

# Property and Projects Department



Internal document



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## 1.0 Introduction

- 1.1 The Property and Projects Department is a recently formed department which is responsible for supporting the organisation in Property and Project Management through effective development, use and management of City and Council assets. The department manages the asset base of the council along with delivering major capital projects contributing to the overall Council efficiency programme by ensuring that we maximise the potential of the Council's asset base. The department is also responsible for the management, security and maintenance of all council properties and vehicles, as well as the procurement of new services and goods for all council departments.

## 2.0 Background

- 2.1 The corporate plan embodies what the council intends to achieve. It sets out Members' ambitions for the city and their commitment to improving quality of life for everyone who lives in, works in and visits the city. It is based upon an assessment of need in the city, the views of residents on what the council's priorities should be and a commitment to strong political and executive leadership.
- 2.2 Whilst the corporate plan focuses on issues which cut across council departments it also reflects the importance of the quality of the vital services that are provided on a daily basis.
- 2.3 The corporate value creation map (VCM) is used to performance manage the corporate planning process, which encourages services to work together across the Council to improve quality of life and the different elements that contribute to this aim.

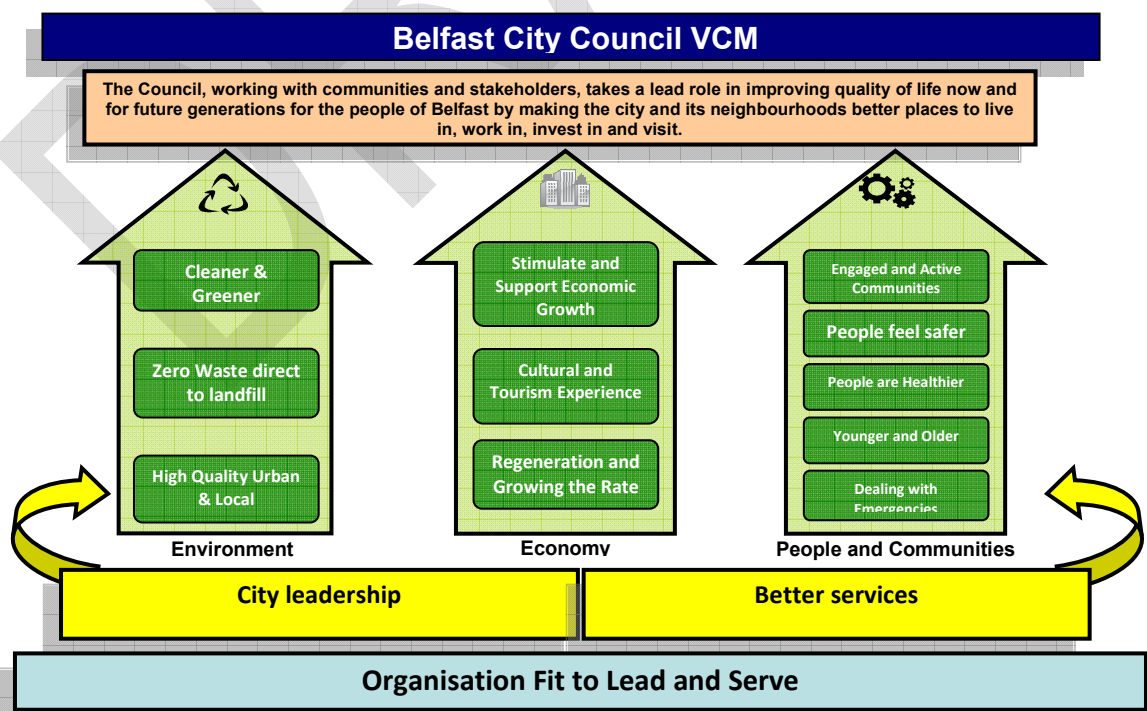


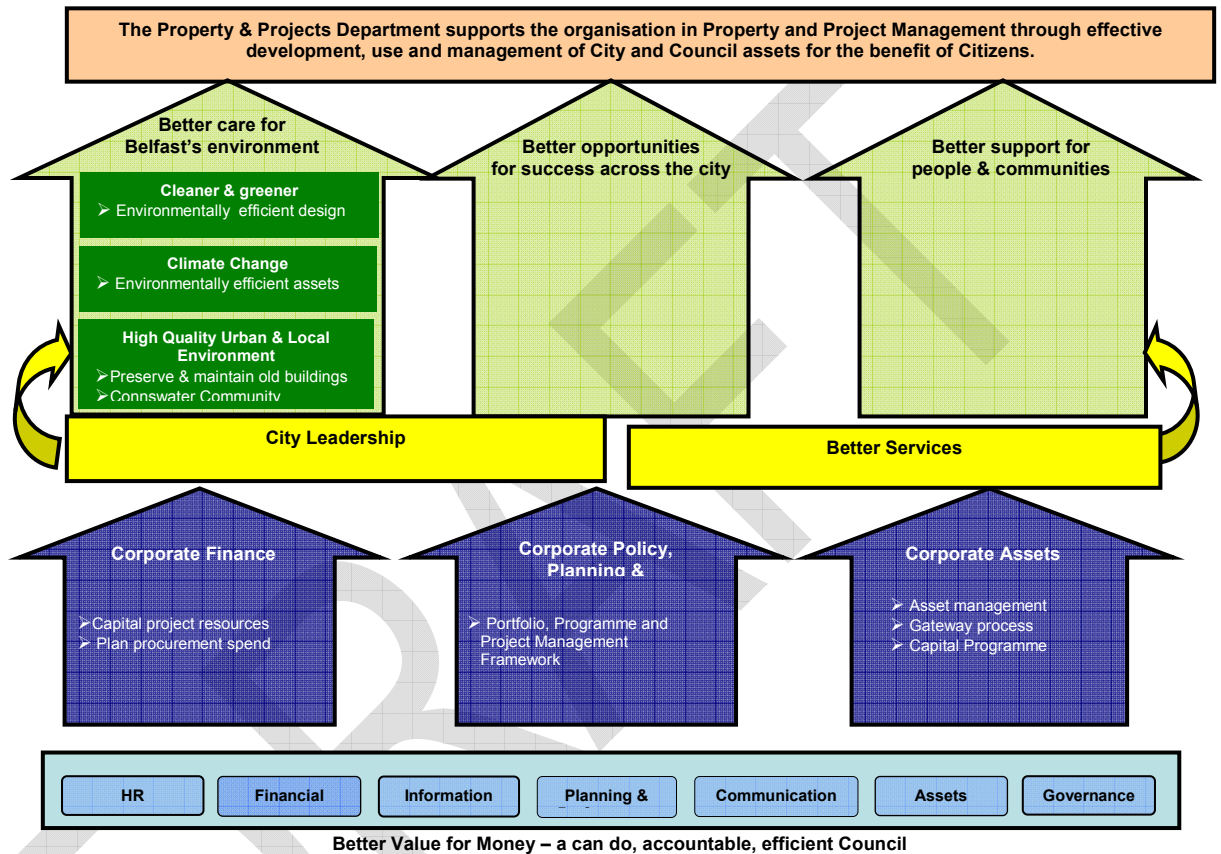
Fig 1: Corporate Value Creation Map

- 2.4 This Departmental Plan describes how the Property and Projects Department's proposed actions and targets for the year 2011/ 12 complements those in the Corporate Plan. This Plan is the basis for management of the Department by the Committees and senior managers. It provides explicit links between core departmental activity and corporate strategy.
- 2.5 Under the Council's Scheme of Delegation, the Director of Property and Projects has been given the delegated authority to undertake the activities as outlined in section 7. Progress update reports will be submitted to the Strategic Policy and Resources Committee twice yearly.

