

North Yorkshire Council

Corporate and Partnerships Overview and Scrutiny Committee 9 June 2025

Update on Transformation Portfolio

Report of the Corporate Director for Resources

1.0 PURPOSE OF REPORT

- 1.1. To update the Corporate and Partnerships Overview and Scrutiny Committee on the progress of the transformation activity within the council, with particular focus on the Property Strategy.

2.0 SUMMARY/INTRODUCTION

- 2.1 The Transformation Portfolio of activity continues to progress with a number of new IT systems going live over the last period. Work continues on delivering key activities that help bring to together services and there is a large amount of activity focussed on key back office components that will support the council as a whole, such as consolidating the income management systems, designing the new finance system and the systems needed to support the council's interaction with customers.
- 2.2 A Property Programme of work has been established, and progress continues to be made with the consolidation of the council's property assets. A Corporate Property Strategy (CPS) is being developed to provide the overarching framework for the management of the Council's portfolio and a Corporate Property Board has been established to oversee Programme delivery.

3.0 Transformation Portfolio Update

- 3.1. **The Target Operating Model (TOM)** has been further developed, and which is designed to help North Yorkshire Council deliver its Council Plan. The TOM sets out how it is intended the Council will work and in particular there are a number of key design principles to help guide this, through a common approach. The principles are designed to make the organisation as efficient as possible, in our own circumstances. The approach is intended to eliminate as far as is possible the unnecessary duplication of services and to enable the whole council to benefit from points of expertise. The development of the TOM has been undertaken in collaboration with service areas, across the council. Following consultation, the TOM has now been published, with all services now developing their service plans, to align with the aspirations set out in the TOM.
- 3.2. Work in the portfolio is spread across three key areas; Cross-Cutting themes, Delivering the Target Operating Model and Service Specific programmes of work. The paragraphs below set out an update on some of the progress since the last report to the Committee.

Cross Cutting Themes

- 3.3. **The Way We Work theme** will ensure that the council's working practices and procedures enable the delivery of high-quality services, whilst creating a positive working environment for staff. Whilst work continues with operational activities to support the council in joining up

ways of working there is also engagement with staff underway through regular webinars and Question and Answer sessions.

- 3.4. **Customer Experience theme** ensures that the council places the customer at the heart of everything we do to deliver customer excellence. The Customer Strategy is being finalised and will be shared for approval in June 25. In addition the council is now a full member of the Institute of Customer service providing access to cross industry best practice, training materials and expertise.
- 3.5 In April a new campus customer service hub has been opened in Northallerton (Treadmills site), this site enables the council to bring together key service departments to support customers in a more integrated way. The introduction of video calling has enhanced customer access to services that may not always be available on site, this has been supported by a video calling protocol and guidance. Further work is ongoing to identify opportunities for wider roll out of this model across North Yorkshire; this is being developed collaboratively with Customer Services, Property, Libraries, and Community teams.
- 3.6 A number of activities are ongoing around the technology required to support the vision for customer interactions with the council, the requirement for the customer relationship management system have been developed and the specification for procurement has been approved. The customer complaints system has been delayed but plans are in place for this to be available in August.
- 3.7 **Service Convergence theme** - there has been a focus on a structured approach to helping services ensure they consider all the relevant elements that make strong teams that work well together. As part of this process a wide range of systems have gone live over this period; including a new Library Management System with additional features which improves the customer experience and functionality for staff working in the service. The council also launched a refreshed website that's supported by a new Destination Management System that will help us promote North Yorkshire as a destination – visitnorthyorkshire.com.
- 3.8 A large amount of work has been undertaken with the housing service, including on the allocations system that has brought in the former Harrogate Borough Council residents and will mean that the whole of the North Yorkshire Council area will be using a single allocations policy and single system to allocate homes. The Homelessness team is also now able to use a single system for all new cases, over the next few months a common customer approach will be developed and adopted with the necessary data migration completed. This will allow the service to bring all required information for government reporting together in one place and help streamline the service. The first stage of going live with an asset management system has also taken place, bringing together data on the council's housing stock to help manage work needed to properties and monitor compliance with regulations. An online form has also gone live to enable tenants to quickly report condensation mould and damp in their council property.
- 3.9 Within Health and Adult Services the roll out has begun of an E-brokerage system that will help with better accessibility, consistency and visibility of all demand to suppliers and add intelligence to improve our performance and understanding of the market, this is in addition to a cost modelling tool will give the service the information about the market rates so that they can be negotiated with providers more effectively and ensure the council has calculated a fair cost of care using current and local rates.

