

## Best Value Review

### Review of Estate Management Procedures by Bedfordshire Police May 2003

#### Contents

1.	Introduction	Page 2
2	Definition	3
	Property portfolio	
	Present management arrangements	
	Analysis in accordance with the 4Cs principles	
3.	Challenge of existing arrangements	5
4	Consultation	11
5	Compare	13
6	Compete	14
7	Use of property consultants	14
8	Grounds Maintenance Arrangements	15
9	Evaluation of alternative options	15
10	Recommendations	17
11	Management action	19
12	Costs and benefits	21
13	Action Plan	21

#### Appendices

A	Main operational locations
B	Estates Manager: Job Description
C	Outsourced Contract
D	Challenge Matrix
E	Annual Report
F	Consultation Internal Response
G	Comparison with other Authorities
H	Consultation with Contractors
I	Consultation on Estates Support
J	Consultation on Use of Property Consultants

## **1. Introduction**

- 1.1 The Police Service is regulated by legislation and codes of practice laid down by Parliament and Common Law. The Local Government Act 1999 introduced a framework for improving local services through a process of continuous improvement known as Best Value Reviews. Bedfordshire Police Authority approved a Best Value Review Programme of Business Support Services in May 2002 and this review analyses the structure, strategy and processes of the Estates Management function of Bedfordshire Police.
- 1.2 The review was scrutinised by a Project Board comprising Police Authority members and Police Support Staff with assistance from an independent external consultant. The Review structure was approved by the Project Board in November 2002 and accords with the Police Authority Best Value Review methodology.
- 1.3 The present management arrangements were reappraised and challenged in accordance with the Four Cs principles. Challenge, Consult, Compare and Compete.
- 1.4 The Review examined the efficiency and cost-effectiveness of
- Systems for the management of property records
  - The availability of professional advice and property information for strategic management of property
  - The effectiveness and implementation of the Estate Strategy
  - The management of the Estate including
    - o Stewardship
    - o Repair and maintenance arrangements
    - o Energy management
    - o Rating management
    - o Health and Safety
- 1.6 The Review also provided an overview on the arrangements for grounds maintenance and the use of external consultants.

## **2. Definition**

2.1 Estates Management is a generic description of a broad range of activities required to maintain, operate, improve and develop property assets. For Police Authorities, it is a particular requirement to manage the assets to assist the primary function of policing.

2.2 For this review, Estates Management means:

**the effective management of land, buildings and fixed assets owned or occupied and maintained by Bedfordshire Police Authority and the development of the estate to meet current and future policing needs over a 10-year period.**

### **2.3 Bedfordshire Police Property Portfolio**

2.4 Policing in Bedfordshire is carried out from 15 operational locations held freehold with support from 6 other freehold locations and 7 held on lease.

2.5 The freehold operational properties excluding the police houses have an Asset Value in excess of £31m with gross internal floor space in excess of 32,700 m<sup>2</sup>.

2.6 The 7 properties held on lease incurred total rent and insurance costs at £78,000 for 2001/2002.

2.7 A schedule of operational properties is set out at Appendix A.

2.8 The main property expenditure for the year 2001-2002 was

Repairs and maintenance	£597,584
Capital works	£445,813
Energy	£295,771
Rating	£641,189
Fees	<u>£156,889</u>
Total	£2,137,246

2.9 This portfolio is a major asset with significant cost implications. It needs to be efficiently maintained and developed to enable operational policing to function effectively.

### **2.10 The Management of the Estate**

2.11 Responsibility for the management of the Property Portfolio rests with the Estates Manager. Management expertise is provided by a combination of in-house provision and outsourcing, with the majority of the work outsourced.

#### **2.12 In-house**

2.13 In-house, Bedfordshire Police employs an Estates Manager and part-time assistant located at Police Headquarters, plus 5 divisional Building Supervisors (the Building Supervisors spend 50% of their time on Estates issues).

2.14 The Estates Manager reports to the Director of Finance. The role of the Estates Manager is defined in the job description extract at Appendix B. Essentially the role comprises:

- Strategic portfolio management and estate development
- Management of Capital and Revenue budgets and associated building works
- Property-related professional advice

- 2.15 The Building Supervisors take responsibility for the day-to-day repairs element of building maintenance and some minor works, as part of their caretaking duties.
- 2.16 The Building Supervisors report to their Divisional Support Service Managers and have no management accountability to the Estates Manager, although there are reasonable working arrangements and liaison.
- 2.17 The 2003/2004 staffing budget for in-house provision is £119,050. In addition to this the divisional Support Service Managers spend 6% and the Director of Finance spends 5% of their time on Estates issues.
- 2.18 **Outsourced**
- 2.19 The majority of the work is outsourced, with a contract for the provision of estates-related professional services let from 1st October 1998 and expiring on 31st September 2003. The constituent functions are listed in Appendix C.
- 2.20 The cost of property-related consultancy services amounted to £160,350 for 2002/2003. The budget for 2003/2004 is £164,400.

