

CORPORATE LANDLORD IMPLEMENTATION - UPDATE

Cabinet Member	Councillor Raymond Puddifoot Councillor Jonathan Bianco
Cabinet Portfolio	Leader of the Council Cabinet Member for Finance and Business Services
Officer Contact	Hugh Dunnachie
Papers with report	None

HEADLINE INFORMATION

Purpose of report	To update Cabinet on progress on the introduction of a Corporate Landlord model within the Council. To obtain political sign-off on certain key decisions so that the project can move forward to detailed implementation.
Contribution to our plans and strategies	To introduce more efficient methods of property asset management, for the benefit of services and to achieve financial savings.
Financial Cost	In the short term the proposed structural and operational changes will be funded within existing resources. In the medium term the implementation of this model will enhance strategic management of the Council's property portfolio, leading to improved fit to services, more shared use, and lower costs and significant efficiencies impacting property management costs.
Relevant Policy Overview Committee	Corporate Services and Partnerships
Ward(s) affected	All

RECOMMENDATIONS:

That Cabinet agrees either:

- 1) That the Core Corporate Landlord Model be agreed in accordance Para 6.4 and 6.5.
- 2) That the new structure be effective from June 2010.
- 3) That Officers be authorised to start recruitment to a Deputy Director post to head up the Corporate Landlord function.
- 4) Instructs the Chief Executive to ensure that, during the pre-implementation phase, the views of the Corporate Landlord will take priority in any dispute with service departments.

3 Reasons for recommendation

The concept of a Corporate Landlord is that the ownership of Council assets and responsibility for management and maintenance is transferred from service departments to a centralised corporate body. This will provide a single focus for the whole Council on all property or building construction related matters, resulting in a centre of excellence, with resulting benefits to property costs, suitability of properties for services, maintenance quality and capital receipts.

Through the BID process the proposals to finalise the scope of the Corporate Landlord model have been tested against the Council's Operating Model, alongside the Localities Enforcement and Transport areas, to ensure that the wider reorganisation will provide the most effective and efficient delivery model for these key Council functions.

4 Alternative options considered / risk management

Implementation of the Corporate Landlord has already made progress, and it is no longer a practical option to return things to their previous reporting structures. Facilities Management is managed by the Corporate Landlord. Major Construction Projects is within the same department and working very closely with Corporate Landlord. Discussions are in progress with services in scope from Education, Housing, Environmental services and elsewhere in P&CS.

5 Comments of Policy Overview Committee(s)

Not applicable at this stage.

6 Supporting Information

6.1 Aims and objectives of the Corporate Landlord project

The aim of the Corporate Landlord project is to provide a single focus for the whole Council on all property or building construction related matters, resulting in a centre of service delivery, with resulting benefits to property costs, suitability of properties for services, maintenance quality and capital receipts.

6.2 Starting point and key drivers

The key drivers for the project are:

- The December 2009 Cabinet report.
- Closer working arrangements in place with Major Construction Projects.
- The BID project covering Corporate Landlord, Localities, Transport and Enforcement
- The Council's operating model.
- Forthcoming changes in the management of Hillingdon Homes

6.3 Progress against targets:

The December Cabinet report set a target that stated that teams carrying out property or land-related tasks would be subject to dual reporting arrangements, reporting to Service Departments and the Corporate Landlord, by 31st March 2010.

At the time of writing, the Facilities Management team are reporting directly to the Interim Head of Corporate Landlord. Major Construction Projects are reporting to the Corporate Director of

Planning and Community services, but also working closely with the Corporate Landlord. Close cooperation is under way between Corporate Landlord, and with officers across the Council involved in property, construction, 'soft' FM activities and Health and Safety.

6.4 Corporate landlord Core Functions

The following table outlines the core functions that need to be included within the remit of the Corporate Landlord in order to get the full benefits (financial and non-financial) outlined in the previous Cabinet report in December 2009. Functions 1-6 in the table are already largely reporting to the interim Corporate Landlord post although there are still some facilities that are managed in service Groups. Functions 7 and 8 are currently in service Groups and would transfer over to the Corporate Landlord function. Certain elements of the Education and Childrens Services Property related functions going forward should be part of the Corporate Landlord function (Schools asset management, and Property related Health & Safety functions for example). Similarly, Housing development projects should be part of the Landlord function, as the work undertaken is effectively Property asset review and development projects.