Delivering the council's Target Operating Model

- 3.10 A number of programmes are in place to help the council achieve its Target Operating Model (as described at paragraph 3.1), a highlight of just some of the progress made this period is set-out below:
- 3.11 **Finance programme** focusses on delivering a finance function that meets the needs of the new council. Work is underway alongside the chosen system provider to configure and build the finance system for the council, the system is expected to go live in April 2026. The council's Income Management Systems (IMS) are also in the process of being consolidated onto a single IMS system, with the Harrogate system being the most recent migration completed in May, it is expected all IMS systems will be migrated onto one system by end December 2026.
- 3.12 **Human Resources** programme is looking to upgrade and improve the HR systems that the council uses daily. Current live projects include the replacement of the DBS system, looking at options for a HR case management system and the replacement of the council's recruitment system.
- 3.13 **Data** programme brings together work around the council's approach to data and how the council can make best use of this to inform decisions, delivering targeted early intervention and preventative services. Procurement documents for expression of interest have been issued for data architecture software that will be crucial underpinning the council's approach.

Service Specific Programmes

- 3.14 There are a number of service specific programmes of work, key updates in this period are set out below:
- 3.15 **Sport & Active Wellbeing programme** is focussing on moving towards consolidating sport and active wellbeing activity into a single in-house function under the Active North Yorkshire banner. Richmondshire services were successfully moved over at the end of February and there is now a gap until 2027 when the remainder of services are brought in house, the timing being driven by contract end dates with existing providers.
- 3.16 **Waste programme** – the adoption of a 4-day working week is being rolled out across the county where this is not already in place, this has already been completed in Harrogate with progress continuing over the summer in Richmondshire and Ryedale in June, Hambleton in July and ending with Scarborough in September.

