

# Finance and Resources Committee

10.00am, Thursday, 17 March 2016

## Transformation Programme – AMS Update

Item number 7.1(b)  
Report number  
Executive/routine  
Wards

### Executive summary

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This report provides a general progress update to the Finance and Resources Committee on the implementation of the Asset Management Strategy (AMS) for Property and Facilities Management.

### Links

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Coalition pledges  
Council outcomes  
Single Outcome Agreement

# Finance and Resource Committee

## Transformation Programme – AMS Update

### Recommendations

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- 1.1 That the Committee:-
  - 1.1.1 notes the continued progress in each of the key AMS Transformation Programme work streams; and
  - 1.1.2 notes the development and content of the Management Information dashboard reports provided in Appendix B.

### Background

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- 2.1 The “Asset Management Strategy” (AMS) is an ongoing transformation programme that is part of the wider Council Transformation Programme, aimed at achieving cost savings and delivering an improved service through a new operating model.
- 2.2 The AMS Transformation Programme aims to create a credible, focused and sustainable delivery plan for property and facilities management; provide a fit-for-purpose, right-sized and safe estate; provide an appropriate level of service at an acceptable and efficient cost; and act in a commercial manner in pursuit of maximising value.
- 2.3 The diagram at Appendix A illustrates how the property lifecycle is integral to the new delivery, establishing a long term and connected approach to asset management.
- 2.4 This paper provides an overview of the status of the programme and the work completed over the last period.

### Main report

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- 3.1 Good progress has been made since January across the five AMS Transformation Programme work streams. A summary of progress is provided below and the Management Information dashboards containing further information and KPI's are provided in Appendix B.

#### Transition

- 3.2 The Transition work stream governance, planning and control and risk management arrangements have been reviewed and updated. The scope of staff transfers will be complete before the end of February.
- 3.3 One of the lessons learned from iPFM was that property budgets were not managed centrally by Corporate Property leading to double-counting of savings from building closures and energy efficiency measures.
- 3.4 In response to this budgets will be transferred from other Service Areas into Property and Facilities Management (formerly Corporate Property), this work is well underway and will be implemented on 1 April 2016. Some budgets have already been transferred, including some budgets for rates, cleaning and repairs and maintenance.
- 3.5 It was reported in January that a Technical Consultant with specialist service line expertise was required as this could not be sourced internally.
- 3.6 The Technical Consultant for facilities management design has now been appointed and will provide advice to accurately design and size the remaining FM workforce below Tiers 3 and 4 (Facility Managers, Supervisors and Operatives), the consultant will also contribute to the final scope of non-staffing budget transfers and Service Level Agreements (SLA's).
- 3.7 The formal review of tiers 3 and 4 commenced on 25 February 2016 with staff briefings for all those affected and a meeting with the Trade Unions. The formal 45 day consultation process commenced on the same day.
- 3.8 Following completion of the process it is anticipated tier 3 and 4 appointments will be made by May 2016.
- 3.9 Following the work being carried out in relation to the design of the facilities management a further formal consultation will commence for all staff affected in tier 5 and below. The current target date for this to commence is June 2016.

### **Estates Rationalisation**

- 3.10 On 12 May 2015, the Corporate Policy and Strategy Committee approved the Corporate Asset Strategy, 2015-2019. As part of a wider strategy, Committee acknowledged that the Council's asset base is too large and approved the overarching principle of achieving significant budget savings in property costs by creating a smaller but better quality estate through rationalisation. The approved policy now underpins all the work under the Asset Management Strategy workstreams.
- 3.11 The aim of the estate rationalisation workstream is to therefore deliver a smaller and more efficient estate which will be driven by the Council's new operating model. Headcount reductions, sharing facilities with partner organisations, integration of services particularly in the localities and as a result of the creation of a new business support and customer services function. Significant elements of the estate are facing rising demand from demographic change (such as schools and care homes) which limits opportunities for rationalisation in these

sectors. The current focus on opportunities is being taken forward under four key workstreams, indicated below. In practice however, there is significant cross over between the workstreams.

- Offices and Head Count Reduction.
- Collaboration and Localities.
- Libraries and Community Centres.
- Depots Review.

3.12 To support the estate rationalisation programme a strategic framework document is currently being developed that will include:

- validation of the Council's current footprint by consolidating existing data held by Corporate Property;
- developing the emerging footprint by capturing current service demand requirements (where known) and existing analysis of footprint optimisation potential, building on the work done in the AMS business case;
- the development of objective criteria for assessing options in seeking to reduce the overall size of the estate;
- prioritising and reviewing short term tactical initiatives to identify those that should be moved forward for Tranche 1 submission; and
- a thorough review of existing data, recommending key actions to improve the quality of data to allow effective estate optimisation.

