

Business Change Mandate (Including Budget Mandates) Proposal Number: B19  
Title: PS&FM – Various Efficiency Saving Review

All information requested must be completed on the proposed mandate to enable the Cabinet to decide whether to proceed with the proposal.

<b>Mandate Completed by</b>	<i>Rob O'Dwyer</i>
<b>Date</b>	<i>20/08/15 updated December 2015</i>

<b>How much savings will it generate and over what period?</b>
£100K – 2016/17
<b>Directorate &amp; Service Area responsible</b>
Operations/Property Services & Facilities Management
<b>Mandate lead(s)</b>
Rob O'Dwyer

<b>Final mandate approved by Cabinet</b>	<b>Date:</b>
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## 1. Vision and Outcomes of the Mandate

*Give a business context for the mandate. This must pick up on the vision and what the new / improved / reduced service will look like in the future including the anticipated experience of users. It must also consider any impact on the Council's key priorities and strategic outcomes. Similarly does it impact on service performance within the immediate service area or any impact on other services provided by the authority / any other providers. In doing so, the mandate must be tested against the equality impact assessment and sustainable development impact assessment and must consider impact in relation to the new Future Generations Bill.*

<b>What is the issue that the proposal is seeking to address?</b>
This proposal is seeking to help reduce the MTFP deficit and provide an efficient and effective property and facility management service
<b>What evidence have you got that this needs to be addressed?</b>
Confirmation from the Head of Finance that the MTFP is in deficit.
<b>How will this proposal address this issue</b>
This proposal will reduce the authorities' expenditure on building maintenance, health and safety, facilities management, procurement and support services by £100,000.
<b>What will it look like when you have implemented the proposal</b>
<ul style="list-style-type: none"><li>• The Corporate Building Maintenance Budget will be reduced by £20,000. This will reduce the funds available to spend on emergency and planned cyclical maintenance within the authorities public buildings</li><li>• The PS&amp;FM budget will be supplemented by £15,000 of additional income from purchase rebates via the use of procurement cards.<ul style="list-style-type: none"><li>• Office Services £2,000</li><li>• Catering £2,500</li><li>• Cleaning £1,500</li><li>• Maintenance £9,000</li></ul></li><li>• The PS&amp;FM manpower budget will be reduced by £35,000. The Resources, Office Services and Facilities Management teams will be amalgamated into one unit responsible for reception services, administration, finance, and post and facilities management at Usk HQ.</li></ul>

- The number of vehicles and associated fuel and maintenance costs will be reduced by sharing transport resources between the catering and cleaning services. £10,000
- The supplies and services budget will be reduced by £20,000.

#### **Expected positive impacts**

- The benefit of a reduction in the Corporate Building Maintenance budget will be £20,000 less pressure on the MTFP.
- Benefits of Purchase Cards include: -
  - Reduces transaction time for MCC and suppliers
  - Meets WG targets for paying suppliers on time
  - Is in line with WG procurement policy requirements
  - There will be £15,000 less pressure on the MTFP
- Restructuring of the Office Services, Resources and FM teams will reduce the pressure on the MTFP by £35,000. The new team will be more flexible enabling fewer resources to be more economically deployed and cover a range of duties.
- Reduction in transport provision for the Catering and Cleaning services will deliver £10,000 less pressure on the MTFP.
- Reduction in supplies and services budget will reduce pressure on the MTFP by £20,000.

#### **Expected negative impacts**

- The authorities built assets will maintained to a minimum standard only in order to achieve statutory compliance and maintain safety for all users.
- Limited resources will be stretched further.

## 2. Savings proposed

Show how the budget mandate will make savings against the current service budget. This must cover each year implicated. This section must also cover any other efficiency that will arise from the mandate.