## The Four Cs Analysis

### 3 Challenge

3.1 The Review Panel resolved that the present management arrangements will be reappraised and examined to determine the efficiency and cost-effectiveness of:

- Systems for the management of property records.
- The availability of professional advice and property information for strategic management of property.
- The effectiveness and implementation of the Estate Strategy
- The management of the Estate including
  - o Stewardship
  - o Repair and maintenance arrangements
  - o Energy management
  - o Rating management
  - o Health and Safety
  - o Statutory obligations.

3.2 The review is to analyse operational buildings and not police housing.

3.3 The challenge commenced by identifying the present arrangements from interviews, in particular with the Estates Manager, and analysis of the job descriptions of the Estates Manager and Building Supervisors.

3.4 Each task was separately identified and scrutinised by asking:

1. Is the task required? Yes or No
2. If yes, is the level of service
  - a. appropriate for the needs of the Police Authority or
  - b. Insufficient or in excess of the needs of the Police Authority?

3.5 Having determined the appropriate level of service required, each element was reassessed within three possible scenarios:

3.6

<b>Undertake within existing resources</b>  No cost implications	<b>Undertake with additional resources (with property skills)</b>  Cost implications	<b>Commission externally</b>  Cost implications
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3.7 The proposed level of service was reassessed in the light of the consultation response to establish a preferred option.

### **3.8 Systems for the Management of Property Records**

3.9 The matrix for the analysis for the present arrangements for the Management of Property Records is set out below.

<p>Property ownership database – (the Terrier)</p> <p>Is the service required? YES</p>	<p>The Audit Commission recognises and recommends that property owners must have clear and precise knowledge of their properties together with up-to-date information about their assets in order to get best value from their estates.</p> <p>The Police Authority should define clearly the level to which a Terrier is maintained. It is recommended that it include the following minimum information:</p> <ul style="list-style-type: none"> <li>▪ Legal and geographic information about the site</li> <li>▪ Details of buildings</li> <li>▪ Value of the site and buildings.</li> <li>▪ Site and floor plans</li> <li>▪ Gross and net internal areas.</li> <li>▪ Development potential</li> </ul> <p>As the Terrier develops, it can be extended to include running costs, maintenance history and programmes, and utilisation of floor space.</p>		
<p>Result of consultation</p>	<p>Lack of total knowledge amongst all interviewed. Value of “Making Costs Visible” acknowledged. Generally, would welcome accurate information and plans in user-friendly format</p>		
<p><b>Areas for review</b></p>	<p><b>Possible options</b></p>		
	<p><b>Undertake within existing resources</b></p> <p>No cost implications</p>	<p><b>Undertake with additional resources (with property skills)</b></p> <p>Cost implications</p>	<p><b>Commission externally</b></p> <p>Cost implications</p>
<p><b>Terrier</b></p> <p>It is noted that current resources are insufficient to immediately maintain the records. The records held are not kept continuously up to date, so opportunity for error is significant. Errors caused by the Terrier being out of date can result in a lack of confidence in the document, which often then requires a survey of all properties at significant expense .</p>	<p>This may be possible within the optimum solution, provided that resources are freed up.</p>	<p>Could be undertaken with property or administrative skills.</p>	<p>This is straightforward. There are no reasons why this task cannot be undertaken by a competent external party.</p>
<p>The Audit Commission recommends that each property be given a unique reference number which is linked to financial information systems (fis). Each Police Authority property is currently held under more than one reference number. The opportunity should be taken to review the reference system as a part of the new fis system.</p>	<p>For consideration by Director of Finance</p>		

3.10 Each element of the review has been similarly challenged and the detailed matrix is attached at Appendix D.

3.11 **Building Manuals**

3.12 Building Manuals are an important part of the information held at each operational building. These should provide as-built plans, detailed information on construction, services, health and safety and maintenance. They are intended to enable safe and efficient management of the building by users and contractors. Building manuals can incorporate asbestos registers and details of other hazardous materials or servicing arrangements.

3.13 There are increasing health and safety responsibilities on property owners and the Building Manuals provide the opportunity to meet part of these responsibilities.

3.14 No comprehensive understanding of the use or maintenance of Building Manuals exists across the Force. Different levels of priority attached by Building Supervisors and Support Service Managers have resulted in a varying approach. During the consultation process, Building Supervisors recognise that guidance is provided in a number of areas, but there is a clear need for corporate standards. There is general concern among Building Supervisors that much of the building maintenance knowledge will disappear when they retire.

*“We have some accurate information”*

*“I have spent a week looking for a distribution board”*

*“We had no fire tests or drills for the first 12 months”*

*“No, we don’t have a building manual”*

3.15 The Project Board strongly believes that corporate standards should be applied across the force and all operational buildings given appropriate advice and instruction.

3.16 It was noted that meetings with the Estates Manager, Support Service Managers and Building Supervisors no longer took place. It was considered that such meetings were useful opportunities to maintain corporate standards.

3.17 **The availability of professional advice and property information for strategic management of property**

3.18 This review addresses property issues and is not intended to address policing issues. There are, however, significant benefits to be gained if a long-term Operational Strategy is adopted by the Police Authority.

3.19 It is understood that policing needs can change rapidly, particularly in the light of Home Office directives and community/partnership initiatives. Policies are in place for the medium term; however, there are known issues which can be more effectively dealt with if clear policies are in place.

