



## **Cardiff Council**

# **Strategic Review & Recommendations into Statutory Obligations and Health & Safety Compliance at Cardiff Council**

**Review March 2018**

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## Status Review – January 2018

### Background

Orion360 was asked to undertake a high-level review of progress on the Strategic recommendations made in its 2017 report “Strategic Review & Recommendations into Statutory Obligations and Health & Safety Compliance at Cardiff Council”.

The review set out below was conducted during the course of two weeks from the 8<sup>th</sup> to the 19<sup>th</sup> January. Due to time constraints, focus was given to Officers within the Council that would have knowledge of and participation in, progress on the Strategic Recommendations. We have where possible extracted that information to inform progress on the Operational Recommendations.

Officers interviewed were:

Paul Orders	Chief Executive
Neil Hanratty	Economic Development Director
Tara King	Assistant Director Economic Development
Jackie Turner	Assistant Director Education
Donna Jones	Health and Safety Manager
Helen Thomas	Estates Manager
Janine Nightingale	Head of SOP
Clive Riches	Senior Surveyor - Building Services

Our Report last year highlighted six key Strategic Observations (SOs) and generated eleven Strategic Recommendations (SRs)– See Appendix 1.

Those Strategic Observations in summary were:

- Increase visibility of the Property Portfolio as a corporate asset and service enabler
- Absolute clarity in key areas of risk and the management, mitigation, visibility and reporting thereof under a single point of control and communicated properly
- Absolute clarity in accountability, responsibility, competence and control and effective communication thereof
- Overcome the complexity of financial resources, financial constraints and drivers for cost savings and lack of resources being channeled correctly into reinvestment and preventative activities
- Investment in Health and Safety in property management, buildings and operations, creating a culture where Health and Safety is accepted and embraced as part of everyone’s role
- Governance and Assurance: Enhance visibility, control and assurance at senior management level in Health and Safety, Compliance and Regulations

We have noted our findings against those eleven Strategic Recommendations set out in Section 1 of this review.

## **Section 1 – Strategic Observations (SO)**

### **SO1: Increase visibility of the Property Portfolio as a corporate asset and service enabler.**

In our view, there has been significant improvement in the visibility of the corporate estate with the continuation of Schedules of Condition and the introduction of RAMIS allied to the resourcing of an effective Health & Safety team, and the Estate is increasingly being seen as a corporate asset and service enabler.

It is clear however, that whilst the Council is travelling in the right direction and making good inroads into understanding and recording the condition of the estate, there is still a large project to complete and gaps still exist in the data and information available. There is a significant amount of work to be done before the data from the surveys becomes operationally effective information across the estate.

Whilst controls and processes have been put in place, there are, from conversations held, still instances occurring where works are commissioned on the estate out with these controls that may have the potential to undermine this progress. This may be due to communication or enforcement of controls.

Significantly, whilst the H&S team has expanded and will expand further, schools are still able to utilise unapproved contractors and this represents an ongoing risk to compliance and the estate.

The size of the project and the recurring theme of resources and funds should not however take away from the obvious commitment at senior levels to bringing the estate into full compliance.

The introduction of Corporate Landlord will be a major step forward in the management and control of the estate. Its role however, must be communicated effectively across the Council and the correct controls put in place. Corporate Landlord is in itself a significant project and will take time to fully implement. There needs to be vigilance in the intervening period around commissioning of works, compliance and Health and Safety.

#### **Observations (Obs):**

- Ob 1: A key theme in our report was the commissioning of works, Statutory, Capital and Maintenance and competency of those designing and commissioning and the direct impact on visibility of the estate and subsequent compliance. Controls over who is authorised to commission such works are critical to future assurance of the compliance of the entire estate. These decisions have to be centralized and controlled.
- Ob 2: The introduction of specific measures, notably the Statutory Obligations team and Framework have been necessarily prolonged for these critical measures. Other restructures have taken time and whilst these controls have been later than would

have been preferred, a reduced level of risk has continued within the Council albeit the awareness of that risk is better understood, managed and communicated.

- Ob 3: Communication of change and new procedures and controls is critical to successful implementation and maintenance of Property Governance. At senior levels within the Council, this appears well managed. At an operational level however, from the limited ability to examine this issue, more could be done to communicate new processes, procedures and control to enhance effectiveness.

**SO 2: Absolute clarity in key areas of risk and the management, mitigation, visibility and reporting thereof under a single point of control and communicated properly.**

The Property Governance structure with the Asset Management Board and sub boards, combined with RAMIS and the new Health and Safety team, are designed to provide this clarity in preference to the single point of control under a Head of Governance and Assurance and associated team.

The various boards will control capital and building and maintenance works going forward and the representatives on these boards should ensure that full visibility on compliance is afforded to the senior management. RAMIS, when appointed to be under the control of Health and Safety, as recommended in this review, should act as the safe guard on compliance management.

