

 <b>Executive 30<sup>th</sup> August 2018</b>		<b>Agenda Item No.</b>  <b>7</b>
<b>Title</b>	<b>Assets Redesign – Additional Budget Requirement</b>	
<b>For further information about this report please contact</b>	Bill Hunt Deputy Chief Executive 01926 456014 Bill.hunt@warwickdc.gov.uk	
<b>Wards of the District directly affected</b>	All	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No – other than confidential Appendix Three	
<b>Date and meeting when issue was last considered and relevant minute number</b>	N/A	
<b>Background Papers</b>	Redesign consultation proposal documents and responses	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	No
<b>Equality Impact Assessment Undertaken</b>	n/a

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive		Author
Head of Service		n/a
CMT	10/8/18	
Section 151 Officer	10/8/18	Mike Snow
Monitoring Officer	10/8/18	Andrew Jones
Finance	9/8/18	Andrew Rollins
Portfolio Holder(s)	13/8/18	Cllr. Phillips
<b>Consultation &amp; Community Engagement</b>		
The proposals have been the subject of the agreed staff consultation process		
<b>Final Decision?</b>		No – approvals are subject to Employment Committee approval of the establishment changes.
<b>Suggested next steps (if not final decision please set out below)</b>		
Report to Employment Committee 12 September 2018		

## 1. **Summary**

- 1.1 This report sets out the budgetary implications of the proposed re-design of the Assets Team within the Chief Executive's Office.
- 1.2 A consultation exercise with staff and the recognised Trades Union commenced in May 2018 and was completed earlier this month, allowing the Job Descriptions for proposed new or significantly revised posts to be considered by the HAY Panel on 7 August. The outcome of the HAY Panel decisions enabled the potential cost implications of the new structure to be finalised and these are presented in this report, together with proposals as to how the additional costs can be funded.

## 2. **Recommendations**

- 2.1 That, subject to Employment Committee approval of the proposed new structure and establishment for the Assets Team, Executive approve a potential additional staffing budget of up to £37,472 per annum, with up to £22,483 to be funded from the Housing Revenue Account and £14,989 from the General Fund.
- 2.2 That, subject to approval of recommendation 2.1, Executive approve the use of the Contingency Budget if additional staffing budget requirement is required for the current financial year.
- 2.3 That, subject to approval of recommendation 2.1, Executive note that the full year costs of the additional budget from 2019/20 onwards will be built into the base budget through the Council's budget setting process.

## 3. **Reasons for the Recommendations**

- 3.1 The Assets Team was moved into the Chief Executive's Office following the decision to disband the former Housing & Property Services service area. This decision and the team's new designation as an internal service team is consistent with the other teams within the Chief Executive's Office - HR and Media, ICT and Democratic Services Members & Elections - which also provide services to a range of internal clients.
- 3.2 Senior Officers and Councillors had for some time held the view that the existing structure of the Assets Team was not sufficiently delivering the expectations of service areas and elected members in the context of changing business needs. However, there is firm recognition of the hard work that all staff put in to their current roles, their achievements and the outputs from that work and the difficulties caused by changes and vacancies in the team's management.
- 3.3 In particular the current structure has not proved flexible enough in resourcing, or delivering the following objectives to the desired, highest efficiency standards:
  - The delivery of the Corporate Responsive & Cyclical Maintenance and Planned and Preventative Maintenance (PPM) Programmes with £485,600 (38%) of slippage at the end of 2016/17 and £595,000 (36%) of slippage last financial year.
  - The aspirations of the Council to adopt a more commercial approach to the non-operational estate.

- The maintenance and updating stock condition information for the HRA homes and corporate homes.
- The use of technology and up to date data to drive efficiencies within the planning and delivery of the Housing Investment Programme and corporate PPM programme.
- The collation and dissemination of comprehensive information to demonstrate that we are compliant with all our health and safety responsibilities.
- The specialist technical input required by high profile corporate projects.
- The resilience required to deal with vacancies or long-term sickness.

