

# Corporate and Partnerships Overview and Scrutiny Committee

Property Update  
December 2022

# Property Service Objectives

1. Property portfolios that are transformed to deliver the Council's ambitions
2. Management arrangements that ensure the Property portfolios and the services that are provided by the Property Service are safe and fit for purpose
3. Achievement of value for money in the management of the Property portfolios
4. A service that demonstrates commercial awareness in controlling its costs and the pursuit of opportunities
5. A service that understands and meets the needs of its customers
6. A highly skilled, motivated and engaged workforce

# Aspirations

- More efficient property service providing modern, flexible accommodation that support Modern Council principles and reflect the requirements of services.
- A service that is better able to understand and control cost, including utilities, maintenance and other services arising from improvements in the quality of data.
- Development of a more flexible traded offer that can be designed around the specific requirements of client organisations.
- A service that understands the costs of building construction and delivers Value for Money in all projects.

# Savings

- Savings of £954,000 achieved since 2014, with £213,500 identified in 22/23 – total savings now £1,167,500.

## Forward plans:-

- Rationalisation
  - Wider Northallerton – 50 South Parade / East Block / The Village / Morgan House.
  - Opportunities arising from LGR.
- New Ways of Working opportunities (Post Covid-19)
- Continued reviews of running costs, including energy
- Carbon reduction
- Hard FM Traded Service review of launch of NYES Property Solutions.

# Challenges and Risks

- Determination of post Covid-19 working arrangements
  - Workplace implications incl:
    - Smarter working
    - Workspace / space utilisation
    - Staff working styles
  - Implementation of LGR and further developments thereafter
  - Service Reviews - to understand broader property requirements
  - Hard FM – compliance / delivery arrangements / traded offer
  - Energy – risks and opportunities incl. energy prices and market volatility
  - Carbon – reduction in accordance with the 2030 commitment
  - Inflation
  - Resources

# NYCC Property Portfolios – Summary

## Workplace Portfolio

All the property used for the direct or indirect delivery of services that are not provided by Schools & PRUs

Managed by Asset and Workplace

|                             |                |
|-----------------------------|----------------|
| <i>Number of properties</i> | 174            |
| <i>Floor area</i>           | 129,996 sq. m. |
| <i>Total expenditure</i>    | £8,963,037     |
| <i>Total income</i>         | £1,170,872     |

## Schools Portfolio

All community schools & community Pupil Referral Units

Managed by CYPS, the schools & the PRUs

|                             |                |
|-----------------------------|----------------|
| <i>Number of properties</i> | 231            |
| <i>Floor area</i>           | 350,743 sq. m. |

## Non-Operational Portfolio

All the property not used for direct or indirect service delivery in the short, medium or long terms

Managed by Asset and Workplace

|                             |               |
|-----------------------------|---------------|
| <i>Number of properties</i> | 192           |
| <i>Floor area</i>           | 83,128 sq. m. |
| <i>Total expenditure</i>    | £1,014,371    |
| <i>Total income</i>         | £838,921      |

**Total : 563,867 sq.m.**

Workplace portfolio figures exclude HWRCs and OECs and includes Childrens & Families and Registrars establishments on non-operational sites.

All the figures exclude academies, although NYCC retains the freehold of most of their sites.

# NYCC Property Portfolios – Performance

## Workplace Portfolio – Summary

### Types & numbers of property

| Property type                        | 2020-21    | 2021-22    |
|--------------------------------------|------------|------------|
| Offices                              | 18         | 17         |
| Day centres                          | 7          | 5          |
| Libraries                            | 12         | 12         |
| Prevention Hubs / Children's Centres | 34         | 31         |
| EPHs                                 | 9          | 9          |
| Other                                | 98         | 100        |
| <b>Total</b>                         | <b>178</b> | <b>174</b> |

### Commentary

The reduction in the number of properties is a result of:

1. The rationalisation of the portfolio under Beyond 2020 Modern Council, with property released for sale and leases ended or not renewed on expiry.
2. Service transformations.
3. Some changes across the property types is as a result of tidying up of data within the property management system.