The table also includes some further functions, some of which that were referred to in the December Cabinet report as being within the scope of the review, which will also be included in the Landlord function. These additional functions have been added following a review of the competing arguments over where these services could sit in the wider structure of the Council going forward in order to obtain the maximum financial benefit to the Council.

Core functions	Additional functions to be included:
1. Estate Management	9. MCP - Construction design
2. Asset strategy and property information.	10. MCP - Construction implementation
3. Facilities Management 'soft' services.	11. Highways Management
4. Property Maintenance.	12. Highways Maintenance
5. Centre Management (including Depot facilities)	13. Green Spaces Management
6. Buildings Health and safety / compliance.	14. Green Spaces Maintenance
7. Housing development projects	15. Cemeteries and Crematoria
8. Education property functions	16. Engineering Consultancy

6.5 Additional functions: rationale

There are strong arguments for including Major Construction Projects (MCP) in the Corporate Landlord structure. There are synergies between MCP both Estate Management and Asset Strategy, particularly joint working on feasibility studies and development projects under the Strategic Property Group. The Facilities Management team currently undertake building work with a value of under £100K and MCP where the value is over £100k. There are advantages in using the same project management and procurement methodologies, and logically, both should have the same reporting chain. The MCP Team currently reports into the Corporate Director for P&CS but in future will report through the Corporate Landlord Deputy Director.

There are good arguments for including Highways Management in Corporate Landlord in terms of the asset management and maintenance side of the service.

Both Green Spaces and Cemeteries and Crematoria contain a significant asset management and maintenance function that sits well with a Landlord function. It is proposed that both these services have their reporting lines changed to report into the Landlord function as is. Both these services have a mixture of service type activity and asset management and maintenance activity. They will then be reviewed through BID and the service elements of these services (as opposed to the asset management and maintenance elements) be considered for inclusion in the most appropriate service block.

The professional and technical skills within the Engineering Consultancy function can be used to the wider benefit of the whole Corporate Landlord function.

A new structure for the Corporate Landlord function will be developed and consulted upon and then implemented by June 2010.

6.6 Later Phases

Aspects of Hillingdon Homes are expected to be included, in a later phase, as this operation comes back in to Council control.

6.7 Application of the Council's Operating Model

The detailed structure of the new Landlord function will continue to be developed in more detail using the principles of BID including the application of the new Operating Model to ensure that the structures and processes are organised as efficiently and effectively as possible. Where possible, residents' queries and transactions will be dealt with by generic services supporting the Contact Centre. Only more protracted or complex issues would be referred on to professional / technical officers for resolution. There are potential synergies with other internal 'business support' activities and help-lines, such as IT, HR, and procurement. The back office will be also reviewed to ensure opportunities for more joined up structures and processes.

7 Financial Implications

At this stage, it is anticipated that the restructure in the first instance will be funded from within existing resources. Once the Council's new operating model and other BID methodologies are applied to the functions within the new Landlord structure over the next few months there should be the scope for delivering efficiency savings. The overall quantum of these savings will be reported back to Cabinet at a later date once the detailed structure and processes within the new function are developed.

In addition, in the medium term the changes will bring about a structure that will enable more imaginative and effective property solutions, unlocking more lucrative site potential and increasing the level of capital receipts generated by the Council going forward.

EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendation?

To provide a more focussed streamlined operation for the benefit of residents of the Borough

Consultation Carried Out or Required

None required

CORPORATE IMPLICATIONS

Corporate Finance

Corporate Finance have reviewed the report and its recommendations and are satisfied that the financial implications of the proposals are correctly stated in the financial implications section of the report.

Corporate HR

Should these proposals be endorsed by Cabinet then there will be Human Resources implications, which will be worked through following due process.

Legal

There no specific legal implication arising from this report.

Corporate Property

The comments of the Head of Corporate Property are noted as part of the report.

Relevant Service Groups

BACKGROUND PAPERS

NIL