

# Gloucester City Council

<b>Meeting:</b>	<b>Cabinet</b>	<b>Date:</b>	<b>9 March 2016</b>
<b>Subject:</b>	<b>Gloucester City Council and Gloucestershire County Council Shared Services Programme: Co-located Property Service</b>		
<b>Report Of:</b>	<b>Cabinet Member for Regeneration &amp; Economy</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
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<b>Appendices:</b>	<b>1. Property Functions and Staff</b>		

## FOR GENERAL RELEASE

### 1.0 Purpose of Report

- 1.1 To seek authority to co-locate both Gloucester City and Gloucestershire County property teams within Shire Hall, to enable consideration of a full shared property service over the forthcoming 12 months.

### 2.0 Recommendations

- 2.2 Cabinet is asked to **RESOLVE** that

- (1) The City Council property team is relocated to Shire Hall to enable the two property teams to be co-located
- (2) A period of review is undertaken to fully assess the opportunities for shared working and develop plans for a full shared service

### 3.0 Background and Key Issues

- 3.1 Gloucester City Council and Gloucestershire County Council have been working closely together exploring a number of opportunities for closer collaboration. A Memorandum of Understanding (MoU) has been signed by the two Leaders which set out a commitment for the organisations to work closely together. The Managing Director's shared role across the two organisations cements the close working relationships further. The aims of the MoU are to increase resilience and to deliver better use of resources.
- 3.2 The programme of work that is being developed is overseen by a sponsoring group whose membership is Cllr Paul James, Cllr Mark Hawthorne (Leader of Gloucestershire County Council), Jon McGinty, Pete Bungard (County Council Chief Executive) and Jo Walker (County Council Section 151 Officer). This group have provided a strategic direction for the programme and have commissioned relevant

managers to develop proposals for future collaborative working which are innovative and at the forefront of local government thinking, and ideas which can generate efficiency savings for the taxpayer. The Sponsoring group are clear that the identities of the respective Councils must be maintained.

- 3.3 Gloucester City Council considers property as a key tool to enable the delivery of its corporate objectives towards regeneration and economic growth. Property is a fundamental part of how the city supports its citizens, as illustrated by the new bus station, Kings House and properties on Commercial Road being regenerated by both the third and private sectors. The City's ability to carry on this activity must not be inhibited through this co-location proposal with the County Council.

#### **4. Property Service Model**

- 4.1 The two Heads of Service that currently retain responsibility for property at both the County and City Councils have worked together to identify a vision for a shared property service:

*By March 2018 we will have an excellent and pioneering property service that provides good spaces to live and work in, and manages land and buildings well for our customers.*

- 4.2 The objective is that this vision will be delivered through:

- Effective use of contractor and supplier frameworks
- Actively working with our partners – public sector, businesses and communities
- Building in sustainability
- Focusing on supporting the economy
- Economies of scale and efficiencies – shared team, buildings and technology
- Creating a centre of excellence for all property related services for the City and County Council

#### **5.0 Co-location**

- 5.1 Appendix 1 shows the functions that are currently supported by the two teams and the current resource levels. Many of the functions are the same across the two organisations and as a consequence there are potential opportunities for joining up the two services around asset management in particular. The working relationships between the teams are still fairly new and it is suggested that in order to develop a full understanding of the scale of opportunity for collaboration between the teams, they would initially be co-located with little or no change to structures or working arrangements. There would then follow a period of review to identify a more integrated approach, in which the two Heads of Service would work closely with their teams to see where the two organisations could benefit from shared working, systems and structures.

- 5.2 A priority for the City Council will be to ensure that co-location within Shire Hall does not impact on the delivery of its regeneration and economic development activity. The city currently operates an integrated model whereby Property, city centre management (including car parking) and economic development are brought together functionally. This model has started to deliver real successes for the city,

not least with the construction of the new bus station, the acquisition of land to unlock Kings Quarter, Commercial Road, the introduction of automatic number plate recognition (ANPR) within its car parks, and the development of a Business Improvement District (BID) proposal. Property also plays a central role in the delivery of the City's cultural strategy, not least with its activity around Kings House. It has also been used to help community based activity such as the Furniture Recycling Project and the Gloucestershire Bike Project. Property and regeneration are inextricably linked at the City Council.

