

My Ref: T: Scrutiny/PRAP/Comm Papers/Correspondence

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Councillor Russell Goodway,
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Dear Russell,

Policy Review & Performance Scrutiny Committee: 8 May 2019

As Chair of the Policy Review and Performance Scrutiny Committee, I would like to thank you for attending Committee and providing the opportunity for Members to contribute their initial views to assist in the development of the Corporate Property Strategy 2020 -2025.

Members would also like to thank Helen Thomas, Head of Property for her presentation and the additional support provided by Matthew Seymour, Principal Asset Manager. We offer the following comments and observations for your consideration and response as you develop the Corporate Property Strategy 2020 - 2025.

The committee acknowledged that the current Property Strategy had assisted property users in gaining a better understanding of the needs of their services and future requirements. As a result of the property team being better resourced, a greater understanding of the condition of properties, their utilisation, running costs and value to the organisation has started to be achieved. This combined with improved professional and commercial advice has enabled property services to deliver the full range of transactions. The role of the service had also become a driver for change due to consolidation of services, supported by the Corporate Landlord model and the improved governance arrangements of the Asset Management Board.

The committee queried if the debate on the allocation of responsibilities for the education property portfolio had been resolved. It was explained that an agreement

was in place with the Director of Education and that his department would have a significant input into the property specifications but that the Corporate Landlord would also have a role in the identification of potential sites for schools. You were frank in describing this arrangement as 'a fudge'. A small group of Cabinet members will review the schools' operational plan every 6 weeks to monitor the situation. The committee will trust that this arrangement, which may not have satisfied all parties, is kept under review.

One of the aims identified in the report was to address the silo mentality of the council. It was indicated that the involvement of external public sector colleagues such as the police service had led to them looking to rationalise their estate and identify opportunities to co-locate with others for the mutual benefit of a wide group of public service providers. This in turn was challenging council service areas to think creatively in terms of their needs and accommodation requirements along with opportunities to collaborate internally as well as externally rather than to operate in isolation.

However, it was stated that the level of effort required to address this issue should not be underestimated and it was suggested that the use of the asset Management Board could assist in this task.

It was reported that Strategic Estates was being challenged to maximise its income from investment properties in order to fund the Economic Development service and the general revenue fund. The council was also being challenged to support social projects by subsidising the rents of some properties. The committee queried who was making these types of decisions and whether clear criteria and parameters had been developed and were being used. If they do exist, which was unclear, the committee will wish to examine them.

It was noted that there were natural tensions in balancing the entrepreneurial requirements of the council and financing its wellbeing agenda but that such tensions should be resolved using clear guidelines and agreed priorities.

The Committee requested clarification on the decision making process used to develop or dispose of properties or to use them to meet new alternative needs, sometimes with a social benefit. It was explained that assessment of the use, costs

and value of all council property was being undertaken to ensure all options are considered and appropriate decisions taken.

The collaborative arrangements with other public sector bodies currently relate to surplus properties but the property service could consider opportunities for co-location. These potentially complex arrangements would need careful assessment to ensure that appropriate value and benefits were achieved. Benevolence to other public bodies would not normally be justifiable and any benefits of a collaborative arrangement would be based on the council seeking equality of outcome value or benefit.

The committee raised questions regarding the authority's liability in respect of community asset transfer should a property fall into disrepair with residual risk in terms of Health and Safety and sustainability. It was stated that the council should undertake due diligence to ensure the acquiring organisation has the capability to meet the liabilities and financial expectations placed on them. A review of Community Asset Transfer policy could provide opportunities for communities and the council, provided that the model proposed contained the proper safeguards.

In summary, this letter refers to the need for reviews, policies and guidelines in a number of areas. If these already exist could your colleagues please let Nicola have copies? If they have yet to be drafted, the committee suggests that further clarification in the form of policies and guidelines be prepared and would wish to scrutinise them in due course. These include:

- A property policy statement indicating how service areas could break free of silos by sharing property with other service areas or public sector bodies.
- Guidelines on how income from property transactions can be used.
- A policy statement on how the Council intends to collaborate with other public sector bodies in terms of property use and ownership.
- A review of where the Council stands on Community Asset Transfer taking into account the experience of other LAs and best practice guidelines.
- A review, a year from its starting point, of the effectiveness of the compromise arrangements put in place to manage the schools' estate.

Finally, as Councillors, Members have considerable experience of accessing the Council's frontline services, and we urge you to engage with all Members and utilise their expertise to assist in the development of services and that the Committee's involvement during the development of the new strategy be continued.

Once again, on behalf of the Committee, my sincere thanks for attending the PRAP Scrutiny Committee.

Yours sincerely,

A handwritten signature in black ink that reads "David Walker". The signature is written in a cursive, flowing style.

**COUNCILLOR DAVID WALKER
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE**

Cc: Members of the Policy Review & Performance Scrutiny Committee.
Helen Thomas, Head of Property
Matthew Seymour, Principal Asset Manager
Cabinet Support Team