3.20 **Example**

3.21 Demographic information and known trends demonstrate that the present holding capacity at Bedford Police Station will be inadequate by 2010 when additional cells will be required. There is inadequate space at Bedford to achieve this within the envelope of the existing building. A clear policy is needed.

3.22 In the meanwhile, alterations and expensive repairs continue to be made to these premises for which there may be no long-term future.

3.23 Opportunities to alter the points of delivery of policing, i.e. in new areas, can be more efficiently achieved with significant cost saving if there is adequate time available for the acquisition and development of new properties. The lead-in time for property

acquisition is slow, with build time alone likely to exceed 12 months. This should be recognised and long-term directions should be clearly stated by the Police Authority and senior management whenever possible.

- 3.24 New partnership opportunities are investigated with successful implementation particularly in B division with the “Cop Shop “ initiatives. Further opportunities exist for other partnership schemes and joint initiatives, which need to be clearly defined if they are to be proactively pursued. Major housing expansion schemes are proposed within Government and County Structure Plans and the opportunities will arise for a local presence which must not be missed. The invitation to negotiate for a police unit as part of the Elstow Storage Depot redevelopment was not pursued. Town and Country Planning opportunities should be fully explored both as part of the Policing Strategy and the Estate Plan.
- 3.25 The Project Board commended the “Blue Sky” initiatives to determine the future of policing which would inform both policing and estate strategies. The need for direct involvement in the planning of new communities is essential.
- 3.26 The absence of a comprehensive Estates Strategy based on an Operational Strategy policy document severely limits the value of property information and the economic benefits that follow from good management. It limits the opportunities to achieve best value from the present portfolio. It does not, however, make an Estates Plan impossible and there are still significant benefits to be gained from a strategy on the future of existing buildings, addressing the implications of minor improvements and repairs.
- 3.27 The Project Board recognises the importance and benefits which an Estates Plan can deliver.
- 3.28 **The Availability of Professional Advice**
- 3.29 The Estates Manager’s duties are set out in the job description at Appendix B. A significant element of the role includes responsibilities in respect of:
- Strategic estate development and
  - Providing property-related professional advice to the Police Authority.
- 3.30 The importance of such information is clearly critical to good estate management. This importance was recognised generally by senior managers, although the response generally was that there is not sufficient corporate guidance and that more proactive guidance is needed. It was recognised that resources within the Estates Team were limited and that the resources were not effectively used because of changing policies.
- 3.31 The Project Board is firmly of the view that the responsibility for strategic property advice should remain with the Estates Manager. It is not appropriate to outsource overall responsibility for such advice, which is often required to be immediate and confidential, with a deep understanding of policing needs.
- 3.32 It may be appropriate to commission elements and particularly strategic information of properties’ performance in relation to Town Planning with
- Implications of local plans
  - Opportunities for development of sites
  - Opportunities for planning gain
  - Implications of other development
- 3.33 The Estates Manager is responsible also for the provision of management information on the performance of individual buildings.

- 3.34 Management information on existing properties forms an essential tool for strategic decisions. The usefulness of comparable information both internally and with adjoining forces was universally recognised, including occupancy rates and management costs. Constant changes in office locations are expensive and disruptive.

*“ This is our 5<sup>th</sup> move in 7 years”*

*“We lost 1 classroom but have adequate resources”*

*“There are acres of room at Leighton Buzzard”*

- 3.35 Occupancy rates are not known generally, although they were felt to be available in some areas. The need to react to operational pressures is understood and the need for incident rooms will constantly arise. The need to accommodate staff and Q Division place additional pressures on Divisional Commanders.
- 3.36 Utilities and repair and maintenance costs are partly known, with the “Making Costs Visible” programme found to be useful. Little analysis or comparison is made.
- 3.37 The consultation exercise showed that the majority of senior and middle management recognise the importance and usefulness of performance information. However, virtually no meaningful analysis is undertaken. The benefits of the “Making Costs Visible” initiative is recognised as a very useful basis on which to build.
- 3.38 It is noted that much of the information is readily available and could be incorporated into the annual report. A revised format for the report is attached at Appendix E

**3.39 The Management of the Estate and Stewardship**

- 3.40 Responsibility for the management of the Property Portfolio rests with the Estates Manager. An annual report is submitted to the Force Strategy Board and the Police Authority by the Estates Manager with a summary of the financial position and an update on specific projects.
- 3.41 Management expertise is provided by a combination of in-house provision and outsourcing of the majority of the work to property consultants.
- 3.42 There are significant property-related budgets, with repairs and maintenance and capital works amounting to a sum in excess of £1m per annum.

**3.43 Repairs and Maintenance**

- 3.44 Maintenance of the estate is essential. A condition survey is in place with the main items managed by the Estates Manager and commissioned through an external property management consultancy. All service contracts are commissioned by the Estates Manager. It is noted that the progress towards higher-specification buildings with more sophisticated systems requires increased and clearly-specified servicing with higher professional input.
- 3.45 The current arrangements for undertaking work on the basis of condition surveys and establishing priorities for expenditure is in accordance with good practice.
- 3.46 Much of the response work is commissioned by the Building Supervisors directly to contractors, with the Building Supervisors responsible therefore for checking quality of work and invoices.

