

Packaging Services to Secure Long Term Relationships

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General Manager
Derbyshire County Council
Corporate Property
July 2014 Update





Introduction to Derbyshire

- Background
 - Brief history
- What we provide
 - Cleaning/Janitorial
 - Grounds Maintenance
 - Building Construction & Maintenance

Background

- Brief History
 - Operated with a DSO for over 50 years
 - Currently employing approximately 2000 staff.
 - Reputation for high quality services
 - Customer base both within and outside the Council

CORPORATE PROPERTY



DOVE HOLES

Area 1

Dove Holes Business Unit
Corporate Property
8 -10 Hallsteads
Dove Holes
Nr Buxton SK17 8BJ
Telephone 016295 36629

CHESTERFIELD

Area 2

Sub- Depot
for Dove Holes
Chesterfield Business Unit
Corporate Property
Albert St North
Whittington Moor
Chesterfield S41 8NF
Telephone 01246 290646

DENBY (North)

Area 3

Denby Business Unit
Corporate Property
Prospect Road
Denby, Ripley
Derby DE5 8RE
Telephone 016295 33550

DENBY (South)

Area 4

Denby Business Unit
Corporate Property
Prospect Road
Denby, Ripley
Derby DE5 8RE
Telephone 016295 33550

Fax 01332 780547

ENGINEERING

Heating, L/As, Fire
Alarms etc County wide

Chatsworth Hall
Chesterfield Road,
MATLOCK
Derbyshire DE4 3FW
Telephone 015295 3687

TRANSCO

GAS LEAKS

0800 111999

Jeremy Goucher
Director of Property
Chatsworth Hall
Chesterfield Road,
MATLOCK
Derbyshire DE4 3FW
Telephone 01629 586000
Fax 01629 580114



D DERBYSHIRE
County Council
www.derbyshire.gov.uk

Map

What we Provide

- **Cleaning/Janitorial**

- 11 million pound turnover
- Employing 1500 Cleaners and Caretakers
- 246 Infant & Primary Schools & 7 Secondary Schools (out of a total of 414)
- Only 3 Schools in Derbyshire use Private Contractors, the rest of the schools employ their own staff.
- Provide cleaning and janitorial to all Council owned buildings throughout Derbyshire

What we provide (cont'd)

- Service Level Agreements (SLA's) negotiated annually for both Cleaning & Caretaking (schools have their own budgets)
- Each site has a designated Cleaning Supervisor who liaises closely with the Head teachers to ensure quality visits and management of the cleaning/caretaking staff.
- Provide cleaning and janitorial to all Council owned buildings throughout Derbyshire
- Service Level Agreements (SLA's) negotiated annually for both Cleaning & Caretaking (schools have their own budgets)

What we provide (cont'd)

- Full and comprehensive training of all Staff through a yearly My Plan, which includes all caretakers attending a 3 day course (prior to, or immediately after starting on site), a half day cleaning course for all Cleaners, asbestos awareness, legionella, working at height, COSHH and floor maintenance.
- Primary Schools prefer a number of hours cleaning, Secondary Schools prefer an input specification.
- Sickness currently around 12 days per year, managed through the Councils Attendance Management Policy.

What we provide (cont'd)

- After reviewing Edinburgh City Council service back in 2012, Team Cleaning was introduced and now fully operational in all Secondary Schools with a high level of success in reducing on site hours, increased productivity and reduced cost to customer.
- No detrimental effect to the service provided.
- The addition of six mobile cleaning supervisors in 2012 has provided additional monitoring of site standards to ensure a continued high level of service delivery.

What we provide (cont'd)

- Specialist cleaning services provided i.e. high-level kitchen cleaning, Dry Fusion & general carpet cleaning, floor maintenance, deep cleans.
- Immediate response to fire and flood damage
- We have also been successful in securing kitchen filter & fan cleaning for Sheffield City Council

2013 May Council Elections

- The May 2013 local elections saw a shift of political power from a slender conservative majority of one to a Labour majority of 22 seats.
 - For the record Labour 43, Conservative 18, Liberal Democrats 3.
- Impact on Corporate Property ?

