



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

Cabinet Member for Corporate Services & Budget

Date: 23 March 2023

Report of the Executive Director Corporate Services and Transformation

**Approval of Allocation from the Feasibility Reserve to Fund Two Posts
for the First Two Years to Implement Asset Optimisation**

1. Divisions Affected

1.1 County-wide

2. Key Decision

2.1 This is not a Key Decision.

3. Purpose

3.1 This report requests Cabinet Member approval to allocate £154K from the Feasibility Reserve, to support the funding for the initial two years of a permanent G11 and G8 post at the total cost of £154K. (Appendix 1).

4. Information and Analysis

4.1 On 7 April 2022 Cabinet approved the establishment of a Feasibility Reserve to enable assessment and viability work to be undertaken on a number of Corporate, Investment and Regeneration initiatives.

4.2 The 7 April 2022 report highlights that reserves can be utilised to support 'Invest to Save Schemes'. This proposal for the two permanent posts supports this agenda through the property rationalisation and the corporate landlord approach to drive through savings with greater control of the monitoring and running costs.

- 4.3 This business development proposal also follows the 14 January 2021 Cabinet decision to implement Asset Optimisation through Corporate Landlord which included the recommendation for a review of the impact of Asset Optimisation on resources in Corporate Property, support functions and service areas.
- 4.4 This bid is to request approval for £154K to cover the costs of funding the two permanent G11 and G8 posts for the period of two years w.e.f. 01 April 2023. Thereafter and following the initial period of two years, the identified efficiencies delivered through the reduced costs of running the estate will then fund the two posts on the ongoing permanent basis.
- 4.5 In order to allow schemes to progress in a timely manner a set of procedures have been developed to allow schemes to gain access to the funding. This includes responsibility to allocate resources up to £0.100m from the Feasibility Reserve being delegated to the Executive Director – Corporate Services and Transformation. Amounts in excess of this to be approved by the Deputy Leader and Cabinet Member for Corporate Service and Budget.
- 4.6 As this bid is in excess of £0.100mm, Cabinet member is sought in line with the approved process.
- 4.7 The securing of the two Facilities Budget Monitoring Officers are prerequisites and integral to ensure the successful delivery of the Asset Optimisation Model.

5. Consultation

- 5.1 Not applicable.
- 5.2 Officers have liaised internally at all levels within the organisation to ensure the recommendations are equitable, transparent and can be administered efficiently.

6. Alternative Options Considered

- a. **Option 1 - Do Nothing.**

The Council would be lacking the staff resource to identify and capture the required efficiencies for monitoring and reporting in the required holistic approach rather than the dispersed and incomplete arrangements currently being undertaken.

- b. **Option 2** - Securing the two G11 and G8 Facilities Budget Monitoring Officers within Corporate Property at the total cost of £154K over 2 years with the posts being self funded through savings thereafter.

This provides Corporate Property with the required staff resource to identify and capture the efficiencies to allow the holistic approach to the monitoring of the budgeting of the estate on an asset by asset or per Service and Directorate basis.

7. Implications

- a. Appendix 1 sets out the relevant implications considered in the preparation of the report.

8. Background Papers

- a 14 January 2021 Cabinet decision to implement Asset Optimisation through Corporate Landlord.
- b 7th April 2022 Cabinet approving the establishment of a Feasibility Reserve to enable assessment and viability work to be undertaken on a number of Corporate, Investment and Regeneration initiatives.

9 Recommendation(s)

- a) That the Cabinet Member for Corporate Services and Budget approves the sum of £154K being allocated from the Corporate Feasibility Assessment Reserve to progress Option 2 (section 6b) to fund the two permanent G11 and G8 Facilities Budget Monitoring Officers posts within Corporate Property over 2 years.

11. Reasons for Recommendation(s)

- a. To move forward with the required funding so that Corporate Property can secure the two permanent G11 and G8 Facilities Budget Monitoring Officer posts to progress the arrangements to identify and capture the required efficiencies whilst taking in to account the Council's financial, climate change, social housing, thriving communities and staff recruitment and retention strategies.