3.13 In parallel with this an estate rationalisation review team has been established since November 2015, underpinned by a project initiation document (PID) and programme. Progress on four identified initiatives are currently underway:

- first phases of site exit, proposed under the depots review (a self-funding package of rationalisation and investment) was approved by Council on 4 February 16;
- business cases for the exit of Lothian Chambers, 329 High Street, floor space in Waverley Court and properties in Wester Hailes are being developed for consideration;
- a task force has been established with Communities and Families to identify opportunities for co-location and rationalisation of the community centre and library estate. This will align with the service redesign due to commence shortly; and
- continued development of co-location opportunities with partner agencies are being explored, based on income generation. The pilot weekend briefing of police from Waverley Court successfully commenced in mid-January.

- 3.14 As work progresses separate business cases will be brought forward to Committee for discussion and approval using the Corporate Asset Strategy 2015-19 and the strategic framework document as the basis for evaluation.

### **Investment Portfolio**

- 3.15 The investment estate strategy is currently in development and will be reported to the Finance and Resources Committee later this year. This will include seeking specific instructions around the following:-

- existing concessionary lets details with specific opportunities to implement reviews;
- exploring the transfer of investment properties from the HRA to the general fund; and
- opportunities for potential disposals and reinvestment.

In the interim, the portfolio continues to show increased rental income through the implementation of rent reviews, lease renewals and reduction in void periods.

### **Asset Condition**

- 3.16 The Asset Condition working group has been established to take forward a plan of work to ensure the Council has robust procedures and budgets in place to identify, plan and deliver an ongoing programme of planned and reactive maintenance work across the operational estate.
- 3.17 The group was established in November 2015 and since that time has been concerned with collating existing CEC data on asset condition, undertaking a review and benchmarking exercise to ascertain the likely extent of backlog maintenance and formulating a detailed plan of work around a number of core objectives.
- 3.18 Over the next period, the focus of the group will be to develop a revised asset maintenance strategy paper which will describe the need for a change and the required investment to implement a proactive and planned approach to asset condition and maintenance. This will include details of the estimated budget deficit to bring the estate into an acceptable and safe level of repair. Further details will be presented to the next cycle of Committee reporting.

### **Facilities Management (FM)**

- 3.19 The FM Service Level Agreement (SLA) drafting is in progress focusing initially on documenting the scope of services, standardising building categories and core operating hours and identifying rechargeable services. The focus has been on documenting the minimum service standards and the framework for measuring and reporting performance. The SLA is currently being discussed with Service Customers.

- 3.20 Workshops have been held to agree standard building categories, the in/out of scope services list and service budgets identified for potential transfer in to Property and Facilities Management and to develop the SLA “Service Portfolio Matrix” including:
- a) Building List (under review);
  - b) Core Hours by building category;
  - c) Service scope by building category; and
  - d) Rechargeable services.
- 3.21 In parallel, engagement has commenced with Heads of Services on the SLA review process.
- 3.22 Finally, a working session has been held to review the “hard” service delivery model options, considering the supply chain model and maintenance approach.

## Measures of success

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- 4.1 The AMS business case identified significant financial and non-financial benefits associated with the asset management and Corporate Property function that are in line with the wider objectives of the Council’s Transformation Programme. The Management Information dashboards provided in Appendix B have been developed to track key performance indicators (KPIs) across the AMS Transformation Programme work streams.
- 4.2 As the AMS Transformation Programme moves forward and actual savings crystallise, these will be tracked using the dashboards. At present the dashboards set out the target savings previously agreed by Committee.

## Financial impact

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- 5.1 As outlined in the September and November reports to the Finance and Resources Committee, the delivery of the in-house property and asset management will require significant investment in relation to new technology, training of staff across all levels and service areas, redundancies and advisor support.
- 5.2 The estimates set out in the September report was £7.7m including an estimate of £3.4m allocated for external support. These numbers are currently being refined in the context of the wider property and asset management restructuring and will be reported to the Finance and Resources Committee on a bi-monthly basis although it is anticipated that this estimate will be adequate to execute the plan. It should be stressed however that the previous and current costs do not include any additional costs associated with improving the condition of the council estate.