3.47 The opportunity for commissioning all of the work through consultants was also considered and discounted. The Project Board recognises the need for a commissioning manager with appropriate professional experience and it is appropriate to let work in-house where the opportunity and resources allow. Consultation clearly demonstrated that the option of commissioning all repair and maintenance work would be fiercely resisted at all levels.

3.48 However, management of the work carried out by Building Supervisors was noted to be undertaken without tenders in some cases and without detailed specification of work to be carried out. The system is probably very cost-effective for minor repairs where time input should be kept to a minimum. However, some £300,000 was spent by the Building Supervisors during the last financial year, a significant sum, although it is unlikely to reach these levels in subsequent years. The Force should review the present arrangements to ensure compliance and that there is sufficient guidance on specifying work and managing the work correctly.

### 3.49 **Energy Management**

3.50 All energy costs are devolved but records are maintained by the Estates Manager and the information reported to the Divisional Commander as part of the "Making Costs Visible" initiative. Virtually no analysis is undertaken apart from a comparison with previous quarters. Meter readings are taken to check bills received. Opportunities exist for immediate savings to be made by improved management and targets should be set.

3.51 There is sufficient information held already which should be utilised to provide a more detailed analysis and further savings should be possible, with investment, following such analysis.

3.52 Responsibility for energy management was shown to be unclear, with the property consultants unaware that this formed part of the commission.

3.53 Energy purchase is currently managed by linking the purchase requirements with the Bedfordshire County Council purchase contract and so benefiting from quantity rates.

### 3.54 **Rating**

3.55 The budgets are held by the Estates Manager. No senior or middle managers took account of this budget, which was seen as a budget over which they had no influence. If the full costs are to be taken into account by Divisional Commanders when considering strategic issues, rating costs should be included.

3.56 Confidence that rating assessments are correct is important. The annual cost is in excess of £640,000 and errors can be very expensive. Any significant building work will require rating reassessment. This work is currently commissioned. Consideration was given to retaining this work in-house, but this was not considered practical.

3.57 This is a very specialised area of work if maximum benefit is to be achieved from appeals and there is insufficient work to justify the appointment of a rating surveyor. Specialist surveyors should be appointed. However, opportunities exist for immediate savings to be made and targets should be set.

### 3.58 **Health and Safety**

3.59 There are a substantial number of obligations on property owners to provide a duty of care to occupiers and visitors. Many areas involve machinery and plant installations for which specialist advice is required. Safe practices for building users are the

responsibility of the Support Service Managers with assistance from guidelines prepared by the Estates Manager and the Force Health and Safety Officer.

- 3.60 Permit to Work licences are in place for contractors. All known asbestos has been removed.
- 3.61 The Construction (Design and Management) Regulations 1994 (CDM Regulations), place new obligations on property owners. The regulations are aimed at improving the overall management and co-ordination of health, safety and welfare throughout all stages of a construction project to reduce the large number of serious and fatal accidents and cases of ill-health which happen every year in the construction industry.
- 3.62 All consulted recognised that health and safety guidance was available. However, there was variance where management of contractors was concerned. The availability of the Management of Contractors Handbook was not common knowledge.

*"We probably break all rules on working at height"*

*"It's down to the contractors."*

*"We have some COSHH info."*

*"No guidance on lifting."*

- 3.63 There is a general view that most contractors are chosen from a Select List maintained by property consultants and that part of the requirements of being on that list is an understanding and commitment by that firm to proper working practices.
- 3.64 The Project Board is concerned to ensure that health and safety is dealt with consistently across the Force.
- 3.65 **Statutory Obligations**
- 3.66 The obligation to advise the Police Authority of its need to comply with statutory obligations on property issues and to be aware of new obligations is commissioned to property consultants and reported to the Estates Manager. Further requirements will be advised by the Force Health and Safety Officer.
- 3.67 Access audits have been commissioned by the Estates Manager and a programme of improvements instigated for completion by 2004.
- 3.68 Much of the property information will relate to installed systems, i.e. electrical apparatus, lifts, water management, etc. and the Estates Manager will implement where appropriate. Where the obligation is wider, the information is co-ordinated by the Estates Manager and disseminated within the Force.
- 3.69 The Project Board considers that the present arrangements are satisfactory.