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### 3.0 Values (and purpose)

3.1 The Property and Projects Department’s purpose is “to support the organisation in Property and Project Management through effective development, use and management of city and Council assets” and the work of the department is reflected in the VCM map below, clearly reflecting how it contributes to the objectives of the Council:



3.2 The Department adheres to the Council’s values which state that we will:

- Focus on the needs of customers, have a ‘can-do’ attitude, be problem solvers
- Provide value for money and improve services
- Work together
- Respect each other, be fair, promote equality and good relations
- Act sustainably
- Ensure the highest standards of health & safety
- Value our employees

## 4.0 Strategic themes

4.1 The corporate value creation map defines six strategic themes. These were chosen as priorities for the Council in the context of a wider analysis of need in the city, the views of the public, and the statutory and strategic challenges and opportunities that are likely to impact on the Council over the next three years. The themes are:

**City leadership – strong, fair, together**

**Better opportunity for success across the city**

**Better care for Belfast's environment**

**Better support for people and communities**

**Better services – listening and delivering**

**Better value for money – a can-do, accountable, efficient council**

4.2 The last of these themes underpins all of the Council's work, and is further defined by the following strategic elements within the value creation map:

- Corporate human resource management
- Corporate financial planning
- Corporate information management
- Corporate planning and performance
- Corporate communication and engagement
- Corporate assets
- Corporate governance and risk

## 5.0 Changes in internal and external environment

- 5.1 The Property and Projects department was established in January 2010 to centralise how the Council manages its asset base and delivers major capital projects. In the coming year it will continue to develop the necessary structures, policies and processes to deliver improved levels of performance in assets and project management. In doing this it will also contribute to the overall Council efficiency programme by ensuring that we maximise the potential of the Council's asset base. Changes in the external environment reflect heavily on the operational workings of the department.
- 5.2 The department is still very much within a developmental phase having brought together elements of the Improvement Team and the Facilities Management Service. This will be the first year that the department will exclude its former responsibilities for Policy, Performance and Planning which will now be carried out by the Chief Executive's and Finance and Resources departments. This transition was only completed during the 2010/11 financial year.

### **Review of Public Administration**

- 5.3 The Property and Projects department was responsible for leading the RPA process on behalf of the Council. The RPA process has now been deferred and the Council elections in May 2011 were in respect of the 26 Councils and not the 11 that was envisaged under RPA. Whilst the local government sector awaits confirmation from the NI Executive on the future of RPA local government reform, work will continue within the sector on exploring potential opportunities for greater collaboration among Councils and between Central and Local Government.

### **The Efficiency Agenda**

- 5.4 With even greater emphasis on public spending following the outcome of the government's Comprehensive Spending Review (CSR) the issues of efficiencies and Value for Money are likely to be key drivers in the approach to the Council's medium term plans. The Property and Projects department is likely to play a key role in the delivery of the Council's efficiency agenda. This will be particularly so through Procurement and the issue of collaboration with the wider public sector offers an opportunity to deliver on this agenda for the Council.
- 5.5 Internally we will need to sustain reserves and manage budget allocations rigorously as we build the linkage between the financial and business planning processes within the Council. This will entail reviewing existing delivery models via Value for Money studies to ensure their cost effectiveness and allow us to identify any efficiencies that may exist within these. Set against this we will also seek to maximise any potential that exists within our external income generation whilst balancing this with the impact it might have in the current economic climate.

The department is also a resource and skills base for greater use of project management approaches across the council enabling more to be done within time, cost and quality parameters.

### **The Property Market**

- 5.6 The current economic climate and the downturn in the property market have led to limited finances being available for property acquisition and development. This is reflected in low levels of demand across all property types and significantly reduced property values. Therefore whilst capital receipts through asset disposals have been identified as a key source of funding for the Capital Programme, City Investment Framework and other Council priorities, this must be treated with caution in terms of either decisions to dispose or in estimating the level of capital receipts obtainable.

