

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	4430
Author:	Steve Sprason
Department:	Growth and City Development
Contact:	Steve Sprason (Job Title: Interim Head of Property, Email: steve.sprason@nottinghamcity.gov.uk, Phone: 07929 726438)
Subject:	Additional Interim Property Management Staffing Resource
Total Value:	£65,000 (Type: Revenue)
Decision Being Taken:	To agree a budget of £65,000 for the appointment of two temporary agency staff until 31 March 2022, to undertake property management work in relation to the Council's commercial portfolio and associated rent review/lease renewal work. The budget allocation is being approved by the Portfolio Holder as an executive decision and the establishment of the posts is being approved by the Corporate Director as a non-executive decision under Delegation 16.
Reasons for the Decision(s)	Due to recent decisions taken to reduce the property management capacity within the Strategic Assets and Property team, there is no longer sufficient capacity to provide an effective and efficient management function. There is now, therefore, a requirement to recruit two agency staff arising for the following reasons: 1) An existing assistant estates surveyor colleague is shortly to go on maternity leave and cover is required. The post supports the proper management of the Council's commercial portfolio ensuring legal obligations are met and the maintenance of robust landlord and tenant relationships. It contributes to recovery of rent arrears and the letting of vacant property. Without this resource, those activities would need to be paused, leading to reduced income and increased costs together with adverse tenant reaction. 2) There is a significant backlog of outstanding lease events (rent reviews and lease renewals) and an additional net income line of £200,000 is to be added to the 2022/23 budget as the product of actioning those outstanding events. This resource is required to undertake that work, initially undertaking necessary due diligence through to establishing a pipeline of cases and settling/documenting completed transactions. Without this resource, the additional income requirement will not be met. The costs of the decision have been based on hourly rates for the assistant surveyor and senior lease events roles of £35 and £50 respectively, 5 days per week for 20 weeks.

Other Options Considered: 1) To do nothing: this option was rejected due to the level of risk in not having adequate management resource available both in respect of ongoing management requirements and in dealing with outstanding lease events. 2) To use internal resource: this option was rejected due to the loss of a number of members of staff within the Strategic Assets and Property team, in addition to those who have left through voluntary redundancy, so there is no spare capacity to undertake these roles. This temporary cover is required pending the outcome of the CIPFA review, which is expected to deliver a new structure for the Property Services function.

Background Papers: None

Published Works: None

Affected Wards: Citywide

Colleague / Councillor Interests: None

Any Information Exempt from publication: Yes

Exempt Information:

Description of what is exempt: The privileged Legal advice.

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

5 - Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings. The public interest in maintaining the exemption outweighs the public interest in disclosing the information because the information sets out the potential legal risks involved in the course of action proposed that, if published, would prejudice the Council's position in the effective management of those risks.

Documents exempt from publication:

DDM - legal advice - 25.10.2021.pdf

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

None

Equality:

EIA not required. Reasons: The decision does not represent proposals for a new or changing policy, service or function.

Relates to staffing:

Yes

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

15/11/2021

Advice Sought:

Legal, Finance, Procurement, Human Resources

Legal Advice:

This advice is exempt from publication and is contained within an Exempt Appendix.

Advice provided by Aman Patel (Solicitor) on 25/10/2021.

Finance Advice:

This decision seeks approval to recruit agency staff at a total cost of £65,000 to work specifically on rent reviews to deliver an additional net figure of £200,000 income within Property. The agency staff will therefore need to ensure that at least £265,000 of income is generated to ensure that their salary costs are covered as there is no base budget for these posts. Should insufficient income be generated, the Property Service will have to meet these costs within its overall budget, holding vacancies if required to ensure that there is no overspend within the Service. It is important that the work undertaken by these posts is monitored to enable the overall financial contribution generated to be reported.

Advice provided by Susan Tytherleigh (Senior Finance Manager) on 05/10/2021.

Procurement Advice:

The proposal involves using frameworks to make the appointments. The frameworks have specific call-off terms for awarding contracts. Provided the framework process is followed, the award of contract would be compliant with procurement law and therefore there would be no significant Procurement concerns.

Advice provided by Paul Ritchie (Procurement Manager) on 11/10/2021.

HR Advice:

The proposal seeks authorisation to spend £65,000 to engage agency staff in order to:

- 1) support the management of the Council's commercial portfolio to ensure its legal obligations are met and to contribute to the recovery of rent arrears and letting of vacant properties, which will generate income and reduce costs (maternity cover of existing Assistant Estates Surveyor - Grade E, job role); and
- 2) carry out work to reduce the significant backlog of lease events, namely rent reviews and lease renewals, which will generate an additional net income of £200,000 (which will fall in line with the duties of a Senior Estates Surveyor - Grade I).

The service area has identified a need to increase capacity within the team in order to undertake property management work, pending outcome of the Property Service restructure/review.

There is currently no capacity in the existing Property team to fulfil this work.

Due to the current review of the Property Service, the critical nature of the work and the potential loss of income generation, the Service seeks approval for the temporary appointment of two agency staff until March 2022 (approximately 20 weeks).

For governance and transparency purposes, the Council policy and procedure on the hiring of agency staff should be followed and adhered to, including neutral vendor system and the Agency Workers Regulations. However, I note following discussions with management that due to the specialist, professional nature of the roles that are required, it is anticipated that the Council's GRI framework will not be able to meet the requirements of the job roles. Discussions are taking place with Procurement in order to engage a specialist agency worker from Oyster, Michael Page or Hays, two of which are part of the ESPO framework.

Management should explore whether the agencies can join the Council's GRI framework.

Management need to ensure the agency worker is aligned to a job description that has undergone a job evaluation process and ensure the Agency Workers Approval form has been completed.

Ideally, agency workers should not be engaged for longer than 12 weeks, however, it is noted that this request seeks the use of an agency worker until at least March 2022, due to the current review and restructure of the Property service. It should be noted that after 12 weeks, the Council may attract additional liabilities as the agency worker could qualify for comparable rates of pay and holiday.

Consideration should be given to the Council's current spending controls and recruitment freeze.

Advice provided by Paul Slater (Service Re-Design Consultant) on 11/10/2021.

Signatures

David Mellen (Leader/ PH Strategic Regeneration Communications)
SIGNED and Dated: 05/11/2021
Sajeeda Rose (Corporate Director of Growth & City Development)
SIGNED and Dated: 26/10/2021