12 Is it necessary to waive the call-in period?

12.1 No

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Implications**1 Financial**

- 1.1 The Feasibility Reserve was established in order to allocate revenue budget and allow projects to be implemented which will support the delivery of the outcomes identified in the Council Plan 2021-2025. This proposal demonstrates “Strategic fit” by supporting all of the Council Plan themes (set out in 6.1 below).
- 1.2 The implementation of a corporate landlord model (Asset Optimisation) is a Council Plan Key Action.
- 1.3 Subject to approval, the Funding for a permanent G11 and G8 post within Corporate Property at the total cost of £154K over 2 years are to be met from the Feasibilities Assessment Reserve. Thereafter the posts will be self-funded by the savings generated by reducing the running costs of the Council’s retained asset base.

1.3 Grade 11 and Grade 8 Facilities Budget Monitoring Officers

	average salary	on cost rate	on cost	total
Grade 8	24,612.75	0.2506	6,167.96	30,780.71
Grade 11	35,138.50	0.2671	9,385.49	44,523.99
	59,751.25			75,304.70
		one-off set up costs		1,695.30
				77,000.00

Note: Salaries are the average of the pay point range within the grade

2 Legal

- 2.1 All movements of reserves must have the appropriate level of authorisation in accordance with the Council’s Financial Regulations. Obtaining the approval from the Cabinet Member for Corporate Services and Budget satisfies this requirement.

3 Human Resources / Workforce Implications

- 3.1 Human Resources Services have been involved throughout the scoping and specification process as well as engagement with Job Evaluation towards the grading of the two posts.

4 Information Technology

- 4.1 There are no IT implications identified at the present time.

5 Equalities Impact

- 5.1 Asset Optimisation will enable the Council to deliver strategic objectives such as carbon reduction, stewardship and enhancing communities.
- 5.2 The benefits of Asset Optimisation have been highlighted in section 4 (Information and Analysis) of this report. Corporate Property will align to the Enterprising Council and the Council Plan. The aim is to create opportunities within Corporate Property and the Council for all of the current workforce and external appointees. A consistent approach to property decisions will enable strategic delivery of accessibility and inclusion objectives.
- 5.3 An Equality Impact Assessment has not been carried out.

6 Corporate objectives and priorities for change

- 6.1 This proposal for the two permanent posts to drive through savings with greater control of the monitoring and running costs demonstrates collaborative working in line with Enterprising Council.
- 6.2 The two permanent posts will deliver the following Council Plan Key Action:

‘Completed a programme to centralise ownership, management, and responsibility for all of the Council’s land and property assets and budgets, within Corporate Property, to ensure the most effective use of land and buildings.’

In addition, the ability to report quickly and accurately will assist in speeding up the rationalisation of the Estate.

7 Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

- 7.1 Environmental Considerations

Asset Optimisation will enable the Council to deliver strategic objectives such as carbon reduction, stewardship and enhancing communities.

7.2 Health Considerations

Deliver a safe, clean, and welcoming asset base for employees and visitors.

7.3 Transport Considerations

Service delivery assets will be located in the most sustainable and accessible areas.

7.4 Prevention of Crime and Disorder Considerations

Asset Optimisation will identify and reduce the number of underutilised high-risk assets. This will reduce crime, secure cost savings, and reduce targeted crime specifically against Council assets.

7.5 Social Value Considerations

As detailed in section 4.5 and 4.6, Asset Optimisation will align with the Council's Strategic objectives.

7.6 Risks

Failure to secure the G11 and G8 Facilities Budget Monitoring Officer posts to progress the arrangements to identify and capture the required efficiencies could lead to the Council being unable to meet its statutory obligations relating to ensuring that a professional property approach is being taken towards the value for money objectives to be achieved through the Asset Optimisation delivery model as was recommended and approved by Cabinet on 14 January 2021.