

Non-key Decision Committee Report



PURPOSE: Non-key decision update report

COMMITTEE: Strategy and Resources Committee

DATE: 16 September 2024

TITLE: Property Transformation Programme Update – September 2024

Officer presenting the report: Peter Anderson **Job title:** Director: Property Assets and Infrastructure

Committee Chair: Cllr Tony Dyer

Executive Director lead: John Smith: Executive Director for Growth & Regeneration

Purpose of Report:

1. To inform and update the Strategy and Resources Committee on the scope and progress of the Property Transformation Programme.

Evidence Base / Context

1. Programme Overview:

The Programme can be seen as having two sides to its work.

- **Corporate Landlord:** Implementing and embedding a centralised 'One Council' approach to the management of property assets, to help maximise the use and efficient running of the properties that we retain and make better more informed decisions on the use / disposal of property. Corporate Landlord will optimise the management of the council's assets by bringing the responsibility and accountability for land and property asset management, including all budgets and decisions, centralised within one function. This will include process, people, technology and service changes.
- **Estate Rationalisation:** Review of the estate to implement a smaller and more efficient estate where we have the right amount and right quality of properties to serve the required purpose, while disposing of properties that are deemed surplus to requirements to achieve financial benefits for the organisation.

The programme also intends to:

- a. maximise efficiency and profit from event/cafes/catering provisions;
- b. complete the implementation of the inbound and outbound postal mail to reduce errors resulting in data breaches; and
- c. To review the current operation and business model of The Bottle Yard Studios and consider proposals for its future.

The programme is committed to deliver £1.248m of recurring revenue savings, £749k of one-off savings, and £21.6m of capital receipts in 2024/25 as set at Corporate Leadership Board (CLB) on 14 May 2024.

2. Project Descriptions:

- a. **Corporate Landlord Model:** Centralise property decision making and budgets and reviewing pathways to ensure that all decisions involving the use of assets are made for the good of the council as a whole and its stakeholders.
- b. **Hard FM Procurement:** To deliver a Hard Facilities Management contract that supports Corporate Landlord ambition and vision.
- c. **IT for Corporate Landlord (including Asset Management solution):** To implement a modern, highly joined up, easy to use technology/data tool and/or systems that enable the Corporate Landlord model. This system is an essential component of a Corporate Landlord function.
- d. **Corporate Catering:** Maximise efficiency and profit from event/cafes/catering provision, implementing new model and associated contracts.
- e. **Print & Mail:** Complete the implementation of contractual obligations agreed upon with Xerox and identify/clarify benefits/savings potential related to print and mail budgets.
- f. **Temple Street Fit Out:** Bring 100 Temple Street up to market standard incl. changes to reception and lift spaces, enhancing accessibility and the building's operational efficiency, as well as securing a commercial let to NHS and other businesses.
- g. **Disposals & Estate Review:** Review of the operational, development and investment estates to ensure that we are retaining the correct property assets for the correct purposes, while releasing suitable properties to the disposals process to contribute to savings targets. Properties will only be considered for disposal if they can no longer provide the necessary benefits to the council's stakeholders and the city, and only after alternative use options have been explored.
- h. **Bottle Yard Review:** To review the current operation and business model of the BYS and consider proposals for its future.

3. Approach

This programme is the continuation and expansion of the pre-existing Property Programme started in 2023. (Some related activities and savings were already underway at this time). As the programme is already underway, and the need is to focus upon delivery of in-year savings, the programme will be considered as "in delivery" without development of further programme level Business Cases.

The projects above have, and continue to require, specialist expertise and additional capacity to enable successful delivery at the pace required. The Programme is resourced by core council staff supplemented by specialist consultancy support. The Property Programme has a Programme Board which closely monitors the work of the programme, and seeks assurance that milestones are being met, the benefits of delivery are being realised, and that improved outcomes and cashable savings are being delivered. This board reports to the council's Corporate Leadership Board (CLB).

4. Programme Timeline

Q2 2024:

- Tender launch for Corporate Catering supplier contract.
- Start centralising property budgets into Corporate Landlord service ownership.
- Corporate Landlord Service (CLS) – begin to establish new service structures / teams in line with agreed Service Level Agreements between the CLS and respective teams. This is anticipated to take 9 – 12 months.
- Tender launch for Hard FM provider

Q3 2024:

- Tender launch for IT solution for Corporate Landlord
- Decision made for next steps with The Bottle Yard Studios
- Decision on Corporate Catering contract(s) award
- Confirm service structure for Corporate Landlord
- Complete interior construction works at 100 Temple Street

Q4 2024:

- Decision on Hard FM contract award
- Decision on IT solution for Corporate Landlord contract(s) award
- Complete accessible ramp construction at 100 Temple Street

2025 (subject to continuation of Programme funding):