- 5.3 It is possible that the Regeneration & Economic Development Teams could co-locate in their entirety in order to keep the whole City Council's service area physically together. Within the County Council, the Asset Management and Property team deals more simply in property based activity alone, and regeneration resources tend to be "bought in". As a consequence it may not be appropriate at this time to co-locate the Economic Development and City Centre Management teams at Shire Hall; however this option will be left open to future review.
- 5.4 As with all change initiatives, there will be some uncertainty as to how other parts of the Council, including regeneration, will be affected by this colocation. It will need both organisations to manage this risk with flexibility over the review period.
- 5.5 The components that are to be co-located are identified in Appendix 1; this includes all consultants that currently work within the city's property team. It also includes the Custodians Service. At present the three dedicated custodians are highly effective in operating with very limited resources, however the service is fragile. A co-location proposal would include access to the County Council custodians which would be a significant benefit in terms of resilience. The objective would be to retain the existing custodians, not least for civic duties, and no changes to their employment terms or conditions are currently proposed.
- 5.6 The objective of a collocated and ultimately shared service asset management service would be:
- To maximise customer benefit
  - To enable both authorities to focus their collective resources on asset management priorities
  - To increase the resilience of the separate Property Services by combining capacity
  - To share skills

## **6.0 Proposed benefits**

- 6.1 Co-location of asset management functions are considered to deliver immediate property management benefits including greater resilience, capacity, and breadth of skills within the teams.
- 6.2 During the initial 12 months review period opportunities will be explored "organically" through further resource rationalisation and optimisation. Following

this period, further potential efficiencies (for example, to allow vacant posts to be deleted where appropriate) can be identified.

## **7.0 Longer term benefits and aspirations**

7.1 Relocating the Property Team is part of a process of looking at wider integration of the City Council with the County Council. It is essentially a pathfinder to determine the issues and opportunities. Through closer collaboration, the following potential longer term benefits can be explored through this pathfinder:

- Shared space - one shared council building for both the city and county council
- Shared data systems – Tech-Forge, time management and procurement.
- Customer Focus Option – City/County property functions are co-located, with aim of providing a seamless service to all City/County stakeholders, (the respective City/County administrations, elected members and service areas).
- Delivery benefits – use of joint frameworks for delivery of property activity.
- Amenity land and playing fields – build on successful work at locations like Plock Court and Bishops College and at Blackbridge.
- Joint governance – where appropriate instigate joint governance arrangements, like Blackfriars and Bishops College. Recognise competing aspirations and seek win/win for both authorities.
- Co-location of front-line services – further investigate opportunities for potential co-location of both City and County front-line services.
- Joint asset strategies – this model facilitates the opportunity to develop joint asset strategies across service areas, rather than on City-only services.
- Community premises – develop a joined-up approach to community- facilities.

## **8.0 Review period considerations**

8.1 It is acknowledged that there is still much detail to be worked through. This will include the agreement that will need to be put in place the governance for a future shared service and any associated shared performance indicators.

8.2 The interface between the property team and elected members needs careful consideration during the review period. There is a high level of member involvement in the management of assets and other property related functions. The property team will work closely with City Council members to ensure their requirements can be adequately met through the new working arrangements.

## **9.0 Asset Based Community Development (ABCD) Considerations**

9.1 Property within the City Council actively considers ABCD opportunities: many properties are community assets in their own right. A council Peer Review in 2012 concluded that the links between capital projects and social inclusion was limited

and in need of improvement. Through being the project owner, the City Council is looking to ensure its flagship bus station scheme reaches out and makes links with disaffected communities and enables them to benefit from these investment opportunities. Projects such as the Gloucestershire Bike Project and the Furniture Recycling project have all benefited from a regeneration-focused property agenda. It is important that whilst this is a Council priority, that this can continue.

