

REPORT TO: Dundee Contract Services Committee – 12th January 2004
REPORT ON: Dundee Contract Services Service Plan 2003-2007
REPORT BY: Director of Dundee Contract Services
REPORT NO.: 44 - 2004

1. PURPOSE OF REPORT

1.1 To seek the Committee's approval of Dundee Contract Services Service Plan 2003-2007.

2. RECOMMENDATIONS

2.1 That the Committee approves the plan attached as Appendix 1 to the report.

3. FINANCIAL IMPLICATIONS

3.1 The plan includes a provisional Three Year Plan.

4. LOCAL AGENDA 21 IMPLICATIONS

4.1 The plan sets out Dundee Contract Services contribution to achieving the aims and objectives of the Council and Community Plans, including sustainable development.

5. EQUAL OPPORTUNITIES IMPLICATIONS

5.1 The plan sets out Dundee Contract Services contribution to achieving the aims and objectives of the Council and Community Plans, including working and learning and building stronger communities.

6. BACKGROUND

6.1 The Service Plan aims to ensure that the operations of Dundee Contract Services will make a contribution to the achievement of Dundee City Council's aims and objectives.

7. CONSULTATION

7.1 The Chief Executive, Depute Chief Executive (Finance) and Depute Chief Executive (Support Services) were consulted on the preparation of this report.

8. BACKGROUND PAPERS

None

R P JACKSON
DIRECTOR OF DUNDEE CONTRACT SERVICES
APPENDIX 1

Date: 15th December 2003

DUNDEE CONTRACT SERVICES
DEPARTMENT SERVICE PLAN 2003 - 2007

STRATEGIC STATEMENT by the DIRECTOR

Dundee Contract Services and its employees will contribute to the achievement of Dundee City Council's aims and objectives through providing buildings and grounds maintenance services which are value for money.

The Local Government in Scotland Act 2003 removes the absolute requirement for Compulsory Competitive Tendering (CCT) and makes it possible to change for the better the nature of the relationship the department has with its customers. In this new environment the department must show itself to be flexible and forward thinking and be prepared to broaden its horizons.

The key strategy adopted by the Department during the period of this plan will be to develop the partnering approach in all areas of the business to better meet the needs and expectations of all stakeholders.

Dundee Contract Services recognises that it has a vital role to play in driving the Council towards the vision set out in the Dundee Community Plan:

In Working and Learning, Dundee Contract Services is a prime mover in the development and implementation of a pre-Apprentice Training Programme.

In Caring for the Dundee Environment, the department has recognised the need for sustainable development, for the effective management of waste and an increase in the level of recycling.

In Building Stronger Communities, the department plays an important role through ensuring that the city's housing stock and associated grounds are effectively maintained and that efficient use is made of resources in doing so.

The department is also aware of the drive to modernise public services. The Best Value regime is now enshrined in legislation and demands that the way public services are provided is reviewed and improved, taking into account the needs and expectations of the users of the service, the customers. To this end, an integrated management system has been put in place and is being further developed.

Every year the department's management team assesses performance using the framework of the EFQM Excellence Model. The outcomes of that self-assessment are a number of improvement actions, or quality objectives, which the managers believe will take the department forward and demonstrate that the Best Value requirement of continuous improvement is being met.

The department has in place a quality management system which meets the requirements of BS EN ISO 9001:2000, a European standard for such systems. This system ensures that the processes the department uses in providing its services are effective in meeting customers' needs and expectations and also that they are continuously reviewed and improved. This goes further to demonstrate that Dundee Contract Services meets the Best Value requirement of ensuring a customer focus to its services.

The department is recognised as an Investor in People. This means that the department can show that it recognises the contribution that all employees can make to the achievement of goals and targets and their importance as stakeholders in the operation. To this end, the Department makes a significant investment in training every year. In addition, the department operates a Health & Safety management system to ensure a safe working environment.

Department objective's

Lead the effective implementation of the building craft pre-apprentice training programme, with a target that 100% of pupils involved achieve the progression certificate and are employed as apprentices.

Reduce the level of building material waste generated by the operations of the department and increase the level of recycling.

Evaluate the effectiveness of the partnering approach to capital projects as opposed to the standard contractual approach.

Establish a housing repairs customer contact centre and develop a joined-up housing repairs service.

Negotiate the replacement of the time-saved bonus scheme for employees on maintenance works to support the joined-up housing repairs service

Buildings

Strategic Statement

The Contracts Section will demonstrate that the most effective, efficient and economic way to deliver major building contract works is through the partnering approach and that partnering with Dundee Contract Services will deliver real benefits to the City Council.

The Repairs and Maintenance Section will establish a Partnering Agreement with colleagues in the Housing Department and tenants' representatives through the Dundee Federation of Tenants' Associations. To support the development of this joined-up repairs service, a repairs contact centre will be established at Clepington Road to facilitate communication between all parties. Also, the department will negotiate a move away from the existing time-saved bonus scheme for tradesmen's remuneration to an arrangement which better meets the service's quality objectives. These arrangements will be extended to cover the external cyclical maintenance of housing property.