- Mobilisation of Hard FM supplier
- Implementation of IT solution for Corporate Landlord
- Complete Corporate Landlord structure virements and transfers

5. Financial Targets/Benefits

- **Previously:** Originally there was a £4m MTFP savings target and £36m cap receipt target to achieve within 23/24. Cabinet approved the Programme and these targets in June 2023 and the Programme set out to address these.
- **End of 2023/24:** By end of the 2023/24 financial year, £2.3m revenue savings remain (£1.7m achieved), and the revised capital receipt target was achieved. Target plans for 2024/25 were updated.
- **Now:** The programme has refined its plans and is now targeting to deliver £1.2m of the revenue savings in 2024/25, with additional one-off savings. The Programme is expecting to achieve further savings in future years. Separate activity outside of the Programme is underway to mitigate the remaining in-year savings due. The programme capital receipts target for 2024/25 is £21.6m with £10.4m secured as of August 2024.

6. Financial Overview:

Financial Year	Spend / Budget	Revenue Savings	Capital Receipts (Target)
2023/24	£1.3m	£1.7m (actual)	£10.6m (of which £7.1m HRA appropriation)
2024/25	£4.8m plus £0.5m CLB	£1.2m recurring plus	£21.6m

	held contingency	£0.7m one-off	
2025/26 (Low confidence estimates)	£0.7m plus £0.2m contingency*	£0.4k **	£1.2m

*As per CLB 14 May 2024 – subject to change.

** Excluding any adjustment for The Bottle Yard Studios Review project and potential restart of the Room and Desk Booking project.

Officer Recommendations:

No 'decisions' required.

1. That the Committee for Strategy and Resources notes the report states that the Property Programme's financial objectives include £1.248m of recurring revenue savings, £749k of one-off savings, and £21.6m of capital receipts in 2024/25.
2. That the Committee for Strategy and Resources notes the report states that as per baselining at CLB on 14 May 2024, the Property Programme budget is £4.781m (plus £517k contingency held by CLB).
3. That the Committee for Strategy and Resources notes the report states that as per baselining at CLB on 14 May 2024, no funding has been approved for 2025/26. The budget request for 2025/26 is subject to change and will be requested via CLB.

Corporate Strategy alignment:

1. **Theme 7: Effective Development Organisation From city government to city governance:** creating a focused council that empowers individuals, communities, and partners to flourish and lead.
2. **Estate Review, Disposals, & Investment in Retained Assets: ED06 Estate Review:** Review our operational estate to ensure we have the right amount and right quality of workspaces. Make sure they are carbon neutral by 2025, as well as climate resilient. Explore the potential for a greater presence in neighbourhoods alongside partners.
3. **Corporate Landlord Function: ED02 One Council:** Make it easier to get things done as 'One Council' by adopting more consistent standardised and well-communicated procedures and processes, with corporate support services that are the right size for the needs of the organisation.

City Benefits:

1. **Estate Review, Disposals, & Investment in Retained Assets**
A smaller and more efficient office, depot, operational, and investment estate where we have the right amount and right quality of properties to serve the required purpose, while disposing of properties that are deemed surplus to requirements to achieve financial benefits for the organisation.
2. **Corporate Landlord Function**
A centralised 'One Council' approach to the management of property assets will help to maximise the use and efficiency of running the properties that we retain. A better understanding of the office, depot, operational, and investment estates so that we can make better informed decisions on the use / disposal of property assets.

Consultation Details:

1. Bristol City Council - Cabinet report. Date of Cabinet and decision: 06 June 2023
2. The following projects will bring independent Reports seeking decisions to Committee:
 - a. The Bottle Yard Studios. Update and potentially seek delegated authority. Expected at Strategy and Resources Committee – September 2024.
 - b. IT for Corporate Landlord. Clarification on previous Cabinet decision and seek delegated authority. Expected at Strategy and Resources Committee – October/November 2024.

Background Documents:

- Cabinet: Property Programme was approved by Cabinet June 2023 (various decisions): [Cabinet Report and decision: 06 June 2023](#)
- Cabinet: 2020 Cabinet approved a [Corporate Property Strategy](#) and agreed to establish and embed a Corporate Landlord function and approach
- Audit Committee: held on 29 January 2024: [Audit Report](#)
- Cabinet: Estate Rationalisation and Disposals: [July 2023](#)
- Cabinet: Estate Rationalisation and Disposals: [September 2023](#)
- Cabinet: Estate Rationalisation and Disposals: [October 2023](#)
- Cabinet: Estate Rationalisation and Disposals: [February 2024](#)
- Cabinet: Corporate Catering Review Project: [November 2023](#)
- Cabinet: Hard Facilities Management Contract Extension, re-procurement and Capital Health and Safety Programme: [February 2024](#)

APPENDICES

Appendix A – Further essential background information and detail

NO