

## **EAST AYRSHIRE COUNCIL**

### **POLICY AND RESOURCES COMMITTEE – 14 NOVEMBER 2006**

#### **STRATEGIC CROSS CUTTING REVIEW OF PROPERTY MAINTENANCE AND OTHER ASSET MANAGEMENT PROPERTY RELATED MATTERS – PROCUREMENT OF CONSULTANCY SERVICES**

##### **Report by the Chief Executive**

### **1. PURPOSE OF REPORT**

- 1.1 To seek Committee approval for the negotiation of appropriate contractual terms with Solace Enterprises Ltd and their associate consultant SKG Associates Limited, for the provision of consultancy services to the Council in respect of a range of property related initiatives currently ongoing within the Council, principally, the agreed plan to improve the Council's housing repairs service, together with other asset management property related matters, including the Capital Programme.

### **2. BACKGROUND**

- 2.1 At the Corporate Management Team meeting held on 17 May 2006, it was agreed to extend the remit of the proposed Building and Works Best Value Service Review to include a cross cutting review of property maintenance.
- 2.2 This cross cutting review will follow the guidelines set out in the corporate Best Value Service Review Guidance (Securing Continuous Improvement: A guide to carrying out a Best Value Service Review – August 2005). The review will also remain true to the principles of the Community Plan, by adopting an approach to deliver continuous improvement and best value, and to build sustainability.
- 2.3 The property assets held by the Council are large and varied from Council housing to Council offices and from educational establishments to leisure facilities. The processes for ensuring these assets are properly maintained and developed require to be reviewed and, where appropriate, revised to meet the challenges of efficient government within a best value authority.
- 2.4 This cross cutting review will be far reaching as property services impact on most Council services. The review will therefore be enhanced by service departments informing the process as required.
- 2.5 This cross cutting review of property maintenance will:
- identify, map and review the interconnecting key processes that determine the effectiveness of the Council's property maintenance function

- engage with service users and stakeholders to ensure that their views inform the wider review process
  - assess the efficiency of current processes, examining their performance capability, current capacity and prevailing conditions
  - examine and recommend improvements to the process and system surrounding the Council's property assets ensuring the delivery of value for money services and viability in the long term.
- 2.6 The review is being led jointly by the Head of Building and Works, the Head of Housing and the Head of Economic Development and Property Services.
- 2.7 At the Policy & Resources meeting on 19 September 2006, Members agreed to engage Vanguard Limited, for the provision of consultancy and training services in respect of aspects of the work being undertaken in the cross cutting review of property maintenance. Progress made on this aspect was most recently reported to the Housing Committee at its meeting on 1 November 2006.
- 2.8 In addition to the ongoing cross cutting review of property maintenance, there are a range of wider asset management property related matters that require external consultancy support, in particular, issues concerning driving forward the Council's Asset Management Strategy, including the important area of fulfilling the Council's Capital Programme commitments. The Chief Executive's Office has been assisted by SKG Associates Limited, a recommended member of SOLACE Enterprises Ltd, in the early stages of the various strands of property related work and it is now proposed to appoint SOLACE Enterprises Ltd (using SKG Associates Limited) as the Chief Executive's short term adviser to provide independent professional advice on property related matters, given SKG Associates Limited's existing knowledge of this authority and familiarity with both the local and national position in these matters.
- 2.9 In terms of paragraph 9(2) of the Council's Standing Orders Relating to Contracts, there is a requirement that Committee approval be obtained in respect of any such negotiated contract, both in respect of the negotiation and of the person with whom the tender is to be negotiated.

### **3. THE EXTENT OF THE CONSULTANCY SERVICES**

- 3.1 As indicated in paragraph 2.8 above, the concept of the provision of consultancy services in relation to the wider property related matters being taken forward by the Council is an important area of our work and links to three of the fourteen Improvement Agenda points agreed as part of the recent Best Value and Community Planning audit report issued by the Accounts Commission (Asset Management; Sustainability; and Housing Repairs).
- 3.2 Further, it is envisaged that in order to provide such support, the Consultant will require to oversee the proper direction of the cross cutting review of

property maintenance; advise on driving forward the Council's wider Asset Management Strategy; assist in the preparation of reports and papers on all aspects of the remit, and generally provide an experienced reference point for the Executive Office.