## 4 Consultation

- 4.1 Consultation was undertaken across a broad spectrum of all parties who have an interest in the Police property portfolio or in property management in accordance with the agreed list of stakeholders.
- 4.2 The questionnaire addressed all areas of the reviewed services. The interviews were carried out on a one-to-one basis in most cases and in the office of the interviewee. Responses to the specified questions were required but with the opportunity for general observations to be made.
- 4.3 All Force staff were invited to an open forum held at Headquarters.
- 4.4 Interviews have been completed with
- A Police Authority member
  - The Chief Constable
  - The Director of Finance
  - All Divisional Commanders (5)
  - All Support Service Managers (5)
  - The Transport Manager
  - All Building Supervisors (5)
  - The Training Manager
- 4.5 The responses to date are attached at Appendix F. There are a number of issues arising which have been integrated within the matrix introduced with the Challenge section.
- 4.6 The responses received supported the need to review the priorities of the Estates Manager and to improve the level and format of the information provided.
- 4.7 External consultations were undertaken with:
- 4 neighbouring Police Authorities
  - 2 Fire and Rescue Services
- and this information was combined with a survey response to Cleveland Police Authority which has already undertaken an Estate Management Best Value Review. This questionnaire was a reduced format to establish:
- Other structures
  - The cost of other structures
  - Management costs
  - Use of consultants
- 4.8 The questionnaire, with limited responses received, is attached at Appendix G.
- 4.9 The consultation exercise with contractors addressed only management issues relating to the letting and monitoring of actual work and the response is attached at Appendix H. Only 2 of the six contractors approached have responded. The response is perhaps as may have been expected, with no contractor wishing to criticise a good client, but there is an indication that more help and more information would be welcome.
- 4.10 The Project Board also examined the inter-relationship of the Estates Team with Divisions and the response is set out at Appendix I. Those interviewed were asked to indicate their perception on a scale of 1–5, where 1 equalled very dissatisfied and 5 equalled very satisfied.

- 4.11 It was noted that there is a high perception of support from Building Supervisors, who all found direct access to the Estates Manager very helpful, with prompt response.
- 4.12 There was less support from middle managers, with a perception that they were left to manage on their own, and a broad consensus that there was inadequate consultation and communication.
- 4.13 At the higher level opinion was varied, with an acknowledgement that there was only one person responsible, but generally with a perception that the response was too slow to assist policing strategies and was reactive rather than proactive.
- 4.14 There are particular problems with users being required to find their own property to solve their space requirements, with Estates support being given only after properties have been found.
- 4.15 The view was also expressed that periodic meetings formerly convened by the Estates Manager with Building Supervisors and Support Service Managers no longer took place. It appears, however, that these were abandoned as a result of non-attendance. Consideration should be given to reinstating these meetings on a regular basis to assist conformity of approach across the Authority.

## 5 Compare

- 5.1 Bedfordshire Police employs an Estates Manager and part-time assistant located at HQ and five divisional Building Supervisors who report to Divisional Support Service Managers.
- 5.2 Enquiries were made of 15 other Police Authorities and Bedfordshire Fire & Rescue service and although the responses were limited, the following information was obtained:

Authority	Operational floor area	Estates Dept
<b>Bedfordshire</b>	<b>32700 m2</b>	<b>1.5</b>
Wiltshire	Not supplied	3
Cumbria	Not supplied	2 + 2PT
Sussex	Not supplied	8
Merseyside	108193 m2	23
Cambridgeshire	27759 m2	2-3
City of London	13800 m2	2
Derbyshire	48713 m2	4
North Wales	29868 m2	13
Leicester	51812 m2	5
Staffordshire	59292 m2	2
Surrey	Not supplied	17**
Warwickshire	Not supplied	1
Kent	107520 m2	9
Northampton	22948 m2	Not supplied
Worcester	44252m2	11
Bed Fire & Rescue	14 sites	1.5

Note that part of the information is obtained from the reviews undertaken by Cleveland Police Authority.

- 5.3 It is not clear in all cases if the Estates Department structure includes Building Supervisors/caretakers. It is difficult to make direct comparisons because of the varying management arrangements for Building Supervisors. However, it is useful to identify the general approach taken.
- 5.4 Eight other Forces have a similar structure of 2 or 3 persons with services procured from external consultants. Three Forces – Merseyside, Surrey and North Wales – appear to manage all work in-house with a significant establishment. The Forces at Sussex, Kent and Worcester have an establishment of 8, 9 and 11 persons respectively.
- 5.5 It is noted that some forces including Cambridgeshire and Hertfordshire which had structured on a small “client side” with most of the work outsourced are now reviewing that arrangement and may revert to a full client side capable of undertaking all management of property-related work.

## **6 Compete**

- 6.1 The majority of the work is outsourced, with a contract for the provision of estates-related professional services let to external property consultants from 1st October 1998 and due to expire on 30th September 2003. The constituent functions are listed in Appendix C.
- 6.2 The cost of property-related consultancy services amounted to £160,350 for 2002/2003. The budget for 2003/2004 is £164,400.
- 6.3 It is the intention that the work be retendered on expiry of the present contract, possibly after a short extension to allow for the completion of this review; and the recommendations to be taken into account in any new contract.
- 6.4 The tendering process will achieve the competition element required. It is noted that the present contract is based upon a contract tendered by the County Council and the Force may have benefited from economies of scale which will not be the case when the contract is retendered.

