent policy advice from Central Government confirms the action already being taken by Nottinghamshire by requiring the principles of corporate ownership to be developed through effective asset management planning. It is expected that a review of the Council's practices in this area will become part of the CPA assessment in 2005.
10. Significant progress has been made in implementing this policy framework including:
 - the establishment of a strategic Division in 1998
 - early development of an electronic form of tenancy
 - interactive web based database for property data and performance measurement
 - achieving "good" assessments for asset management planning in 2002 and 2003
 - development of a Property Strategy in 2003
 - property rentals become real charges from April 2003
 - lifecycle costs charged on new projects from April 2003
11. Additional actions required to implement the existing policies are addressed in this review and are summarised below for ease of reference.
 - clarify the roles of the strategic function, corporate landlord, tenant and professional adviser
 - fully implement internal tenancies
 - further develop a performance management framework to improve the delivery of projects

Summary Of Roles And Responsibilities

12. The survey of users undertaken as part of the BV Service Review indicates that there is some confusion of where responsibilities lie, particularly at the local property manager level, and it is clear that improved communication is required to clarify this.
13. The Draft Property Strategy sets the standards and targets for achieving the Council's corporate goals for service delivery and asset management and these are delivered through Departmental and corporate mechanisms.
14. There is an overriding duty on all involved in property use and management to achieve best value and work co-operatively towards innovative solutions which achieve targets and provide continuous improvement to service delivery and asset performance. Roles and responsibilities of various parts of the Council are summarised below for greater clarity.

I. **Resources Department – Corporate Property Division**

a) **Strategic management and performance role**

- Providing Strategic advice to Members and Chief Officers on the policies relating to land and property required for service and corporate needs
- Setting the overall policy framework for meeting service needs through the development of a property strategy with supporting service delivery plans
- Challenging the way in which property is used and proposing alternative ways of achieving service needs ♣
- Ensuring the most effective use of property assets ♣
- Setting property targets and measuring the performance of the property contribution to service delivery ♣
- Integration of accommodation needs with other key resources strategies (HR, IT and Finance)
- Professional advice on estate management and property data collection
♣ *working with service departments*

b) **Corporate Landlord Function**

- Ownership of all interests in property (freehold, leased, PFI type occupancy agreements etc)
- Determining terms of occupancy based on service needs
★ office accommodation: direct service provider

★ non office accommodation: through Departmental representatives

- Charges rents for property provision and lifecycle
- Maximising the value of the property for service delivery and residual income
- Maintenance of key elements of facilities (planned) ★
- Compliance with health and safety and other legislation affecting ownership (but not occupation)
- Establishing and monitoring plans and programmes for achieving the required changes to the portfolio to meet service needs
 - ★ *indicates current practice of commissioning work through the Environment Department*

II. **Service Departments**

- Act as the specialist service adviser in identifying service trends and opportunities to make the most effective use of property resources
- Regularly monitor and evaluate property use and performance in conjunction with Corporate Property to achieve better outcomes for the County Council
- Engage end-users and employees and key stakeholders in property matters
- Determine the requirements for accommodation to meet service needs over a 5 year rolling planning cycle and producing annual Service Property Plans to incorporate these requirements

III. **Departmental Tenant Role**

- Act as the direct tenant of accommodation required for service delivery (different models may apply for different services)
- Ensure compliance with the terms of the internal tenancy (Internal repairs, decoration, occupancy levels, health and safety, occupancy legislation etc)

IV. **Environment Department – Property Services Division**

a) **Overall Remit**

- Provide general and specialist advice on property and construction related issues
- Delivery of programmes to meet agreed briefs

- Provide Best Value in professional and construction services to the County Council in accordance with the Procurement Framework

b) Professional Services

- Property Strategy
- Design and design standards both architectural and building services
- Space planning and utilization
- Sustainability and environmental issues
- Construction contracts
- Construction operations and management
- Cost (contract and whole life)
- Planning
- Maintenance
- Introduction and implementation of construction related management improvements

c) Procurement

- Strategy, procurement and contract negotiations in property/construction related contracts on new build, alteration, refurbishment and maintenance issues.

d) Programme Delivery

- Delivery of construction related programmes of work to meet specification and brief agreed with the programme sponsor.
- Design and construction management of individual projects to meet the agreed time, cost and quality outputs.
- Provision of accurate and timely construction management information and “lessons learnt” information.

e) Management of Projects

- Generally, the management of projects is usually split into 3 phases with the Client Liaison Officer (CLO) generally coming from the sponsoring department and the project manager from Property Services;

<u>Phase</u>	<u>Responsibility</u>
• feasibility	Client Liaison
• specification and brief	Client Liaison
• delivery	Project Manager

Recommendations

15. The Select Committee is invited to endorse/comment on the contents of sections 11 -14 of the report._

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