

REPORT TO: EDUCATION COMMITTEE – 27 JANUARY 2014

REPORT ON: FACILITIES SERVICE REVIEW

REPORT BY: DIRECTOR OF EDUCATION

REPORT NO: 43-2014

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek Education Committee approval to transfer school facilities staff and crossing patrollers to Tayside Contracts to create an integrated school cleaning, facilities and school crossing patrol service.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Education Committee
- 2.2 Approves the transfer of janitorial and school crossing patrol services, and those employed in delivering these services (on the basis of TUPE regulations 2006), from Dundee City Council to Tayside Contracts on 1 April 2014. or a mutually agreed date thereafter.
- 2.3 Remits the Director of Education and Head of Human Resources to take forward the appropriate establishment changes.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The implementation of the following proposal would result in estimated savings across both Dundee City Council and Tayside Contracts of £86,000 in financial year 2014-15. The full year savings will amount to £191,000 and it is estimated that it may take two years to achieve this. This saving will be achievable through natural wastage or with the uptake of Voluntary / Early Retirement (VER).
- 3.2 It is also estimated there will be non-cashable efficiency savings to Dundee City Council and Tayside Contracts due to an anticipated reduction in staff turnover since enhanced job roles could be created for those who would wish this.

4.0 MAIN TEXT

- 4.1 Dundee City Council together with Angus and Perth and Kinross Councils and Tayside Contracts have been involved in a review of potential areas to improve partnership working through the Tayside Facilities Partnering Group (TFPG). Areas for improvement have included the merger of the catering and cleaning management structures within Tayside Contracts which has delivered annual financial savings in excess of £200k. In addition, the TFPG has identified a viable and cost effective alternative to the current service models involving the integration of school cleaning, facilities and school crossing patrol services into a single facilities management service under a single employer, Tayside Contracts.
- 4.2 The TFPG review of the above services concluded that whilst each of the existing services were delivering Best Value, the layers of supervisory and management structures could be streamlined using an integrated model. In the same way, an integrated model would have the potential to reduce duplication of work and remove artificial barriers between council employees and Tayside Contracts staff which impact on the quality and efficiency of service delivery.

- 4.3 In light of the financial pressures facing the public sector the review concluded that it was prudent to explore alternative models and presented two viable options:
- a) The integration of school cleaning, facilities and school crossing patrol services with no employees transferring employment; or
 - b) The integration of school cleaning, facilities and school crossing patrol services with the transfer of Dundee City Council employees to Tayside Contracts.
- 4.4 It was concluded that the first option (a) could improve services by allocating resources on an integrated basis through a Partnering Agreement but that no financial savings would be made since the existing Tayside Contracts management structure is already streamlined using managers with responsibility for both catering and cleaning services. In addition, only around half of Tayside Contracts' cleaning services income in Dundee City Council is derived from non-PPP school cleaning. As a consequence, the prospect of cleaners being employed by Tayside Contracts yet being managed by Dundee City Council facilities employees who in turn would be managed by Tayside Contracts' managers was not considered operationally viable given the variance in current terms and conditions. It was, therefore, concluded that option (b) was the preferred option given:
- 1) the engagement with the shared services agenda;
 - 2) the delivery of the financial savings as detailed in Section 3;
 - 3) the delivery of improved service quality by streamlining management and supervision roles with a focus on frontline service delivery;
 - 4) the creation of single contact points at middle management level for all three services;
 - 5) the potential reduction in staff turnover given increased opportunities to offer employees additional hours of employment;
 - 6) the low risk level for both Tayside Contracts and Dundee City Council given the previous success of the merger of school catering and cleaning services;
 - 7) there would be no detriment to the pay and conditions of service of any employee as a result of the transfer;
 - 8) there would be no compulsory redundancies associated with the transfer of services;
 - 9) there would be continued governance and democratic accountability through the Tayside Contracts Governance and Strategy Group, the Tayside Facilities Partnering Board given that Tayside Contracts operates under the governance and financial stewardship of the Tayside Contracts Joint Committee.

5.0 PROPOSED SERVICE DELIVERY MODEL

- 5.1 The current and proposed management/supervisory structures of Dundee City Council and Tayside Contracts are featured at Appendix 1.
- 5.2 The current management arrangements for school cleaning, facilities and school crossing patrol services work reasonably well. The services are well regarded and national benchmarking exercises shows they provide value for money. However, as these services are managed separately there is inevitably duplication of effort. By consolidating these services this duplication can be reduced with more focus being placed on meeting the needs of users. In addition, the flexibility created by managing a larger human resource will allow the service provider to respond more effectively to meet the requirements of schools.

- 5.3 Within the new service there will be greater opportunities for improved teamwork between facilities staff and cleaners which will allow a more effective service to be provided for more of the school day. These arrangements will also allow more flexibility in dealing with the challenges of providing the services particularly during periods of sickness absence and severe weather. This proposed model will result in an integrated and, therefore, more responsive facilities management service. Communication arrangements will also be greatly improved by having a single point of contact for service users for the whole range of facilities management services.
- 5.4 With regard to School Crossing Patrollers, while the service is currently provided in-house, several individuals employed by the Council are also employed by Tayside Contracts in catering/cleaning jobs. Recruitment and retention of School Crossing Patrollers can be challenging as is providing sickness absence cover, particularly at short notice. Tayside Contracts' access to a larger number of employees at short notice will markedly improve the responsiveness of this service.
- 5.5 The proposed management structure will effectively amalgamate the two existing structures and remove current management layers. This will result in eleven fewer posts in the merged structure than in the existing structures. The surplus posts will be a combination of Tayside Contracts and Dundee City Council supervisory posts as this is the level where the duplication exists. It is important to note that a commitment has been made that should a revised facilities management service model be implemented it would not result in any compulsory redundancies. The age profile of existing employees, employee turnover rates and the intended offer of voluntary redundancy and early retirement suggest that the reduced number of employees required to populate the proposed structure will be achieved quickly and on a voluntary basis.

The table below illustrates which posts are likely to be surplus in the new structure.

Post Title	Surplus posts
Cluster supervisor	7
Facilities Coordinator	1
Facilities Assistant	3
	11

- 5.7 It is proposed to implement the proposed structures and arrangements from the 1 April 2014 or a mutually agreed date thereafter, which will also require the transfer of affected employees on this date. The implementation of the new arrangements coincide with the Easter holidays which will allow any minor adjustments to be made to the service without disruption to the schools.

6.0 STAKEHOLDER CONSULTATION

- 6.1 The Tayside Facilities Partnering Group (TFPG) produced a proof of concept report which recommended the integration of school cleaning, facilities and school crossing patrol services and the transfer of Dundee City Council employees to Tayside Contracts as the most desirable option. It requested that the authority consult fully with all stakeholders, including employees and Head Teachers. The TFPG were given the authority to do so by the Director of Education and the Managing Director of Tayside Contracts. The consultation involved facilities staff, school crossing patrollers, head teachers, and the support staff trade unions. As a result, feedback received during the consultation has been incorporated into the finer detail of the proposed delivery model. The conclusion of the consultation process was that the integration of services with the transfer of service delivery and affected Dundee City Council employees was the best way forward. Consultation with employees and Trade Unions will continue in preparation for staff transferring.

8.0 POLICY IMPLICATIONS

8.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

9.0 CONSULTATION

9.1 The Chief Executive, Director of Corporate Services and Head of Democratic and Legal Services have been consulted in the preparation of this report.

10.0 BACKGROUND PAPERS

10.1 None.

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14 January 2014

APPENDIX 1

CURRENT AND PROPOSED SERVICES STRUCTURES