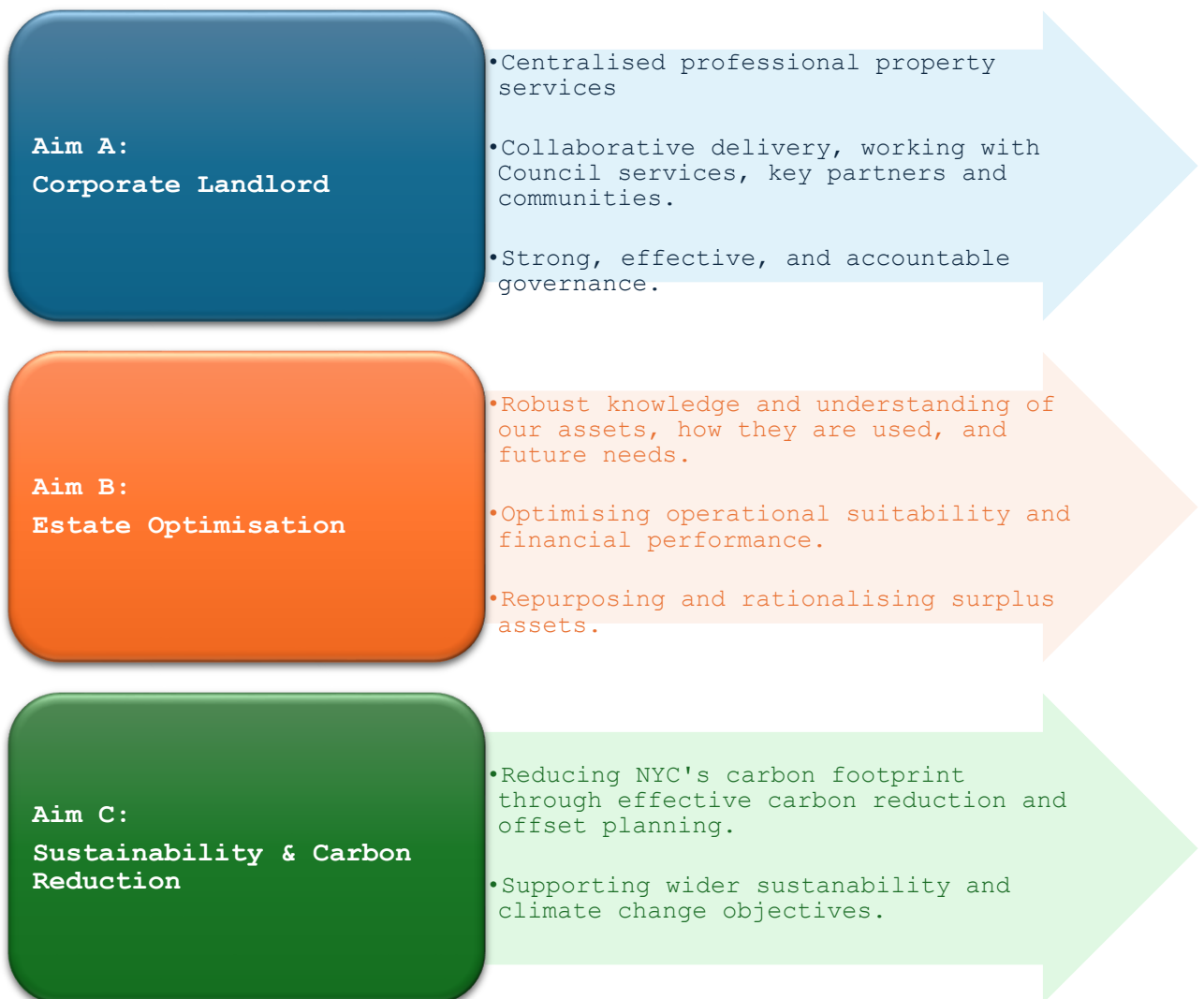
4.0 PROPERTY PROGRAMME

- 4.1 The Property Programme continues to be developed, focussing on providing the structure, governance and oversight to guide the safe, effective and efficient management of the Council's property portfolio.
- 4.2 A **Corporate Property Strategy** (CPS) will guide the Property Programme, providing a clear framework for future actions, and a **Corporate Property Board** has been established to oversee and direct the CPS and Programme. The Board's primary role is to ensure that property assets are managed corporately - rather than at individual directorate level - to best support the delivery of the Council's wide-ranging aims and priorities.

5.0 CORPORATE PROPERTY STRATEGY (CPS) AND BACKGROUND

- 5.1 The CPS is still being developed and will be presented to this Committee in its final form for approval, however proposals for some of its core elements are set out below for consideration.

- 5.2 The CPS will provide a strategic framework for the efficient and effective management of the Council's property portfolio and related activities. Launching in 2025, it will guide short to medium-term planning through to 2030 and set the foundation for longer-term objectives through to 2035, aligning asset management with the Council's priorities and outcomes.
- 5.3 The CPS will be fully aligned with the Council Plan and key corporate strategies such as the Climate Change Strategy, Economic Growth Strategy and Housing Strategy. The approach taken will follow best practice guidance from the Royal Institution of Chartered Surveyors (RICS) and Chartered Institute of Public Finance and Accountancy (CIPFA) and adhere to ISO 55000 principles for land and property asset management.
- 5.4 The delivery of the strategy will also be in accordance with, and responsive to, the Council's Budget and Capital Plan, ensuring value for money and base alignment with the Council's financial position.
- 5.5 The draft CPS outlines the following strategic aims, which align with the vision and ambition of developing an optimised asset base that is managed in a professional and increasingly commercial way.



**Aim D:
Supporting Communities**

- Empowering communities through Double Devolution and asset transfer.
- Utilising assets to support development and regeneration, and to drive economic benefits.

- 5.6 The CPS provides additional detail on the overall approach to how each of these aims will be implemented through the formation of targeted objectives, as outlined below. Progress will be monitored against those objectives.
- 5.7 **Aim A: Corporate Landlord** - The centralisation of property functions, budgets, and activity into a single Corporate Landlord model positioning Property Services as a key enabler to support business change.

What?	How?
Fully established and resilient property service structure	<ul style="list-style-type: none"> • Functional structure with knowledge sharing embedded across all property disciplines. • Robust recruitment and retention strategy. • Streamlined access to consultancy arrangements.
Service planning & improvement	<ul style="list-style-type: none"> • Effective service planning activity to promote and secure continuous improvement. • Agile approach to improvement, incorporating phasing of activity.
Property Governance	<ul style="list-style-type: none"> • Active and effective Corporate Property Board and sub-groups, structured to provide corporate oversight and enable clear concise decision making.
Property Compliance	<ul style="list-style-type: none"> • All compliance elements understood and qualified. • Proactive preventative maintenance to address remedial activity. • Technology utilised to increase assurance and drive efficiency.
Property Condition	<ul style="list-style-type: none"> • Prioritised rolling programme of condition surveys. • Retained estate benchmarked “good”. • Long term planned maintenance programme in place.
Capital project delivery and property improvement	<ul style="list-style-type: none"> • Centralised property project function. • Embedded capital project governance arrangements.
Financial Effectiveness	<ul style="list-style-type: none"> • Centralisation of all property related budgets, considering future saving and income opportunities at a corporate level. • Assurance of capital expenditure and project management activity.