Risk management now under the Health and Safety Board should provide further assurances with the Health and Safety Manager having direct access to the Chief Executive.

**Observations:**

- Ob 4: It is paramount that controls and processes implemented as part of Property Governance are communicated effectively across the organisation and that appropriate mechanisms are in place to check that they are consistently adhered to. Ongoing delegated budgets for building and maintenance to service departments and particularly schools represent an ongoing risk for information on the estate to be compromised.
- Ob 5: RAMIS is the repository of all information on the condition of the estate. It is critical that there is a single point of accountability for this system and the data held and that this should be communicated effectively across the Council. Every effort must be made to ensure that data is kept up to date and that there are adequate procedures in place to ensure that full visibility of changes to the estate are reflected in the information held.
- Ob 6: During the implementation period of these new structures there could be opportunities for approved processes and authorisations to be circumvented. The Council needs to be vigilant to minimise these occurrences.

**SO 3: Absolute clarity in accountability, responsibility, competence and control and effective communication thereof.**

We believe that the council has made significant progress on this issue especially in identifying accountability and responsibility. There is still further work to be accomplished specifically around competency and making controls effective and sustainable.

Observations:

- Ob 7: Whilst we have not reviewed communication of these changes and structures across the Council, we believe that more work needs to be done in order to effectively communicate new controls and processes and ensure compliance.

**SO 4: Overcome the complexity of financial resources, financial constraints and drivers for cost savings and lack of resources being channeled correctly into reinvestment and preventative activities.**

We have been told that the Council has mapped out all budgets relating property expenditure and maintenance as part of the Corporate Landlord project and this will have gone towards reducing the complexity of financial resources in terms of visibility if not accessibility and application. We have not been able at this stage to fully review the financial constraints and drivers in terms of reinvestment and preventative activities.

It is clear however, that whilst visibility of budgets has been enhanced, the picture is not complete and control over these budgets still requires further work to control spend and compliance. We are aware that this control is destined to be within the remit of Corporate Landlord.

We understand that significant capital is being channelled into building new schools through 21<sup>st</sup> Century Schools Band B, and that funds (in excess of £20 million) via the Schools Asset Management Group, have been set aside for schools maintenance improvement over a four-year period in addition to existing budgets. Statutory Obligations inspection and testing (Asbestos, Legionella, Fire, Electricity and Gas) for schools has been Top Sliced (although not remedials), and the Health and Safety team is being fully resourced; all of which will reduce exposure to non-compliance. Recent inspections have revealed the need for more detailed mechanical inspections and all boilers are now to be performance rated and subject to long term replacement planning.

Observations.

- Ob 8: The Council has made substantial financial commitments to Property Governance, Health and Safety, and Compliance despite ongoing challenges and competing demands for funds and financial constraints. A key challenge will be priorities and managing the requirements presented when all Condition Surveys are complete, and Health and Safety matters presented, the full condition of the Estate is understood and the financial demands that places on the Council as a result of historic under investment. A prioritisation process is in place for schools with respect

to Statutory Obligations and Health & Safety through the Schools Asset Management Group, but this needs to be more widely applied across all assets in the estate.

**SO 5: Investment in Health and Safety in property management, buildings and operations, creating a culture where Health and Safety is accepted and embraced as part of everyone's role.**

Arguably, the biggest achievement has been in the establishment of and commitment to a well-resourced and funded Health and Safety team which has an open door to the Chief Executive with the tools to monitor Compliance across the estate. This is a major step forward and demonstrates the Council's commitment to compliance and Health and Safety.

Observations:

- Ob 9: The Council needs to be aware of and attempt to mitigate risk whilst the full Health and Safety team is being recruited. Of particular significance here is the clear communication of services on offer and obligations within the new Service Level Agreement. Operationally there will be challenges as this new extended service is implemented and the Statutory Obligations Team within Building Services is resourced to do this.
- Ob 10: The senior team are very clear on the Health & Safety and compliance and their responsibilities and communicating accountabilities across the Council as identified in SOR 3. The planned, concerted programme of reinforcement of Health and Safety Values will underpin this and support with training will assist in raising standards and enhancing compliance.

**SO 6: Governance and Assurance: Enhance visibility, control and assurance at senior management level in Health and Safety, Compliance and Regulations.**

The Draft Property Governance structure (Appendix 2) and reporting lines, allied with the Health & Safety team and RAMIS are designed to be the mechanism for ensuring compliance and visibility of compliance at Senior management levels. The senior management team, specifically the Chief Executive, has expressed a view that there is greater visibility of Health and Safety and Compliance across the Council and that the structures in place will provide the monitoring, reporting and control mechanisms required. The implementation of planned senior management structures, Corporate Landlord, RAMIS and the "open door" policy to Health and Safety to the Chief Executive for all senior staff lends weight to this view. There is however, a full understanding that this is work in progress to bring the Council to full compliance and that it is an ongoing and critical function.