## Risk, policy, compliance and governance impact

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- 6.1 Key delivery risks are provided in the Management Information dashboards provided in Appendix B.
- 6.2 The top five delivery risks are currently:
- Due to a lack of available Management Information there is a risk that we are unable to quantify actual savings achieved against identifiable costs per the ledger which may result in an unreliable finance baseline.
  - Risk of failing to secure wider stakeholder support for property transformation proposals resulting in a delay or failure to deliver the anticipated savings.
  - The outcomes from the wider Transformation Programme work streams could have a significant impact on property initiatives, particularly around Estate Rationalisation and Investment Portfolio.
  - Implementation programme in Business Case is challenging and could impact savings delivery. Heavy reliance on service areas and localities to develop demand strategies
  - Lack of commitment or resource available for required backlog and capital/revenue forward budgets restricts the ability to address asset condition and compliance risks. Failure to meet the needs and expectations of building users.

## Equalities impact

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- 7.1 The contents and proposals of this report have been assessed with respect to the Equality Act 2010 public sector equality duty. In this regard, an equality and rights impact assessment has been initiated, and initial findings have indicated:
1. Reducing property costs, will enable greater savings to be realised, which in turn will enable more effective protection of frontline services to vulnerable citizens, and meeting demographic pressures.
  2. Projects exploring the feasibility of asset transfer to community groups could empower communities, particularly those in deprived communities.
  3. Any impacts on employment conditions as a result of different service delivery models will be assessed further through the impact assessment process.
  4. Any changes to concessionary lets to third sector and community groups, and consequent impacts, could be managed through the grants and contracts process.
  5. Co-location opportunities, if delivered, could improve and simplify access to council and partner services, especially those individuals or families who require multiple services.

6. Proposals to improve the coordination of asset management, and to drive forward property rationalisation, should lead to improvements in physical accessibility at council premises.

## **Sustainability impact**

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- 8.1 The contents and proposals contained in this report have been assessed with respect to the Climate Change (Scotland) Act 2009. In this regard, a sustainability, adaptation and mitigation impact assessment has been initiated, and initial findings have indicated:
1. A need to further improve energy efficiency within council buildings in order to tackle greenhouse gas emissions, and to save money on energy costs and carbon taxes.
  2. A need to further improve internal waste reduction measures within council buildings, linked to the council's wider waste minimisation strategy. Such improvements will lead to savings being released from landfill taxes and carbon taxes, and will militate against greenhouse gas emission which emanate from landfill.
  3. Opportunities to minimise staff travel through smarter working and co-location across the council's estate should save the council money on transport costs, carbon taxes and will militate against greenhouse gas emissions.
  4. Any future facility management service delivery models would need to take cognisance of the 'Food for Life' and 'Soil Association' accreditation projects to ensure the food provided in council premises was sustainable, sourced locally and seasonal.

## **Consultation and engagement**

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Communications have been established with the Trade Unions and formal consultation commenced on 25 November 2015.

An officer has been recently appointed to the AMS Transformation Programme in order to develop short/medium and long-term communications plans.

## **Background reading/external references**

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Please refer to [September 2015](#), [November 2015](#) and [January 2016](#) Finance and Resource Committee papers.

[\*\*Corporate Policy and Strategy Committee – 12 May 2015\*\*](#)



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### Links

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<b>Coalition pledges</b>	P30 - Continue to maintain a sound financial position including long-term financial planning
<b>Council outcomes</b>	CO25 - The Council has efficient and effective services that deliver on objectives
<b>Single Outcome Agreement</b>	SO1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential SO4 - Edinburgh's communities are safer and have improved physical and social fabric
<b>Appendices</b>	Appendix A – Lifecycle Property Management Diagram Appendix B – Management Information Dashboard

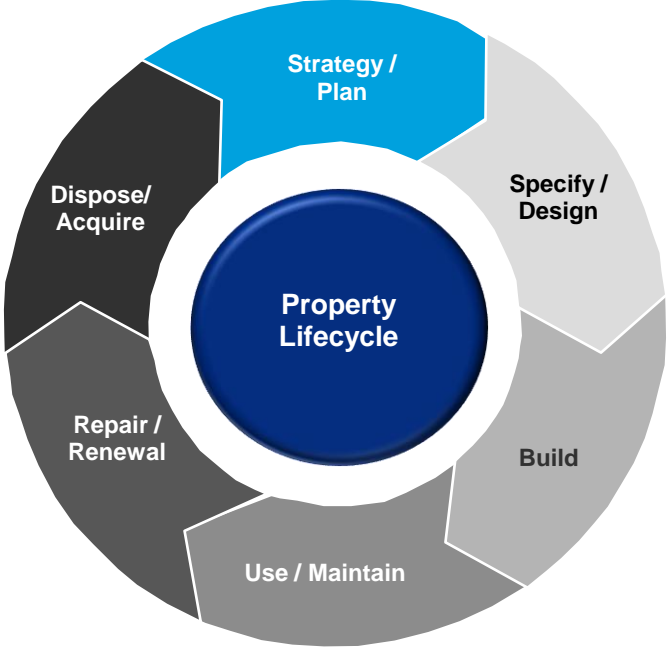
# Property Lifecycle

The diagram below illustrates how the property lifecycle is integral to the new delivery, establishing a long term and connected approach to asset management.