What savings and efficiencies are expected to be achieved?								
Service area	Current Budget £	Proposed Cash Savings £	Proposed non cash efficiencies – non £	Target year				Total Savings proposed
				16/17	17/18	18/19	19/20	
PS&FM – CBM Reduction	826,000	<b>20,000</b>	Nil	<b>20,000</b>				<b>20,000</b>
PS&FM – P Cards	1,500,000	<b>15,000 (1%)</b>	Nil	<b>15,000</b>				<b>15,000</b>
PS&FM - Restructure	415,250 inc trainees	<b>35,000</b>	Nil	<b>35,000</b>				<b>35,000</b>
PS&FM – Transport Reduction	£45,406 cleaning £23,518 catering	<b>10,000</b>	Nil	<b>10,000</b>				<b>10,000</b>
PS&FM – Reduction in supplies and services	£125,989	<b>20,000</b>	Nil	<b>20,000</b>				<b>20,000</b>
							<b>Total</b>	<b>100,000</b>

## 3. Options

Prior to the mandate being written, an options appraisal will have taken place. Summarise here the outcome of the Options considered and detail the rationale on why they were disregarded. (See options appraisal guide for further information)

Options	Reason why Option was not progressed	Decision Maker
Shut down specific building, mechanical or electrical installations in order to reduce expenditure for statutory annual maintenance	This would have a detrimental effect on the ability of accommodation to provide fit for purpose facilities for the delivery of effective services to the public.	Head of Property Services and Facilities Management

Maintain 3 separate service units (FM, Office Services, Resources)	Resource reduction required to deliver required budget saving would adversely affect all teams ability to deliver a fit for purpose service.	Head of Property Services and Facilities Management
Amalgamate transport provision throughout Catering, Cleaning and Property Services	Reduction in available transport for all services will reduce the availability of adequate transport for critical H&S and maintenance services.	Head of Property Services and Facilities Management
Reduce the supplies and services budget by £35,000 via withdrawal from Technical Index software	Alternative provision of Building Regulation documents in lieu of technical index would increase net budget requirement.	Head of Property Services and Facilities Management

#### 4. Consultation

Have you undertaken any initial consultation on the idea(s)?		
Name	Organisation/ department	Date
Roger Hoggins	Head of Operations	July 2015
Rob Nancarrow	Head of FM	August 2015
Deb Jackson	Transport Manager	August 2015
Stacey Jones	Accountant	August 2015
Phil Kenney	PS&FM Maintenance Manager	August 2015
Mark Jones	PS&FM Business Manager (responsible for Resources and Office Services)	August 2015
Bob Dennis	H&S Manager	August 2015
Agresso Board	Lisa Widenham	2014 to August 2015
Scott James	Procurement Manager	August 2015
Sue Day	Procurement Assistant	August 2015
Mike Long	Design Manager	August 2015
Maintenance Service Officers	PS&FM	September 2015
Office/Resources/FM Officers	PS&FM	September 2015
Design Service Officers	PS&FM	September 2015

Claire Robins	Mandate Coordinator	September 2015
Consult Employee Services regarding restructure proposals (Process to be undertaken using new MCC Restructure Protocol)	Rob O'Dwyer	Sept 2015
Consult Unions regarding restructure proposals	Rob O'Dwyer	Sept 2016

<b>Has the specific budget mandate been consulted on?</b>		
<b>Function</b>	<b>Date</b>	<b>Details of any changes made?</b>
Department Management Team	June/August 2105	None
Other Service Contributing to / impacted (Finance)	June/August 2015	None
Senior leadership team	August 2015	6 separate mandates combined in to Mandate 26A
Consult all PS&FM staff on initial mandate requirements	Rob O'Dwyer/Mark Jones/Rob Nancarrow	Sept 2015
Consult Members (Member engagement drop in sessions)	Rob O'Dwyer	22 <sup>nd</sup> and 24 <sup>th</sup> of Sept 2015
Consult staff and unions on restructure proposals	Rob O'Dwyer/Mark Jones/Rob Nancarrow	October 2016
Consult Strong Communities Select committee	Rob O'Dwyer	22 <sup>nd</sup> of Oct 2015
Public Budget Consultation	Rob O'Dwyer	8 <sup>th</sup> Oct – 30 <sup>th</sup> Nov 2015

<b>Will any further consultation be needed?</b>		
<b>Name</b>	<b>Organisation/ department</b>	<b>Date</b>
Estates Manager	MCC Estates regarding progress of Mandate No B18 – Accommodation Review	September 2015 - April 2016

## 5. Actions to deliver the mandate

Describe the key activities that will be undertaken to deliver the mandates and the action holders. This includes any actions contributed to by other services. Give the timescales to complete the work. This must also factor in any business activities that will need to be done differently or cease in order to achieve the mandate.