## **7 Use of Consultants for property services**

- 7.1 The Project Board required also that an overview of the present consultants be given.
- 7.2 The majority of the work is outsourced with a contract for the provision of estates-related professional services let from 1st October 1998 and expiring on 31st September 2003. The constituent functions are listed in Appendix C. The cost of property-related consultancy services amounted to £160,350 for 2002/2003. The budget for 2003/2004 is £164,400.
- 7.3 As part of the consultation process, the performance of the consultants was investigated. The perception of the performance was astonishingly low across the Force, but particularly at Support Service Managers and Building Supervisors level. A full summary of the responses is given at Appendix J. Those interviewed were again asked to indicate their perception on a scale of 1– 5, where 1 equalled very dissatisfied and 5 equalled very satisfied.
- 7.4 This level of response at the service provided gives considerable cause for concern. Part of the problem may be a lack of understanding of the specific terms of the appointment of the consultants. There is not, for example, a requirement that all work is pre-inspected, monitored during the work or checked upon completion. The contract provides for a percentage only to be checked. It is possible that much of the perceived dissatisfaction could be dispelled if there were better understanding of the terms of the appointment.
- 7.5 It should be noted also that the majority of the dissatisfaction arises from the management of the repairs and maintenance programme and servicing contracts. Where the consultants have undertaken other specific tasks and required their own customer satisfaction returns, the level of satisfaction has been extremely good.
- 7.6 The consultants were also consulted as part of this process. There is a firm belief on their part that all work commissioned is properly carried out within the terms of the contract and that there is a reasonable level of customer satisfaction from their own returns.
- 7.7 Whilst there may be some communication issues, there is a level of dissatisfaction that cannot be ignored. If the present consultants are to be invited to re-tender for all or part of the contract, then the Force will undoubtedly wish to be satisfied that management changes within the consultant's organisation are first put in place to address the areas of concern identified from the consultation. At that time, the consultation responses received should be discussed in detail and an action plan agreed.

## 8. Grounds Maintenance Arrangements

- 8.1 The Project Board required that an overview of the grounds maintenance arrangements be undertaken. With the exception of Headquarters, grounds maintenance is undertaken by the Building Supervisors and, from consultation with the Support Service Managers, to a satisfactory standard.
- 8.2 At Headquarters, a Head Groundsperson was directly employed in addition to the Building Supervisor because of the additional maintenance required. When the Building Supervisor post became vacant, the Head Groundsperson was appointed to the vacant post on a temporary basis but retained responsibility for the grounds. This arrangement has and continues to operate successfully.
- 8.3 The cost of a Head Groundsperson's post is £16,500. Note that this does not include time allocation from the Support Service Managers, nor for other support from the Finance or other support departments. There are in addition the costs of a groundsperson at £12,300 and some external grounds maintenance work being commissioned at a cost of £11,000 p.a.
- 8.4 The opportunity was taken to compare the costs of grounds maintenance with other forces as part of the comparison exercise. It is difficult to compare costs without very detailed analysis of areas of open space and the levels to which maintenance is required. It is clear, however, that the present arrangements in Bedfordshire are cost-effective.

<b>Authority</b>	<b>Operational floor area</b>	<b>2000/01</b>
<b>Bedfordshire</b>	<b>32700 m2</b>	
Wiltshire C		49000
Cambridgeshire	27759 m2	23825
Derbyshire C	48713 m2	36830
North Wales C	29868 m2	5000
Leicester C	51812 m2	47637
Surrey	Not supplied	10000 HQ
Northampton	22948	57826
Worcester	44252	15705

The opportunity should be taken to make the arrangement permanent by removing the need of a Head Groundsperson post and saving a salary cost of £16,500.

## 9. Strategic Options

- 9.1 The Consultation Exercise has identified a broad consensus of the need for positive property management with a recognition that the present structure does not allow sufficient resource to meet all of the needs. There are levels of dissatisfaction and differences of perception with the service currently provided. Part of this is a result of a lack of clear understanding of the role of the Estates Manager and to a lesser extent of the “property” responsibilities of other officers and staff. This can be addressed and the situation improved by better communication. The problems with the use of external consultants must also be addressed and particularly the need to improve the management of the repair and maintenance programme. The working practices and the number of contractors on site must be better balanced to minimise the disruption to policing duties.
- 9.2 However, the basic problem remains that the present structure, one professional advisor with part-time administrative assistance, is insufficient to undertake all of the tasks required. The challenge element identified the need to refocus the use of resources.
- 9.3 The Project Board recognised the issues which arise from a client side at the current minimum level and the need to boost the critical mass of the client side.
- 9.4 Three possible options were considered.
- 9.5 **1. Retain the existing structure**
- 9.6 The tasks required by the Best Value review have been scrutinised and those undertaken by the Estates Manager found to be necessary and indeed likely to increase. A more focussed role is required with emphasis on the strategic duties. Some elements of the present responsibilities must therefore be reassigned elsewhere, and in practical terms the only way of achieving this is to increase the level of property services outsourced. A review was therefore undertaken of areas of work currently performed in-house which could be outsourced, together with the fee implications of this action. The additional fees are estimated at £17,000 per annum based on a professional assessment of the tasks and likely fees.
- 9.7 The retention of the existing structure does not address the problems of critical mass nor improved management of the repairs and maintenance programme.
- 9.8 **2. Undertake all property management work in-house**
- 9.9 The current contract with property consultants will expire in September. The Board considered the possibility of undertaking all property work in-house. This approach has been adopted by 6 of the Forces that responded to the questionnaire and is being actively considered by three other authorities currently operating a policy similar to that of Bedfordshire Police. A significant increase in the staff structure would be required.
- 9.10 Analysis of the tasks required of the Estates Manager was undertaken and it is considered that to undertake most work in-house would require 7 additional professional staff and two technicians, with additional estimated costs of £300,000. Some outsourced expertise would still be required for specialist issues and a contingency of £20,000 for fees is considered prudent.
- 9.11 Such a structure would overcome the problems of critical mass and the management of the repairs and maintenance programme. It should deliver the level of service considered appropriate.

