

**BEST VALUE PILOT REVIEW: PROPERTY MANAGEMENT**

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**1. Purpose**

1.1 To report progress to date on the pilot review of Property Management and to indicate what the final report to Committee in January might contain.

**2. Service Definition**

2.1 Two basic definitions were adopted:

(a) “Property Management” is defined as “the acquiring, buying, selling of property and arranging and advising on the maintenance and use of property”.

(b) “Property” refers to both land and buildings.

2.2 The review was intended to include all property related activity across the authority with the exception of highways infrastructure and landscape maintenance (itself the subject of a pilot best value review). However, at an early stage in the review process an argument to exclude the HRA residential housing stock was received from Neighbourhood Services. This was accepted and the only part of HRA retained for the study was the commercial property. However, for a proper cross-cutting review all HRA property will need to be brought back in at a future date.

**3. Context**

3.1 This review has been undertaken at a time when Government plans for the single capital pot are being developed. A recently issued consultation paper by the DETR (18 November 1999) details the form and timetable for the implementation of the single pot. It proposes that allocations will be assessed in accordance with both need and performance. A needs based indicator combining elements from each of the current service blocks will determine the majority of funding but a competitive factor will be used to reward good performance. Councils will be assessed by Government Offices (together with the DfEE and DSS) on the basis of their Capital Strategies, delivery of Asset Management Plans and Performance Indicators.

3.2 However, the DETR consultation document does not cover all the major areas of capital allocation - Major Repairs Allowance for Housing and Education support are the subjects of guidelines from separate Government departments. Exactly how and when these and the DETR guidelines will dovetail is uncertain, but there is common ground in the requirement for a Capital Strategy, medium term Asset Management Plan and Performance Indicators.

## 4. **Review Methodology**

4.1 In common with the earlier pilot reviews the methodology was developed by a core team with Strategic Director Resources acting as lead officer supported by a project manager and with service managers representing all Directorates. Terms of Reference were drawn up and a project plan developed to reflect those terms of reference. The planned work, while recognising initiatives already in hand, was organised with a view to addressing the 4 Cs of Best Value, i.e. Compare, Consult, Challenge and Compete.

### 4.2 Compare

The first task in being able to seek comparative information was to fully understand the extent of current service provision, albeit within the limits outlined in section 2.2. To this end a data capture template was designed (see the attached **Appendix**) and circulated for service managers to complete.

Since there are no statutory performance indicators covering property management it was recognised that no wide ranging national comparisons were going to be possible. Comparative information, therefore, would have to take the form of smaller scale benchmarking exercises. One such initiative has been undertaken by Estates section who have also considered suitable indicators for property management.

### 4.3 Consult

It was debated whether the Council's management of property was an issue that the public in general would have a view about. Tenants were already a well surveyed sector and landscape issues were addressed in other studies, but for the balance of property it was decided that the views of different identified groups of users of property management services should be sought. These would range from groups such as commercial and voluntary sector as well as managers who rely on property management support.

### 4.4 Challenge

This part of Best Value provides the opportunity to consider what alternatives there may be to the current methods of service delivery. An even more basic challenge is to consider whether the Council should hold property in the first place. To provide some input to this consideration, an external consultant has been commissioned to look into the legal issues of different arrangements for the holding and supply of property.

### 4.5 Compete

The project plan made no provision for any specific market testing to be done but envisaged cost and staffing level comparisons with the private sector as a route to assessing competitiveness.

## 5. **Progress to Date**

5.1 The provision of information, required to enable an understanding of the extent of current service provision, has proved to be more problematical and time consuming than initially planned for. Among the reasons for this are that the spectrum of

activity covered by the definition of property management makes for easy identification in some areas (e.g. Estates, Architects) but in others it is tied in as an integral part of other service delivery (e.g. Community Development, Environmental Health). The disentangling of Property specific information from standard service data has therefore been a delaying factor.

Progress is such that most information is now to hand and being analysed. Any outstanding information will be incorporated into the analysis for inclusion in the final report.

- 5.2 Benchmarking information has been obtained from 14 other authorities on a range of questions related to Property Management and Property Review. This data has been analysed and provides some insight into how other authorities are organised and how they operate their property management.

Contact has been made with two of the 38 Best Value pilot authorities that have undertaken studies relating to property management. These studies have been going on for some considerable time (over 1 year) and it is hoped that we may be able to share their main conclusions.

- 5.3 Progress on consultation has been limited to questionnaires designed for different groups of users. Questions tested ease of access to the service as well as satisfaction with different aspects of service provision. To date the responses from 50+ schools have been analysed and other user responses are being assembled ready for analysis.

- 5.4 A consultant's report on the issues relating to alternative arrangements for the holding and supply of property is due by the middle of December and should provide some input for a final report.

## 6. **Conclusions**

- 6.1 There is no doubt that a complex, cross-cutting review raises issues for a best value review that studies with a narrower focus do not present. Comparative information, extraction of costs and staffing levels are likely to be more difficult to assess, and that is certainly the case with this pilot study. There is a good case for doing as much preparative work as possible ahead of the review proper particularly in identifying likely sources of comparative information. This presumably will be possible when service managers can see where their services fit within the 5-year statutory plan of reviews.

- 6.2 The review has generated a considerable body of information to analyse and some of this is still outstanding (e.g. property user questionnaires). The final report will contain a service description together with relevant cost and staffing level (in FTEs). Comparative information will be limited to some benchmarking results and, hopefully, feedback from two BV pilot authorities. User survey findings will be presented as will the consultant's report on issues concerning the holding of property by the Council.

- 6.3 The January report will update all this information but will conclude that a complete and comprehensive review has not been achieved in the allotted timescale. However, shortcomings in the current study will be used to point out where the service(s) might better prepare for the proper review.

- 6.4 In terms of the criteria for positioning service reviews within the 5-year plan, Property Management does not stand out as important to the public or as achieving low public satisfaction. Nor is it well enough characterised in performance terms to rate as a poor performer. In these respects it would not be a candidate for early review. On the other hand, the total value of assets managed is of the order £480 million and must have considerable financial implications, which would warrant a Best Value review approach even though various Government guidelines are requiring authorities to address asset management and capital strategy.