Observations.

- Ob 11: Chief Executive and directors interviewed demonstrate full commitment to Health and Safety and Statutory compliance. This is evidenced in the new structures and processes implemented and the investment in systems and resources. Until such time as full control and monitoring is achieved, and the condition surveys fully populate RAMIS, the senior team needs to remain vigilante for exceptions.

## Section 2: Strategic Recommendations: Update Notes

Strategic Recommendation (SR)	Recommendation	Description	Status Update
SR 1	<b>Governance &amp; Assurance Team</b>	Our key recommendation is the appointment of a Head of Governance and Assurance and the establishment of an independent Governance and Assurance team reporting directly to the Chief Executive Officer of Cardiff City Council.	<p><b>Status:</b> Property is now seen as a Council project, not just an issue around schools and there is clearer governance. The Council has decided to establish a new Property Governance structure instead of a Head of Governance and Assurance – see Draft at Appendix 2. This includes an Asset Management Board with all the Senior Management Team that reports to Cabinet on a quarterly basis. Reporting into this Board monthly are the Corporate Landlord Board, SOP Board, H&amp;S Board and the Capital Programme Board which report to the Senior Management Team monthly. Each of these Boards considers and makes decisions on building / maintenance and capital projects enhancing visibility of works across the Council. Significantly, there is reciprocal attendance of each of the members of each board. In conjunction with the appointment of a new Head of Health &amp; Safety and attendant changes to this function (SR3) with a direct monthly report to the CEX, this new assessment / analysis and reporting structure will enhance the visibility and control of construction and building works and compliance across the estate and the Council.</p> <p><b>Comment:</b> This is a positive movement for CCC. The decision not to appoint a Head of Governance and Assurance is balanced with the appointment of the Head of H&amp;S at SR3 with direct access to the CEX. The key to progress here is continuation of strict controls over the process and procedures for monitoring commissioning of works, compliance and H&amp;S within the sub-boards and ensuring that the critical information does not get diluted before it reaches the CEX. It is not clear however, whether this structure has been widely communicated at an operational level.</p>

		<p><b>UPDATED RECOMMENDATION.</b></p>	<p>There is also an Assistant Director Corporate Landlord appointment imminent who will be accountable for Compliance and delivery activity on the Estate.</p> <p>Risk Management within the Council has been reviewed and updated.</p> <p>We recommend the inclusion of a Corporate Asset Management Group and within the new Property Governance structure covering capital and revenue budgets to balance the Schools Asset Management Group and Community Asset Management Group.</p>
<p><b>SR 2</b></p>	<p><b>Condition Schedules and RAMIS</b></p>	<p>Post review of the initial pilot Condition Schedules, implement the full programme of Condition Surveys across the Council Estate to develop full assessment of compliance. RAMIS system to be fully implemented as soon as possible.</p>	<p><b>Status:</b> Faithfull &amp; Gould have been instructed to carry out Condition Schedules on all buildings in the portfolio. Circa 83 of 460 have been completed to date and data is being uploaded into RAMIS. Surveys are being analysed and risk assessed for priorities. These surveys will identify all assets that fall within the remit of Statutory Obligations Compliance and will be uploaded onto the RAMIS system to increase visibility and control of compliance across the Estate.</p> <p><b>Comment:</b> This is an ongoing project but already there is better visibility of the Estate. RAMIS has progressed since September of 2017. Building managers and budgets have been identified. The system has been populated although a number of gaps in the information exist. These are being corrected as the Estate Condition Surveys are completed. There is better visibility of the Estate but RAMIS remains a work in progress.</p> <p>Clearly, the main concern here is what is being missed during this implementation period and what new issues may be arising if the controls put in place are not communicated effectively or enforced.</p> <p>The procedures and processes implemented at SR1 and the accurate assessment of the Estate here in SR2 will only be effective if rigorous</p>