9.12 **3. Undertake more in-house with part of the work outsourced**

9.13 The Consultation exercise has, as indicated, demonstrated a serious level of dissatisfaction with the present consultancy arrangements. The major part of this dissatisfaction arises from the management of the repairs and maintenance programme and servicing contracts. This work generates fee expenditure of some £55,000 per annum.

9.14 It would be possible to increase the present structure with the addition of two professional posts with appropriate skills and a part-time administrator; and by continuing the present arrangements with the Building Supervisors, commission all of the work in-house. The costs of the two and a half additional posts would amount to some £80,000. Although this is in excess of the current fees paid, it would result in a better quality of service being received and more appropriate management of the repairs and maintenance programme.

9.15 This option would give more flexibility in-house to meet the changing needs of the operational service and, importantly, would provide a level of resilience and continuity from the estates management team which does not currently exist.

9.16 It would enable the Estates Manager to focus on strategic issues and undertake the additional services required.

9.17 **Summary**

	<b>In-house costs</b>	<b>External fees</b>	<b>Total</b>	<b>Change</b>
<b>Existing</b>	<b>119,050</b>	<b>164,400</b>	<b>283,450</b>	
<b>Option 1</b>	<b>119,050</b>	<b>181,400</b>	<b>300,450</b>	<b>+17,000</b>
<b>Option 2</b>	<b>418,050</b>	<b>20,000</b>	<b>438,050</b>	<b>+154,600</b>
<b>Option 3</b>	<b>197,750</b>	<b>109,400</b>	<b>307,150</b>	<b>+23,700</b>

Option 2 was discounted because of the significant increase in cost.

9.17 Both Option 1 and Option 3 should produce an improved level of service. Option 1 is close to the existing arrangement. If adopted, it would be extremely important to ensure that any new external provider of property services should meet the levels of service and satisfaction required. One poor experience does not mean that all providers are of a similar standard; however, the care required in selection and the monitoring necessary until there is confidence that the level of service required is delivered would detract from the time required by the Estates Manager to address other issues.

9.18 Option 3 enables the Estates Manager to control more directly the repairs and maintenance programme and to ensure an appropriate level of service is provided. It will provide additional benefits of resilience and flexibility and the critical mass. The additional cost of £6,700 increase over Option 1 is considered to be good value and this Option is therefore considered the most appropriate and is recommended.

10.1 The Review identified a number of areas where improvement could be achieved by local management action and by refocusing the existing priorities.

10.2 **Systems for the Management of Property Records**

10.3 The Project Board recognises the importance of property records to properly manage and maintain its assets. It considers that the maintenance of the Property Terrier should be retained in-house under the supervision of the Estates Manager and afforded a high priority.

10.4 The Project Board recognises the importance of management records and comparable evidence to enable informed strategic decisions to be taken on existing properties.

10.5 The existing presentation "Making Costs Visible" is commended. The information should be extended, with an annual report giving full information on running costs and occupancy rates with comparisons to enable worst performing buildings to be further analysed.

**Recommendation 1**

**It is recommended that an annual report currently provided should be enhanced with additional analysis and in the format set out at Appendix E. The report to include a table giving the performance of all buildings in relation to occupational rates, utility costs and repairs expenditure on a comparative basis to inform strategic decisions. Analysis of energy use should enable savings to be identified and for investment opportunities to be developed to further reduce energy use.**

10.6 The Project Board supports the recommendation of the Audit Commission that a unique property reference number be attached to each property and linked to financial information systems (fis). It recognises the benefits of clear and easy access to such management information and the opportunity should be taken to incorporate unique property reference numbers for each property within the new financial information system.

10.7 **The availability of professional advice and property information for strategic management of property.**

10.8 The Project Board recognised the significant benefits to be gained if a long-term Operational Strategy is adopted by the Force.

10.9 The Project Board commended the "Blue Sky" and similar initiatives held in B Division to determine the future of policing which would inform both policing and estate strategies. The need for direct involvement in the planning of new communities is essential.

10.10 The Project Board recognised the importance and benefits which the existing Estates Strategy can deliver but which is limited without a linked Operational Strategy.

