

**Theme and Overview: 5. Self-Sufficient Council: Better Use of Property
(Property Savings)**

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Overview of proposal:

There is a need to make more savings from property-related costs. Likely sources of savings are:

Opportunity	Strengths	Weaknesses
Reduce costs of core property services	Reasonably easy to target	Will require a cut back in services when actual demand is growing
Improve efficiency of current service	Implementation of further economies of scale	Supply chain has shown limited ability currently to deliver further service-related cost savings
Reduce maintenance spend	Reasonably easy to do as a top slice	Existing revenue maintenance spend has already been reduced in 2016/17 by 13%;
If we do not purchase Wildwood reduce maintenance spend here	Reasonably easy to do as a top slice	Risk of being unable to maintain our buildings estate
Reduce supply chain costs	Current property services model is designed to do this so should be achievable	Supply chain have shown limited ability currently to deliver further supply chain related cost savings
Reduce other supply chain costs not yet consolidated into single category	Should be able to take advantage of new supply chain management	Will need analysis to confirm what we can influence; other costs can be difficult to tie directorates down to giving up savings (and not using it for something else)
Rent increases	Low risk	Very difficult to do as mostly all contractually defined

Reduce design service costs	As capital work declines, we should be able to assume that overhead costs could reduce	This will require contractual negotiation
Sell more buildings or exit any leased buildings (create a Phase 3 list)	Continuation of current strategy	Will require more resource to deliver this
Achieve higher sales for the current Phase 1 and 2 disposal list from the Better Use of Property Programme	Continuation of current strategy	Assume all sales will happen which currently there is a risk some will not be achieved
Reduce energy costs and/or other consumables	Direct consequence of BUoP	Energy prices are unstable with currency fluctuations

Each of these opportunities needs to be tested. Some are more high risk than others.

Cost of delivery e.g. redundancy, additional resources to deliver, investment in technology and assets etc.

- Legal and specialist property support (BUoP Phase 3) £100,000

This cost will be used to enable the opportunities from re-using or disposing of properties as part of the development of our Phase 3 Disposal List over 2017-18 – 2021-22 planning period.

What will be the key outcomes?

Budget				
2016/17	Spend on Estate £7.6 million			
Savings				
Initiative	2017/18 £,000	2018/19 £,000	2019/20 £,000	Post 2020 £,000
Property Savings (excluding capital receipts)	100	100		
Total	100	100		

What are the key milestones for delivery?

The proposed timeline is outlined below:

Initial exploratory workshop with partners
Confirm Plans
Delivery

November 2016
January 2017
from April 2017