A longer term objective will be to develop similar arrangements for the repairs and maintenance of other council property, having first demonstrated the success of the approach.

Objectives

Develop key performance indicators and measures of the partnering approach to major contracts and monitor performance.

Find new partners and broaden the Department's customer base, especially Housing Associations.

Actively participate in the work of the Housing Repairs Service Partnership Board and meet its performance targets.

Negotiate a Partnership Agreement for the repairs and maintenance of other council property.

Buildings - Key Performance Measures & Targets		
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Competitiveness	Baseline	Target
Income per FTE	£65,000	
Contribution per FTE	£22,000	

Housing Repairs and Maintenance	Baseline	Target
In accordance with the Housing Repairs Partnership Agreement		

Property Maintenance	Baseline	Target
% No. jobs completed within target - A	99%	
% No. jobs completed within target - B	97%	
% No. jobs completed within target - C	90%	
% No. jobs completed within target - D	90%	
% No. jobs completed within target - E	90%	

Customer Satisfaction	Baseline	Target
Contracts – In accordance with the Construction Industry Key Performance Indicators		
In accordance with the Housing Repairs Partnership Agreement		

People Development / Communication	Baseline	Target
In accordance with the Employee Survey Results		

Buildings - Revenue Expenditure and Income

	2004/05	2005/06	2006/07
Direct Wages	7,887,190	8,084,370	8,286,479
Plant & Equipment Allocation	1,261,950	1,293,499	1,325,837
Sub-contractors	1,297,119	1,329,547	1,362,786
Material Costs	5,284,418	5,350,473	5,417,354
Material Overheads	552,103	559,005	565,992
Sundries	0	0	0
General Overheads	5,735,222	5,878,602	6,025,567
Cumulative Sub-total	22,018,003	22,495,496	22,984,015
CFCR	225,000	225,000	225,000
Total Expenditure	22,043,003	22,720,496	23,209,015
Income	22,808,003	23,285,496	23,714,015
(Profit) / Loss	(565,000)	(565,000)	(565,000)

Grounds Maintenance

Strategic Statement

Vast changes are taking place in local government as authorities address the challenges now facing the need for improvements in local services. Dundee City Council are facing up to the need to changes in its organisation, the heart of which is meeting the needs and aspirations of its citizens. Restructuring in the authority has now taking place and the Grounds Maintenance activities are now being provided in a multi-disciplinary Dundee Contract Services Department. As a result of these changes in service delivery a more business like approach to the Council's Grounds Maintenance Service is being developed, the first stage of which is this Grounds Maintenance Business Plan.

Now that the Council's services are being disaggregated and reconfigured, a business strategy is planned as follows:-

To plan effectively for the future by identifying factors crucial to the Department's Grounds Maintenance Service continued success (critical success factors) and to measure performance through appropriate Key Performance Indicators.

To improve profitability and performance through effective training and development of all employees to meet the Department's business objectives i.e. Investors in People.

To continuously improve the services offered by the Department through effective management of quality. The Department is committed to maintaining its registration under the British Standard for Quality Systems BS EN 9001: 2000.

It can be seen from these figures that the Council's maintenance service is highly reliant on Dundee Council Departments for the vast majority of its workload. This issue requires to be addressed in the Business Plan as these Departments have declining resources and need for such services as services are "hived off" to other outside organisations e.g. Housing Partnerships, Leisure Trusts, Quango organisations etc.

Objectives

Establish a breakeven position for the operation of the support functions at Camperdown sawmill, glasshouses and nursery.

Increase the income generated by landscape design contracts by 5% year on year

Grounds Maintenance - Key Performance Measures & Targets

Category Name	Baseline	Target
Grounds Maintenance Support Functions (Camperdown Sawmill, Glasshouses and Nursery) Income - Expenditure	£38,000	£0

Category Name	Baseline	Target
Landscape Design Contracts Income	£750,000	£868,000

Category Name	Baseline	Target
Parks Section : contribution to the General Fund	£100,000	£100,000

Grounds Maintenance - Key Projects

Project Objective	Lead Officer	Resource Allocation	Target End Date
Review the Grounds Maintenance Schedule of Rates	AP Child	Existing staff	Phase 1 03/04

Grounds Maintenance - Revenue Expenditure and Income			
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	2004/ 05 £'000	2005/ 06 £'000	2006/ 07 £'000
Staff Costs	2,737	2,805	2,876
Property Costs	50	51	52
Supplies and Services	1,625	1,666	1,707
Transport Costs	232	236	241
Third Party Payments	0	0	0
Support Services	90	92	94
Capital Charges	267	264	270
Gross Revenue Expenditure	5,001	5,114	5,240
Recharge to other departments	4,049	4,150	4,254
Other Income	1,052	1,064	1,086
Total Income	5,101	5,214	5,340
Total Net Expenditure	-100	-100	-100