Impact

- Strong support for in-house DSO
- The introduction of the living wage
- Enhanced collaboration
- A review of management structures across all services to assist in addressing all budget reductions. (157 million by 2018)

The Living Wage

2013 Wage Bill

£8, 213, 951

➤76% of DSO turnover

Proportionately – Schools 67% of turnover /Non Schools : 33%
(£7,297, 000 & £3,594,000 = £10, 891,000

Application of the living wage April 1st 2014
£386,238 increase in wage costs from 2013/14

This represents a 3.5% increase(4.5% including annual pay award etc)
On the overall turnover countywide on 2013/14 prices

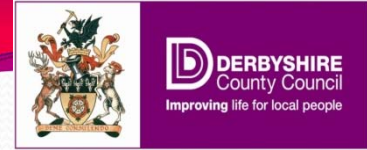
Living Wage (cont'd)

- 891 staff affected in total
- 682 female / 209 Male
- Weekly contracted hours 10, 174
- Increase per hour ranged from £6.77 to £7.03 (2013) to £7.65 (2014)
- Equated to increase 8.8% to 13%

Summary.....

- The 4.5% increase achieved by spreading the cost across the whole of the SLA contracts(including unaffected caretaking)
- Overall NO impact to service
- Over 30% of schools who run their own services have implemented the living wage

Ground Maintenance

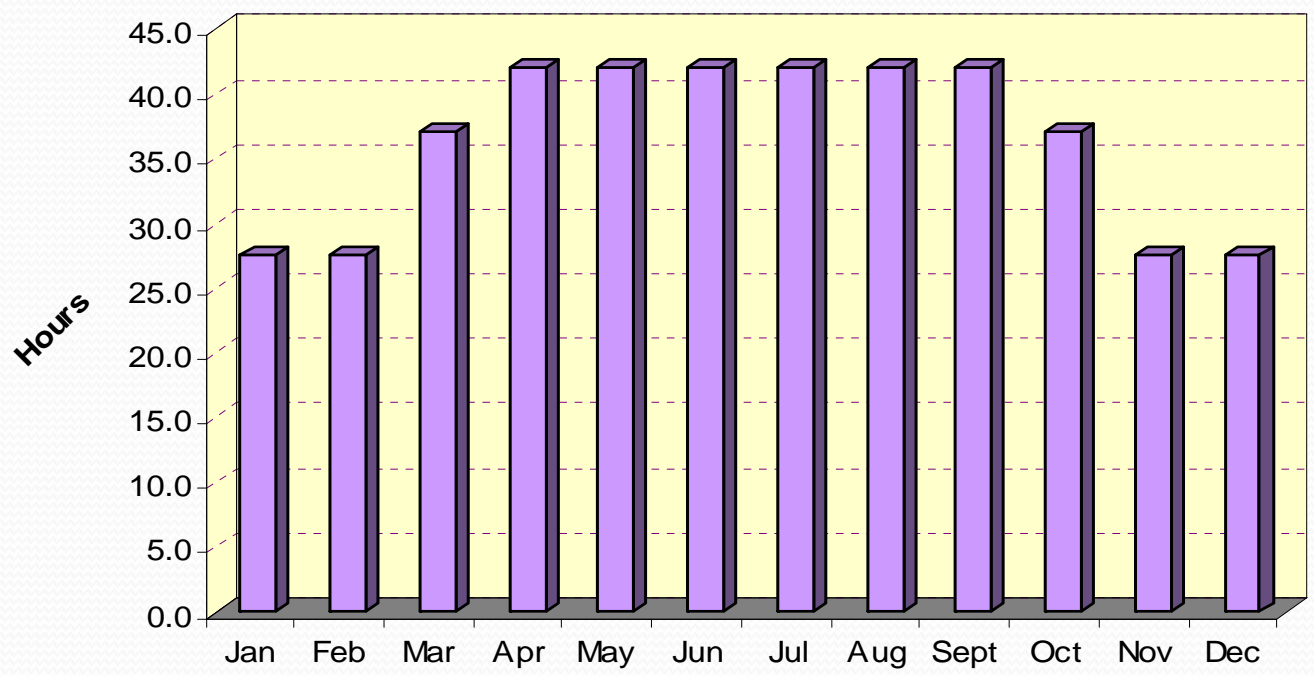


- 4 million pound turnover
- Employ 60 people on Grounds Maintenance
- Providing service to 203 Infant & Primary and 27 Secondary Schools as well as the provision of Grounds Maintenance to all County Council Buildings
- Work outside the County Council for District, Borough and Parish Councils.
- Services include landscape Construction and hard landscaping
- Some success with competitive bids outside of Derbyshire County Council (Burton College, Derby College, Severn Trent, several Derby City Schools, various sports clubs)

