

REVIEW OF MANAGEMENT ARRANGEMENTS FOR CORPORATE PROPERTY FUNCTION

1 Purpose of Report

- 1.1 The report seeks approval in principle to review the organisational structure of the corporate property function within the Resources Directorate.

2 Executive Summary

- 2.1 The report proposed a review of the structural arrangements for managing the Council's corporate property function. The review is aimed at strengthening the management of an important resource following independent advice that the current structure is not as affective as might be desirable.

3 Appendices

- 3.1 None

4. Proposed Action:

The Committee is invited to RESOLVE that:

- 4.1 **the restructure of property management functions within the Resources Directorate be approved for consultation and that the Corporate Director be authorised to restructure taking into account any issues raised in consultation.**

5 Background

- 5.1 The Council has extensive property holdings in the Borough with a book value of £40.2m. These are used for operational purposes for the provision of Council services to the community, or for commercial letting. The Council currently has 458 tenants yielding £2.3m rental income in 2010-11. In seeking to manage an estate of this size, it is clearly important that it is carried out in accordance with best practice and all requirements of law.
- 5.2 The Council has commissioned two independent studies of its property arrangements in the last year. The first of these was by Mace and looked at the Council's arrangements generally. The second, carried out by CIPFA Property looked specifically at issues around compliance with legal requirements. Both studies concluded that the Council needed to make adjustments in order to be able to demonstrate best practice.
- 5.3 The report from Mace on the Council's property management arrangements concluded that improvements needed to be made to ensure that it was carried out in an effective manner. This would also permit the introduction of better work prioritisation, time recording, better management and supervision, and better procurement practice.
- 5.4 Such a reorganisation would also facilitate the development of maintenance planning and performance management.

- 5.5 The CIPFA Property report focussed on issues of compliance with law, and concluded that the Council would benefit from making adjustments to ensure such compliance. In particular, the development of better systems to ensure that the Council complied fully with legal requirements in respect of asbestos, fire detection and alarm systems, legionnaires disease, and working at height requirements was seen as essential.
- 5.6 Although the two reports identified a number of areas that warranted attention, the single issue that was considered to have contributed to the development of any weaknesses was the lack of a designated single Corporate Landlord. That is to say, there is no one Officer in the Council that has sole responsibility for property matters, who is tasked on a day to day basis with ensuring that management is effective and who is the focus for ensuring that all property users, whether commercial tenants or council services, are in receipt of the level of service that they are entitled to expect.
- 5.7 Operational buildings are currently managed by the Facilities Management Service and the commercial estate by Property Services. To a significant extent, the activities of the Property Service functions are contracted out to Underwoods. In practice the distinction between the two sections is much less clear than this implies with extensive overlap and duplication.
- 5.8 It is therefore being proposed, subject to consultation, that the Facilities Management Service and the Property Management Service be merged into one single property function. For the purposes of this exercise, the only posts that would be affected would be the two Manager posts for the two sections.
- 5.9 It is recognised that other property management functions are carried out within other directorates and it is envisaged at this time that any issues between those and the property functions within the Resources Directorate would be handled via a Service Level Agreement.

6 Legal Powers

- 6.1 The Council has powers in law to employ and remunerate such employees as it considers appropriate for the performance of its function.

7 Financial and Value For Money Implications

- 7.1 There are no financial implications to this report. Any restructure that may be carried out following consultation would aim to be within existing resources.

8 Risk Analysis

Nature of risk	Consequences if realised	Likelihood of occurrence	Control measures
Poorly managed property	Non-compliance with the law with consequential implication. Possible Health & Safety breaches	Likely Likely	Allocation of responsibility together with up to date and effective management

9 Implications for Resources

- 9.1 This report seeks authority to review the structure with a view to combining two services. There are no immediate resourcing implications, and any restructure carried out after consultation would aim to be within existing resources.

10. Implications for Stronger and Safer Communities

- 10.1 None specific to this report.

11. Implications for Equalities

- 11.1 None specific to this report.

12. Author and Contact Officer

- 12.1 Richard Micklewright, Corporate Director, Resources

13. Consultees

- 13.1 CMT
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 Property Services Manager
 Facilities Manager
 Human Resources
 Joint Consultative Committee (JCC)

14. Background Papers

- 14.1 Mace Report, CIPFA Property Report