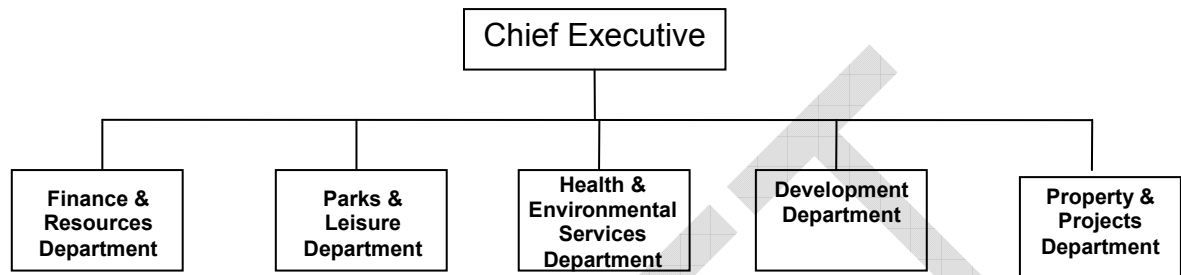
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## 6.0 Departmental structure

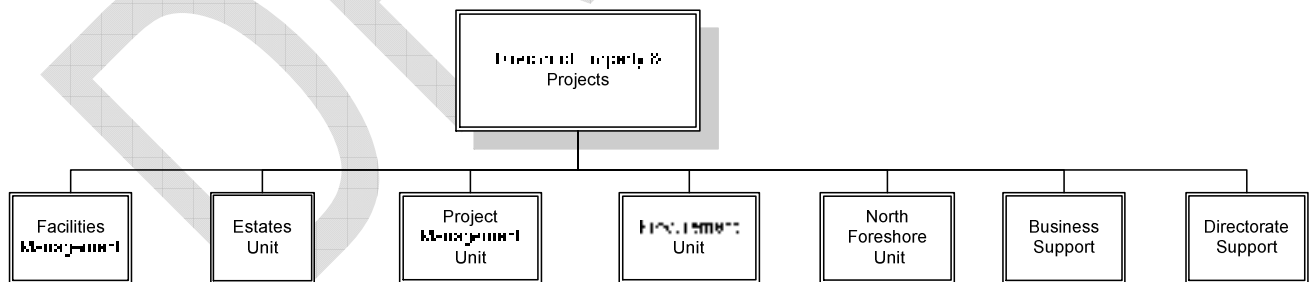
6.1 The Property and Projects Department is one of five service Departments which, together with the Chief Executive's Department, make up the officer structure of the Council. The various Departments are shown in Figure 2 below and Figure 3 sets out the Department's Service structure.

**Fig 2: Council Departments**



6.2 Property and Projects Department comprises:

- Estates Management
- Facilities Management
- North Foreshore unit
- Procurement Unit
- Project Management Unit
- Business Support
- Directorate Support



## 7.0 Key Achievements 2010/11

### 7.1 City Leadership

#### Key achievements

#### City Investment Strategy

- Represented the Council in its commitment of £16million under the City Investment Fund (CIF), profiled up until 2012-2013, towards four iconic projects including the Connswater Community Greenway, Titanic Signature Project; The MAC; and the Lyric Theatre.
- Represented the Council in helping to leverage in excess of £160million investment into the city
- Initiated discussions with central government departments, the Strategic Investment Board and Derry City Council to explore both the potential scope to establish a City Investment Framework and alternative forms of funding models for capital investment in the City.
- Project managed £5,511,352 worth of capital spend across the Council
- 100% Capital projects undertaken using Programme, Portfolio & Project Management methodologies, an OGC standard methodology for managing projects

#### Local Government Modernisation

- Established necessary governance, accountability and project management arrangements to oversee; manage and monitor the effective implementation of the RPA process within the Council
- Secured £114k annual budget for 2010/ 11 (RPA transitional funding) from the DoE
- Co-ordinated the completion and submission of corporate responses to five RPA related draft legislative proposals
- Secured formal Council representation (both Member and officer) on and inputted into the work of established external RPA governance and implementation structures.