Action	Officer/ Service responsible	Timescale
Consult Employee Services regarding restructure proposals (Process to be undertaken using new MCC Restructure Protocol)	Rob O'Dwyer	Sept 2015
Consult Unions regarding restructure proposals	Rob O'Dwyer	Sept 2016
Draft new structure for Office Services	Rob O'Dwyer	Sept 2016
Consult all PS&FM staff on initial mandate requirements	Rob O'Dwyer/Mark Jones/Rob Nancarrow	Sept 2015
Consult Members (Member engagement drop in sessions)	Rob O'Dwyer	22 <sup>nd</sup> and 24 <sup>th</sup> of Sept 2015
Consult staff and unions on restructure proposals	Rob O'Dwyer/Mark Jones/Rob Nancarrow	October 2016
Consult Strong Communities Select committee	Rob O'Dwyer	22 <sup>nd</sup> of Oct 2015
Draft new JD's for office Services	Mark Jones/Rob Nancarrow	In progress
<b>All actions to the end of Nov 15 are on programme</b>		
Dialogue with Suppliers for introduction of P Cards	Scott James/Sue Day	Dec 2015
Obtain Cabinet approval for all mandates	Rob O'Dwyer	Dec 2015
Budget reduction following cabinet approval	Stacey Jones	TBA
Briefing from Maintenance Manager and Head of PS&FM to Building Surveyor, Clerks of Works and Help Desk re Corporate Building Maintenance budget reduction	Phil Kenney/Rob O'Dwyer	Jan 2016
Briefing from Facilities Manager to catering and cleaning operational staff regarding transport cost reduction	Phil Kenney/Rob O'Dwyer	Jan 2016
Notification to all building managers of budget reduction and the intention to continue with essential works only	Phil Kenney	Jan 2016
Commence refurbishment of J Block in Usk as part of the accommodation review Phase 2 – All subject to Mandate B18	Mike Long	TBA
Place affected staff at risk from the restructure of Office Services, Resources and Facilities Management	Rob O'Dwyer	Feb 2016
Appoint staff to new roles within Office Services	Mark Jones/Rob Nancarrow	March 2016
Lodge new purchase cards	Scott James/Sue Day	Feb 2016

Implement revenue budget reduction	Stacey Jones	TBA
Monitoring of impact on built assets by COW and Building Surveyors	COW and Building Surveyors	April 2016 onwards
Move staff and FM support teams to Usk - All subject to Mandate B18	Mike Long/Morley Simms	TBA
Monitoring of impact on service by Head of PS&FM and Business Manager	Rob O'Dwyer/Mark Jones	April 2016 onwards
Monitoring of impact on built assets by COW and Building Surveyors	COW and Building Surveyors	April 2016 onwards
Monitoring of impact on budget to ensure saving is being delivered	Stacey Jones/Rob O'Dwyer/Dave Loder	Monthly and quarterly commencing May 2016

## 6. Additional resource/ business needs

Describe any additional finance, resource and capability needed in order to carry out the proposed mandate successfully. For example new funding, expertise e.g. marketing and knowledge etc..

Any additional investment required	Where will the investment come from	Any other resource/ business need (non-financial)
Capital investment in refurbishment of J Block at Usk and other office accommodation requirements	Separately identified in Capital Working Group as a financial pressure and mentioned specifically in Mandate No 26	Nil

## 7. Measuring performance on the mandate

How do you intend to measure the impact of the mandate? This could include: speed of service; quality of service; customer satisfaction; unit cost; overall cost. For advice on developing performance measures you can contact Policy and Performance Team, for advice on unit costs speak with your directorate accountant.