			controls given effect with communication across the Council operation are in place to ensure that these initiatives are not undermined by continuity of previous challenges which caused uncertainty and lack of visibility of the Estate.
<b>SR 3</b>	<b>Restructure and Re-education: Health and Safety Team</b>	Health & Safety provision and practice at the Council needs improvement. The rebuilding of a well-resourced, funded and effective Health and Safety team must be a key and immediate priority for the Council along with a programme of detailed actions identified in the body of this report. This team will report to the Head of Governance and Assurance.	<p><b>Status:</b> Significant progress has been made. A Head of Health &amp; Safety has been appointed, the team expanded and further appointments are to be made. When all appointments are made there will be a team of 21 officers.</p> <p>Comment: This is a significant progression from the situation at the point of our original report in 2017. It demonstrates an improvement in awareness and commitment to H&amp;S and Compliance.</p> <p>These additional appointments need to be made as soon as practicable.</p> <p>Health &amp; Safety has improved significantly and is now a much higher priority for the Council with greater prominence. Whilst some areas remain a challenge and there is more to be achieved across a large organisation, H&amp;S is being actively backed by the CEX and Directors of the Council.</p> <p>H&amp;S is “owned” by the CEX and directors and resources are being made available to make their portfolios compliant. Risk Management is now included within H&amp;S Governance.</p> <p>A Head of Health &amp; Safety has been appointed. Whilst technically reporting to Corporate Resources, this appointee reports to the CEX on a monthly basis and has direct access when required and meets regularly with Directors, Members and Cabinet.</p> <p>At present, alongside the H&amp;S Manager are two staff plus and administration officer. This team will be expanded to comprise:</p> <p>3 H&amp;S Officers (Grade 8) supporting Directorates:</p> <ul style="list-style-type: none"> <li>· Highways &amp; Waste</li> </ul>

			<ul style="list-style-type: none"> <li>· Economic Development (Inc. Parks and Corporate Landlord)</li> <li>· Social Services and Housing</li> </ul> <p>1 RAMIS Officer (council wide) Grade 8  12 Education SLA Officers – supporting 127 schools Grade 8 - to monitor, advise, check and bring all schools up to standard.  Education Support Officer (Support for the SLA Team) Grade 5  Fire Safety Officer (Fire Risk Assessments) Grade 9  H&amp;S Training Officer (Council Wide) Grade 8</p> <p>There is an approved budget of £500,000 for the first year of operation after which this budget will be reviewed.</p> <p>This is a significant progression from the status at the point of our original report in 2017. It demonstrates an enhanced awareness and commitment to H&amp;S and Compliance.</p> <p>The key will be to get these positions filled quickly, communication of the new regime across the Council, but also ensuring that where infringements occur H&amp;S has the necessary powers to deal appropriately without recourse to senior management in every occurrence.</p> <p>Schools will have access to RAMIS for managing Statutory Obligations but this will be for monitoring only. H&amp;S will own the data and RAMIS and Property Services will act as the contractor. Where schools are using their own appointed contractors, H&amp;S officers will upload data but only after independently checking that the correct inspections and repairs have been carried out.</p> <p>Head teachers have met with H&amp;S and are very supportive of the new service.</p>
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			<p>Focus has been on schools for the right reasons. Now the Council needs to widen its activities and look at Parks, Communities and the operational Estate.</p> <p>Control over the commissioning of all building and property related works needs to be strengthened and widened to include the entire Corporate Estate. It is equally important that rigorous controls are in place to ensure that this new regime is sustainable. Further improvements in Building Services service provision needs to be made to encourage all directorates, and schools, into the Service Level Agreement.</p>
SR 4	Review: Schools Organisation and Planning	<p>We recommend that the relationship between the Schools Organisation and Planning (SOP) team and Building Services is reviewed to clarify the responsibility and accountability for and control of the commissioning of buildings and construction / maintenance / Statutory Obligations work, particularly under Construction Design and Management (CDM) regulations and to establish better record keeping within RAMIS and communication between departments.</p>	<p><b>Status:</b> The focus on commissioning of works prioritisation has improved with the Schools Asset Management Group considering the maintenance needs of schools and this is also the main conduit for all school capital spending building requests.</p> <p>Schools however, still have delegated budgets and are not obliged to utilise in-house services which remains a challenge for the Council.</p> <p><b>Comment:</b></p> <p>The new Property Governance structure has increased visibility and control of construction / maintenance and statutory obligations and the commissioning of works. Checks are now in place to control commissioning and authorisation of works on schools. Whilst budgets are Top Sliced for testing and inspection for the Top Five statutory obligations, remedial work is still the responsibility of the or Education, but the data is kept in RAMIS for monitoring purposes.</p> <p>The Asset Management Board considers the maintenance needs of schools and is the main conduit of all school building requests. A programme of agreed works is monitored by the board. Whereas SOP officers previously had autonomy to recommend, authorise or commission works, checks are</p>