- 3.4 It was, therefore, determined that a re-design of the team was required, based on a business case of devising and implementing a structure that can deliver all the work that is currently being done, build on that work, deliver those issues that current resourcing levels prevent being done and provide the resilience and capacity to deal with new issues that may emerge.
- 3.5 The current structure of the team is shown at Appendix One. To deliver these desired outcomes it is proposed to increase both management and building surveying capacity within the team and, following a consultation process, a proposed new structure is shown at Appendix Two. This structure and the establishment changes required to implement it will be presented to Employment Committee on 12 September for approval.
- 3.6 Although the number of posts in the proposed new structure is unchanged the change in the balance of posts within the team results in marginally higher establishment costs. The potential maximum additional cost of the new establishment is £37,472 per annum. Details of this requirement are shown in confidential (as it allows individuals to be identified) Appendix Three. However, this is a notional maximum based on the potential costs payable if every person in post was to be paid at the top point of their salary grade. Members will also note that 3 of the posts in the proposed new structure are 2 year temporary positions so it is possible costs will reduce if these posts are not renewed at the end of this period.
- 3.7 Subject to Employment Committee approval of the new structure shown at Appendix Three, implementation will commence on 13 September. However, it is unlikely that recruitment to new or vacant posts would be completed for some months following that date.
- 3.8 The staffing budget provision for 2018/19 will be closely monitored as it is possible that part-year costs can be met from the existing staffing budget. However, it is recommended that any additional budget requirement is funded through the use of the Contingency Budget.
- 3.9 Any future additional funding requirements from 2019/20 onwards would be addressed through the budget setting process and built into the Base Budget.

#### 4. **Policy Framework**

##### **Fit for the Future (FFF)**

- 4.1 The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other

things the FFF Strategy contains several Key projects. This report shows the way forward for implementing a significant part of one of the Council's Key projects.

- 4.2 The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

<b>FFF Strands</b>		
<b>People</b>	<b>Services</b>	<b>Money</b>
<b>External</b>		
<b>Health, Homes, Communities</b>	<b>Green, Clean, Safe</b>	<b>Infrastructure, Enterprise, Employment</b>
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
<b>Impacts of Proposal</b>		
A strengthened Assets Team will ensure the Council is able to maintain its assets that assist with the delivery of this outcome	A strengthened Assets Team will ensure the Council is able to maintain its assets that assist with the delivery of this outcome	A strengthened Assets Team will ensure the Council is able to maintain its assets that assist with the delivery of this outcome
<b>Internal</b>		
<b>Effective Staff</b>	<b>Maintain or Improve Services</b>	<b>Firm Financial Footing over the Longer Term</b>
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
<b>Impacts of Proposal</b>		
The proposed re-design directly contributes to the delivery of this outcome	The proposed re-design directly contributes to the delivery of this outcome	The proposed re-design directly contributes to the delivery of this outcome

## Supporting Strategies

- 4.3 Each strand of the FFF Strategy has several supporting strategies and the relevant ones for this proposal are explained here:
- The proposals are consistent with the Council's Workforce Development Strategy

### **Changes to Existing Policies**

- 4.4 The recommendations in this report do not propose any changes to existing Council policies.

### **Impact Assessments**

- 4.5 No impact assessment has been undertaken as the proposed new structure will enhance the Council's ability to deliver services.

## **5. Budgetary Framework**

- 5.1 The funding requirement set out in recommendation 2.1 is a maximum potential costs based, as shown at Appendix Three, on an assessment of the maximum cost of the new structure calculated on every member of the team being paid at the highest possible point of their agreed pay scale.
- 5.2 In reality, this is an unlikely scenario and the actual costs of the staff currently in post are c£110,900 below the potential maximum costs of the current structure when applying the same methodology.
- 5.3 It is, therefore considered to be unlikely that there would be significant financial pressures on the 2018/19 staffing budget. However, there is an unallocated balance of £223,800 within the 2018/19 Contingency Budget which could be utilised if such pressures were to emerge.
- 5.4 The future potential requirement for additional budget will be built into the budget setting process. The current 60:40 split of costs between the Housing Revenue Account (HRA) and the General Fund will be used for the 2019/20 budget setting process, which would allocate the a maximum of £22,483 to the HRA and £14,989 to the General Fund. This split of costs is reviewed annually and could be adjusted in the future.
- 5.5 As the potential maximum additional costs may not materialise, it is not considered to be necessary to build the potential £14,989 cost to the General Fund into the Medium Term Financial Strategy at this stage and instead review whether there has been any adverse financial impact arising from the re-design when the new structure has been fully implemented and the actual costs payable are known. This will be reported to Executive in a future budget monitoring report.

## **6. Risks**

- 6.1 There is a risk that without approval of the potential additional budget it would only be possible to introduce a sub-optimal staffing structure that does not adequately deliver the desired outcomes from the re-design.

## **7. Alternative Option(s) considered**

- 7.1 To not approve the recommendation which could lead to the risk highlighted above, materialising.