

MANCHESTER CITY COUNCIL

REPORT FOR RESOLUTION

COMMITTEE: EXECUTIVE COMMITTEE

DATE: 15TH MARCH, 2006 PART: B

**SUBJECT: MANCHESTER ENGINEERING DESIGN CONSULTANCY
BUSINESS PLAN 2006/07**

REPORT OF: HEAD OF ENGINEERING SERVICES

PURPOSE OF REPORT

To explain the activities and aims of Manchester Engineering Design Consultancy and to seek approval of the 2006/07 Business Plan.

RECOMMENDATIONS

That the Committee approve the Business Plan for Manchester Engineering Design Consultancy for 2006/07.

FINANCIAL CONSEQUENCES FOR THE REVENUE BUDGET

There are no financial consequences for the revenue budget.

FINANCIAL CONSEQUENCES FOR THE CAPITAL BUDGET

There are no financial consequences for the capital budget.

CONTACT OFFICERS

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BACKGROUND DOCUMENTS

Previous Report to Executive Committee on 16 March 2005

WARDS AFFECTED

All

IMPLICATIONS FOR

Employment	Anti-Poverty	Equal Opportunities	Environment
Yes	No	No	Yes

1 INTRODUCTION

- 1.1 This business plan is the strategy document which sets out the aims of Manchester Engineering Design Consultancy (MEDC) in delivering engineering and landscape services for the City Council and for other bodies providing services in Manchester.
- 1.2 The plan identifies the key objectives for 2006/07 together with the key changes to human and financial resources and business systems which will assist MEDC to achieve the objectives.
- 1.3 Separate but related Regeneration and Engineering Management Action Plans set out the objectives and targets related to the delivery of engineering services to residents, businesses and visitors to Manchester.

2 BUSINESS AIMS AND OBJECTIVES

- 2.1 Within the overarching City Council's Vision, Engineering Services' mission is to deliver quality highway, transport and urban design services by working in partnership with others to develop sustainable communities in Manchester.

- 2.2 MEDC's medium term aims are to: -

Successfully acquire work where the consultancy can play a key role in the economic, social and physical regeneration of Manchester.

Continuously improve the quality and cost effectiveness of engineering and landscape architect service delivery.

Continue to develop, with equality of opportunity, the skills, flexibility and motivation of its staff.

With public and private sector partners, to develop procurement strategies and project management capabilities which deliver best value

- 2.3 Over the next year MEDC's key objectives in working towards these aims are to: -

Conclude the Service Improvement Project covering all highway services carried out by Transport Policy, Engineering Services and Technical Services and establish more effective and efficient project and service delivery teams.

Work with transport policy, housing, education, ward coordination and regeneration teams to develop sustainable transport and landscape plans.

Maintain and improve a diverse range of skills and experience within MEDC.

Introduce new quality systems management to ensure compliance with policies and procedures and to support the development of document management, e-government and links with Corporate Pathfinder projects.

