

Governance Arrangements to Deliver the Asset Strategy

1. Rationale

It is key to have a clear governance structure and a board comprising of senior officers with appropriate delegated authority, to make decisions on property matters.

The nature of property transactions (disposals, acquisitions, rent reviews, lease renewals, etc) have timeframes to work within, many of which are statutory. Officers, therefore, require strong leadership, appropriate and effective decision-making processes and authority to manage the property estate in a proactive and positive manner for both the Council and its residents.

If too many layers of bureaucracy are in place, this will mean the Council will miss out on a transaction and lose the benefit of greater income, capital receipt etc. It also creates a burden on the Asset Management Service, who are being chased for decisions that they are unable to provide.

The Asset Management Service need to work within a framework where the ambitions and strategic direction of the Council are clear and set out in the Asset Strategy. This allows a clear mandate to be given to the Asset Management Service to deliver against this strategy. It also provides clarity to the wider Council and services as to how property can and should play a pivotal and positive role in the operating model of the Council.

2. Corporate Property Board

To ensure this happens in a streamlined and effective manner to deliver the Asset Strategy, a Corporate Property Board will be formed.

It will report to the Council's Strategic Leadership Team.

Any matters requiring formal Council approval will then be reported to the relevant Policy and Service Committee.

It is proposed that the Board should comprise of the following:

- Chair - Assistant Director for Assets reporting to the Director of Regeneration and Place
- Deputy Chief Executive
- Director of Finance
- Assistant Director representatives from each Directorate
- Assistant Director for Human Resources
- Property Lawyer from Legal Services

Officers from the Asset Management Service will attend the Board to provide technical advice.

3. Purpose of the Board and Terms of Reference

Purpose

The purpose of the Board would be to evaluate business cases and make decisions in relation to future property acquisitions, disposals and property matters.

A quorum of at least three members of the Board will be required to consider the outline business case of potential investment/divestment opportunities, a minimum being one of the Deputy Chief Executive, the Director of Finance and the Assistant Director for Assets.

If the outline business case is approved, a report will be made to the Strategic Leadership Team to authorise the actions required.

All matters requiring a Committee decision will be reported to the relevant Policy and Service Committee.

Terms of Reference

- All land and property shall be treated as a corporate resource.
- The Board will act as the management and decision-making board for the Corporate Landlord, unless directed otherwise within this protocol.
- Service Directorates will be considered as tenants occupying corporate buildings.
- To ensure a corporate approach to meet targets to reduce the amount of office space held by the Council, all planned moves and relocations will be subject to review and approval by the Board
- Executive Directors and Directors will be required to account for assets used to deliver services and the Board will challenge existing and future occupation requirements.
- Service Directorates will be required to work with the Corporate Landlord via the Board in respect of proposals to invest in, acquire, dispose of or occupy property.
- The Board will regularly review the business case for the retention of Council assets. Each of the Council's assets or group of assets is to have a detailed Asset Management Plan and performance including security of income, income growth, environmental performance and costs will be reviewed annually. Decisions will be provided in respect of future capital investment and retention/disposal of assets.
- Consequently, the assets within the Council's Land and Property Portfolio, i.e., Service Delivery (Direct & Indirect), Income Generation, Regeneration, Shared Use and Surplus will be subject to continual change. As the assets are rationalised, opportunities to achieve revenue savings/capital receipts and to reduce backlog maintenance expenditure/increase income will arise.
- Property occupation costs and utilisation will be monitored through the Asset Management process. Any assets considered surplus to the Council's requirements will, in the first instance, be reported to the Board.
- The Board will produce an annual performance report on the Asset Strategy and report this to the Policy and Resources Committee.

General Protocol

The Board is to take a corporate approach to the management of property assets whether Council owned or within the ownership of One Public Estate partners. It will be the strategic decision-making group focusing on best use of the Council's land and property holdings including co-location of services.

The Deputy Chief Executive will have overall responsibility/authority for the Council's Corporate Land and Property Portfolio.

The Assistant Director of Asset Management will be responsible for the management of all Council owned land and property assets as part of the Corporate Landlord function.

Directorates should be considered as tenants occupying corporate buildings. Services must therefore seek advice from the Corporate Landlord when considering future service delivery.

Frequency

The Board will meet on a monthly basis.