- Development of Demand Strategies for each key asset type
- New property governance structure established to centralise key property decisions
- Property & Facilities Management to proactively lead on estate rationalisation initiatives
- New FM and Asset Management Strategies developed
- New criteria based strategy agreed for the Investment Portfolio.

- Clarified role for EDI in relation to asset disposals
- Clear guidance on the retention of capital receipts to fund backlog maintenance and investment in the core estate and reinvestment for the investment portfolio.

- Increased responsibility for AMS in this area:
- Transfer of resource previously responsible for preparing infrastructure specification and design into AMS
- Business cases prepared jointly with Service Departments but owned by AMS drawing input from FM and BPM to prepare fully costed business cases that recognise the service implications of design/spec.








- Building on the work to date new process for prioritising capital investment in the estate based on safety.
- A funded programme to address backlog maintenance on the core estate.
- Potential risk transfer to supply chain for comprehensive M&E and fabric services

- Property & Facilities Management will lead the project management on all real estate projects in the Council.
- The consolidation of resources into one place will reduce the 'man-marking' of customer and project manager and design/build team.

- Established Service Level Agreements with departments will increase transparency over service delivery.
- Closure of Non-Housing Edinburgh Building Services (EBS) and the use of the Council supply chain will reduce cost and improve service quality.

# AMS Implementation – Current Status

Considerable momentum has built up across all AMS workstreams. Key activities completed across the five AMS workstreams are shown below:

	 Transition	 Facilities Management	 Estates Rationalisation	 Investment Portfolio	 Asset Condition
<b>Progress</b>	<ul style="list-style-type: none"> <li>The governance, planning &amp; control and risk management arrangements have been reviewed and updated</li> <li>A report has been prepared on budget transfer</li> <li>Preparation work for the formal review of tiers 3&amp;4 has progressed with formal consultation due to commence on 25 February 2016</li> </ul>	<ul style="list-style-type: none"> <li>Technical Consultant appointed</li> <li>FM SLA drafting is in progress</li> <li>Work has commenced on documenting the minimum service standards and the framework for measuring and reporting performance</li> <li>“Service Portfolio Matrix” under development</li> <li>A note has been drafted to brief Heads of Services on the SLA review process</li> <li>A working session has been set up to review the “hard” service delivery model options</li> </ul>	<ul style="list-style-type: none"> <li>Team established to develop detailed delivery plans</li> <li>Links established with CLS and BSS and awaiting proposals to define the Council’s portfolio requirements and Estates Rationalisation paper developed</li> <li>High level processes developed</li> <li>Governance arrangements and stakeholder engagement plans commenced</li> <li>Presentation to Property Board in Feb 16</li> </ul>	<ul style="list-style-type: none"> <li>Review of existing data sets to identify current gaps and future improvements</li> <li>Analysis of vacant properties and identification of concessionary lets that may have accretive value</li> <li>Review of top potential capital growth opportunities</li> <li>Review of technology/ systems options and links with finance</li> </ul>	<ul style="list-style-type: none"> <li>An Asset Condition working group has been established to take forward a plan of work to ensure the Council has robust procedures and budgets in place to identify, plan and deliver an ongoing programme of planned and reactive maintenance work across the operational estate</li> <li>The focus of the group will be to develop a revised asset maintenance strategy paper</li> </ul>

To support these workstreams, a PMO has been mobilised to provide oversight and supervision of key activities and help to manage/mitigate any risks which may arise from the programme. Work undertaken to date:

- Transformation Programme Alignment* of all workstreams to prevent duplication
- Programme Initiation Document (PID)* to capture strategy, governance arrangements, processes and controls of the project
- Risk Register* to capture and manage AMS programme risks
- Cost Control tracker* to track and monitor all costs against implementation budget.
- Management Information* dashboard reports developed based on the AMS workstream KPI’s
- Detailed implementation plan* (Gantt chart) for all 5 AMS workstreams