3 REVIEW OF CURRENT YEAR'S PERFORMANCE

- 3.1 MEDC has made a trading surplus of just over 1% for the previous eight years and it is expected that a further modest profit will be made in 2005/06.
- 3.2 The Local Transport Plan, South East Manchester Multi Modal Study (SEMMMS), Quality Bus Corridors and Regeneration, Education and Housing activities continue to provide a large programme of work for the engineering consultancy.
- 3.3 Preparatory work on the SEMMMS Major Road scheme, from the M56 – Airport slip road to the City's boundary with Cheshire, has continued throughout the year.
- 3.4 The Urban Solutions partnership, which includes the private sector and MEDC's Landscape Architects and Engineers, has continued to successfully implement a variety of regeneration public realm projects.
- 3.5 MEDC's Landscape Architects have delivered a wide range of projects for Housing, Education, Social Services and Leisure and led on a number of environmental improvement schemes. They have also provided a significant advice service for Planning Development Control.
- 3.6 MEDC and its partners continue to receive awards for their urban design work; The most recent being an Urban Design Award, sponsored by the Office of the Deputy Prime Minister and given by the Civic Trust for the Millennium Quarter.
- 3.7 The continuing high level of design work has been delivered by utilising both in-house resources and private sector consultants. The seven year framework contract with two private sector consultants is proving to be a success with approximately 25% of the design work being carried out by the framework consultants. Additional services in relation to Landscape design and Planning Supervisor have been added to their commissions.
- 3.8 MEDC has played a key role in the Service Improvement Project for Highway Services which started during the year and will continue towards implementation during 2006/07. Significant efficiency savings are expected from this review.
- 3.9 The previous year's report to Executive Committee drew attention to the difficult trading being faced by the specialist groups of Materials Testing and Acoustics. The Materials Testing service maintained its viability during the year but the situation in relation to Acoustics continued to decline and the service was officially closed and the two staff were made supernumerary. The future of Materials Testing will be considered again during 2006/07.

4 PROSPECTS FOR THE COMING YEAR

- 4.1 Projects associated with the local transport plan, bus corridors and the City's regeneration and renewal strategies will continue to provide a high level of work for MEDC and its partners over the next year. Combined with the SEMMMS programme, the DfT funded Neighbourhood Road Safety Initiative and the Transport Thematic Partnership's safety projects, the workload will be slightly reduced but will continue to require the support of the framework consultants throughout 2006/07. This is reflected in the Business Plan financial targets and proposed expenditure which for the first time includes provision for 20 consultants' staff within the business plan figures.
- 4.2 The Landscape Practice Group's traditional core business of major housing and education projects will continue to reduce in 2006/7. However it will be replaced in part by Housing Market Renewal projects and by providing a client enabling service for schemes procured via framework consultants and an advisory role for work procured via PFI or PPP. Additionally the workload related to highway, regeneration, leisure, social services, corporate property and planning continues to expand and provide new opportunities.
- 4.3 In order to provide value for money and to continue to win work in a competitive market, it is proposed to minimise MEDC's charges to clients and set a modest working target of surplus of income over expenditure. It is proposed to aim for a nominal 1.5% (£105,146) profit this year, as indicated in the attached Appendix.

5 HUMAN RESOURCE IMPLICATIONS

- 5.1 The introduction of the new framework contract for engineering consultants to supplement the core staffing establishment of MEDC has proceeded well in this last year and in addition to covering peaks in workload has been used to cover vacancies until permanent staff can be recruited.
- 5.2 The flexible working scheme introduced for Engineering Services in 2003/04 continues to be well received by staff. It provides flexible service delivery and is an attraction for new recruits. The second annual lunch time event for staff to recognise their achievements over 2005/06, under the auspices of the corporate Rewards and Recognition programme, was held in January 2006 and was very well received. A further innovation during the year was to introduce a Suggestion Scheme.
- 5.3 In conjunction with the corporate capital project director the project management capability of MEDC has been enhanced over the last year by introducing improved practices and appointing a private sector consultant to assist with the management of the various programmes of work.
- 5.4 Better external and internal communications have been introduced during 2005/06 and regular internal training and briefing sessions have been organised. The delivery of professional and technical training identified during

staff appraisals is managed via a Training Plan.

6 SUMMARY AND CONCLUSIONS

- 6.1 2005/06 has been another successful year for MEDC. A multitude of projects has been delivered, the City Council's regeneration, housing, education and transport objectives have been progressed and financial targets have been achieved.
- 6.2 Further improvements to service delivery are planned for 2006/07 which will enable the consultancy to continue to provide a quality service to the benefit of Manchester residents and businesses.

7 IMPLICATIONS FOR KEY COUNCIL POLICIES

Implementation of the Business Plan will assist the Council to deliver its regeneration and transport policies for the physical environment.

The longer-term employment prospects for the staff in the DSO are good as are the short to medium term prospects for the private sector framework consultants.