- Competition is fierce, a high level of business is awarded on a quality basis not price.
- Schools annual SLA (schools retain budget)
- Other Schools employ private contractors
- We run an in-house machine maintenance workshop
- Sickness currently around 10 days per year (has increased since the introduction of Single Status)

Operate an annualised hours rota, between 42 hours per week through the summer and 27.6 hours per week through the winter.

LANDSCAPE SECTION ANNUALISED HOURS 2013



Current Annualised Hours

		No. Wks	Hrs \ Wk	Total	Time sheet Hours
31-Dec-13	08-Mar-14	10	27.60	276.00	+9.4
11-Mar-14	05-Apr-14	4	37.00	148.00	0
08-Apr-14	18-Oct-14	28	42.00	1176.00	-5
21-Oct-14	22-Nov-14	5	37.00	185.00	0
25-Nov-14	27-Dec-14	5	27.60	138.00	+9.4
		52	TOTAL HRS	1923	



Proposed Annualised Hours

		No. Wks	Hrs \ Wk	Total	Time sheet Hours
30-Dec-14	07-Mar-15	10	21.45	214.00	+15.55
10-Mar-15	04-Apr-15	4	36.50	146.00	+5
07-Apr-15	17-Oct-15	28	45.00	1260.00	-8
20-Oct-15	28-Nov-15	6	36.50	219.00	+5
01-Dec-15	26-Dec-15	4	21.20	84.80.	+15.8
		52	TOTAL HRS	1923	

Building Construction & Maintenance

- 25 million pound turnover of which 11.5 million from construction
- Employing 280 Craft Operatives
- Individual projects range from £50 to £3,000,000
- All Craft Operatives are CRB cleared.
- All Maintenance Operatives issued with PDA's for day-to-day & reactive work.
- In house joiners shop
- PE equipment repairs
- Re-skilled Operatives to more than one Trade.

BMTRADA



DERBYSHIRE COUNTY COUNCIL FIRE DOOR SERVICE

MANUFACTURE INSTALLATION MAINTENANCE REPAIR

Derbyshire County Council is one of the few organisations in our region capable of providing a **fully comprehensive fire door service**.

From the manufacture of doors in our Denby workshop, to our team of fully trained installation and maintenance operatives, **Derbyshire County Council offers a fully accredited, locally based, end-to-end service.**



Building Construction & Maintenance (cont'd)

- Building Construction & Maintenance
- In house Design services
- In house Health & Safety Team
- In house Surveying and Estimating specialists.
- In house M&E section
- We offer the Derbyshire Property Package for Schools Delegated budget which has a take up of 303 schools (out of 414) – 73.19%

Apprenticeship Scheme

We have continued our commitment to Apprentices this year

- 2 Estimators
- 1 Plumber
- 1 bricklayer
- 2 Electricians
- 3 Landscapers
- 1 Engineering surveyor
- 1 Building surveyor
- 12 Business services



Derbyshire Property Package

- what we offer

- High levels of service provision are achieved using teams of multi-skilled craft operatives based around local Depots within Derbyshire.
- We operate a 24/7, 365 day per year call out service.
- A single point of contact to a designated depot to co-ordinate all building works.
- Appointment system for non-reactive repairs
- Budget management
- Infrastructure Maintenance
- Guarantee to spend at least 90% during 3 year term.
- Legislative compliance

What we offer (cont'd)

- Operatives are home-based, provided with vehicles with imprest stocks and are communicated to via PDA's to receive and transmit information prior to and on completion of works.
- The Department has a set of agreed response times for repairs, from a 2 hour response for an emergency to a same day, 7 day and 28 for routine and non-emergency work.
- These performance targets are monitored and reported to Senior Management on a regular basis.
- Most operatives are multi-skilled to prevent multiple visits and promote 'right first time' culture.
- The work is supported by local Subcontractors and suppliers.