PMO

# Asset Management Strategy (AMS)

Workstream Dashboard as of 18 February 2016

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating

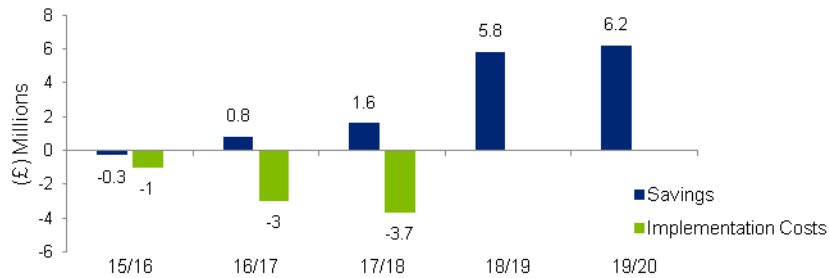
## Completed

- AMS new organisation blueprint completed.
- Programme Management Office set up and completion of Programme Initiation Document (PID)
- Commencement of new organisational design
- Transition workstream established to oversee transfers of people, budgets and move from SfC to Corporate Resources – links established with BSS
- Invitation to tender issued for FM technical consultant
- F&R Report January
- Challenge Panel and CLT presentation
- Completion of contract with Deloitte for next phase of programme support to July 2016.

## Planned

- Commence Tier 3 and 4 formal consultation
- Technical consultant to commence work
- Confirm detailed timeline for transition milestones
- Commence preparation of Service Level Agreements (SLA's) and engagement with service areas
- Continue process design work across all workstreams
- Continue preparation of investment strategy
- Commence design of new governance and decision arrangements for estates rationalisation workstream
- Commence review of in-flight survey programme for operational assets

## Asset Management Savings Per Year



Financial Year	15/16	16/17	17/18	18/19	19/20
Savings	-0.3	0.8	1.6	5.8	6.2
Implementation Costs	-1	-3	-3.7		
Net Saving	-1.3	-2.2	-2.1	5.8	6.2
Cumulative Saving	-1.3	-3.5	-5.6	0.2	6.4

		December	January	February	March
1	Tiers 2-6 org design & JD's				
2	Procure technical consultant				
3	Prepare summary SLA's				
4	Confirm transition milestones				
5	CLT presentation				
6	Further response to F&R				
7	Workstream activities				

Key: On track In progress Attention

PROJECT RISKS	MITIGATION	RAG
<b>AVAILABILITY OF MANAGEMENT INFORMATION</b> Due to a lack of available Management Information there is a risk that we are unable to quantify actual savings achieved against identifiable costs per the ledger which may result in an unreliable finance baseline.	Corporate Finance Senior Manager as part of the AMS PMO team resource. External support working with Finance to validate figures and implement new budget codes. Eventual implementation of new CAFM system will improve management of Management Information.	Yellow
<b>STAKEHOLDER SUPPORT</b> risk of failing to secure wider stakeholder support for property transformation proposals resulting in a delay or failure to deliver the anticipated savings.	Ensure the programme has support from Senior Sponsors, within the Council and utilise this support to achieve political buy in to the initiatives and recommendations.	Red
<b>IMPACT FROM WIDER TRANSFORMATION PROGRAMME</b> The outcomes from the wider Transformation Programme work streams could have a significant impact on property initiatives, particularly around Estate Rationalisation and Investment Portfolio. i.e. Commercial Excellence Initiative, Edinburgh Leisure, PPP	Strong communication between PMO's. Tracking of dependencies and benefits.	Red
<b>IMPLEMENTATION TIMESCALE</b> Implementation programme in Business Case is challenging and could impact savings delivery. Heavy reliance on service areas and localities to develop demand strategies	Robust implementation plan and programme. Competent and skilled Implementation Team. Skilled smart client function. Reviews of Programme with PMO. Strong tie in with localities	Yellow
<b>BUDGET CONSTRAINTS</b> Lack of commitment or resource available for required backlog and capital/revenue forward budgets restricts the ability to address asset condition and compliance risks. Failure to meet the needs and expectations of our building users.	Undertake benchmarking exercise to establish estimated backlog to and strategy to consider forward budget requirements to bring estate up to an acceptable level.	Red

## Project Dependencies

Key dependencies on BSS, CLS and OD workstreams in terms of staff/budget transfers and impact on the operational estate.

