



Report to Cabinet

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1. Termination of Highways Agency - Redistribution of Remaining Functions of Engineering and Property Department

1.1 Further to the decision of the Cabinet on 6 November 2003 to terminate the Highways Agency Agreement and the subsequent agreement of the Personnel and Resources Committee that the Engineering and Property Department be disbanded with effect from 31 March 2005, this report sets out proposals with regard to the future responsibility for the non-agency functions fulfilled by the Head of Engineering and Property and his Department.

2. The Current Position

2.1 The Engineering and Property Department currently comprises four Sections:

- The Estates and Valuation Section is responsible for strategic property and asset management issues, maintenance of the property terrier and the provision of a wide range of valuation services to the Council. It is also responsible for the specific management of the industrial units, shops, miscellaneous commercial investment properties and land holdings, the sale and acquisition of property and the general management of the Council's property portfolio.
- The Building Services Section is responsible for building maintenance and improvement (other than Council housing) and energy management. It also assists in the undertaking of suitability and condition surveys with regard to the Council's assets. These underpin the asset management strategy and are intended ultimately to inform decisions with regard to future use of and investment in the Council's assets.
- The Engineering Services Section deals principally with highway agency matters, but it is also responsible for the management and maintenance of car parks, traffic and transportation issues, land drainage and such matters as Christmas lighting and street furniture provision and maintenance.
- The Administration Section provides a central finance and administrative support function for the Department. Following the transfer of the reception function to the Direct Services Department, this Section currently

comprises 4 posts, of which only 2 are occupied by permanent staff who have not been found alternative positions within the Council by the application of the implementation plan and redeployment policy previously agreed by Members. The other posts are either vacant or filled under temporary arrangements.

2.2 The Director of Community Services is formally nominated as “Corporate Property Officer” for the purposes of the Asset Management Strategy, with responsibility on behalf of the Senior Management Team for the delivery and periodic review of that strategy. This arrangement needs to be reviewed following the decision of the Council to alter its senior management structure with effect from 31 September 2004 by introducing the posts of Chief Executive and Deputy Chief Executive and deleting the current three Director posts.

2.3 The Head of Engineering and Property has responsibilities for emergency planning and business continuity planning which will also need to be re-allocated within the new senior management structure.

3. **Issues to be taken into Account**

3.1 The Estates and Valuation Section has close working links on a day to day basis with regard to its responsibilities for sales and other dealings with land and business unit and shop management with the Legal and Administrative Services Department. The responsibility for the property terrier and the deeds room is also in practice shared between this Section and the Legal and Administrative Services Department.

3.2 With regard to the Engineering Services Section, most of the non-highway agency work commissioned by this Section is carried out at present by the Direct Services Department. It is considered that the residual engineering type functions would fit well in the Direct Services Department, although consideration will need to be given to the resource which the Council should continue to put into these functions. This will need to be the subject of discussion with the Portfolio Holder, following which a further report will be presented setting out the “client” and “contractor” establishments which it is considered will be appropriate to undertake this work.

3.3 Although the Building Services Section has had to develop close working links with the Estates function, its primary function of building repair and maintenance would fit best with the essentially operational nature of the role of the Direct Services Department. The transfer of this Section to that Department along with the remaining “engineering” functions would also provide an opportunity for these to be brought together in a single “technical services” section.

3.3 Although this report is concerned with the dismantling of the Engineering and Property Department, I am also considering the arrangements with regard to the caretaking function. I believe that bringing together the caretaking and building maintenance functions would offer opportunities for more effective co-ordination of work between those functions, better management of the building cleaning

arrangements if that work were to be the responsibility of the Direct Services Department in the future and possible efficiency savings which could benefit front-line service delivery. The termination of the agency means that the Council will no longer need to operate a stores facility on the same scale as previously and it is expected at the moment that the two storemen will transfer to the County. This, however, will require a review of security/caretaking for the depot. The transfer of the office caretaking function to a technical services section in the Direct Services Department would also enable the Head of Direct Services to review the whole function and establish a comprehensive maintenance/caretaking/internal security service for all the offices and the depot. Discussions on this matter are taking place with staff affected.

3.4

3.5 With regard to the Administration Section of the Engineering and Property Department, its role as a central administration and support function for the Department will cease and the Section will be wound up. The success of the redeployment process should mean that there will be no need for any compulsory redundancies.

3.6 One particular issue which has been identified relates to the continuing liability for insurance claims in respect of pre-termination accidents arising on the highway. This Council will continue to be responsible for receiving and dealing with such claims even after the termination date - the County Council will deal with all claims arising from incidents after 31 March 2005. The Head of Engineering and Property advises that his staff currently spend a significant amount of time dealing with this kind of work and a certain amount of this work will continue.

4. Proposals

4.1 In the light of the above it is accordingly proposed that:

- (i) the Estates and Valuation Section transfer to the Legal and Administrative Services Department and that the Head of Legal and Administrative Services take on the role of Corporate Property Officer;
- (ii) the Building Services Section be transferred to the Direct Services Department;
- (iii) the responsibility for the remaining functions of the Engineering Section be transferred to the Head of Direct Services to be incorporated with the Building Services Section into a new Technical Services Section;
- (iv) the Head of Direct Services take over responsibility for emergency planning.
- (v) the Head of Finance take over responsibility for business continuity planning and dealing with the issue of insurance claims mentioned above.

- 4.2 The Head of Legal and Administrative Services, the Head of Direct Services and the Head of Finance will all need to consider the implications of the above and report back on detailed implementation issues arising in each case.
- 4.3 Further reports will also be presented as necessary in due course on consequential issues such as accommodation and any necessary changes to Standing Orders and delegation arrangements. The post of Head of Engineering and Property will need to be formally disestablished and the Retirements Sub-Committee convened to consider the early retirement of the post-holder.
- 4.4 Staff affected and the trade unions have been consulted on these proposals. As has been indicated above, discussions are taking place with caretaking staff and the Unison secretary to discuss my thoughts with regard to caretaking.

5. **Recommendations**

That with effect from 31 March 2005:

- (i) The Estates and Valuation Section be transferred to the Legal and Administrative Services Department;
- (ii) The Head of Legal and Administrative Services be given the role of Corporate Property Officer as defined in the Asset Management Strategy;
- (iii) The Building Services Section be transferred to the Direct Services Department;
- (iv) Responsibility for the remaining engineering functions of the Council be transferred to the Direct Services Department to be incorporated with the Building Services Section into a new Technical Services Section.
- (v) The Head of Direct Services take over responsibility for emergency planning;
- (vi) The Head of Finance take over responsibility for business continuity planning and dealing with any remaining highway insurance issues.
- (vii) The Head of Direct Services, Head of Legal and Administrative Services and Head of Finance consider and report back on any detailed implementation issues arising from these proposals.
- (viii) The post of Head of Engineering and Property be disestablished.