

8 March 2022**Agenda Item: 8****REPORT OF THE SERVICE DIRECTOR, INVESTMENT AND GROWTH****CORPORATE LANDLORD MODEL FOR THE DELIVERY OF PROPERTY
SAFETY AND FACILITIES MANAGEMENT SERVICES****Purpose of the Report**

1. To consider and approve the full implementation of a corporate landlord approach to the delivery of property safety and facilities management across the Councils operational property estate and to approve the revised staffing structure to support such corporate landlord approach. To note the benefits of this approach and how the implementation and benefits can be achieved within existing budgets with future opportunity for efficiencies to drive down costs following consolidation of resources.

Information

2. The Council occupies and 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. The use of this estate is integral to operational services meeting the challenges of the Council Plan. In 2018, the Council embarked on a transformation programme to enable its better discharge of its asset management responsibilities and support to Nottinghamshire's investment and growth agenda.
3. The programme delivered the Corporate Property Strategy 2018 – 2023 as approved by Policy Committee on 17th October 2018; a restructure of the property 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.
4. Progress with the Corporate Property Transformation Programme was reported to Policy Committee on 16th October 2019 which authorised the development of the corporate landlord model and on 9th December 2020 Policy Committee received a report of the closure of the programme which noted 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 for implementation. Economic Development and Asset Management Committee on 2nd November 2021 received a report on the Review of the Investing in Nottinghamshire programme and approved the creation of the Team Manager Property Safety and Facilities Management to help the implementation of the new proposals. This post has now been recruited to.

5. The introduction of a corporate landlord approach to the governance and management of the Councils property portfolio is a key principle of the corporate property strategy with the programme having provided clarity over the corporate approach to property governance with a remaining focus on the corporate landlord approach to the delivery of facilities management and operational functions including property safety to properly support service departments in their service delivery.
6. For property safety and facilities management the Council currently operates under a dispersed model with officers from occupying departments taking responsibility for elements of the management of property and property related budgets held in Departments.
7. The corporate landlord approach involves drawing together staff, 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, to ensure property safety and enable services to concentrate on their delivery to better serve citizens, staff and partners who use the Council's estate.
8. Managing property and land holdings corporately means a strategic, joined up approach to maximising their contribution to Council objectives, support to services 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.
9. Under the corporate landlord model for facilities management it is proposed that responsibilities currently held by the network of officers in Departments and premises management activities undertaken by on site staff will be discharged by the Property Safety and Facilities Management team under the Group Manager Property Asset Management, which will specify and instruct 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, ensures consistency of approach and delivers inspection regimes more effectively.
10. 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
11. 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.

12. This will be a new model for Property Asset Management comprising functions from within existing property related teams with functions currently undertaken by staff from other areas of the Council. The new model will:
- Continue to commission large scale changes to the estate, through Arc Partnership
 - Continue to manage the planned maintenance programme, including 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

The Proposals

13. In order to create a central service, it is intended to form a new team within Property Asset Management, an existing Group in Place Department, where the activities, staff and budgets providing property safety and facilities management services across the estate can be brought together to provide a corporate landlord approach. The model of delivery will then follow the model provided for other property services in Property Asset Management with a combination of direct delivery and commissioning of services through the Property Commissioning Team. Target implementation date is 1st April 2022. The consolidation of resources and benefits realisation will be within existing budgets and give the ability for future efficiencies to be identified to drive down costs.
14. The delivery model for the new service will see the creation of a new team called Property Safety and Facilities Management under a new Team Manager. The team will be split into three sub teams being Site Services, Property Safety and Facilities Management and Business administration.
15. The Property Safety sub team will be the key area of direct delivery of services. The team will include the premises and caretaking staff based on sites and they will be fundamental to the day-to-day operation of the buildings to support services, and significantly to ensure that all statutory compliance activities are undertaken in a consistent manner across all sites. This will include water hygiene management, asbestos condition monitoring and fire safety building checks.
16. The Team Leader and the Property Safety and Maintenance Technicians will be responsible for implementing the Council's property safety policies, monitoring performance against standards, processes and procedures and managing the onsite staff. The CDM specialist will ensure all construction projects are conducted in line with CDM regulations, complete CDM compliance inspections and make sure all CDM client duties are fulfilled by NCC colleagues. This team will also ensure remedial actions following building safety inspections completed by contractors and risk assessments are completed in line with recommendations and auditing of contractor quality standards and performance. The Team Leader will be responsible for overseeing all building safety inspections, audits and accompanying remedial works.
17. The Site Services sub team will be responsible for ensuring the provision of the main services to sites to include cleaning, repairs and maintenance, waste, landscape maintenance and security. The team will ensure standards and specifications are set, using condition survey and other data, and met, be the main point of contact with stakeholder occupants on these matters and will instruct the various services through the Property Commissioning team.