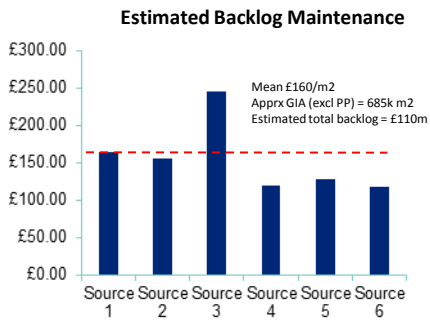
Estates rationalisation dependent on localities model implementation to schedule



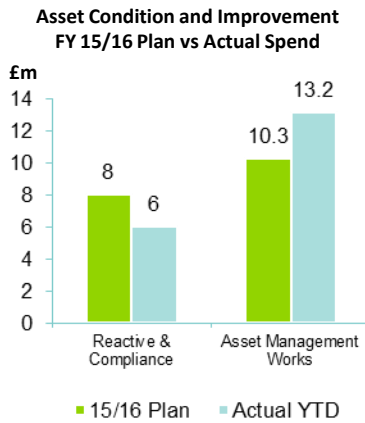
### Overview of Progress

An Asset Condition working group has been established to take forward a plan of work to ensure the Council has robust procedures and budgets in place to identify, plan and deliver an ongoing programme of planned and reactive maintenance work across the operational estate. The group was established in November 2015 and since that time has been concerned with collating existing CEC data on asset condition, undertaking a review and benchmarking exercise to ascertain the likely extent of backlog maintenance and formulating a detailed plan of work around a number of core objectives. Over the next period, the focus of the group will be to develop a revised asset maintenance strategy and policy.

### KPI Tracking



Source 1 - City of Edinburgh Council - The Corporate Asset Strategy 2015.  
 Source 2 - Aberdeen City Council Property Asset Management Plan 2012  
 Source 3 - Nottinghamshire County Council Repairs and Maintenance Report - 2014  
 Source 4 - Leicester City Council Corporate Asset Management Plan - 2010  
 Source 5 - Scottish Futures Trust - September 2011  
 Source 6 - CIPFA Benchmarking Information



### Progress Against Core Objectives

Identify Backlog	Survey programme for FY15/16 forecast to achieve 20% total assets (not incl PPP and monuments). High level surveys on plan to achieve 33% total assets. Existing risk based methodology to be reviewed and developed.
Technology	CAFM functionality to be reviewed to ascertain if the system will meet the future vision for hard FM and asset condition processes. A gap analysis prepared if required.
Delivery Model	Hard FM delivery options to be reviewed and scored on a preferred model identified. Level 2 asset condition processes to be developed.
Safer Estate	?? Total helpdesk calls in January. ?? significant H&S incidents including major collapse of a wall at Oxgangs primary School. Budget requirements for additional maintenance spend to be identified.

### Key Planned Activities

1. Complete best practice review and benchmarking
2. Review CAFM functionality
3. Prepare draft asset maintenance strategy
4. Input into hard FM delivery model review
5. Input into org design work

### Info Required / Dependencies

1. Define core operational asset list
2. Identify CAFM functionality and dependencies
3. Approval of emerging maintenance policy
4. Endorsement preferred hard FM delivery option

### Key Risks

Risk ID	Description	RAG
01	Budget Constraints	Red
02	Risk of Service Disruption	Red
03	Resources to Deliver Revenue Programmes	Yellow
04	Risk to Health & Safety	Red



### Overview of Progress

Weekly meeting of the review team established since November 15, underpinned by a PID and programme. Four workstreams have been identified, with progress underway, working with service directorates to identify detailed opportunities. Overview of current workstreams presented to the Property Board on 11 February 16. Business cases for each property exit will be developed and presented to the Property Board before being taken through any wider process.

### KPI Tracking

KPI	RAG	COMMENTS
Number of projects at each key stage of the identified rationalisation process	■	Tracking graph below
Reduction in operational property costs	■	Baseline to be established –on course
Increase in income from operational assets	■	Scoping underway
Reduction in operational estate footprint	■	Baseline to be established –on course
Increase in desk to FTE ratio	■	Scoping underway
Number of teams supported in a co-located environment.	■	Scoping underway
No of properties closed/exited	■	On course

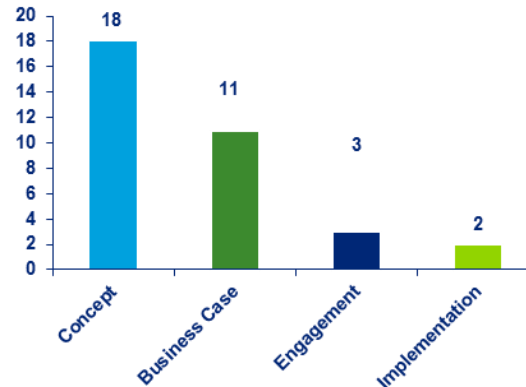
### Information Required / Dependencies

1. Significant dependencies on the Transformation Change Programme
2. Post headcount reduction picture required, with detailed breakdowns of team size
3. Articulation of new localities model required, crucially, which teams, including partner agencies, should be located together
4. Detailed negotiations required with new Tier 3 managers regarding team location
5. Robust property costs data required from Finance