### Strategic Indicators

| Indicator   | 2020-21 | 2021-22 |
|---|---------|---------|
| Running cost - per sq. m. <sup>#</sup> (P.S01)      | £57     | £60     |
| Running cost - per workspace <sup>***</sup> (P.S02) | £1,100  | £1,200  |
| Maintenance backlog - per sq. m. (P.S03)            | £45     | £50     |
| Energy use - kWh per sq. m. <sup>+</sup> (P.S.09)   | 150     | 151     |
| Satisfaction (P.S04)                                | n/a     | n/a     |
| Risk profile (future indicator) (P.S05)             |         |         |

The increase in running costs are due to higher operational and maintenance costs as a result of the increased usage of spaces as Covid-19 regulations have changed over the pandemic. Workspace running costs are based on pre-Covid workspace numbers, if based on Covid numbers this would be £2,770.

Programme of rationalisation of the portfolio continued with properties targeted for review with one or more of:

- A. having high running costs
- B. being subject to a service review
- C. being held on leases with imminent end dates or break clauses
- D. covered by an area review.

The result will be a more cost-effective portfolio that better meets the needs of users and staff.

\*\* Offices only

# No allowance has been made for the cost of capital for freehold properties.

# Hybrid Working – Workspace types

## Individual workspaces

**Standard - in a 'room with desks'**



Desk & chair.  
Perspex screen.  
27" monitor (most desks).  
Lockers / business storage.  
Most not bookable, a few bookable.

**Confidential space**



Desk & chair.  
Room for one person to undertake confidential work or make a confidential call.  
Some bookable via Outlook, some free to use.

**Touch-down space**



Desk or surface & chair.  
For use when visiting an office before a meeting or to print documents or whilst using other facilities.  
Not bookable.



# Hybrid Working – Workspace types

## Group workspaces

**Meeting room**



Traditional meeting room.  
Fixed tables + chairs.  
Some enabled for MS Teams hybrid meetings.  
Fixed maximum capacities.  
Bookable via Outlook.

**Project space**



Reconfigurable tables + chairs.  
Large display screens.  
For project work, team events staff activities, etc.  
Fixed maximum capacities.  
Bookable via Outlook.

**1-2-1 space**



Desk & chair.  
Table & two chairs.  
For 1-2-1s, appraisals, etc.  
Maximum capacities of 2.  
Bookable via Outlook.

# Carbon Reduction

- Continued work by Property and Infrastructure Workstream as part of Beyond Carbon Programme
- Public Sector Heat Decarbonisation Scheme
  - Phase 1 £1.9m funding for window replacements in corporate buildings and schools – completed
  - Phase 3a heat pumps in 3 corporate sites
  - Phase 3b application submitted for further heat pumps
- Heat Decarbonisation Strategy – carbon reduction achieved through:
  - Rationalisation
  - Investment in Building Fabric and M&E
    - LED lighting upgrades
    - Feasibility studies on low carbon technologies
    - Smart Campus review Incl: EV charge points
    - De-carbonisation of heat
  - Behaviour Change

# Capital Programme

- During 2021-2022
  - 34 capital projects completed with total value of £22.8m
    - Incl: New Primary School at Overdale, Scarborough, completion of work at Sherburn High, Malton School, Spofforth Primary, a combination of projects at Risedale and Thirsk, Corporate Rationalisation projects
  - 24 planned maintenance projects above £50,000 completed, value of £2.8m
  - £1.9m Public Sector Heat Decarbonisation Scheme window replacement work at 22 schools and 4 corporate sites

# Traded Service

- £4.364m Traded Turnover in 2021-22
- 280 Clients
- New Traded Service offering launched April 2022 – NYES Property Solutions
- Development of a flexible service with bespoke packages and professional technical services
- Provides basis for expansion of services, including to wider geographical area

# Questions