## **Recommendation 2**

**It is recommended that the Force Strategy Board be asked to consider operational strategies and subsequently building requirements over a 10-year period. The strategy should then be submitted to the Police Authority for approval. As a part of the strategy, opportunities for local partnerships and shared facilities should continue to be pursued and such strategies shared with community partners.**

## **Recommendation 3**

**It is recommended that the Estates Plan continue to be reviewed annually in the light of such corporate policing policies as exist including information from Recommendations 1 and 2 and that the Estates Strategy incorporates monitoring of new development opportunities arising through Town and Country Planning both for the benefits arising from Planning Gain and to maximise development opportunities for existing properties.**

- 10.11 The responsibility for strategic property advice should remain with the Estates Manager. It is not appropriate to outsource overall responsibility for such advice, which is often required to be immediate and confidential, with a deep understanding of policing needs.

### **10.12 Use of external property consultants**

- 10.13 A large proportion of the work will continue to be procured from external consultants. A more effective management of the repairs and maintenance budget will be achieved by increasing the in-house resources to enable this work to be commissioned and managed directly. This would also provide additional resilience and flexibility to the Estates function which is currently dependent on one key individual. It is noted that it may be necessary to extend the existing contract for a short period to enable these posts to be advertised and appointments made.

## **Recommendation 4**

**That two professional posts and one part-time administration post be created under the management of the Estates Manager, to enable the repairs and maintenance programme to be managed directly.**

- 10.14 The level of response to the effectiveness and satisfaction of the present consultants gives considerable cause for concern. If the present consultants are to be invited to tender for all or part of the contract when it is retendered then the Authority will undoubtedly wish to be satisfied that management changes within the consultants organisation are first put in place to address the areas of concern. At that time, the consultation responses received should be discussed in detail and an action plan agreed. All property managers should be clear at the time of renewal, whether this be to the present consultants or otherwise, on the terms of the contract and of their own property responsibilities thereafter .
- 10.15 It should be noted that the current arrangements will be extended until 31 March 2004 when this recommendation will be fully implemented.

## **11 Summary of management action**

11.1 The Review identified a number of areas where improvement could be achieved by better use of resources by management action.

### **11.2 Strategic Advice**

11.3 That the Estates Manager's responsibility to provide strategic advice be retained and the priorities of the responsibilities of the post be reviewed in conjunction with the Director of Finance to enable adequate opportunity for such advice to be provided.

### **11.4 Corporate Standards**

11.5 That corporate standards should be applied across the Force and all operational buildings given appropriate advice and instruction. The Director of Finance and the Estates Manager should develop a meeting structure in liaison with support service managers for all persons with a responsibility for property management to assist the implementation of corporate standards and practices.

11.6 That comprehensive Building Manuals be held at all operational premises with the maintenance and implementation monitored by the Estates Manager.

### **11.7 Repairs and Maintenance**

11.8 The Project Board noted that the present system for implementing minor repairs through the delegated arrangements is probably cost-effective where time input needs to be kept to a minimum. However, in view of the sums involved, the Force should review the present arrangements to ensure that there is both compliance and sufficient guidance on specifying and managing the work correctly. The Estates Manager should review the guidance given to Building Supervisors for the letting of contracts.

### **11.9 Rating**

11.10 That a rigorous evaluation of the current rating assessments should be undertaken and specialist surveyors be appointed to review the current rating assessments, with an action plan savings target of £15,000.

### **11.11 Health and Safety**

11.12 That the present arrangements be reassessed in conjunction with the Force Health and Safety Officer to ensure that health and safety on property issues is dealt with consistently across the Force, with refresher training given where necessary.

### **11.13 Property Management Consultants Action Plan**

11.14 That an Action Plan be agreed with the present property consultants, to the satisfaction of the Estates Manager, that addresses the areas of concern as set out in the Review, prior to the consultants being invited to tender for future contracts.

### **11.15 Grounds Maintenance**

11.16 That the Head Groundsperson post be dispensed with and the responsibility for grounds maintenance at Headquarters continue to be undertaken by the Building Supervisor.

## **12 Costs and Benefits of the Review**

- 12.1 The revised structure recommended has an estimated increased cost of £23,700 p.a. The structure should provide a much-improved service with the significant benefits from getting it right first time and reducing the disruption to the operational duties of the Force. Such savings are unquantifiable. There would also be the benefit of increasing the critical mass of the function and the additional resilience and flexibility this would provide.
- 12.2 Savings will follow rigorous reassessment of energy use and rating liability. These savings are unquantifiable until the assessments are completed and investment may be necessary to create long term energy savings. Target savings have however been set which should be attainable by improved management action.
- 12.3 Annual savings of £16,500 will be achieved if the Head Groundsperson post is dispensed with.
- 12.4 The potential benefits of retendering the outsourced property management work will not be known until after the current contract is re-tendered and let. It is considered that the current contract is relatively competitive, but some savings are anticipated.

Area of Review	Recommended Action	Proposed Costs	Efficiency Savings
Energy	Energy review (initial management action)	nil	£15,000pa*
Structure	Increased structure Saving of Head Groundsperson post	£23,700 pa nil	£16,500pa.
Rating	Review of assessments	Nil	£15,000pa*
Total		£23,700 pa	£46,500pa.

\* Action plan target

- 12.5 This indicates a net benefit of £22,800 p.a.

## **13. Action Plan**

- 13.1 All of the recommendations can be implemented progressively within a period of 12 months. It will be necessary to extend the present contract for outsourced property management for a short period to ensure continuity in service provision.