

Report of the Cabinet Member for Transformation and Performance

Cabinet – 18 August 2016

CORPORATE BUILDING AND PROPERTY SERVICES COMMISSIONING REVIEW

Purpose:	To outline the background of the CB&PS Commissioning Review, under the Commissioning Delivery Strand and to report on the findings and recommendations from the review.
Policy Framework:	<i>Sustainable Swansea – fit for the future</i>
Reason for Decision:	Approval is sought to proceed with implementation of the recommendations, including seeking alternative models of delivery, reduction or cessation of services
Consultation:	Legal, Finance, Access to Services.
Recommendation(s):	It is recommended that: 1) The key recommendations of the review are accepted and authority given to proceed with implementation, in line with the recommendations contained within the stage 4 report (Appendix A).
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1. BACKGROUND

- 1.1 As part of the Commissioning Delivery Strand, under Sustainable Swansea, all services were required to carry out Commissioning Reviews to identify their current and potential future performance in relation to what they do, how they do it and the cost involved ('value for money'), so the right services are provided in the right way to meet the needs of our customers.
- 1.2 The Commissioning Review process is completed in 4 stages:
- Stage 1 - Define Outcomes
 - Stage 2 – Service Assessment
 - Stage 3 – Comparison and Benchmarking
 - Stage 4 – Options Appraisal

In addition, there are 2 Gateways during the process, the first at the end of Stage 2 and the second at the end of Stage 4.

- 1.3 The Stage 4 report incorporating the Options Appraisal is found in **Appendix A**. This outlines the key findings and proposed way forward including recommendations to deliver the most viable future service option.

2. SCOPE OF REVIEW

The scope of services to be included within the CB&PS Commissioning review was set out in Stage 2 of the process and consisted of:

- Support Services
- Technical Services
- Strategic Estates & Facilities
- HRA & Non HRA Maintenance
- HRA & Non HRA Capital

Future outcomes identified and agreed at this stage were as follows:

- To provide and maintain a sustainable, affordable and quality property portfolio, 'Fit for the Future', enabling the council to deliver its corporate and other priorities.
- To provide and maintain quality, affordable social housing, ensuring that housing is safe and secure, that tenants thrive and the communities we serve prosper.
- To provide and maintain a sustainable educational portfolio to enable education to deliver their priorities, making a positive difference, with lasting benefits to pupil attainment.
- To maximise financial return for the commercial portfolio whilst considering alignment with financial objectives and corporate well-being.
- To offer additional, added value including employment and apprenticeship opportunities which contribute to the council's overall corporate objectives, transforming lives and strengthening the local economy.

3. FINDINGS OF STAGE 4 REVIEW

Following the options appraisal and consideration of different models of delivery, it has been determined that the most suitable way forward would be as follows:

3.1 Cluster 1 – Corporate Building Services

The Preferred Delivery Model for Corporate Building Services was Transformed in-house, the main reasons for this were as follows:

- High performing and cost effective service
- Retains flexibility and control
- Avoids lengthy and costly change process
- Potential local government reorganisation
- Keeps future options open post LGR
- Local employment and apprenticeships
- Management team already reduced by 50%
- Has potential to generate more income
- Doesn't duplicate delivery of management costs

3.2 Cluster 2 – Corporate Property Services

The Preferred Delivery Model for Corporate Property Services was also Transformed in-house, the main reasons for this were as follows:

- High performance
- High levels of local knowledge and experience
- Teams already reduced
- Potential local government reorganisation
- Keeps future options open post LGR
- Local employment and apprenticeships

4. EQUALITY AND ENGAGEMENT IMPLICATIONS

EIA screening has been completed and the initiatives arising within the review are not relevant at this stage for a full EIA report.

As plans for the initiatives develop, any changes to current services will be assessed to, where possible, minimise and/or mitigate effects on any members of protected groups who might otherwise be disproportionately affected. Proposals will be widely publicised, particularly to those affected, prior to changes being introduced.

5. HR IMPLICATIONS

On the assumption that the In house delivery is increased to circa 70% of the overall work programme, this would result in indicative employment opportunities of approx. 50 FTE's, plus additional apprentices. Any new jobs would be dealt with in accordance with normal Council policies and procedures.

6. FINANCIAL IMPLICATIONS

6.1 Although many of the specifics are difficult or impossible to validate at this stage, a breakdown of the indicative assessment of financial savings can be found within section 8.1 of the Commissioning Review (**Appendix A**).

However, in the first instance, the following is a reasonable assumption of what can be achieved year on year for the next three years.

	Additional savings	Cumulative Total
2016-17	£600,000	£600,000
2017-18	£400,000	£1,000,000
2018-19	£400,000	£1,400,000

Savings are against the Base budget for 14/15 and the above figures exclude any potential savings that can be derived from the reduction in the number of assets that the authority maintains. Until decisions are made on a case by case basis it is impossible to include any assumptions within the budget savings targets. However, it is not unreasonable to assume that additional savings could be made via this process.

If the recommendations are approved a 50% reduction would be achieved on behalf of CB&PS. However, the following should be noted:

- In addition to the general fund savings shown above, the actions listed in the report in relation to Housing activity would also result in a significant benefit to the HRA account.
- Furthermore there are significant non-financial benefits to the wider outcomes contained within section 2 including the impact on local employment, apprenticeships and local supply chain.
- It is recommended that going forward both clusters and in essence the whole of CB&PS is delivered through an integrated and transformed in house model.
- If CMT and members are satisfied that the direction of travel of a transformed in house model is acceptable then further work will be required to establish a 'core work' threshold.
 - Currently 60:40 (Internal:External)
 - Propose move to at least a 70:30 (Int:Ext) (Increase in T/O of £5m).
- New work would be prioritised where it is most cost effective (Table in 4.5) and sustainable beyond 2020.
- A further review will also be required to align a number of key actions and interdependencies such as:
 - Delivery of More Homes Pilot Project with first properties being completed by the end of march 2017
 - Clarity of LGR
 - Implementation of transformation
 - Future model of delivery for wider council services (Social Services, Culture and Tourism).

7. LEGAL IMPLICATIONS

The requirement for the Council to comply with a range of statutory provisions in services provided by CB&PS is clearly set out in the commissioning review report. The proposed preferred option for future service delivery incorporates the need to ensure continued compliance with the relevant legislation.

As no alternative delivery model is proposed, there are no specific additional legal implications relating to revised delivery options.

Background Papers: None

Appendix A – CB&PS Commissioning Review together with Appendices A, B, D, G, H & I of that review report.

Appendices C, E and F are exempt from publication by virtue of paragraph 14 of Schedule 12 A of the Local Government Act 1972.”