### Key Planned Activities

1. Business case for office exits being developed, including negotiations with service team managers for relocation
2. Task Force meetings with C&F regarding library and community centre review underway
3. Business case for Wester Hailes locality being developed
4. Negotiations with 3<sup>rd</sup> party users for Waverley Court continuing

### Project Status Tracking



### Key Risks

Risk ID	RAG
01 Insufficient resource	■
02 Lack of political engagement and support	■
03 Lack of stakeholder support	■
04 Lack of financial support	■
05 Resistance to property strategies by services	■



### Overview of Progress

- Completed SLA scoping workshops with CEC team members
- Technical consultant appointed
- Agreed standard building categories, the in/out of scope services list and service budgets identified for potential transfer in to P&FM
- Reconciled building portfolio lists provided and identified anomalies for validation by SAM
- Developed the SLA "Service Portfolio Matrix" including a) Building List (under review) b) Core Hours by building category c) Service scope by building category and d) rechargeable services
- Drafted briefing note for Heads of Services to launch SLA review

### KPI Tracking

KPI	RAG	COMMENTS
New SLA's developed	<span style="color: green;">■</span>	Standardised SLAs and exceptions are being managed through the scoping workshops
Optimised organisation structure and service delivery models	<span style="color: orange;">■</span>	Largely to be determined as TC models are designed for Tier 6+. Tier 7 under review and impacted by Hard Services Strategy
Budget vs chargeable costs determined	<span style="color: green;">■</span>	The SLA service scoping process has determined services that will be recharged in future - subject to final approval and acceptance

### Information Required / Dependencies

1. Building portfolio list validated
2. Existing service data (headcount, no of supervisors, shift patterns)
3. Hard services strategy input
4. CAFM mobilisation strategy (timeline, deployment date)
5. Approval of budgets included in SLA scope from Finance

### Key Planned Activities

1. Finalise service portfolio matrix
2. Commence technical review with technical consultant
3. Finalise service specification document (read in conjunction with the Service Portfolio Matrix) including minimum standards and performance measures
4. Commence detailed SLA engagement
5. Assess hard services delivery model options
6. Develop process blueprint for FM function

### Key Risks

Risk ID		RAG
01	Limited Service Customer engagement in SLA and push back on standards	<span style="color: orange;">■</span>
02	Timely mobilisation of Technical Consultant	<span style="color: orange;">■</span>
04	Agreeing and affecting budget transfers	<span style="color: green;">■</span>
06	Implementing new hard services delivery model	<span style="color: green;">■</span>



### Overview of Progress

The Transition work stream governance, planning & control and risk management arrangements have been reviewed and updated. The scope of staff transfers is on-going, with completion expected shortly. A report has been prepared on budget transfer. The technical consultant is due to be appointed and will contribute to the final scope of non-staffing budget transfers and SLA's. Following approval of the proposed structure by CLT on 21/01/16, preparation work for the formal Review of tiers 3&4 has progressed including preparation of JD's, Comms. plan, TOR and the presentation for the staff briefings. The formal consultation period is scheduled for w/c 22/02/16.

### KPI Tracking

KPI	RAG	COMMENTS
No. FTE's delivering corporate property services	<span style="color: green;">■</span>	Current structure in place until Org Review is complete – FTE reqd. for new structure expected April 2016
Budget consolidation from service areas	<span style="color: green;">■</span>	Plan prepared for all budget transfers during April 2016. Due diligence underway
Progress of Departmental FTE's transferring into Corporate Property.	<span style="color: green;">■</span>	Phase 1 transfers complete 31/12/16. Further Posts to transfer in to CP by July 2016. Circa 50 possible posts to BSS TBC
SLA Development	<span style="color: green;">■</span>	Workshops complete, stakeholder engagement plan drafted. Technical Consultant appointed.