### 7.2 Better Care for Belfast's Environment

#### Key achievements

- Delivery of Green Procurement Training across the Council, promoting environmentally sustainable purchasing
- Completion of the Carbon Reduction Commitment (CRC) registration process and the identification of a planned programme of energy work to reduce energy usage and CO2 emission across the council

### 7.3 Better Services

#### Key achievements

- Completion of a comprehensive programme of on-site condition surveys (assessing the maintenance requirements of Council properties) with the development of a comprehensive, prioritised planned maintenance schedule of work for all BCC sites
- Completion of relocation programme which involved 30 relocation exercises which affected approximately 1,200 staff
- The Making A Difference Awards was finalist in the Chartered Institute of Public Relations PRIDE awards in the Best Event Category
- Re-certification of ISO9001 and ISO14001 in Procurement and Fleet Management Units
- Re-certification of ISO 18000 in Fleet Management Unit
- Full implementation of Gate Review process on all capital expenditure projects.
- Setting up of Strategic Projects Oversight Board (SPOB) with clear governance roles and responsibilities for project teams

### 7.4 Better Value for Money – An Organisation Fit to Lead and Serve

#### Human Resources

- Implemented the Investors In People Framework
- Personal Development Plans for the majority of Property and Projects staff
- Implemented a local agreement with trade unions in respect of hours, shifts and overtime for cleaning staff in public conveniences

#### Finance

- Rental Income of £5,128,571 from the Councils estate (for example Balmoral and Duncrue Industrial Estate) which accounts for approximately 4.1% of the rates income of Belfast City Council. This income represents a 5.4% increase from the preceding year 2009/10
- E-Auction (a 'reverse' auction where sellers bid to provide goods or services and the price drops as sellers compete to meet the buyers requirements) for Employment Agency Service Framework with saving of £64,000
- Additional Savings of £83,895 for Stationery Framework participants – supplying of stationery to the Council.
- Introduction of E-Tendering, an online tendering process.

- Internal procurement review of tenders for catering supplies, window cleaning etc
- Managed the annual revaluation of 359 Council assets (valued at £570m) for capital accounting purposes.
- Net profit of £1.6 million from the sale of electricity at North Foreshore site
- Capital Receipts of £3.675 million from the sale of surplus Council land

### Information Management

- Computerised project management system (P2 Net) implemented and developed to include GIS information.
- Developed a secure document management environment for Facilities Management.

### Assets

- Rationalisation of temporary city centre office accommodation leases.
- Reduction in occupational costs for Adelaide Exchange and Lanyon Place by renegotiating lease agreements.
- Review of assets progressed to take forward disposal, redevelopment or re-use options for a number of Council land & property assets. Planning appraisals, site contamination reports & title reports obtained in respect of a number of assets.
- Disposals completed in respect of lands at Beechmount, Glen Road, Antrim Road, Crescent Open Space, Strathearn, Barnetts Demesne, Duncrue (adjacent to M2). Total capital receipt of £3.675m which will go towards reinvestment in the city (as outlined above).
- Marketing of sites at Clara Street, Primrose Street & Seapark Drive.
- Disposal of site at Templemore agreed to Habitat for Humanity.
- Ongoing negotiations in respect of lands at Loughside; Glen Road & Colin Glen.
- Ongoing lease management of circa 170 leases. Total income of approximately £5.13M per annum (as outlined above).
- Land acquisition of 50 sites for Connswater Community Greenway (CCG). Project on target for completion of all 50 sites.
- Collaborative working with external partners in respect of a number of projects including Glen 10, CCG, Beechmount, Strathearn etc.
- Phase 1 of the Asset Management Strategy completed.
- Review undertaken of all miscellaneous leased assets & leased property database put in place.
- New form of lease agreed for industrial estates with a view to sustaining longer term rental growth.

