

The Corporate Landlord Model

‘Local Government is changing. The way in which services are delivered, the scope and extent of these are being challenged as councils seek to redefine their role to meet the demands of a new financial era. The challenge and indeed opportunity, to maximise the use of resources is acute and immediate. A key part of such a challenge should be to scrutinise the ownership, management and use of property and assets to deliver revenue savings and a fit-for-purpose platform for service delivery.’ (peopletoo.co.uk)

What is a Corporate Landlord?

The concept of a Corporate Landlord is that the ownership of all property assets and the responsibility for their management and maintenance is transferred from the service departments to the Corporate Landlord, which is a centralised function of the Council. The service departments become corporate tenants and make use of the property or land in delivering a service.

The landlord’s function is to ensure the service departments are accommodated and to maintain and manage the property assets having regard to the law of property and that relating to the duties of a Local Authority pertaining to its assets.

Current position

Wirral has already recognised in part, the necessity of operating a Corporate Landlord but has yet to fully implement the model. Services are still taking decisions regarding property, including agreeing occupations with third parties or committing to staff relocation without taking advice from the Asset Management team.

This results at best, in Asset Management team being asked to facilitate changes without adequate time to consider all the implications and; at worst, agreeing deals that are not compliant with legislation.

Why a Corporate Landlord?

The Corporate Landlord approach is designed to enable a local authority landowner to utilise its assets to deliver better, more efficient services to communities.

Corporate Landlord is used by most private sector organisations with large property holdings and many Local Authorities have recognised the benefits and already adopted this model.

It is important that only people trained in property can transact property matters for the following reasons.

1. There is a myriad of legislation and regulation that needs to be complied with and which the qualified Asset Management team understand.

This includes.

- i. Landlord and Tenant Act 1954
 - ii. Various Law of Property Acts
 - iii. Housing Acts where there is a residential element
 - iv. Local Government Act 1972 – S123 and exemptions
 - v. Other duties including best value requirements and general fiduciary duties
 - vi. General Health and Safety legislation, Legionella, fire safety, gas and electricity certification etc. etc.
2. By centralising the responsibility for property, it is possible to see the effect that one property move has on the remainder of the estate and where “gaps” need or can be filled, which is something that individual services tend to ignore.
3. The Corporate Landlord approach can deliver economies of scale in terms of capacity, procurement, and opportunities for co-location across an organisation and with other external organisations. This can lead to rationalisation that can only be achieved by taking a holistic view of property
4. The cost of holding empty or under used property will be reduced and eliminated as the Asset Management team identifies sharing opportunities and inefficient occupation and takes steps to dispose of surplus property. This will involve full consultation with the relevant service departments.
5. Wirral has established a service to oversee the “back to work programme” following Covid 19 together with organisational renewal to review current ways of working including flexible or agile work styles to encourage efficiency for the organisation and a first-class work/life balance, which will improve wellbeing and staff retention. It is crucial that the Corporate Landlord is fully integrated and supports these policies and that workstyles and operational buildings work together.

In taking these steps the Council is able.

- To unlock the value of assets, seek efficiencies through joint arrangements with public sector partners and maximise private sector investment.
- To ensure that Council Service Teams have the accommodation that they need to work, particularly in terms of location, suitability, and sufficiency.
- To support the delivery of the Council's Corporate Plan.
- To integrate thinking about property with financial, regeneration and other considerations.
- To be seen to act corporately (and rationally) in relation to its property assets, being able to fully justify decisions made involving property.
- To ensure that the estate is fit for purpose and disposing of assets that are not required for service delivery or investment.

How to achieve Corporate Landlord

Currently the Council's budgets are distributed across both centralised property functions and individual service areas, which allocate money and personnel away from "the day job" to make decisions on property matters.

Departments are making property changes with little reference to the Asset Management team, until it is too late and take little account of the effect on either Corporate or other service benefits.

The Corporate Landlord seeks to consolidate these budgets. They need to be moved from within service control and transferred to the centralised property function, which will use the budget to deliver the Council's Asset Strategy and Asset Management Plan(s).

The movement of these budgets should not impact on the Council's overall net property budget. However, the resulting Corporate Landlord budget will need to be re-based as it may prove difficult to identify property expenditure from individual service budgets.

In the unlikely event that there are members of staff in departments who are solely responsible for property matters, then they will be integrated into the centralised Asset Management team along with the budget for their costs.

Going forward, the Senior Leadership will make it clear that no individual or department is able to sanction moves, acquisitions, disposals, repairs and maintenance etc. without the involvement of the Corporate Landlord, from the earliest stages of the decision-making process and the authority.