18. The team will manage budgets and provide a client support role for occupants on larger projects. The team will consult with occupiers over levels of service and programmes of works, particularly for repairs and maintenance for which an annual planned maintenance programme will be designed and delivered based on priorities. This team will seek to ensure all properties are captured in schedules of works for the various activities, look for opportunities to make savings through consolidation of contracts and project delivery and seek value for money in all activities. The greening of the estate will be a key priority.
19. To complement the new approach there will be changes within the Property Commissioning team to increase their contract management and commercial resource to recognise the significant extra services that they will be commissioning and the opportunities presented from central procurement and delivery of the services.
20. The Property Commissioning team will continue to commission all design, build and maintenance projects through Arc Partnership. The creation of a contract and commercial sub team will bring together into one place the commercial management of all property related contracts. The sub team will also undertake the planning for programme delivery, co-ordinating the works required across the various building improvement, facilities management and maintenance programmes delivering on agreed priorities within available budgets and timelines. Continued performance management and VFM assessment of the Arc Partnership contract and across the other various property contracts and arrangements alongside the transactional processes of order raising, invoice processing and bill validation.
21. The Energy Management officers transferring into the sub-team will continue to administer the energy contracts and provide support and guidance across the corporate estate and schools for energy management, energy efficiency, renewables and water management alongside associated energy services and projects.
22. The Business Administration sub team will be the main point of contact for the corporate landlord and hence Property Asset Management as a whole. Enquiries will be directed to relevant officers and progress tracked to ensure responses are sent in reasonable timeframes. This team will support the function, ensuring invoices are raised, orders processed and meetings are accurately documented. The Team Leader will manage the Landlord Consent process and ensure all applications are reviewed by the correct council officers and technical experts and dealt with swiftly. Liaison with schools and building tenants will be vital to ensure projects are completed safely and in line with Council guidelines where relevant.
23. The proposed new staffing structures to support the new service are included within the appendix to this report.

Other Options Considered

24. Retention of the current dispersed approach to this service which the Council is seeking to move away from for the reasons outlined within this report.

Reasons for Recommendations

25. The recommendations will enable the adoption of a corporate landlord approach to the provision of property safety and facilities management across the Councils operational estate.

Statutory and Policy Implications

26. 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.

Financial implications

27. The purpose of the revised staffing structure is to provide more effective teams working towards the Property Service Corporate Landlord Model, with the cost of the proposed structure being £3.13m (pending formal confirmation of pay grades). Existing Place Dept. budgets of £2.47m will be supported by transfer of staffing budgets from Depts: ASCPH £0.28m (with a further £0.06m to follow); and CYP £0.20m. The additional cost of £0.12m for staffing will be contained within existing Property Services budgetary provision and therefore the benefits of the new approach can be achieved without any impact on existing Council budgets. Once the new service is in operation and consolidation is achieved the service can then look towards efficiencies driving down costs.

Public sector Equality Duty Implications

28. The restructuring to create the corporate landlord function will be carried out in accordance with Nottinghamshire County Council's employment and equalities policy.

Human Resources Implications

29. The proposal has been subject to a three-week formal consultation period and there is ongoing discussion with the affected staff and their union representatives about the proposed changes.

Implications for Service Users

30. The proposals will give greater control over property safety and facilities management to the new service giving greater comfort to services and their users that the property is kept safe in accordance with legislation through implementation of consistent Council policy and processes.

Implications for Sustainability and the Environment

31. The proposed delivery structure for the service will reflect the priorities for the Council, particularly the climate and environmental challenges and ambitions for sustainable growth. The Council's property estate provides a significant element of the Council's carbon emissions and bringing all property related services together under a corporate landlord model will enhance the Council's ability to provide and implement a carbon reduction strategy for the built estate.

RECOMMENDATIONS

- 1) It is recommended that Committee support the proposals for the full implementation of a corporate landlord approach to the delivery of property safety and facilities management across the Council's operational property estate and

- 2) approve the proposed restructure of staffing to deliver such corporate landlord approach as detailed in this report.

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Constitutional Comments (CJ 11/02/2022)

32. The recommendation falls within the remit of the Economic Development and Asset Management Committee by virtue of its terms of reference.

Financial Comments (RWK 14/02/2022)

33. The financial implications are set out in paragraph 27 of the report. The additional costs of the proposed restructure estimated at £120,000 will be met from within the existing revenue budget allocation for the Property Safety and Facilities Management Service.

HR Comments (JP 10/02/2022)

34. The proposals 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.

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.

- Corporate Property Transformation progress – Policy Committee 17th October 2018
- Corporate Property Transformation Programme – Policy Committee 16th October 2019
- Property Transformation Programme Closure – Policy Committee 9th December 2020
- Review of the investing in Nottinghamshire Programme – Economic Development and Asset Management Committee 2nd November 2021

Electoral Division(s) and Member(s) Affected

- All