- New long term lease agreed in respect of land within Balmoral Industrial Estate.
- Ongoing management of the corporate landbank & the Council's investment properties at Balmoral, Duncrue and the Gasworks.
- Ongoing maintenance and updating of the Councils land & property ownership records.
- Implemented access control measures for Ormeau Avenue car park.

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## 8.0 Key actions for 2011/12

### 8.1 Better Leadership

**A key role for the Property & Projects Department will be to help to establish the Council's place shaping role through better use of the city's assets. The Department will also seek to ensure that the Council is prepared to respond to and take advantage of the out workings of the RPA.**

#### Key actions

- Lead on the corporate development of a comprehensive future city investment plan.
- Implement the City Investment Framework.
- Develop the North Foreshore.
- Represent Belfast City Council's interest in the project delivery of the Connswater Community Greenway.
- Deliver the agreed capital projects during 2011-12 in line with BCC project management standards and policies.
- Prioritise proposed new capital projects for consideration by SP&R
- Review the use and management of the City Hall.
- Deliver collaborative opportunities which maximises value for money through participation in the Local Government led 'Improvement, Collaboration and Efficiency' (ICE) programme.
- Develop and deliver area based pilots which integrates proposed new transferring functions to local government at a local level.

### 8.2 Better Environment

**The Project Management, Estates and Facilities Management sections within the Department will help to protect the city's natural and built heritage by promoting environmentally friendly design, sustainable site usage and the preservation of old buildings.**

#### Key actions

- Develop a policy position on contaminated land within Belfast.
- Develop a 3D model of Belfast in conjunction with the University of Ulster
- Conduct energy audits of selected council properties and secure funding for related energy projects.
- Provide project and contract management for Environmental Improvement Scheme / Street Scape.

### 8.3 Better Value for Money – An Organisation Fit to Lead and Serve

#### Human Resources

- Undertake reviews of Business Support, Procurement Unit and the Property Maintenance Unit.

#### Finance

- Efficiency Saving
  - Develop Strategic Plan for Procurement Spend and Efficiency.
  - Progress potential for income stream to the Council via utilisation of the Council's land and buildings for advertising.
  - VFM review of the Council's Fleet Provision.
- Manage the capital programme in line with the capital financing strategy.
- Carry out effective capital programme forecasting and costing.
- Provide advice and support to departments in developing business cases, economic appraisals and whole life costings.
- Continue to manage the Council's property investment portfolio to ensure rental income maximised (£5.25M for 2011/12).

#### Planning and Performance

- Undertake the actions contained within the portfolio management framework, which will provide the structure, governance, functions and services required for ensuring consistent delivery of programmes and projects across the Council, including:
  - Support SP& R in managing the project portfolio through dashboard reporting.
  - Link the project portfolio framework with the performance management process.
  - Undertake a training needs analysis of chief officers, senior managers, project sponsors and project managers.
  - Programme and project awareness and training.
  - Provide guidance and support to enable the effective delivery of Council Projects.

#### Assets

- Develop a long term strategy for the Council to ensure cost effective and adequate accommodation provision.
- Develop a security strategy across the Council.
- Implementation of planned maintenance approach for all Council facilities to:

- Compile schedule of planned maintenance activity and deliver on time
- Agree and implement criteria for prioritising reactive repairs.
- Implement the recommendations in the asset management strategy including:
  - Undertake a property challenge review on an ongoing basis.
  - Develop a corporate asset disposal strategy.
  - Agree and implement an integrated corporate asset management database system.
  - Develop and implement a suite of corporate asset performance indicators.
- Develop a framework which provides clarity on the roles and responsibilities in respect of leased and corporately held assets
- Progress the Assets Realisation Programme:
  - Options Reports for all Phase 1 Assets; (based on the completed Planning Assessments, Contamination, and Title reports) will be developed to look at options for disposal or redevelopment and scheduled to be presented to SP&R Committee.
  - Proactively manage the Council's investment portfolio at the Gasworks, Balmoral and Duncrue Estates to include property and lease management, rent reviews, lease variations and policy issues.
  - Proactively manage all miscellaneous leased assets.
  - Provide property related advice to all client departments including acquisition, leasing, development, property management, strategic or policy related advice in respect of the holding, management, acquisition, disposal or redevelopment of the Councils land and property portfolio.