Focus- Budget / Process / Staff / Customer	Indicator	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20
Budget	Expenditure against budget								
Client	Client satisfaction survey/Post Occupation Survey								

Service provider	COW/Building Surveyor condition appraisal								

## 8. Key Risks and Issues

Are there any potential barriers and risks that will need to be managed in delivering the mandate, including any negative impacts identified in section 1 that need to be accounted for. Also, set out the steps that will be taken to mitigate these. The risks should be scored in accordance with the [council's policy](#).

Barrier or Risk	Strategic/Operational	Reason why identified (evidence)	Risk Assessment			Mitigating Actions	Post mitigation risk level
			Likelihood	Impact	Overall Level		
FM and Office Services are unable to vacate Innovation House by 1 <sup>st</sup> April 2016	Operational	Potential for slippage on refurbishment of Usk HQ (JBlock) Refurbishment due to lack of available capital funding	2	5	10	Commence refurbishment with adequate budget and time to complete by the 1 <sup>st</sup> of March  Subject to progress of Mandate B18	0
Possibility of Innovation House being let as serviced accommodation with FM and reception support provided by PS&FM	Operational	Unlikely to sell or let Innovation House to a sole company and therefore likely to have multiple occupants requiring some FM support	2	4	8	Ensure that any requirements of the letting agreement at Innovation House are factored into the overall staffing requirement for PS&FM	2
Remaining planned maintenance programme struggles to deliver fit for	Operational	Backlog maintenance programme currently stands at £25M	5	3	15	Ensure that highest priority works remain in programme	10

purpose establishments							
Additional income generation via services being offered to additional clients may require investment in training and ICT	Operational	Additional potential income streams have been identified and business plans are being prepared	2	4	8	Take advantage of free training via professional bodies and collaborative arrangements	4
Adverse weather conditions	Operational	Previous weather conditions have impacted on the amount of maintenance work required and put the CBM budget under pressure	3	5	15	Ensure that sufficient capital planned maintenance is carried out at the authorities properties in order to minimise the impact at key sites	12 (Risk is only reduced at key sites that have received sufficient planned maintenance)
Lack of availability of vehicles during periods of high demand and emergencies	Operational	Previous incidents have required the use of vehicles when not planned	2	4	8	Put arrangements in place to use PS&FM pool cars as a contingency arrangement	4

## 9. Assumptions

Describe any assumptions made that underpin the justification for the option.

Assumption	Reason why assumption is being made (evidence)	Decision Maker
Innovation House will close by the 31 <sup>st</sup> of March 2016 and all	The proposed restructuring of FM and Office Services relies on a reduced level of resource looking after Usk only without the need for reception, post and FM support for Innovation House.	Head of Property Services and Facilities Management

PS&FM staff will be based at Usk HQ		
Suitable staff are available within the PS&FM Department to carry out fire risk assessments	Initial consultation with staff has identified officers with interest to take on new duties.	Head of Property Services and Facilities Management
Rebate % will be maintained at 1% for Purchase Cards	Rates offered by Barclaycard could change but for the period of the contract as tendered by Welsh Government it will remain at 1%.	Head of Property Services & Facilities Management and Procurement Manager
Weather conditions will be manageable within the corporate building maintenance budget limitations	Assumption is being made that weather conditions will be similar to those experienced in 13/14 and 14/15.	Head of PS&FM and Maintenance Manager

## 10. Monitoring the budget mandate

The budget mandates must be monitored through directorate budget monitoring. This will lead into corporate budget monitoring. In addition the action plan, performance measures and the risk assessment must be transferred into the service plans for the business area in order to monitor and challenge the delivery of the budget mandate, including the savings being achieved and the level of impact.

## 11. Evaluation

It is important to evaluate the impact of the mandate once it has been fully delivered to know whether it has successfully achieved what it set out to do and to ensure that findings can be used to inform future work.

Planned Evaluation Date	Who will complete the evaluation?
Quarterly evaluation commencing July 2016	Head of Property Services and Business Manager as part of quarterly Business Plan review.
Monthly evaluation commencing May 2016	PS&FM Service Managers and group accountant as part of the budget monitoring process.