- Targeting and monitoring of property disposals to generate capital receipts.
- Increased rental income.

5.8 **2035 Ambition** - The ambition is that by 2035 Property Services will be providing a seamless Corporate Landlord function across NYC, recognised regionally and across the sector for our expertise and approach; providing high quality property services which are led by robust governance, quality data and business insight.

5.9 **By 2030 we will:**

- **Professional Excellence** – provide a proactive and resilient first-class property service.
- **Governance** – have an effective high functioning Corporate Property Board and associated working groups.
- **Suitability** – ensure asset plans are in place to ensure priority assets are suitable and efficiently operated.
- **Financial Security** – manage all property budgets and projects centrally with forward opportunities for efficiencies derived from increased rental income and reduced costs identified.

5.10 **Aim B: Estate Optimisation** - Clear understanding of the Council’s estate, what it is used for and what it is needed for into the future, using this information to prioritise opportunities for optimisation and to rationalise liabilities.

What?	How?
Asset Review	<ul style="list-style-type: none"> • Baseline the Estate and asset data held. • Use a principal dataset to ensure consistency of data and how asset performance will be measured. • Cleanse and verify asset data to provide credibility. • Use a Core Estate approach to support prioritisation.
Optimisation Strategies	<ul style="list-style-type: none"> • Thematic programmes to optimise the estate, considering and challenging existing and future service needs alongside asset requirements. • Using an asset challenge approach to individually review assets or asset classes and support business change.
Rationalisation	<ul style="list-style-type: none"> • Analysis of vacated surplus assets to most effectively reduce liability and exposure. • Use of data to identify underutilised assets and realise future rationalisation opportunities. • Considering options for re-purposing / demolishing / disposing of assets.
Collaboration	<ul style="list-style-type: none"> • Identification of key partners across the sector and geography. • Taking a consistent approach with key local partners. • Ensuring NYC representation with sector and national partners and for strategic initiatives.

5.11 **2035 Ambition** - The ambition is that by 2035 we will have a robust understanding of the NYC Estate and how it performs, having brought forward optimisation opportunities to

enhance the retained estate and reduced the footprint of the estate through the effective rationalisation of surplus land and property assets.

5.12 **By 2030 we will:**

- **Understand Performance** – have a consistent level of understanding of our estate and have key measures in place to consistently measure and monitor asset performance.
- **Core Estate** – take a risk-based approach to the prioritisation of assets and associated activity, clarifying responsibilities and providing assurance.
- **Optimisation** – have delivered the first tranche of opportunities and used this success to put in place a forward continuous review and rolling programme for enhancing assets and broaden the approach to support key partners.
- **Rationalisation** – have disposed or re-purposed a number of surplus assets and will have a clear pipeline of future asset rationalisation activity to drive the generation of revenue cost savings and capital receipts.

5.13 **Aim C: Sustainability & Carbon Reduction** - It is an essential component of the Council's Climate Change Strategy for the Estate to become net zero in its operational emissions by 2030.

What?	How?
Building adaptation	<ul style="list-style-type: none"> • Fabric first approach to be taken when retrofitting assets with sustainable and carbon reducing solutions. • Embed future flexibility when aligning service needs.
Energy contracts	<ul style="list-style-type: none"> • Robust and effective contracting arrangements with energy suppliers and for ancillary requirements. • Access to offsetting opportunities such as Renewable Energy Guarantees of Origin (REGO) tariffs to balance carbon reduction activity.
Building use	<ul style="list-style-type: none"> • Implement measures to reduce energy and water consumption within Council occupied buildings. • Rationalise our operational estate to reduce carbon emissions. • Implement technology solutions to better manage our buildings and reduce energy consumption.
Land	<ul style="list-style-type: none"> • Utilise land holdings to support Biodiversity Net Gain. • Review opportunities to utilise the portfolio for the production of renewable energy. • Manage land to support natural capital.

5.14 **2035 Ambition** - The ambition is that by 2035 the progress made to become net zero will be built upon to push further, moving some assets into a negative carbon position and to reduce the reliance on offsetting strategies.

5.15 **By 2030 we will:**

- **Net Zero** – successfully have brought the carbon emissions associated with the Council's estate to a net zero position through the implementation of effective carbon reduction and offsetting strategies.

