

## **Minutes of the Best Value Performance Review Committee**

**17<sup>th</sup> May, 2004 at 2.00 p.m.**  
**at the Fire Service Headquarters, Birmingham**

**Present:** Councillor Stone (Chair);  
Councillor Hartley (Vice-Chair);  
Councillor Hogarth, Singh (substitute for Councillor King) and Wallace.

**Apologies:** Councillors Betteridge, Byron and King.

### 5/04 **Minutes**

**Resolved** that the minutes of the meeting held on 16<sup>th</sup> January, 2004 be confirmed as a correct record.

### 6/04 **Best Value Review (BVR) of Property Management**

The Committee considered a report seeking approval for the recommendations and targets arising from the Best Value Review of Property Management.

The Committee noted the background, scope, process and the specific results and recommendations arising from the review. The review had resulted in three main recommendations as follows:-

- (a) to produce a strategic property management policy;
- (b) to set up contracts by way of tender for the procurement of services
- (c) to develop performance indicators for the Brigade and suppliers

**Resolved** that that the recommendations and targets in the Best Value Review of Property Management, as set out in the Appendix, be approved.

### 7/04 **Best Value Reviews – Implementation Progress**

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Further to Minute No.2/04 the Committee considered a report on the progress made towards implementing the Best Value Reviews of Employment Services and Litigation, Procurement, Information and Communication Technology (ICT) and Principal Management.

Members considered the detailed progress of each Best Value Review with regards to target dates, progress made to date, evidence of progress, barriers blocking progress and action taken to overcome those barriers.

### **Resolved:-**

- (1) that the progress made toward the implementation of the Best Value Reviews be noted;
- (2) that a further report on outstanding issues for the Best Value Reviews be submitted to a future meeting.

8/04

### **Performance Management – Statistical Indicators**

The Committee received a report on the outcome of performance of the Authority against the targets set in the Authority's Best Value Performance Plan for 2003/2004.

Officers gave a presentation on the performance of the Brigade against the Best Value Performance Indicators and the Local Indicators in the 2003/2004 Best Value Performance Plan.

Regarding the number of false alarms, in particular those from automatic fire alarms, Officers indicated that in 2002/2003 the West Midlands Fire and Civil Defence Authority had been the best performing when compared to other Metropolitan Authorities. It was stressed that the problem of false alarms was one that affected all Authorities.

Particular emphasis was paid to the success in meeting targets for accidental dwelling fires; injuries and fire deaths resulting from such fires. The latter figure of just 14 deaths, arising from accidental fires in the home, being the lowest ever recorded figure in the history of the West Midland Fire Service. The Chief Officer paid tribute to the hard work of all his employees in achieving this notable success.

The Committee noted the performance of the Authority against the Indicators set out in the Best Value Performance Plan for the

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2003/2004 financial year.

(Meeting ended at 2.50 p.m.)

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<b>Recommendation 1</b>	Produce a Strategic Property Management Policy.
<b>Lead Officer</b>	Estates Manager.
<b>Action Required</b>	<ul style="list-style-type: none"> <li>a) Produce a Property Management Strategy.</li> <li>b) Re-visit and revise the Asset Management Plan based on the existing asset register and include condition surveys.</li> <li>c) Produce a 3 year Capital Plan.</li> <li>d) Produce a 3 year Planned Revenue Programme.</li> <li>e) Produce an Annual Maintenance Programme.</li> <li>f) Improved protocols for the use of the Minor Modifications Budget.</li> </ul>
<b>Milestone</b>	<ul style="list-style-type: none"> <li>a) <b>Strategy:</b> <ul style="list-style-type: none"> <li>(i) Estates management team to meet by 18<sup>th</sup> June 2004 to agree contents of strategy.</li> <li>(ii) Final strategy produced by 16<sup>th</sup> July by Estates in conjunction with Corporate Board by end of July 2004.</li> </ul> </li> <li>b) <b>Asset Management Plan:</b> <ul style="list-style-type: none"> <li>(i) Estates to determine revised contents of plan by 16<sup>th</sup> July 2004.</li> <li>(ii) Revised plan contents to Corporate Board by end July 2004.</li> <li>(iii) Revised plan produced by end December 2004.</li> <li>(iv) plan continuously updated.</li> </ul> </li> <li>c) <b>3 year Capital Plan:</b> <ul style="list-style-type: none"> <li>(i) Prepare based on condition surveys and corporate strategy by end of December 2004.</li> </ul> </li> <li>d) <b>3 year Revenue Plan:</b> <ul style="list-style-type: none"> <li>(i) Prepare based on condition surveys, corporate strategy and capital plan by end of December 2004.</li> </ul> </li> <li>e) <b>Annual Maintenance Programme:</b> <ul style="list-style-type: none"> <li>(i) Produce by end December 2004 (linked into Asset Management Plan).</li> </ul> </li> <li>f) <b>Improved Protocols:</b> <ul style="list-style-type: none"> <li>(i) Operational following approval of CB strategy – in place by end of July 2004.</li> </ul> </li> </ul>
<b>Target</b>	Policy in place by end of January 2005.
<b>Impact</b>	<p>Allows more effective strategic and long-term planning to take place. Profile raised of Property Management and due recognition given to its strategic importance. Will enable the justification and prioritisation of all works using a consistent methodology. There will be a clear and transparent method for identifying works.</p> <p>A condition survey will exist for every property that is no more</p>

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than two years old. Better use of Brigade resources. Flexibility increased by having appropriate plans in place. Having a published long-term strategy will allow the appropriateness of Private Finance Initiative (PFI) schemes to be properly assessed – this will be aided by horizon-scanning. Allows for effective budgetary planning as demanded by the forthcoming Comprehensive Performance Assessment (CPA) regime. Ensures money spent where most required. Reflects good practice of other organisations. Reflects the guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) on public spending protocols.

