

## **DESCRIPTION OF OPTION**

### **LAW, HR & Asset Management - Divisional Staffing Restructure & Outsourcing**

The option proposes a two stage approach to the future delivery of asset management and facilities management services for the Council.

Stage 1 would be the restructure of the Asset Management Division, reducing the overall number of staff employed and rationalising the management structure. The restructure will also see the centralisation of all asset management and facilities management resources that remain in other departments.

Staffing and service changes would include the following:

- Temporary additional capacity will be provided to drive the asset disposal programme
- Increased resource will be directed to support property review, regeneration and rationalisation projects involving Council assets
- The Design Consultancy will be reduced in size to provide an 'intelligent client' approach – developing initial client briefs, developing options, supporting business case development, undertaking initial designs etc. Basic capacity in this area will be supplemented with framework agreements to deliver projects.
- Bridge maintenance and design work will be transferred to Technical Services.
- Transfer allotments to Technical Services (Parks & Countryside)
- Transfer Beechwood Recreation Centre to Leisure Services

Stage 2 would be the outsourcing of the consolidated service.

## **RATIONALE FOR SAVINGS**

The Asset Management division provides a corporate and strategic approach to the management of the Council's assets; is responsible for corporate asset management planning, and works with departments and services to ensure that the asset base is appropriate for current and future service delivery.

Asset Management is responsible for the repair and maintenance and the legislative compliance of Council buildings, and undertakes the design and procurement of new buildings, extensions and alterations, including works to schools. It provides assistance to the Technical Services department in respect of bridge design and refurbishments; is responsible for energy management and conservation across the Council's estate; and leads the Council's efforts to reduce carbon emissions and address climate change.

It also operates the Council's Allotments Service, with responsibility for 41 council allotment sites and some 1600 plot holders.

The services provided by the Division are not statutory services, but as long as the Council owns or is responsible for the use of land and buildings it must comply with an extensive range of property and building related legislation around the use and management of land and property. An adequately resourced and corporate service is essential for this.

There is insufficient resource available for strategic asset management planning and policy development. This means there is a risk that that effective and timely support

and advice may not be available to services and departments. Such support will be particularly important over the next few years as Council services are re-shaped.

There is a need to inject pace into property review and disposal process and provide capacity to take forward development and regeneration opportunities. Additional resource in these areas will support rationalisation and sharing of assets with partners and the voluntary, community and faith sectors. It will also support inward investment and economic development.

The Design Consultancy faces a reduced construction workload over the next few years as capital programmes shrink. At the same time some rebalancing of functions is needed to ensure that sufficient resource is available for the maintenance and improvement of the retained estate, and deliver building changes to support service modernisation and rationalisation. The provision of a bridge design service is now more appropriately located within the Highways Service.

The Council's current asset transfer programme is nearing an end, and a separate budget option proposes the transfer or closure of the remaining facilities. Beechwood Recreation Centre, although run by a JMC, operates as a recreation centre and should be managed in the portfolio of recreation centres.

Allotments were transferred into Asset Management when the Parks and Open Spaces services were to be outsourced and they had been excluded from the contract scope. In practice they fit better with parks and open spaces in terms of operational and recreational benefits.

There is a lack of benchmarking and formal value for money information for the current services. Informal contact with other authorities shows that centralisation of asset and facilities management services has been pursued elsewhere as a means of improving service and efficiency and delivering savings. Many other councils in the region have ceased to operate full in-house architectural design and construction services such as Wirral's Design Consultancy

Service restructure will be used to address some areas of known under-resourcing and a new structure would be benchmarked against comparators.

## **IMPACT**

Consultation will be required with affected staff and with service clients as part of a whole divisional staffing reorganisation.

There may be a withdrawal from some areas of work currently undertaken for external partners, but this has yet to be assessed or discussed with those organisations. It is thought that in any event some of that work may be exposed to competition in the near future.

There are no direct implications regarding voluntary, community and faith groups. However the proposed structure includes specific resources to support community use of assets and a future asset transfer programme. This has regard to the increasing emphasis on localism and community involvement, both nationally and locally.

The proposals would result in an initial annual saving of £100,000 in staff costs from Stage 1. These savings will only be delivered with a reduction in the number of staff employed. It is expected that savings would be achieved with effect from 1 October 2013.

If the existing service is not restructured there is a risk that sufficient and appropriate asset management services will not be available to effectively support the Council's improvement and transformation, as well as ensuring that day-to-day demands are met.

Without restructure resources will be unbalanced compared to need. In particular the current Design Consultancy will be unsustainable.

## **MITIGATION**

The whole range of asset and facilities management services is suitable for outsourcing, and many other authorities have pursued this. Key to the success of such an approach is to retain sufficient in-house 'intelligent client' resource. However, it is considered that immediate outsourcing would be premature, and that the opportunity should be considered as part of the development of a wider corporate approach.

Preparatory work on outsourcing can run in parallel with the restructure and centralisation of services. An outsourcing exercise would be expected to take around 18 months to complete

The option of continuing with the present structure and level of resources has been dismissed for the reasons outlined above as unsustainable and inefficient.