

Note from Staff in the Property Division to the Finance & Performance Monitoring Scrutiny Committee on 18th January 2002 and the Executive Committee on 22nd January 2002.

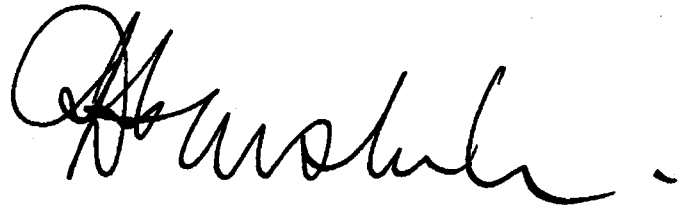
1. It may assist Councillors to have a précis of the work carried out by the Property Division.
2. The Business Unit is responsible for the repair, improvement and management of the Council's non-housing properties. The portfolio comprises over 1,000 separate properties, of which approximately 600 are tenanted, with a value in excess of £100 million and an income in the region of £5 million per annum. Many of the portfolio properties are unique and range from the Town Hall and other administrative buildings to the Covered Market, city centre retail premises, community centres, leisure centres, parks pavilions, allotment sites, local shopping parades, neighbourhood centres, farmland and other small parcels of land.
3. Apart from ensuring the regular management, repair, maintenance and improvement of the Council's properties, the Business Unit is responsible for various statutory duties such as the Public Entertainment Licence for the Town Hall, the requirements of the Fire Authority and the requirements of the Disability Discrimination Act. The Business Unit also has Structural Engineering staff who assist the Building Control Division in checking the structural elements of applications and who provide structural engineering advice to the Housing Department and others. The Estates Management staff deals with asset and insurance valuations, letting and re-letting, lease renewals and rent reviews, acquisition and disposal, restrictive covenants, dilapidations and dealing with travellers and squatters.
4. In the Executive Committee's budgetary proposals, Property Services appears to have been selected for a disproportionately high amount of both budgetary cuts and staffing cuts, particularly to the Building Surveying part of the Business Unit. Property Services is one of the smaller Business Units in terms of staff numbers, yet it has one of the highest proposed cuts. Staff in the Business Unit have had no feedback or information on how the proposed cuts were decided and are at a loss to find any proper reason for the proposals.
5. Staff think it important that Councillors should understand the possible consequences of the proposed cuts. The Business Unit manages a revenue budget (which is principally for day-to-day repairs) of approximately £1.1 million which, it is proposed, will be cut by £500,000. This represents almost one-half of the budget and will mean that only the most essential repairs will be possible. Recent work in compiling the Asset Management Plan has shown that there is a maintenance backlog of outstanding repairs amounting to over £9 million and to cut the limited budgets further in this area will only exacerbate this situation. This will eventually result in the buildings deteriorating and failing so that their income generating capacity and sale value will be diminished. There may also be consequences in the Council failing to meet its legal obligations under the leases.
6. It must also be made clear that existing levels of service cannot be maintained and the Asset Management Plan cannot be properly implemented if staffing levels are so significantly reduced. The proposal to cut a total of seven posts represents a quarter

of the Business Unit's entire workforce, whilst five of these are from the Building Surveying Section which represents half the staff in this group.

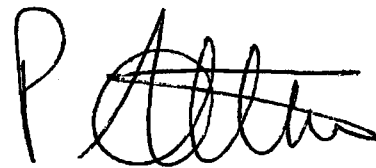
7. In conclusion, buildings need regular maintenance and active management if they are to perform properly and this requires both financial and staffing resources - failure to maintain them will mean that more expensive repairs are ultimately required. There could also be health and safety implications for the staff working in the buildings together with public safety implications for those buildings to which the public has access. Indeed, in many cases the Council cannot escape repairs as they are required by legislation or may be a contractual term of a lease. It is sometimes easy to think that savings can be made by reducing property maintenance, but in fact it only results in problems being stored up for the future.
8. The staff therefore recommend the Council to review its budgetary proposals in relation to the Council's property assets.

Signed:

P. Sawney



John Kidd



W. Reynolds



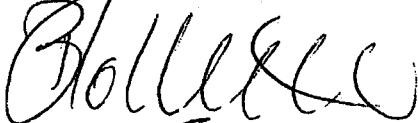
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