### **Information Technology**

- Agree and implement an integrated corporate asset management database system.
- Further development of the P2 net project management system including GIS (geographical information) and Sap (financial systems) and reporting capabilities.



## 9.0 Key performance indicators 2011/ 12

The Department has developed the following set of indicators for collection, monitoring and reporting (via the performance management system) throughout the 2011/ 12 financial year. These indicators will be monitored frequently at departmental level and will be reported throughout the year to SP&R.

### Leadership

	Annual Target
Amount of money leveraged through the City Investment Strategy	10:1
% Capital Programme Spend against forecasted spend	83%

### Environment

	Annual Target
Number of BCC Vehicles emissions tested	480
Total tonnage of carbon dioxide (CO2) emissions from Council premises	17550

### Economy

	Annual Target
Number of City Hall tours	1490
Number of City Hall tours visitors	61650

### Better Services

	Annual Target
Average telephone switchboard response time	10 seconds

### Human Resources

	Annual Target
% LDPs completed	90%
Average number of working days per employee lost due to absence (managed against agreed targets)	9.08
Variance between actual direct employee costs and budget	0
Variance between actual Staff Number and agreed establishment	0

## Finance

	<b>Annual Target</b>
Procurement process compliance and contracts let in accordance with Standing Orders and legal requirements	100%
% Savings from selected corporate contract - Stationery	10%
Top 20 suppliers by spend value who have contracts and tendering process completed.	19
% Variance between net expenditure and budget	+1 / -3%
% Variance between planned net expenditure and forecasted net expenditure	+1 / -3%
% Variation between forecast outturn at period 6 and actual outturn at period 12	+1 / -1%

## Policy, Planning and Performance

	<b>Annual Target</b>
Individual projects on time	80%
Individual projects on budget	80%
% Committed projects progressing in line with project milestones	80%
% gates performed in line with project milestones	80%

## Assets

	<b>Annual Target</b>
Rental income	£5,248,137
Fleet management unit GVC pass rate	95%

**10.0 Financial Information**

	<b>Net Expenditure 2010/11</b>	<b>Net Estimated Expenditure 2011/12</b>
PPD Directorate	653,605.51	657,592.04
Estates, PMU, Procurement, NFS	-3,185,603.99	-3,451,854.92
Facilities Management	14,820,523.36	15,153,100.00
<b>Total</b>	<b>12,288,524.88</b>	<b>12,358,837.12</b>

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### **11.0 Monitoring and review arrangements**

The Council has introduced an integrated performance management system that enables regular, up to date reporting to be undertaken at corporate, departmental and service level.

Key performance indicators have been identified for all services within the Property and Projects Department and are contained within section 8 of this plan.

A number of PIs and tasks have been identified as corporately significant and are contained in the corporate plan. They will be reported on a quarterly basis to COMT to ensure ongoing management of the key priorities.

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## 12.0 Committee membership

### Strategic Policy and Resources Committee

Chairman	Councillor Deirdre Hargey
Deputy Chairman	Councillor Gareth McKee
Councillors:	Alderman David Browne Alderman May Campbell Alderman Ian Crozier Alderman Robin Newton Councillor Tim Attwood Councillor Patrick Convery Councillor Matt Garrett Councillor Tom Haire Councillor Claire Hanna Councillor Máire Hendron Councillor Mervyn Jones Councillor Danny Lavery Councillor Nichola Mallon Councillor Conor Maskey Councillor Jim McVeigh Councillor Caoimhín Mac Giolla Mhín Councillor Máirtín Ó Muilleoir Councillor Adam Newton