- **Occupancy** – promote the efficient and effective occupancy of the Council's estate and have maximised utilisation and embedded a culture of shared ownership to promote positive user behaviour and experiences.
- **Land** – have a robust plan in place to maximise the utilisation of our land and natural capital to maximise non-traditional development opportunities, balancing natural, social, and economic gains.

5.16 **Aim D: Supporting Communities** - Working collaboratively to empower our communities, increase the sense of place and buy-in across North Yorkshire, contributing to wider initiatives and development objectives.

What?	How?
Development	<ul style="list-style-type: none"> • Promotion of appropriate land holdings for inclusion within the new Local Plan. • Support the increase in housing delivery and employment through the release of Council land for development.
Regeneration	<ul style="list-style-type: none"> • Provide effective support for regeneration initiatives concerning Council property. • Enable growth through strategic property acquisition, place making and interaction with key development partners.
Community Assets	<ul style="list-style-type: none"> • Proactively support and contribute towards the Council's Double Devolution aspirations. • Manage the Community Assets Policy, incorporating Assets of Community Value and Community Asset Transfer procedures.

5.17 **2035 Ambition** - The ambition is that by 2035 we will be utilising our portfolio to support economic outcomes and be seen as a sector leader in our approach to the management of community assets; taking a consistent, supportive and proactive approach, working with our key partners to ensure a whole system approach to taking responsibility, minimising forward liability and managing assets at a local level.

5.18 **By 2030 we will:**

- **Housing Delivery** – have established a strategic sites programme to unlock Council owned sites for housing development, adding further allocated sites for delivery as part of the development of the new Local Plan.
- **Place Making** – be utilising the portfolio to support and enable the delivery of key regeneration activity across our key towns.
- **Community Empowerment** – be supporting the Double Devolution agenda by leading a consistent and successful approach to the appropriate use and transfer of assets within our communities, in accordance with relevant policies and procedures.

6.0 MEASURING SUCCESS AND KEY PERFORMANCE MEASURES

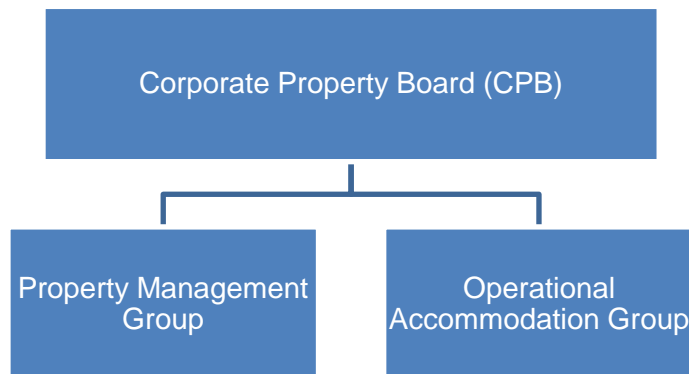
6.1 Each strategic aim will be underpinned by defined, measurable outcomes and key performance indicators (KPI's) to track progress toward their achievement.

6.2 These elements will be further developed as the CPS becomes embedded within the organisation and will form the focus of the activity delivered via the Property Programme.

7.0 GOVERNANCE

7.1 An officer based Corporate Property Board has been established to consider strategic property opportunities and issues at a corporate level, ensuring that property assets are managed as a corporate resource rather than at a departmental level, in alignment with the Corporate Landlord approach. Sub-groups to the board are in place to monitor and manage key activity associated with the CPS.

7.2 The proposed governance structure is illustrated as follows:



7.3 Regular updates on CPS progress and activity will be reported to this O&S Committee, and relevant members will be kept informed and updated regarding any proposals that affect their local area.

8.0 KEY PROGRESS TO DATE

8.1 Although the CPS has not yet been finalised and adopted, progress is already being made in a number of areas, as outlined in the table below

Aim	Key Progress
Aim A: Corporate Landlord	<ul style="list-style-type: none"> • The property team restructure has been finalised and the appointment of internal, ring-fenced employees is complete. The team are currently appointing to vacant posts within the structure. • A property service plan has been developed and a Service Improvement Board has been established within the property service to monitor progress and oversee delivery. • The Corporate Strategy aims and key objectives have been produced and a Corporate Property Board has been established. • Work has begun between Corporate Property and Services to establish Service Level agreements which will set out in detail the roles and responsibilities in relation to all Council assets. This will increase our understanding of our estate, improve compliance and identify opportunities to deliver better value for money. • Work has commenced on the centralisation of property related budgets. • A £5m budget was established in the 2025/26 budget to progress planned maintenance activity and address priority remedial works. • In principle approval has been obtained for significant (£59m) investment in new Care and Support Hubs, which will replace the existing stock of ageing Elderly Person Home properties. The project is progressing well.

