

**KENNET DISTRICT COUNCIL
HUMAN RESOURCES COMMITTEE – 7th April 2005**

Proposed Restructure of Property Management Team

Report by Ted Howles, Planning Services Manager

1. PURPOSE OF REPORT

- 1.1. The departure of the Council's Property Management Surveyor in August 2004 provided the opportunity to review the work of the property management team. This report outlines the result of that review and makes recommendations for changes in both working practices and structure.
- 1.2. The main issues are to ensure that:
 - 1.2.1. there is long term security of the revenue stream from the council's commercial property portfolio;
 - 1.2.2. that the Council can obtain expert advice on property management and economic development issues for its planning work;
 - 1.2.3. that the electronic property database is updated and maintained.

2. GAP ANALYSIS

- 2.1. Following the departure of the Management Surveyor almost all of the Council's property work has been undertaken by the Property Management Administrator. In the intervening months her workload has been closely monitored to identify the capacity/competence gaps which now exist.
- 2.2. This analysis reveals that a large proportion of the work can be undertaken by one person, with consultants providing expert advice and input where gaps exist.
- 2.3. The findings of the gap analysis are summarised as follows: -
- 2.4. **Expertise**
 - 2.4.1. It is recognised that the Property Management Administrator is not a qualified surveyor, however that officer is extremely competent and would like to undertake training to become a chartered commercial property surveyor. This will take approximately 3 – 4 years.
 - 2.4.2. The officer has demonstrated that she is capable of undertaking most of the daily duties involved in managing the Council's property portfolio.
 - 2.4.3. There is therefore an opportunity to delete both of the existing posts and create one new post of 'Property Management Officer'.

2.5. Specialist advice

- 2.5.1. There continues to be a need for specialist advice on property and economic development matters – buying, leasing and selling property and providing evidence in support of planning appeals dealing with land based issues such as the demand for employment land and the viability of developing or re-developing such land. Such advice in reality has to be provided by someone involved on a daily basis in the local commercial and residential property markets.

2.6. Property Database

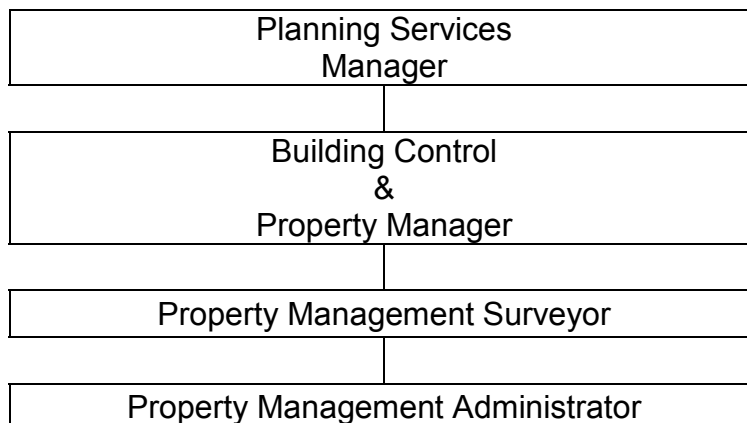
- 2.6.1. It is apparent that the Council's electronic map based records for its own property holdings are incomplete. They cannot therefore be relied upon to produce useful management information to help maximise revenue or act as a definitive record. The result is that the Council is partly reliant on its tenants and external agents to prompt rent reviews or lease renewals. Furthermore, Legal Services have requested that only their trained staff should load information on covenants and easements into the database to ensure future accurate interpretation of the deeds. They do not have the resources to do this at present and consequently no progress is being made in upgrading the information the Council holds in electronic form on its own property.
- 2.6.2. To bring the records up to date and ensure they are accurate someone needs to review the Council's deeds and enter that information directly into the property database. This is considered to be a short term problem and can be addressed by employing a local firm of solicitors to interpret the deed packets under the supervision of Legal Services. The cost of this contract to be covered by Planning Services, (see para 4.2 below).