## **10.0 Alternative Options Considered**

- 10.1 The sponsoring group have requested that the only options that should be explored are those looking at shared arrangements between Gloucester City Council and Gloucestershire County Council. This is a model of vertical integration. The group feel that the benefits for both organisations would be maximised where the City is able to draw upon the benefits of scale that the County can provide. It is also self-evident that as the County City, Gloucester possesses several opportunities for collaboration through sharing of council-owned premises which might not be available elsewhere (i.e. Gloucester and its neighbouring district councils do not locate premises within the same localities, whereas the City and County councils do.) Variants on this vertical integration model can be explored, for instance in seeing whether opportunities for other districts to join with the City and County to create a shared asset management service across a number of localities.
- 10.2 Within this model, there are many options for how this could be delivered and during the review period a number of options for how a shared service could operate will be considered.

## **11.0 Reasons for Recommendations**

- 11.1 The recommendation is to approve the co-location of the City Council property team with the county property team at Shire Hall. By co-locating the teams, this will enable a level of practical information sharing which will inform the development of more formal shared working arrangements. This contributes to the shared services journey that the county and city councils are taking.

## **12.0 Future Work and Conclusions**

- 12.1 The timeline for implementing the co-location is:
- March/ April 16 - Consultation with staff and implementing plan for co-location
  - May 16 – March 17 - Co-location period. Develop shared service business case and decide whether to enter into fully shared service
  - April 17 - Shared property service goes live

## **13.0 Financial Implications**

- 13.1 There will be costs associated with co-locating the two teams. A pragmatic approach will need to be adopted for the review period. A full cost benefit analysis will be undertaken as part of plans to develop a full shared service.
- 13.2 With regard to future potential shared service as highlighted in paragraph 7.0. If the County Council is to be the host of this service then the impact on future pension liability for the City council will need to be assessed and incorporated in any

business case. It must be noted that staff would be transferred fully funded into the shared service. Any pension deficit at that point of transfer will remain the liability of the city council and therefore a pressure on revenue budget going forward.

(Financial Services have been consulted in the preparation this report.)

## **14.0 Legal Implications**

14.1 Generally: co-location does not require any formal legal agreement to be put in place other than a licence to occupy by the City. Also, whilst it is acceptable to share good procedures and practice it is important that the co-located service is mindful of Data Protection, Intellectual Property rights and Confidentiality issues when working side- by- side.

14.2 Employment: the staff locating from the City to the County offices may have a clause in their current terms and conditions of employment as to the location where they are based. Staff will need to be consulted about this change of location and given appropriate notice to vary their contracts. If staff object to relocating then the appropriate HR processes should be followed to address this.

(One Legal have been consulted in the preparation this report.)

## **15.0 Risk & Opportunity Management Implications**

15.1 The opportunities around a collocated service very much relate to resilience and cost savings. There are also risks that should be considered:

- a) Members: the City Council currently operates a close working relationship between Members and officers. Members are often found in informal and regular discussions with officers throughout the City offices. The Head of Regeneration and Economic Development will continue to be available to Members and will work between Shire Hall and the City Council offices.
- b) Regeneration activity: Currently property and regeneration benefit from a single management structure with clearly defined priorities that directly benefit the city. This enables flexibility and speed. Managers in both councils will work to ensure that this integrated approach to asset management and regeneration activity within the City is not affected through the co-location.
- c) IT: it will be necessary for the County Council to ensure that the City Council's co-located team can continue to access the City Council network, at least for this initial review period.
- d) HKP: as City Council staff decant out of HKP, the cost per occupying person to retain the buildings becomes greater. This can also be viewed as an opportunity however, as it increases the necessity to review the Council's future accommodation strategy, which was identified as a priority in the Council's asset management strategy.

## **16.0 People Impact Assessment (PIA):**

- 16.1 The PIA Screening Stage was completed against the protected characteristics. This did not identify any potential or actual negative impact, therefore a full PIA was not required.

## **17.0 Other Corporate Implications**

### Community Safety

- 17.1 None

### Sustainability

- 17.2 None

### Staffing & Trade Union

- 17.3 This project involves the relocation of staff. Whilst in the short term there are no immediate issues, it has been identified that there will be the potential for staff, sitting alongside each other, to be on different terms and conditions. This will be considered and would need to be resolved over the medium to longer term; hence Trade Unions will be fully briefed and consulted on all plans.

**Background Documents:** None