- 3.3 A proposed draft remit for the provision of the consultancy services is enclosed herewith at the Appendix to this report. From the terms of same, it will be apparent to Members that the process to be adopted will by necessity, require to have some flexibility built into the arrangement. At this stage therefore, and in addition to the 6 days consultancy authorised by me under delegated powers, it is anticipated that the consultant's input will be required for approximately a period of 23 weeks from October 2006 at an average of 2 days per month, either here at the Council's offices, or off site in respect of background reading and desk top work, rising to a maximum of 4 days per month, ending in late February 2007. Accordingly, the indicative cost of such a consultancy contract at a fee rate of £590 per day for 23 days is estimated at £13,570, plus reasonable travel expenses of around £430, totalling £14,000.

#### **4. DISCUSSION**

- 4.1 As members may be aware, Stewart Gilchrist, of SKG Associates Limited is the former Executive Director of Housing and Technical Services at South Lanarkshire Council. Amongst other things, Mr Gilchrist's professional background in property related matters, including his wide knowledge of the national scene with APSE, place him in a very good position in Scotland to provide such consultancy services as are envisaged in this report.
- 4.2 In totality, SKG Associates Limited participation in taking forward the Council's various property related initiatives would bring enhanced credibility and weight to the conclusions reached. Substantial long term benefit to the Council can therefore be anticipated by SKG Associates Limited's appointment.

#### **5. LEGAL IMPLICATIONS**

- 5.1 As referred to in paragraph 2.9 above the Council's Standing Orders Relating to Contracts require formal Committee approval in circumstances where it is proposed to negotiate a contract with one party, both in respect of the negotiation and of the party with whom it is intended to negotiate.

#### **6 POLICY AND FINANCIAL IMPLICATIONS**

- 6.1 As detailed above, at this stage it is anticipated that the indicative costs of such a consultancy appointment will be in the region of £14,000 which sum can be met from existing budgetary provision within Development and Property Services employee costs. In approving the consultancy appointment, Members will be providing the independent professional assistance needed to help address this particular part of the Council's Best

Value and Community Planning Improvement Agenda, with due links to the Improving the Environment and Opportunities thematic action plans.

## **7 RECOMMENDATIONS**

7.1 It is recommended that committee:-

- (i) as identified above, approve the negotiation of contract terms in respect of the provision of consultancy services with SKG Associates Limited in terms of paragraph 9(2) of the Council's Standing Orders Relating to Contracts;
- (ii) remit the Chief Executive to revert back to members with any new proposals for consultancy support needed to take forward matters in relation to the Council's Property related Best Value Improvement Agenda points on 'Asset Management'; 'Sustainability'; and 'Housing Repairs'; and
- (iii) otherwise, note the contents of this report.

**Fiona Lees**  
**Chief Executive**

JC/LP

31 October, 2006

### **LIST OF BACKGROUND PAPERS**

- (1) East Ayrshire Council: The Audit of Best Value and Community Planning; report prepared for the Accounts Commission, September 2006

Members wishing further information should contact Fiona Lees, Chief Executive on Extension 6103

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AND OTHER ASSET MANAGEMENT PROPERTY RELATED MATTERS –  
PROCUREMENT OF CONSULTANCY SERVICES****REMIT ENGAGEMENT OF SOLACE ASSOCIATE**

- To confirm that the remit and scope of the review is correct.
- To confirm that the process undertaken is comprehensive and complies with the Council's arrangements for service review as set out in *Securing Continuous Improvement: a Guide to Best Value Service Review*, August 2005.
- To confirm that account has been taken of best practice elsewhere in the United Kingdom and to make recommendations as required.
- To ensure that intended outcomes reflect any national guidance on the matter, including that issued from relevant Inspectorates and professional organisations.
- To offer ongoing advise to me on the interim findings of the review and wider asset management related matters as and when reported to me.
- To appraise the strengths and weaknesses of the service review and to validate the review findings and to endorse the recommendations.
- To provide a preliminary assessment on the impact of the review on East Ayrshire Council.
- To attend meetings as required, including any meetings of the Council.
- Any other ancillary issues pertaining to the review.
- In all of the foregoing to provide advise and recommend appropriate action to the Chief Executive.