			<p>now in place as to who is authorised to commission works along with enhanced control of financial actions and works are prioritised according to Health &amp; Safety matters. Whilst infringements have occurred, these have been quickly dealt with.</p> <p>While there is enhanced monitoring of money going out to schools under delegated budgets, schools can still spend with non-approved contractors and there is still no control over this spend. Money granted to the schools is managed by the Council not the school and so control here is tighter.</p> <p>Significantly, the new schools programme under 21<sup>st</sup> Century Schools Band B funding, is subject to a proposed new procedure whereby once delivered, new schools are handed to the Estate and then maintained and managed under Corporate Landlord.</p> <p>These changes need to be communicated to the Property Services team so that the correct authorisation channels are in place and recognised. It is also noted that under Corporate Landlord a system of Permits to Work is being introduced but the resources plan to deliver this has not been completed yet. It is however, part of the Corporate Landlord change programme and Target Operating Model. It is equally important that rigorous controls are in place to ensure that this new regime is sustainable. Further clarity and communication is required to ensure compliance with procedures.</p>
<p><b>SR 5</b></p>	<p><b>Review: Project, Design and Development (PDD)</b></p>	<p>We recommend that the relationship between PDD and Building Services is reviewed to clarify the responsibility and accountability for and control of the commissioning of buildings and construction / maintenance / Statutory Obligations work, particularly under Construction</p>	<p><b>Status:</b> It is recognised that PDD needs to be “repurposed” and a restructure of this function is pending.</p> <p><b>Comment:</b> The relationship with SOP and other key clients needs to be repositioned in order to see what that new demand looks like. The timelines however need to be considered in terms of what controls are in place on the commissioning of works until such time as these changes come into effect. We would recommend that immediate visibility of workload and project requests is obtained.</p>

		<p>Design and Management (CDM) regulations and to establish better record keeping in RAMIS and communication between departments. This review under SR4 and SR5 would then align Building Services, PDD, SOP and Estates in the design and commissioning of buildings and building works, increasing co-ordination between departments and provide a coordinated approach to the Estate.</p>	<p>PDD should be stopped from commissioning works without going through Corporate Landlord.</p> <p>One of the main areas of concern in our initial report was the lack of co-ordination, visibility, competence and control in the commissioning of building works and the subsequent visibility and management of Statutory Obligations particularly between Building Services, SOP and PDD. The changes proposed relating to SR4 along with SR1 and SR3 will, together with a review of PDD, when fully implemented, enhance the safeguards to mitigate risks observed previously. With the work undertaken in SR4, this should provide further visibility of the existing estate and manage the estate moving forward.</p>
SR 6	Corporate Landlord Programme	<p><b>The Corporate Landlord project considers the wider context of central visibility and management of the estate to enhance decision making and compliance – this should include renting / subletting and hiring of property.</b></p>	<p><b>Status:</b> The corporate landlord project should deliver a safer, more assured position with regards to the Council’s estate. It is progressing. However, it is a large project to implement.</p> <p>A new Schools SLA has been issued and a new Handbook outlining the respective duties and responsibilities of the Corporate Landlord / Council and building users (including schools) under a new Occupancy Agreement, which includes provisions for a Permit to Work – which is intended to control all works undertaken on the Council Estate irrespective of the user.</p> <p><b>Comment:</b> It is critical that during the implementation phase until Corporate Landlord is fully functional, the Council fully communicates new procedures and controls and ensures they are properly enforced to prevent new risks arising in Statutory Obligations and the commissioning of building works.</p>

