

Bath & North East Somerset Council

MEETING	Resources - Policy Development & Scrutiny Panel Committee	
MEETING/ DATE:	30th September 2013	EXECUTIVE FORWARD PLAN REFERENCE: <i>[Cabinet reports only]</i>
		E 9999
TITLE:	Property Budget Savings Review	
WARD:	All	
AN OPEN PUBLIC ITEM		

1 THE ISSUE

- 1.1 Provide an update to the Resources PDS on the organisational change principles being undertaken within Property and Project Delivery to achieve the 13/14 and 14/15 savings targets

2 RECOMMENDATION

- 2.1 To note the content of the report.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 Savings targets are in line with the agreed targets in the MTSRP for Property

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 N/A

5 THE REPORT

5.1 Organisational Change in Project Delivery and Property Services

Financial Background

In response to the significant budget pressure on the Council's overall budget the 13/14 approved budget has resulted in a reduction in expenditure on planned and reactive maintenance. The Property Services savings target of £721,000 for 13/14 comprise a reduction of £344,000 from the repair and maintenance budget and £377,000 on staffing costs. Further savings of £315,000 are planned for 2014/15.

In addition the planned expenditure on capital projects across the schools estate is planned to reduce still further as Children Services receive further reductions in capital grants from central government.

It is against this background that has driven the need to change. Without taking action to reduce the overall cost of delivering maintenance and capital projects Project Delivery and Property Services would experience a significant budget pressure resulting in revenue overspend.

Integration of Building Consultancy within Project Delivery

Following an internal organisational review a decision was made to combine the former Major Projects and Building Consultancy team into a single Project Delivery team, managing both planned and reactive building maintenance and capital projects on behalf of the Corporate Body.

In order to achieve the maximum benefits of this opportunity a wider review took place to investigate the roles and responsibilities across the Property Services Estates Divisions and the former Building Consultancy and Major Projects teams to simplify and clarify each of the functions and teams.

In April 2013 Project Delivery and Property Services commissioned an external review of the current Building Consultancy group and how it works with other areas within the Council.

The review was carried out as part of the on-going process of investigating ways of achieving efficiencies across all the service areas in which it operates, whilst where possible maintaining or improving the quality of the service it delivers.

Summary of the Recommendations

In undertaking the overall review of the Property and Major Projects functions within B&NES we have identified a number of positive areas, including: -

- Robust management and reporting of projects
- Clear understanding of customer needs
- There is a lot of technical knowledge that is held by individuals which needs to be extracted into an overall database.
- Looking to enhance revenue for departments by offering "Commercial Services" to third parties

There are, however, areas that with simple changes to the current situation would result in improved productivity and efficiency.

In order to address these issues and build on the positive areas it is recommended that the following changes are undertaken:

- Combine all current Asset Management functions to form a strengthened asset management team, avoiding duplication and improving the quality of communication and asset information
- Combine the Major Projects and BC Project Management team into a single Project Delivery function adopting the principles of the commission led approach to delivery where appropriate
- Adopt the principle of client and delivery functions with clear lines of responsibility and accountability

Asset Management

The knowledge regarding the Asset Estate needs to sit within a single location. It is recommended that this should be the responsibility of an extended asset management group incorporating the corporate and commercial building surveying team.

The expanded asset management team should be responsible for the following functions across the Schools Corporate and Commercial Estates:

- The determination and review of maintenance and new building standards and strategies for assets
- The formulation of a strategic maintenance plan
- Production and management of asset knowledge
- Delivery of the programme of insurance valuations
- Commissioning and / or development of client feasibility studies and client scopes to PIDG stage
- Commissioning of the planned and term maintenance works
- The development and, after approval, allocation of maintenance budgets across operational and revenue areas
- The collation analysis and review of maintenance information from the Corporate Information System for management, planning and reporting purposes
- The provision of data to the Council, Government and other benchmarking partners
- Regulatory compliance management and health and safety advice
- Technical support including the helpdesk

The new Asset Management team will act as 'Intelligent Client' for all built assets including the corporate and commercial asset groups plus the schools estate.

Project Delivery (Incorporating Building Consultancy)

The Project Delivery Teams should be responsible for the following functions:

- Development of maintenance and capital delivery strategies
- Procurement of all contracts
- Commercial management of maintenance and capital contracts

- Commissioning of external consultants to develop schemes from the agreed client briefs
- Management of the operational responsive maintenance team
- Management of reactive maintenance demand within the annual budget
- Preparation of future reactive maintenance projections
- Delivery of maintenance contracts
- Delivery of capital contracts
- Project reporting to the client teams

6 RATIONALE

6.1 The approach outlined above will improve the efficiency of the Property Services function, reducing duplication and achieving costs savings

7 OTHER OPTIONS CONSIDERED

8 CONSULTATION

8.1 Informal staff consultation on the change has taken place. Formal consultation will be carried out in line with Council policy.

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations will be undertaken, in compliance with the Council's decision making risk management guidance prior to the commencement of any formal consultation.

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Background papers	
Please contact the report author if you need to access this report in an alternative format	