

2022/23
DELIVERY PLAN

**SUPPLY,
DISTRIBUTION AND
PROPERTY –**

**Corporate Asset
Management Extract**



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1. Introduction

Supply, Distribution and Property comprises a wide range of services covering Corporate Asset Management, Building Services, Housing Asset & Investment and the Corporate Procurement Unit (CPU). It is one of 8 strategic areas responsible for delivering the Council's Strategic Plan. Key actions to help achieve that are set out in this Delivery Plan, together with actions to address any performance issues and service priorities identified in the planning process.

The progress of this Plan for will be monitored and managed by the management team and reported to Infrastructure, Regeneration and Economic Development Committee twice yearly, at mid-year and year-end.

2. Performance Review

The Supply, Distribution and Property management team completed a detailed review of 2021/22 performance, focusing on the following:

- 2021/22 Delivery Plan year end progress;
- 2021/22 Quality Standards year end progress;
- Local Government Benchmarking Framework (LGBF) comparative data;
- Telephone Survey feedback;
- Complaints;
- Continuous Improvement (Fit for Future reviews)
- Other benchmarking/feedback.

This review highlighted our key achievements in 2021/22 as well as the challenges to be addressed in 2022/23. These are summarised below.

Key Achievements in 2021/22

Listed below are some of the major achievements in each service area. Despite the unprecedented challenges the coronavirus pandemic has created including restrictions and additional duties, each service within SD&P has found new ways of continuing the delivery of critical front line services. The service achieved many other outcomes throughout the year which are not recorded here but are as important.

Corporate Asset Management

- Supported the delivery of major capital projects including delivery of phase 1 of the new Renton campus, development phase of new Faifley Community Campus, new build housing projects and development phase of Exxon City Deal Project.
- Effectively managed COVID-19 PPE store and supported COVID-19 testing facilities.
- Developed office accommodation plans and managed access and occupancy.
- Developed and implemented a new Disposal Strategy.

Key Challenges from 2021/22

Workforce.

- The principle challenge has continued to be in relation to the COVID-19 pandemic including adapting to changing legislation and guidance to ensure continued delivery of front line services and safe working conditions for employees.
- The turnover coupled with the time taken to replace, recruit and train employees across Supply Distribution and Property was a particular challenge in 2021/22 when demands on all services were higher than normal as a result of the pandemic.
- Exceptionally high levels of sickness/ isolation particularly in Building Services had significant impact on our ability to deliver maintenance and repairs and projects.
- The national skills shortage of qualified and experienced officers in Building Services, Procurement, and Corporate Asset Management, resulted in reduced workforce numbers, increased demands on existing teams and a high staff turnover. This has resulted in alternative service delivery models being introduced.

Capital Projects

- Progression of key capital projects, including the new Renton Campus, Clydebank Care Home and the Housing Investment Programme faced disruption due to COVID-19 where a significant period of time has been lost.
 - Increasing issues relating to supply of labour and materials, due to increased energy, transport and raw material costs, impacted on supply chains, and third parties and our ability to carry out works within budget and on time.
 - Construction inflation with labour and material costs increasing over the last year.
 - Increased scrutiny at both local and national level including funding applications, monitoring and reporting required a significant amount of management time impacting on service delivery.
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3. Strategic Assessment

The Supply Distribution and Property management team completed a strategic assessment to determine the major influences on service delivery and priorities in 2022/23. These are summarised below.

Financial Challenges

The entire public sector is facing significant financial challenges. The Council are currently faced with an estimated cumulative funding gap in 2023/24 of £18.3m rising to £24.2m in 2024/25. Funding pressures relating to COVID-19 will continue in 2022/23, and whilst there is still some carried forward COVID-19 funding from the Scottish Government available for use in 2022/23, it is difficult to assess whether it will continue to be sufficient due to the ongoing unpredictability of the impact of the pandemic on people's lives and local businesses. We will continue to monitor the overall financial position of the Council and updates on estimated future budget gaps will be reported to Elected Members throughout 2022/23.