		<p><b>NEW RECOMMENDATION:</b></p> <p><b>SR 6.1 Vision:</b> The Corporate Landlord project could incorporate a “Purpose” incorporating the following key themes; Meeting statutory obligations, Aligning property priorities to service delivery outcomes, Smaller and better-quality estate, Optimising asset performance.</p> <p><b>SR 6.2 Carbon reduction:</b> The Council needs a clear and strategic approach to energy and water arrangements across its assets.</p>	<p><b>We suggest the inclusion of a Corporate Asset Management Group within the new Property Governance structure covering the capital and revenue budgets to balance the Schools Asset Management Group and Communities Asset Management Group.</b></p> <p><b>Status:</b> Vision is completed – communication in progress.</p> <p>Corporate Landlord is part of the Capital Ambition Delivery Board under Property and Assets.</p> <p><b>Comment:</b> At the time of our report in 2017, there were a number of departments commissioning work on buildings across the Council estate and an initial proposal for a Corporate Landlord function to draw these strands together.</p> <p>The Asset Management Strategy was reviewed and Reinforced in February.</p> <p>Corporate Landlord is to be included in a Cabinet paper in April 2018. Communication is progressing.</p> <p><b>We recommend that a Communications Plan for delivering that vision to the wider Council and stakeholders is developed and implemented.</b></p> <p><b>Status:</b> There has been limited progress on this recommendation.</p> <p><b>Comment:</b> Carbon Reduction needs to become a priority for the Council across the estate to comply with legislation, good practice and bring the commissioning of energy management projects under stricter Statutory Obligations and building control.</p>
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		<p><b>New Recommendation</b></p> <p><b>SR 6.3 Building Information Modelling (BIM):</b>  Implementing BIM as a standard requirement for all new build and substantial refurbishments would drive significant operational efficiencies and help to populate and manage the RAMIS system currently being introduced.</p>	<p>The Council’s vision is Fewer Better Buildings but data gathered through Carbon Culture is used to inform Keep, Treat or Dispose discussions only rather than forward planning on Carbon Commitments and better buildings.</p> <p>Whilst initiatives are happening these seem to be isolated and there are instances where energy management projects are or have been commissioned in isolation and have led to subsequent challenges in visibility, operation, maintenance and compliance.</p> <p>Carbon reduction and Energy Management needs to be brought into the remit of Corporate Landlord but in the period until Corporate Landlord is effectively implemented a review of how these projects are commissioned and authorised needs to be undertaken with appropriate control mechanisms put in place.</p> <p><b>We recommend that commissioning of all Energy related projects should be approved through Corporate Landlord</b></p> <p><b>Status:</b> BIM is starting to be utilised.</p> <p><b>Comment:</b> The new schools being designed and built under Band A and Band B funding should be subject to BIM. The Council should consider this a requirement for contractors tendering for schools projects.</p> <p>There are economic and environmental benefits from BIM for the whole asset cycle from concept through design, construction and the life of the asset. This would provide significant data for the maintenance and compliance of new assets and significant changes / refurbishments for the Council.</p>
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		<p><b>SR 6.4 Statutory Obligations Team:</b></p> <p><b>UPDATED RECOMMENDATION:</b> We recommend a stand-alone Statutory Obligations Compliance team within Facilities management with a stand-alone Statutory Obligations Framework with a remit to manage all Statutory Obligations not only the “Big Five” AND THAT THIS TEAM SUPPORTS THE ENTIRE COUNCIL ESTATE.</p>	<p>CAD drawings are being updated for all buildings over a three-year period during Fire Risk Assessments and are to be held on RAMIS.</p> <p><b>Status:</b> A stand-alone base funded Statutory Obligations team is proposed under the current restructuring of Building Services. This team is likely to be formed within the next 3 months. The new Statutory Obligations Framework is due to be issued for Tender mid-February 2018 and to be operational by June 2018. At present control over Statutory Obligations covers schools as mentioned above and those parts of the corporate estate managed by Facilities Management / Building Services. There is limited visibility of budgets and remedials within Communities, Parks, City Operations and particularly Community Asset Transfers at this stage.</p> <p><b>Comment:</b> We recommend that there needs to be a single central commissioning portal for all Statutory Obligations across the estate to achieve economies of scale, value by volume, Financial and Value for Money scrutiny and ensure Competency of commissioning and hence compliance.</p> <p>Current Statutory Obligations testing is carried out amongst other works under the M&amp;E framework contract with Kier which expires at the end of March 2018. Temporary arrangements, prior to a long term contract through Tender expected this year, are expected to be in place. The risk is that these short-term arrangements will need to be carefully managed and monitored by the Stat Obs team. A Longer term contract would provide greater assurance.</p> <p>A fully resourced base funded Statutory Obligations team with a dedicated Statutory Obligations Framework has been agreed and is being implemented. However, we believe that the continuation of the current</p>
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			operation at an operational level with the issues identified under our Operational Recommendations relating, resources, management and transfer of data from the contractor, and visibility and recording of remedial works is a continuing risk to the Council.
SR 7	<b>Accountability, Responsibility, Control and Competence</b>	We recommend that all officers within the Council who have Accountability or Responsibility for Statutory Obligations and or Health and Safety matters are identified. These officers and their responsibilities should be recorded on a register along with the required minimum standards for their responsibilities and a record of their training / competence against that standard.	<p><b>Status:</b> All Duty Holders for Buildings have been identified and recorded and their accountability established. A training package on their responsibilities is complete and is being rolled out.</p> <p>It should be noted however, that it was suggested that Corporate Landlord may change some of these responsibilities – Legionella and Asbestos for example.</p> <p>Duty Holders will have compulsory training and offered support for other training where required.</p> <p><b>Comment:</b> This identification needs to be tied into a record of existing training and competency and the training package identified and rolled out as soon as possible.</p> <p>It is not clear at the moment whether the record of Responsible Persons also includes qualifications and competencies of these individuals and so full risk mitigation cannot be achieved until these are properly recorded and the full training package delivered.</p> <p>It is critical that these records and the training requirements attached to these roles are properly monitored and maintained to ensure continued safety and compliance. There needs to be a co-ordinated approach with SR8 which to date has not been initiated.</p>

