



CITY AND COUNTY OF SWANSEA

Dinas A Sir Abertawe

Councillor David Hopkins
Cabinet Member for Housing &
Communities

BY EMAIL

*Please ask for:
Gofynnwch am:*

*Direct Line:
Llinell Uniongyrochol:*

*e-Mail
e-Bost:*

*Our Ref
Ein Cyf:*

*Your Ref
Eich Cyf:*

*Date
Dyddiad:*

Scrutiny

01792 636292

scrutiny@swansea.gov.uk

11 November 2014

Dear Councillor Hopkins,

**Corporate Building and Property Services Scrutiny Working Group
29 October 2014**

Issues relating to the Corporate Building and Property Services were raised by Councillors as part of the Scrutiny Annual Work Planning Conference. When the Scrutiny Programme Committee agreed the work programme in June, it was decided that a working group would be established to enable interested Councillors to be provided with a service briefing from relevant officers and raise questions on any issues of concern. Some of the issues identified by Councillors at the work planning conference included the overall effectiveness of the service, cost of services and charges relating to schools and community centres. A meeting of the Working Group was held on 29 October.

We would like to pass on our thanks to Martin Nicholls (Chief Operating Officer/Head of Corporate Building and Property Services), who engaged in a full and frank discussion with us. This letter reflects the main issues discussed together with our views. We will also be sharing this with the Scrutiny Programme Committee.

A report was prepared by the Chief Operating Officer and this was presented to the Working Group. This report outlined the following key themes:

- Overview of the service, including recent service changes
- Key objectives of the service's business plan, including priorities and future challenges
- The service's contribution to corporate priorities

Overview & Scrutiny / Trosolwg a chraffu

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- The management and support structure
- Financial arrangements of the service
- Current performance and trends
- Future challenges and opportunities and
- Service risks

The following paragraphs cover the particular issues that we discussed in more detail.

Cost effectiveness

One of the areas we wished to understand better was the cost effectiveness of the service. The Chief Operating Officer provided us with comprehensive information on this by explaining the various methods by which costs are benchmarked. For example, the service has signed up to an external benchmarking organisation APSE, which independently assesses costs and enables regular benchmarking to ensure that CB&PS costs are at or below market rates. As well as on-going benchmarking work the service also commissioned an in-depth review by APSE in 2009, which found that compared to industry rates CB&PS are at or below market rates by 10%. Therefore, based on the information we received we are satisfied that on a like for like basis CB&PS can demonstrate its cost effectiveness.

We also gained a better understanding of the costs associated with professional fees and preliminaries, which add to the cost of works. We learnt that the design and project management elements of the service operate largely on a zero based budget, therefore the fees pay for the staff. If schools can manage schemes themselves then they are not charged for this element of the service. CB&PS can provide a “shopping list” of charges to clients, for example Health & Safety, procurement and project management. Providing that building regulations and planning obligations are met then schools are free to manage work themselves, but the professional services of CB&PS are often required, which adds to the project costs outside the basic costs of the works.

Relationship with schools

We felt that one of the main areas of concern was the relationship between CB&PS with schools, community centres and community councils. As governors of schools and members of other bodies we have experienced situations where it was felt that the quoted costs associated with work undertaken by CB&PS were excessive and not within the realistic limits of the budgets that are available. We wished to understand this better and gather evidence to reality check the situation.

We learnt that the vast majority of schools have signed up to a service level agreement with CB&PS to receive technical advice, and we established that the main issue can be the over specification when this advice is given.

The advice provided by CB&PS staff has always been to the top end of the spectrum i.e. advising and then quoting for a “best practice” standard, and in our experience, negotiation away from this has not always been easy. This does not take into account the realities of limited budgets for schools and other organisations. We feel very strongly that a new approach needs to be developed that will provide a range of

options, covering the most cost effective solution to achieve the required outcome (without compromising health and safety and statutory compliance), and one which will take a more creative approach to help schools manage their limited budgets. This approach could also include additional options providing higher specifications, which could be selected if more money were available or for further work at a later date.

The Chief Operating Office acknowledged this and advised us that he is developing a more flexible, responsive, client centred approach. He recognised that communication needs to improve between the service and its clients and reassured us that this will be a priority going forward. For example, a working group with head teachers has been established by the Chief Executive which is helping to progress these issues.

The Chief Operating Officer also advised that this different approach to quotations and advice will be adopted elsewhere in the Council, for example Highways, Drainage etc. We recognise this as a significant benefit of bringing the operations role of the Council under one officer. We wish to endorse this new approach and look forward to seeing the benefits in our communities and schools in the future.

Apprentice Scheme and Community Benefits Measure

We discussed the CB&PS Apprentice Scheme. We agree that this is an excellent scheme and we wish to emphasise our view that the Council should ensure that all steps are taken to maintain the apprentice scheme, despite the difficult financial climate we are facing.

We were pleased to learn that in addition to the Council's Beyond Bricks and Mortar scheme that CB&PS is also ensuring that all projects over £2m are signed up to the Welsh Government's Community Benefits approach and Measurement tool, which ensures that wider social and economic issues are taken into account when tendering for contracts, for example sustainability such as use of renewable energy, spend in the locality and local employment.

We would also encourage further promotion of the successes of these schemes, for example via Open House and the Swansea Leader

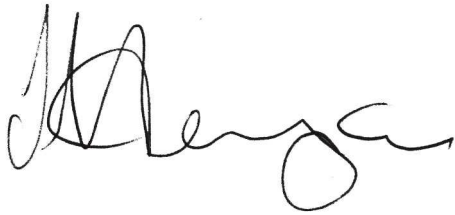
Summary of recommendations

In summary we recommend that:

- A new approach to advice and budget information is developed by CB&PS, which offers a range of options and more creative solutions to help schools and other organisations manage their limited budgets.
- This approach should be rolled out to all aspects of the Council's operational role including, for example Highways and Drainage.
- Ensure all steps are taken to maintain the Apprentice Scheme despite the difficult financial situation.
- Further promotion of CB&PS Apprentice Scheme and use of the Welsh Government's Community Benefits Measure should take place.

It would be helpful to receive your reply to this letter by 11/12/14. Scrutiny letters and responses are also included in the agenda of the Scrutiny Programme Committee as the committee maintains an overview of all scrutiny activities, and monitors correspondence.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Terry Hennegan', with a large, stylized initial 'T'.

Councillor Terry Hennegan
Convener, Corporate Building and Property Services Scrutiny Working Group
✉ terry.hennegan@swansea.gov.uk