**Financial Implications**     None.

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**Recommendation 2**      Set up Contracts by way of tender for the Procurement of Services.

**Lead Officer**              Estates Manager

**Action Required**

- a)      Term consultants for capital works/major revenue projects.
- b)      Term contractors for routine maintenance/condition surveys.
- c)      Responsive works undertaken partly by contractors and partly by the Maintenance Assistants.
- d)      Develop schedule of rates.
- e)      Portable Appliance Testing (PAT) to be outsourced (sampling carried out in-house).
- f)      Development of Quality Matrix to properly assess all above contracts.

In the above actions concerning the procurement of services the Procurement Officer will be closely involved.

**Milestone**

- a)      **Term consultants**  
partnerships/contracts in place to allow work to commence under term consultancy by 1<sup>st</sup> April 2005.
- b)      **Term contracts**  
partnerships/contracts in place to allow work to commence under term contracts by 1<sup>st</sup> April 2005.
- c)      **Responsive works**
  - (i)      define and clarify roles and responsibilities and determine level of work for outsourcing.
  - (ii)     contracts in place to allow work to commence by 1<sup>st</sup> April 2005.
- d)      **Schedule of rates**  
developed by end March 2005 to tie in with (c).
- e)      **PAT testing**  
contract in place to allow work to commence by 1<sup>st</sup> April 2005.
- f)      **Quality matrix**  
this is the cornerstone of the selection process for all contracts. Therefore it will need to be fully developed prior to undertaking the tendering process by end of September 2004.

**Target**                      All contracts will commence from 1<sup>st</sup> April 2005.

**Impact**

There will be a move away from the traditional local authority provided SLA for construction related services. All services will be procured in a way that reflects the Central Government thinking outlined in the Egan document 'Rethinking Construction' i.e. development of effective measurable partnerships. This will include all capital, maintenance and responsive works. Evidence gathered confirms that services procured as outlined above will produce significant cost savings, be more timely and improve the quality of service across the board. The selection of these will also be by way of a consistent quality methodology rather than

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purely being the lowest cost tender. Routine maintenance contracts, responsive works contracts and condition surveys will also be selected by use of the matrix. The Property Management function will have complete control over the selection and de-selection of contractors and consultants. There will be more flexibility in the way contracts are set up, with opportunities for extension if performance is deemed satisfactory. Longer contracts for service providers who deliver also makes Fire Service work more desirable – this then acts as a further incentive to deliver timely/quality work throughout the whole period of the contract. Responsive works carried out by way of contract will be based on an industry-standard schedule of rates (based on hourly rates). This will ensure compliance with the Internal Audit recommendation from the last review of the Section in 1999.

More monitoring and checking will be undertaken by the Estates' surveyors to ensure standards are maintained. These will be carried out in the main during regular scheduled visits and will be a key area in the new system in determining the quality of the work supplied.

The outsourcing of the PAT testing will partly transfer the risk to an outside organisation and build on the recognised skills and expertise of the Maintenance Assistants. There will be more flexibility in respect of responsive works and the quality will improve. Also, the cost of externalising PAT testing will be offset by the savings made by carrying out more work in-house rather than by way of contractors.

### **Financial Implications**

- a) Capital works – 8.3% saving when moving away from traditional SLA. On a budget of £2.2M (outturn 2002/03) this offers a saving of £182,600.
- cde) Responsive works – outsourcing PAT testing. Cost implications of around £11K.  
However, at present MAs spend around 1/3 of their time PAT testing. Outsourcing this will allow them to carry out around half as many responsive maintenance works again as they currently do. The savings made by carrying out these works in-house rather than paying a contractor to do them will offset the cost of outsourcing the PAT testing.
- abce) In addition to the savings detailed above, evidence gathered during the review demonstrates that an organisation can expect savings across their capital and revenue budgets of on average 10% when adopting the principles of 'Rethinking Construction'. This will be by way of reductions in tendering costs, through continuous improvement, lower percentage fees, savings in staff time, improved productivity etc.

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<b>Recommendation 3</b>	Develop Performance Indicators for the Brigade and Suppliers.
<b>Lead Officer</b>	Estates Manager
<b>Action Required</b>	<ul style="list-style-type: none"><li>a) Identify areas for indicators.</li><li>b) Explore 'the market' to determine suitable indicators and benchmarks.</li><li>c) Develop internal indicators that are SMARTIE (Specific, Measurable, Achievable, Realistic, Timely, Intelligent and Environmentally-aware).</li><li>d) Develop indicators for external suppliers that are SMARTIE.</li><li>e) Determine appropriate standards in order that satisfactory performance or otherwise can be measured and acted upon.</li><li>f) Incorporate indicators into contracts and quality matrix.</li><li>g) Review and amend indicators on an annual basis to drive up standards.</li></ul>
<b>Milestone</b>	<ul style="list-style-type: none"><li>a-f) Need to develop indicators to feed into quality matrix selection process. Quality matrix needs to be fully in place by September 2004, therefore develop these by end of August 2004.</li><li>g) On-going. First Review August 2005.</li></ul>
<b>Target</b>	31 <sup>st</sup> August 2004
<b>Impact</b>	Consistent, transparent, auditable methodology for measuring the performance of service providers and internal staff and for the awarding and extension of contracts. Consultants and contractors poor performance will lead to the termination of contracts. Will act as a driver for the maintenance and improvement of standards. Will be a tangible way of being able to measure whether continuous improvement is taking place. Enable effective comparison with others.
<b>Financial Implications</b>	None.



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