<p><b>SR 8</b></p>	<p><b>HR – Recruitment and appointing personnel to roles</b></p>	<p>All job descriptions must identify responsibilities for Statutory Obligations and Health and Safety and set minimum standards for potential candidates and appointees in those roles along with recommended training to attain best practice.</p>	<p><b>Status:</b> In progress.</p> <p><b>Comment:</b> No formalised process is in place. This recommendation needs to be progressed in order to safeguard the Council for future appointments to ensure competency and compliance and mitigate risk and to co-ordinate with SR7 above.</p> <p>There needs to be an acceleration in recruitment to fill the gaps in property services and Health and Safety to support the wider estate otherwise gaps and risks remain.</p> <p>This recommendation also applies to the appointment of individuals with responsibilities in schools (Head Teachers or Estates personnel) whether they are within the Service Level Agreement or not. Screening individuals or assisting Schools to appoint the appropriately qualified staff will reduce the risks of non-compliance previously reported and which generated this recommendation. The example of Eastern High where the Council worked through the Person Specification with the school for a Duty Holder and this Job Description was subsequently adopted for appointments at Fitzalan School and Willows School is a good example of who this is working.</p> <p>We suggest that this recommendation is progressed further.</p>
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<p><b>SR 9</b></p>	<p><b>Finance: Visibility and Clarity of Budgets and Control</b></p>	<p>We recommend that all budgets and associated control points for all budgets relating to maintenance, Statutory Obligations and capital works which impact on Corporate Landlord, Property generally, Health and Safety and Compliance are identified and mapped out to provide visibility and transparency for service users and Corporate Landlord.</p>	<p><b>Status:</b> All budgets have been identified and mapped out as part of the development of the Corporate Landlord project but there is only visibility on actual spend of 50% of corporate estate.</p> <p><b>Comment:</b> Whilst budgets have been mapped there is not full control of the budgets for the corporate estate or schools on Statutory Obligations (outside the Top Sliced budget for the Top 5). This visibility needs to be enhanced and the appropriate controls put in place. Statutory Obligations testing for Schools has been top sliced but the cost of and decision to undertake remedial works still lies with Schools which remains a risk given tight budgets and priorities.</p> <p>This risk however should be mitigated with the proposed H&amp;S Schools team although it is not clear whether these Officers will have the power to force schools to spend their delegated budgets on remedial works. This needs to be clarified and the powers of the H&amp;S team confirmed and communicated.</p>
<p><b>SR 10</b></p>	<p><b>Framework Management and Control</b></p>	<p>We recommend that contract management of the current Frameworks for Building Services is significantly improved as a matter of urgency to improve the service and influence internal clients, especially schools, to utilise those services rather than external unregulated contractors. We have to recognise that the perception of poor service and high prices / low value for money is real and is driving adverse behaviours thereby creating risk for the Council.</p>	<p><b>Status:</b> There is now a more proactive approach to management of Framework contracts and contractors at an operational level. Whilst some progress has been made, there is however, little engagement with the contractors at senior management level.</p> <p><b>Comment:</b> The work with Building Services is to enhance its ability to manage contracts to achieve better service and value but this is a progressive approach and more needs to be done to maximise value and service from the new contracts. The new structure is being designed to do this but it needs to be recruited. Individuals and Managers are being coached to improve the monitoring and performance of the internal DLO, contractors and frameworks, in particular Materials Frameworks, drive value for money, quality and service performance / customer service.</p> <p>Building Services has been heavily involved in the design of the 2<sup>nd</sup> Generation Frameworks and Statutory Obligations Framework – this will</p>

		<p><b>New Recommendation</b></p>	<p>give the service greater “ownership” of the frameworks and lead to better management.</p> <p>Whilst on materials, co-ordination has been initiated between Building Services and CMS, more work needs to be done in the co-ordination and management of Materials Framework Contracts.</p> <p>Generally, too much is being expected of the current resources of Building Services operational team to manage contracts and contractors at both operational and strategic levels and this needs to be addressed to further progress driving value and service provision.</p> <p>The service needs more contract managers who are dedicated to contract management and they should not be designated as income generators.</p> <p>It is clear that the OM level senior manager interface is missing and this needs to be strengthened as soon as possible.</p> <p><b>We recommend that a Relationship Hierarchy is developed with all Contractors to create relationships at senior and strategic, as well as operational levels.</b></p>
<p><b>SR 11</b></p>	<p><b>Social Value</b></p>	<p>The Council should develop a Social Value Impact metric to capture and develop its Social Value Impact and create opportunities for economic and social development across the City.</p> <p>This is not a critical issue but could demonstrate significant economic and social development</p>	<p><b>Status:</b> There are proposals for a socially responsible Procurement Board to draw together all Social Value activities across the Council.</p> <p><b>Comment:</b> There will be a socially responsible Procurement Board with representatives from across key Council directorates where positive supply chain activity can be communicated and new opportunities sign posted, helping contractors to deliver on their contractual Community Benefits commitments.</p>

		<p>being driven by Cardiff City Council and should be developed over the next 12 months.</p>	<p>An Apprenticeship scheme has been initiated and the new Frameworks being considered are being designed to enhance SME participation. It should be noted that under changes in Framework Management within Building Services, the social value created under these contracts and reported using the Welsh Government Community Benefits Tool is now being captured for some contractors.</p> <p>Whilst this is not a critical issue, the Council should maintain momentum towards establishing a metric and better capture of data. There are advantages in that it not only drives economic and social viability, but the dissemination of this data could encourage more service departments and schools to understand the value of using in-house services for economic and social development across the City and Region.</p>
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## **Appendix 1 - Strategic Observations from 2017 Report**