Aim B: Estate Optimisation

- A corporate Property Asset Management System has been selected and pre-existing asset data has been input to the system. Work is ongoing to verify and cleanse the data, as well as populate core data gaps and finalise data structures.
- Ongoing revenue savings of more than £1.05m p.a. have been delivered through asset rationalisation, and capital receipts in excess of £13m have been generated from property asset disposals since vesting day.
- The Northallerton customer service centre has been relocated from Stone Cross to Treadmills and opened with positive feedback on 28 April. The Stone Cross site will be fully vacated during August 25. The site has been marketed for disposal and 9 bids have been received, covering a range of uses for the site. The bids are currently being reviewed and assessed and a recommendation regarding the disposal will be presented to the Executive for consideration later in the year.
- The newly formed Scarborough and Harrogate Town Councils started occupying surplus space in Scarborough Town Hall and Harrogate Civic buildings on 1 April.
- A review of Council depot provision has commenced, with an initial focus on the Richmond, Scarborough, Ryedale and Harrogate areas.
- Locality based reviews to consider the Council's property holdings and future service needs in the Malton and Scarborough area are being scoped and work is underway to identify opportunities for co-location of Council services in Skipton.
- A review of the Industrial Unit asset portfolio is in progress.
- Property is working with Active NorthYorkshire on the development of the Leisure Investment Strategy.
- Active marketing is underway for the vacant space at the Summit, Selby to offset Council costs and drive investment and footfall into the town.

Aim C: Sustainability and Carbon Reduction

- A cross-directorate working group has been established to identify carbon reduction opportunities across the property portfolio, with a view to creating a priority project pipeline for future funding bids.
- Baseline annual operational carbon emission data is now available for the majority of property assets within the portfolio, which will support future planning, analysis and reporting.
- Projects to install solar panels on three council owned industrial unit sites in Pickering, and Selby Leisure Centre have recently been completed.
- £537k of Public Sector Decarbonisation Grant has been secured towards a £640k project covering property carbon reduction measures at Nidderdale Leisure Centre. The proposals will reduce carbon emissions at the property by 60%.
- A funding bid has been submitted to the Combined Authority Mayoral Renewables Fund to deliver carbon reduction measures across a number of other leisure properties.
- A pilot project is underway to explore opportunities to support Biodiversity Net Gain initiatives on a Council owned farm.
- We are part of the Fleet Decarbonisation project team, ensuring that power infrastructure at our depots is in place to support future delivery.

Aim D: Supporting Communities

- A strategic sites programme has been established to assess and advance development opportunities on 23 council owned sites that are already allocated in pre-existing Local Plans. Collectively these sites have the potential to deliver over 2,000 new homes and substantial levels of capital receipts. The sale of one of the sites - Airedale Avenue in Skipton – became unconditional earlier this financial year and the capital receipts has since been received. 16 (30%) affordable housing units will be provided on the site and will be acquired into NYC's Housing Revenue Account.
- Officers have undertaken a strategic review of the Council's portfolio to identify sites with potential for future development. These sites are being considered for inclusion in the Local Plan Call for Sites process. A considerable number of promising opportunities have been identified which, if pursued, could play a key role in meeting North Yorkshire's housing delivery targets and generating significant capital receipts. Local Members will be notified ahead of any submissions being made to ensure they have the opportunity to provide feedback or raise any concerns.
- A soft marketing testing exercise, to understand development opportunities and identify a proposed route to market, for council owned sites in the North Bay area of Scarborough is in progress. The proposals were agreed by the Executive in February 25 and the findings of the exercise will be presented to Members later in the year.
- In May the Executive approved the in principle transfer of the vacant, Grade II listed, former Richmond Grammar School to Richmondshire Building Preservation Trust for use as a community facility, subject to certain conditions being met.
- Property Officers are engaged in the Town Investment Planning Process to ensure that our assets complement and enhance these plans for the benefit of our communities.
- The Double Devolution process is being taken forward working with Localities to consider the transfer of appropriate assets to community groups.

9.0 Report Recommendations

9.1 The Committee is asked to:

- i. Note the progress that has been made to date.
- ii. Provide any views on the contents of the report and areas of focus for future reports.

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29 May 2025

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