These challenges mean further action is required to balance our budget and protect services for residents. This will mean that, within Supply Distribution and Property available funding will be reduced and we will need to reconfigure how we work and what we do to deliver further efficiencies

Budget Sensitivity Analysis

In reviewing the service budget projections, consideration has been given to sensitivity of these budgets, in particular for higher risk/ higher value budgets which may have a significant impact on budgetary control and future budget projections. The analysis has considered sensitivity around demand, costs and charges, and income levels.

Within this service, budgets which have been identified as being more susceptible to fluctuations include:

- **Building Materials;** 2022/23 budget - £3.5M. Nationally there has been a significant inflation in cost of building supplies and materials as well as challenges with supply due to increased energy, transport and raw material costs. Higher material costs will be passed onto client budgets through service recharges and any cost increase will put pressure on client maintenance and investment budgets.
- **Labour costs;** 2022/23 budget - £20.1M. Nationally there continues to be challenges in recruitment and retention of staff due to a skills shortage of qualified and experienced officers. This impacts both our workforce and that of sub-contractors.
- **Transport fuel costs** - 2022/23 budget £750,000. The price of petrol/diesel can fluctuate a great deal based on market prices. Also changes in working practices to allow for social distancing will affect the costs since now, for example, two vehicles need to be driven to a job whereas one would have sufficed pre COVID-19. Higher fuel and hire costs will be passed onto client budgets through service recharges and any cost increase will put pressure on client maintenance and investment budgets.

- **Capital Plan** - Nationally there has been a significant inflation in cost of building supplies and materials and in some cases shortfall in supplies. For some projects this may need to increased costs or slippage in delivery of the capital projects.

Corporate Asset Management

Corporate Asset Management Strategy

The Service is responsible for the strategic management of the Council's assets, including operational and non-operational properties and is responsible for the delivery of the Corporate Asset Management Strategy. The new 5 year strategy will be developed in conjunction with and to meet the aspirations of the council's strategic priorities from 2022.

Income from Capital Receipts

Continuing to secure income to the Council is a key priority and the Corporate Asset Management Plan supports this through delivery of capital receipts from disposal of key strategic sites. The Plan will highlight non-performing property assets, inform the process for considering future disposals, and generate additional income through the disposal of redundant assets. An annual update will be provided on the progress of disposals. In the current financial climate there will be a significant dependency on the effectiveness of this plan and the outcomes.

Consultancy Services

Consultancy Services sits within Corporate Asset Management and is the Council's design and construction contract consultancy. Consultancy Services administers and manages capital programmed construction works providing technical assistance, feasibility and cost studies on behalf of other services.

Council Wide Climate Change Strategy

The Council has developed a Climate Change Strategy in response to Scotland's climate emergency and to provide a route map towards meeting Scotland's national net zero carbon target by 2045. This Strategy has informed the development of a Climate Change Action Plan for 2022/23 to ensure environmental actions are devolved to relevant service areas and climate change action is mainstreamed across council policies, operations and the wider public. Progress against the actions assigned to SD&P will be monitored.

Continuous Improvement

To support continuous improvement, the Council has an established programme of Fit for Future service reviews. Using a range of tools, that encapsulates service design, maturity assessments and employee engagement, information is gathered and reviewed to identify improvements and to ensure our services are efficient and that we make best use of our resources. During 2022/2023 we will assess the performance of the services within SD&P with a view to determining if any service would benefit from a Fit for Future service review.

Action Plan

The challenges identified in Section 2 and the key factors identified in Section 3 have informed SD&P priorities for 2022/2023. Appendix 1 sets out the action plan to address them. It also includes:

- performance indicators and targets that will enable progress to be monitored and reported to stakeholders;
- strategic workforce actions to address workforce issues identified in the planning process; and
- strategic and/or service risks, including those relating to the pandemic.

The Council has identified risks at both a strategic and service level. Strategic risks represent the potential for the Council to take advantage of opportunities or fail to meet stated strategic objectives and those that require strategic leadership; while service risks relate to service delivery and represent the potential for impact on individual services, or the experience of those who work within the services, i.e. employees, partners, contractors and volunteers or service users and clients in receipt of the services provided. In identifying the relevant risks for 2022/2023 and actions to mitigate them, the aim is to improve or maintain the current position (i.e. the current risk score) set out in the appendix.