### Information Required / Dependencies

1. Technical Consultant input to Organisational Design/Scope and SLA development
2. Agreement from Client Departments on new SLA's, Staff Transfers, new business processes and new partnership/relationship management model
3. Final agreement on scope of staff transfers with Transformation team and emerging proposals for Commercial Excellence
4. Agreed process to support the continued legacy shared repairs cases

### Key Planned Activities

1. Finalise Staff lists across the Transformation programme.
2. Complete document pack prior to formal consultation to begin (JD's, Comms. plan, TOR, presentation, Risk, equalities, structure charts and pooling)
3. Initiate formal consultation period for tiers 3 & 4 w/c 22/02/16
4. Engage with service areas on SLA's/staff transfer to CP
5. Change and culture management process to be drafted
6. Input to the development of an AMS programme communications plan
7. Implement budget transfers as of 1<sup>st</sup> April 2016

### Key Risks

Risk ID	RAG
01 Insufficient budget and staff transferring	<span style="color: orange;">■</span>
02 Increased demand FM without an increase in budget	<span style="color: orange;">■</span>
03 Double counting income / reduced ability to make savings and maintain facilities and deliver lets.	<span style="color: orange;">■</span>
04 Increased absence and attrition	<span style="color: orange;">■</span>
05 Budget pressure for ESRS at end of 1 year funding	<span style="color: orange;">■</span>



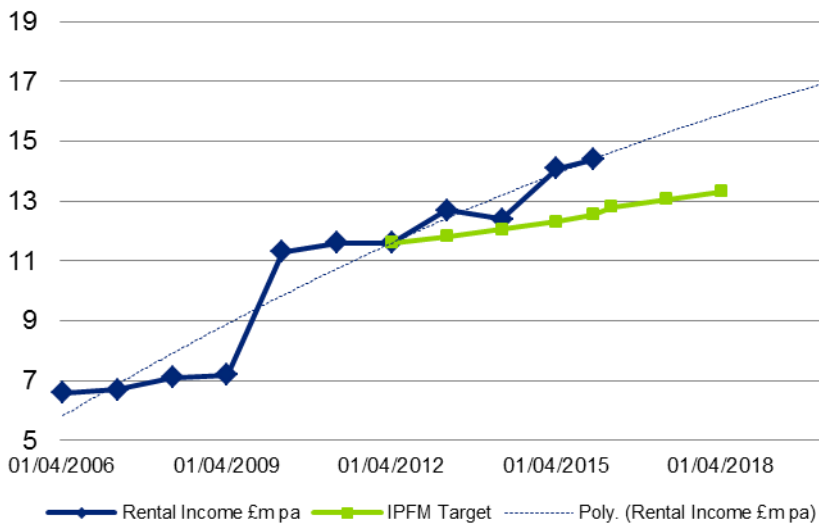


### Overview of Progress

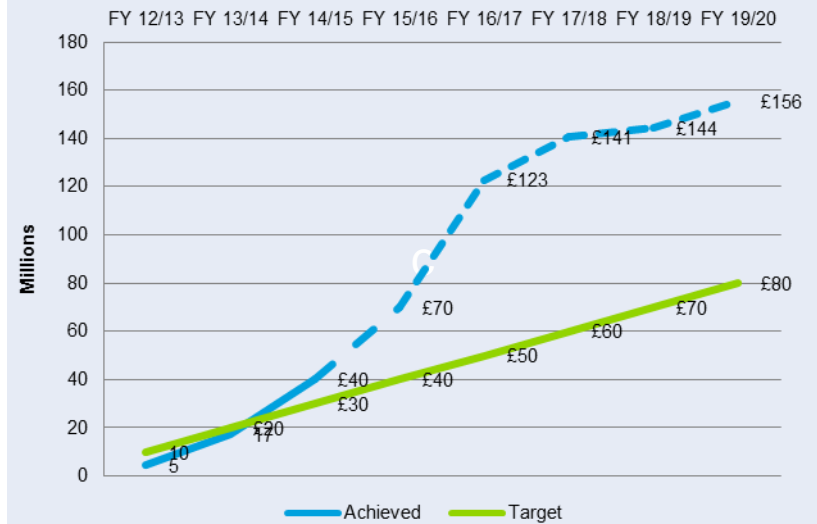
Key activities below have been completed:

- Review of existing data sets to identify current gaps and future improvements
- Analysis of vacant properties and identification of concessionary lets that may have accretive value
- Review of top potential capital growth opportunities
- Review of technology/ systems options and links with finance

### Total Rental Income £m pa



### Current Capital Receipts Profile 12/13 - 19/20



### Key Planned Activities

1. Conduct portfolio analysis to identify high priority investment opportunities
2. Prepare detailed investment criteria and strategy
3. Establish data source solution to analyse Investment Portfolio

### Key Risks

Risk ID	RAG
01 Resources to deliver business cases for investment	Yellow
02 Lack of political engagement and support	Yellow