

## **FUTURE DELIVERY MODEL: PROPERTY CONSULTANCY SERVICES**

Report of the Head of Digital Transformation and Business Support

### **RECOMMENDATIONS**

- i That the Committee notes the forthcoming delivery model options appraisal, enabling the Council to decide its future model for property consultancy beyond March 2022.
- ii That Committee Members support a Task Group workshop in February 2019, which will contribute into the delivery model review.
- iii That Committee receives the Review Team's recommendations in September 2019 in readiness for Cabinet decision, to help determine the future delivery model for these services.

### **1. Introduction**

Devon County Council has significant property responsibilities, with associated requirements for a wide range of specialist property support services. These are currently provided by NPS SW using a multidisciplinary, integrated approach. The Council's joint venture contract with NPS SW runs from April 2007 to March 2022, as such a future delivery model is required.

The services include maintenance and minor works, property compliance, property acquisition, sales and leases, construction management, energy management, programme management, architectural / design and quantity surveying, throughout the Council's estate. The Council's full year spend with NPS in 2016-17 was £5.3 million across 80+ NPS professional staff, was £4.8 million in 2015-16, and £4.5 million in 14-15.

On 26 September 2017 Scrutiny Committee received a briefing regarding the outcome of the ten-year review of NPS joint venture performance. That report included key metrics on the Council's property service requirements and is available as a background paper.

Scrutiny requested this further update for September 2018, regarding how the future delivery model is to be decided. This report asks Scrutiny Committee to note the planned approach that will enable the Council to decide its future delivery model for property consultancy services, beyond the expiry of its current contract with NPS in March 2022.

### **2. Forthcoming Delivery Model review**

Devon County Council has a wide set of requirements for property consultancy and is a significant commissioner of such services in the South West market. The disciplines commissioned are varied and specialist in nature. By 2022 these requirements will have developed through a fifteen-year partnership with NPS, having evolved significantly through changing times. The Council is taking a methodical approach to deciding its future delivery model, to ensure the model it chooses is the best way to fulfil the Council's requirements.

The purpose of this work is to enable the Council to make its decision on the most appropriate delivery model for property consultancy that best meets its future needs; this current stage is not about selecting the delivery organisation itself.

A Terms of Reference (ToR) has been developed and agreed by Corporate Leadership Group, it is intended to be wide ranging and to support evidence based decision making. The ToR for the review are attached as Appendix A to this report, and set out key activities and timings.

### **3. Delivery model options appraisal**

A Review Team has been established by DCC Heads of Service, recognising that property support is required throughout the Council's operations. The ToR is intended to be comprehensive to ensure the delivery model decision is well informed.

There are various delivery model options open to the Council. These include common industry approaches and part of the Review Team's role is to assess the relative merits of each, in relation to the Council's likely future needs.

The following delivery models are examples for the team to consider, in no order of preference:

1. **Compete the whole business across the property services marketplace**  
This option would end the joint venture and trigger a market tested competition, in this case competing for an integrated, multi-disciplinary service model.
2. **Extend the service contract and continue the Joint Venture**  
Renegotiate a new joint venture contract and establish fresh terms.
3. **Compete service disciplines individually**  
This option is similar to Option 1, however it segments specialist service disciplines into individual Lots. This would enable specialist firms to bid for discrete service areas.
4. **Continue and expand the JV to include other SW Local Authorities**  
There may be opportunity to expand the Joint Venture to include other Public-Sector bodies if there is sufficient market interest, and the ownership model remains compliant.
5. **Bring whole or part of the service in house**  
This option would consider if there are any benefits in bringing the service in house.
6. **Join an existing framework for property services**  
This option considers DCC's requirements being competed through a Framework Agreement. There are various property consultancy frameworks which DCC could use, albeit only service providers on the relevant framework would be eligible to compete.

The review team will consider the delivery model options as set out against organisational requirements. This will lead to the recommended option, and facilitate the delivery model decision. Once that decision is made, due process will be followed to set the model in place.

### **4. Consultation**

The Terms of Reference sets out wide consultation from DCC Members and officers, market suppliers, property professionals, Public Sector bodies and other informative consultees. The delivery model decision requires foresight to anticipate organisational change and must identify the optimal model to commence from 2022 and succeed for the next 5+ years. The delivery model assessment must anticipate likely conditions which lie 5 - 10 years ahead.

Scrutiny Committee is invited to input to this exercise by way of a Scrutiny workshop in February 2019, which will include an overview of research to date and provide an interactive session to consult with Members around future property consultancy requirements, and views on the models.

## **5. Timeframes**

The Review Group's research is planned to commence from Autumn 2018. This will enable initial research to be carried out, ensuring that the Scrutiny Member's workshop would be well timed for February 2019. This would be early enough to contribute directly to the findings, while also enabling the discussions to be informed by the research to date.

After that time, the Review Group would present to the Council's LG8 Senior Leadership Group in Summer 2019, and to Scrutiny and Cabinet for organisational decision-making in September 2019. This approach preserves sufficient time to set in place the future delivery model, ready for 1<sup>st</sup> April 2022.

## **6. Considerations**

### **Options / Alternatives**

This report presents the approach to determining the Council's future delivery model, during which alternatives and options will be considered as per the Terms of Reference.

### **Consultations / Representations / Technical Data**

This report sets out a wide-ranging consultation process to be undertaken during the work.

### **Financial and Legal Considerations**

Financial and legal matters will be considered by the review team, as part of its research.

### **Environmental Considerations and Equality Considerations**

There are no specific environmental, or equality considerations in respect of this report.

### **Risk Management Considerations**

Risk will be considered as part of future decision making, informed by the research.

## **7. SUMMARY**

Determining the Council's future property consultancy delivery model is a strategic decision which supports virtually all the Council's services. The approach set out in the attached Terms of Reference is intended to facilitate well informed decision making, for which the early involvement of Scrutiny Committee would be of welcome support.

Rob Parkhouse  
Head of Digital Transformation and Business Support

### **Electoral Divisions: All**

Cabinet Member: Councillor Barry Parsons,  
Cabinet Member for Organisational Development and Digital Transformation

### **LOCAL GOVERNMENT ACT 1972: LIST OF BACKGROUND PAPERS**

NPS JOINT VENTURE: TEN YEAR REVIEW, 26 September 2017, Scrutiny BSS/17/13

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