4. Resources

Finance

Supply Distribution and Property has a net revenue budget of £2.73m (net income) and a capital budget of £6.20m in 2022/2023. A breakdown by service area is set out below. We will make the best use of the resources available to deliver on key priority areas and secure external/match funding where this is possible.

Service Area	Gross Expenditure 2022/23 (£m)	Gross Income 2022/23 (£m)	Net Expenditure 2022/23 (£m)	Capital Budget 2022/23 (£m)
Consultancy Services	0.845	(0.235)	0.610	0.000

Corporate Assets	2.628	(4.781)	(2.153)	0.000
Capital Investment Team	0.557	(0.719)	(0.162)	2.785
Private Sector Housing Grant	0.525	(0.446)	0.079	0.000
Corporate Asset Maintenance	4.862	(5.128)	(0.266)	3.337
Housing Asset Maintenance & Investment	0.494	(0.412)	0.082	0.000
CPU	0.981	(0.500)	0.481	0.000
HMTA	18.395	(19.796)	(1.401)	0.078
Total	29.287	(32.017)	(2.730)	6.200

Employees

Employee Numbers (data to be confirmed)

The headcount and full time equivalent staff in each service area (as of 31st March 2022) are as follows:

Function	Headcount	FTE
Corporate Asset Management	43	36.10
Housing Asset & Investment	10	8.80
Maintenance & Repairs	347	336.12
CPU	19	17.14
TOTAL	419	398.16

Absence in 2021/22

The quarterly absence statistics for Supply Distribution and Property are shown below together with the Council average for the same periods for comparison. The figures have been higher than the Council average throughout 2021/2022:

Absence in 2021/22	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual FTE days lost per FTE employee
Supply, Distribution & Property	5.4	5.00	4.41	4.56	17.20
COUNCIL WIDE TOTAL	3.27	3.58	4.5	5.03	14.55

Appendix 1: Action Plan - CAM

	2. Our Environment
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	Objective 6. Our neighbourhoods are sustainable and attractive
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Performance Indicator	Owner
% of Special Needs Adaptation projects completed by consultancy services from receipt of referral to carrying out survey, design and submission of building warrant	Craig Jardine
% of Housing and General Services projects supported by consultancy services	Craig Jardine

	4. Our Council
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	Objective 10. Our workforce is resilient and skilled where digital technology supports service delivery for our residents
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Action	Due Date	Owner
Develop and implement wellbeing, employee engagement, equality and training plans to enable capabilities, improved resilience and promotion of a diverse workforce.	31-Mar-2023	Craig Jardine
Develop and implement employee life cycle plans in line with the People First Strategy to attract and retain	31-Mar-2023	Craig Jardine

Action	Due Date	Owner
the workforce.		
Implement service review process including role design, use of new technology and new ways of working to add resilience, address gaps, and establish opportunities for efficiencies	31-Mar-2023	Craig Jardine
Develop and implement training plans and development opportunities to improve capabilities and resilience within the workforce.	31-Mar-2023	Craig Jardine

Ob	Objective 11. Our Council is adaptable and focused on delivering best value for our residents
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Performance Indicator	Owner
Percentage of council buildings in which all public areas are suitable for and accessible to disabled people	Craig Jardine
Proportion of operational buildings that are suitable for their current use %	Craig Jardine
Proportion of internal floor area of operational buildings in satisfactory condition %	Craig Jardine
% of capital projects supported by capital investment team, delivered within agreed plan	Craig Jardine
% of capital receipts achieved as forecast	Craig Jardine

Action	Due Date	Owner
Progress delivery of the Corporate Asset Management Strategy to align with the Councils Strategic Plan	31-Mar-2023	Craig Jardine
Monitor the progress of disposal of key strategic sites over 22/23	31-Mar-2023	Craig Jardine
Monitor progress of capital projects managed by Capital Investment team and Consultancy Services	31-Mar-2023	Craig Jardine

Risk	Description	Current Assessment	Target Assessment	Date Reviewed	Owner
Maintaining Council Assets that are fit for purpose	The risk that the Council's assets and facilities are not fully fit for purpose with consequent adverse impact on our ability to deliver efficient and effective services. Assets included in this assessment are; the Council's property portfolio and open space			01-Sept-2022	Angela Wilson