At a Strategic Level, our primary observation is that the Council is on a journey of improvement whereby the Council's Property Portfolio is now increasingly being seen as an asset of the Council in terms of an enabler of service provision, to Customers, Service Divisions or the users of services within the Council's area of operation. Each service area has different demands and needs from the portfolio but these have not been considered in designing or delivering the portfolio as an enabler of service. The past has seen limited customer focus in terms of portfolio delivery and a substantial underinvestment in maintenance resulting in an estimated £100 million maintenance backlog driven by conflicting and often mutually incompatible demands. These demands have undermined customer focus and it has been manifest in service divisions, particularly schools, seeking assistance and solutions elsewhere out with Council control further exacerbating the situation. A significant opportunity for improvement is the transfer of Estates and Facilities Management to the Economic Development Directorate, the development of a corporate asset management strategy and Corporate Landlord Model. There is the opportunity to create a significant shift in perception and purpose of Corporate Landlord with a focus on individual Customer Service, accountability and control.

A second, but critical, strategic observation is that an improvement has been made at corporate level, whereby the previous arrangement where all principle factors of risk and control with regards to both Statutory Obligations and Health & Safety (Estates, Property Services Department / Facilities Management, Health & Safety, Finance, Risk Management and the appointment of competent personnel by Human Resources), and the impact on the portfolio as an enabler of services and hence its operational delivery were managed under a single directorate with conflicting demands which represented a significant ongoing risk to the Council. This is being addressed through the transfer of Estates and Facilities Management to the Economic Development Directorate and also through ongoing work on the Corporate Landlord Model. Nevertheless, governance and assurance of these critical issues from an executive level still need strengthening and will form part of our core recommendations.

Thirdly, there is ongoing work to address the challenge of accountability for Statutory Obligations and Health and Safety having been divorced from responsibility, operational management and budgetary control with increasing delegation resulting in loss of competence, control and visibility of risk associated with these critical elements of the portfolio. This had been further compounded by a lack of clarity as to the responsibility for obligations and the appointment of individuals to positions of responsibility without the competence, knowledge or understanding of those responsibilities. This is again being addressed through the transfer of Estates and Facilities Management to the Economic Development Directorate and also through ongoing work on the Corporate Landlord Model. A programme of budget review, education, communication and review of personnel would be a valuable addition to these initiatives.

Fourthly, in financial terms, budgetary constraints allied to reduction in staff levels in key areas have further eroded capability, visibility and control for Statutory Obligations and Health and Safety. The complexity of budgets and budget holders has led to confusion over

visibility, ownership and authorisation of resources. The current programme towards Corporate Landlord will provide greater visibility of budgets and allocation thereof. If a programme of identification of needs, resources and prioritisation of needs in the portfolio, allied to capability was undertaken then this would enhance that programme.

Fifthly, budgetary constraints have reduced the ability of the Council to invest in Depreciation Budgets for all assets to ensure either compliance or replacement of assets. Establishing a depreciation model as part of the Corporate Landlord model would strengthen the overall improvement in performance.

Sixthly, Health and Safety in general, as covered under the Health and Safety at Work Act and subsequent legislation, starts with the individual. There are concerns that Health & Safety does not have the prominence within the Council that is required to ensure compliance with legislation or good practice. This has not been helped by a gradual reduction in the central Health and Safety function in the Council again driven by budgetary constraints, leaving the current situation where this critical function is under resourced and the Council exposed. A clear programme of Health & Safety leadership, training, education and communication is needed to enhance the prominence of this critical risk across the Council.

Finally, auditing, recording, monitoring and reporting of Statutory Obligations and Health and Safety can be improved to ensure visibility of compliance at corporate level to reduce risk exposure. The introduction of the RAMIS Estate Management System, allied to the Corporate Landlord model, will significantly improve this situation.

In summary, at a strategic level:

- Increase visibility of the Property Portfolio as a corporate asset and service enabler
- Absolute clarity in key areas of risk and the management, mitigation, visibility and reporting thereof under a single point of control and communicated properly
- Absolute clarity in accountability, responsibility, competence and control and effective communication thereof
- Overcome the complexity of financial resources, financial constraints and drivers for cost savings and lack of resources being channeled correctly into reinvestment and preventative activities
- Investment in a Health and Safety in property management, buildings and operations, creating a culture where Health and Safety is accepted and embraced as part of everyone's role.
- Governance and Assurance: Enhance visibility, control and assurance at senior management level in Health and Safety, Compliance and Regulations.

## Appendix 2 – Draft Property Governance