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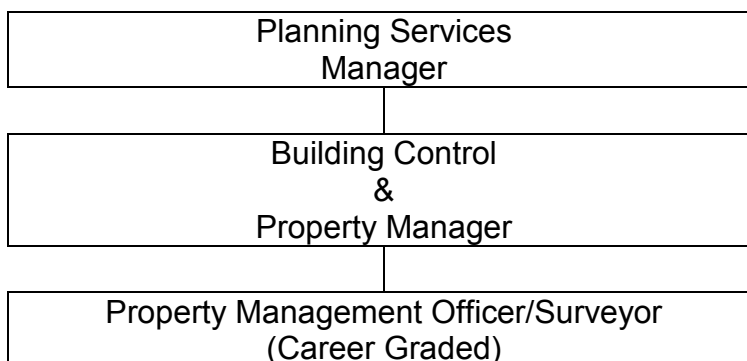
3. STAFFING IMPLICATIONS

- 3.1. If the opportunity is taken to delete two 'property' posts and replace them with one, this will result in the following changes to staff structure.

Existing Structure



Proposed Structure



4. FINANCIAL IMPLICATIONS

- 4.1. The cost to the Council of the two existing property posts amounts to £60,000 per annum.
- 4.2. The creation of a new post of Property Management Officer/Surveyor would cost approx £26,000. The cost of employing someone on a fixed term contract for someone to enter information from the Council's deeds is £10000 (estimate). The proposed changes will therefore be cost neutral in the first year and then result in savings of £10000 once the fixed term contract expires. (see appendix for detailed cost analysis).
- 4.3. The cost of training the Property Management Officer/Surveyor is approximately £4000 pa and the funding for such funding will be drawn against the corporate training budget held by Human Resource Service Manager.

5. LEGAL IMPLICATIONS

5.1. None

6. CONCLUSIONS

6.1. If these recommendations are accepted it is anticipated that the new Property Management Officer will be able to maintain the Council's property records.

6.2. Savings of £10000 will result and contribute towards the Council's objective of saving 2.5% in costs per annum to meet the targets set by Gershon.

6.3. The Council will have an up to date property data base.

6.4. By training an existing member of staff the Council will be seen to be investing in its staff and also ensure that employee remains in post during the training programme.

7. RECOMMENDATIONS

7.1. It is recommended that: -

7.2. The Property Management Surveyor and Property Management Administrator posts be replaced with a single post of Property Management Officer/Surveyor

7.3. The new post of Property Management Officer/Surveyor should be career graded to allow the existing Property Management Administrator to take up the post and train as a chartered commercial property surveyor.

7.4. Specialist property advice should continue to be provided by a retained consultancy (currently Dreweatt Neate) which will also provide economic business advice on planning policy, negotiations on legal agreements, planning applications and where appropriate support for the council's case on planning appeals.

7.5. That Legal Services, or someone appointed by them on a short term contract reviews the information contained in the Council's deed packets and enters that information directly into the property database. The precise boundaries of each site could be confirmed at the same time or be plotted onto the electronic map database using the building control administration team under the control of the property management officer over a period of 6 months.

8. BACKGROUND PAPERS

8.1. Recommendations for the service delivery and structure of Property Management

Andrew Crooks Building Control & Property Manager

March 2005

Appendix

PROPOSAL	COST SUMMARY
Cost of new post PMO	2005/2006 - Approx £26,000 @ SCP 2006/2007 - Approx £28,500 @ SCP
Cost of property consultant	Assume £24,000 per annum.
Est. cost of fixed term contract for property database translation	£10,000 (inc overheads)
	YEAR
Total costs per annum	2005/2006 £26,000 Staff £24,000 Property Consultant £10,000 Contracted Service TOTAL £60,000
Savings from deletion of PMS & PMA post	2005/2006 - £60000
Cost neutral in year 1 Cost saving of £10000 pa thereafter.	
	It should be noted that assuming the grade of the fully qualified PMO is slightly less than the PMS. Eventual saving would reduce to a level equivalent to the PMA salary plus overheads. At 04/05 rates Approx £ 10000 pa