Derbyshire Property Package – The Partnership Approach

- Our current Property Package Portfolio includes 303 schools across Derbyshire – a clear demonstration of our success in meeting demanding requirements. The fact that so many schools work with us allows us to continually adapt in line with the changing needs of schools – we evolve with them.
- If Schools join us we will:
 - Conduct detailed investigations of their needs
 - Define requirements and discuss options
 - Explore benefits and agree term
 - Deliver results

Derbyshire Property Package – the ultimate in Risk Management

- 10% placed into a contingency fund to deal with the unexpected such as burst water mains, drainage problems or major tree work.

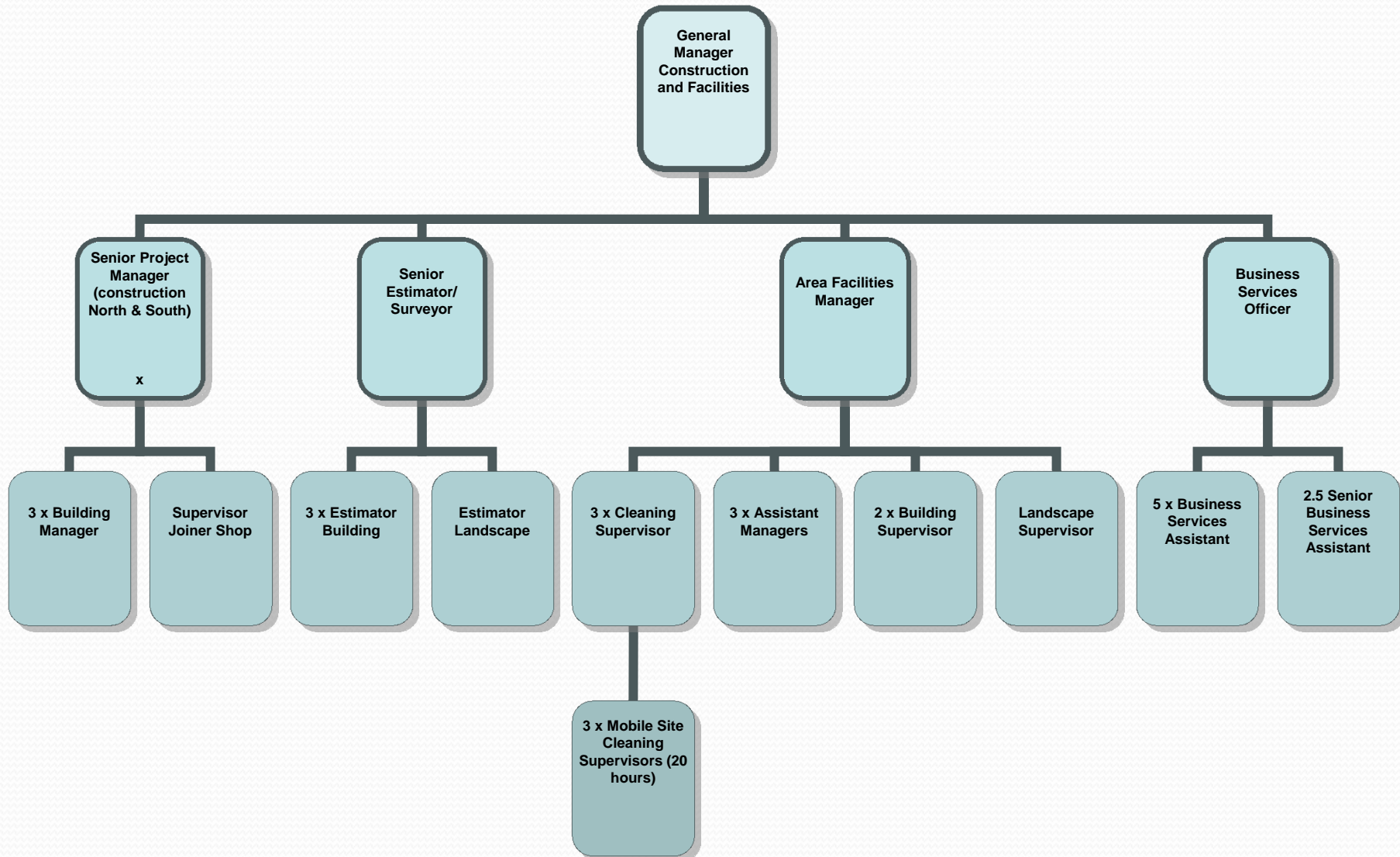
Case Study:

Following heavy rain Cotmanhay Infants and Nursery School had three classrooms flooded when water swept through the walls, damaging all decorations and floor covering. Fortunately, the schools were part of the Derbyshire Property Package, where an immediate response ensured that the classrooms were back in use very quickly following the installation of a new drainage system.

“Being in the Derbyshire Property Package enabled us to receive £40,000 of emergency work which we hadn’t budgeted for” – Jill Boyle - Headteacher



Structure





Current Position

(Business Development in Challenging Times)

- Property Review (Ernst and Young 2012)
 - Rejected by labour group
- Budget Pressures
- Challenges
 - Streamlining
 - Further delegation of budgets
 - Conversion to Academies (currently only 4 secondary and 3 Primaries converted)
 - Value for Money
- New Business Openings
- Financial Management of Construction Projects



Challenges

- An increasingly discerning customer base who like any customer demand that we provide value for money in service delivery
- A general trend towards increased autonomy for Schools through Academies and budget delegation
- A commitment to 25% carbon reduction across the Councils Estate by 2015
- Reduce the number of Office Buildings by 25 and reduce the overall running costs of admin office accommodation a square metre by 3%
- Reduced Management costs by £500,000 over the last 12 months through VR & VER and further savings to be looked at
- Investment in further technology to deliver ongoing savings

New Business Openings

- Now on the select tender list for Derbyshire Disability Grant Work (DFG) – approx £4 million per year
 - Ranging from level access shower work (£5k) to building extensions (£50k - £100k)
- Currently in negotiations with a Borough Council for the delivery of their DFG minor adaptations (as the sole provider)
- Ongoing work Derbyshire Police to deliver their building maintenance contract - £700k per year

Financial Management of Construction Projects

- Completed review of procedures for a more effective financial management of construction projects from design through to final completion.
- Improved practices including effective time management to ensure projects are delivered within budget and to the agreed timescales.



Identifying New Services that Schools want to buy

- Introduction of the Insurance Capital Maintenance Pool (IMP 1/4/13) .
 - A scheme to help schools manage and share the risks associated with the introduction of the delegation of the Capital Maintenance budget.
 - A collective non-profit making scheme in the ownership of contributing schools and managed on their behalf by the IMP director.
 - The proposal will operate for a 5 year period where schools will pay their capital maintenance (delegated to them from 1st April 2013) for membership into the IMP.
 - Schools can then be secure in the knowledge that building and engineering planned preventative maintenance requirements will be professionally identified, procured, managed and constructed to industry standards.

Identifying New Services that Schools want to buy

- Aim of IMP
 - Relieve the School of the responsibility to identify need, prioritise, procure and manage larger contracts associated with building fabric and building engineering services.
 - Peace of mind that major building and engineering failure is averted, ensuring service continuity and maintained asset value.
 - Fair and transparent sharing of risk and allocation of funding to areas most needed.
 - 2.9 million secured of 4.1 million

Identifying New Services that Schools want to buy

- Working closely with schools to deliver the £200k of additional newly delegated funding from the 1st April 2013 for school kitchens and serveries for the delivery of reactive and minor refurbishment work.
- Hiring out of a multi-skilled tradesperson per day for maintenance projects.
- Team Cleaning in Secondary Schools & large Primary Schools to increase productivity and reduce costs.

Summary

Throughout the last 6 years of budget reductions, and a change of administration, the authority has remained supportive to a responsive and value for money DSO.

During this period the Authority has taken a measured response to budget cuts by introducing smarter more productive ways of working i.e. CWDW, carbon reductions, property rationalisation.

Like many other councils we face enormous challenges with further budget cuts. We will continue to seek new business opportunities.



Question and Answers