

TFM Queries from Strategic Property

Please note, if Members agree to proceed with the Amey/Cushman & Wakefield (C&W) proposal, questions relating to TUPE will be considered and responded to as part of a separate TUPE consultation.

1) You state in the consultation document that “the proposed saving comprises a reduction in one FTE within Strategic Property Services (£60,000)” When asked to clarify this at the consultation meeting you inferred that it resulted from the resignation of the Head of Strategic property. However, her MG 4 post appears to have been reallocated to the Client Unit (subject to evaluation of the post). If this is the case and the Client posts are to be newly created posts, in addition to the existing posts shown as being subject to TUPE transfer, please can you clarify how any saving can be made, and specifically how a £60,000 saving (reduction in one FTE) can be made without any redundancies? Does this mean that this post would transfer and then be engaged on non-Bromley work?

The reference to MG4 was just to highlight that a saving had been made. The client post is not the Head of Strategic Property post, but a newly created post. The new post will be advertised and may or may not be appointed internally. In the case of an internal appointment, the saving of £60k therefore would already have been made. Any further issues relating to staffing would be dealt with as part of any subsequent TUPE consultation.

2) You state that C&W will seek to generate a return by growing net investment income by a minimum of £1million (indexed) within three years. Please can you provide the assumptions made or factors that Cushman and Wakefield have taken into account in coming to this assessment. Have they identified the properties from which they consider the additional income can be achieved? We have previously provided a schedule that gives examples of properties where work already undertaken will result in increased income in the future – I attach a further copy for your convenience. Please can you confirm that none of this income will be credited to the new £1million income, as it will not result from any new initiatives introduced by C&W?

C&W’s commercial knowledge and experience will allow them to grow the next investment income by a minimum of £1m within 3 years. They are incentivised to achieve this through gaining a share of the additional income achieved. In particular they have put forward the following strategies:

- **re-shaping the investment portfolio to improve income returns and income growth prospects**
- **adopting a more commercial approach to managing rents**
- **adopting a more commercial approach to service charge recoveries (where applicable).**

The £1m is new income, separate from any additional increase where work already undertaken will result in increased income in the future.

Capacity issues within Strategic Property in the last 18 months have resulted in delays in delivering some key areas of work which will have impacted on our revenue income streams.

3) We understand that you are not currently able to give information about future office locations, but please can you advise whether C&W have specifically requested the use of office accommodation in the Civic Centre and, if so, how much accommodation they requested.

At this time we are unable to confirm this, this matter would be addressed during the TUPE consultation period and due diligence if Members agree to proceed with the Amey/ C&W proposal.

4) Please can you advise whether staff required to relocate to an alternative office would be entitled to payments to reflect their increased cost of travel. Has there been any discussion about which C&W office would be the new home of the service, and, if so, please can you advise which office has been selected?

This would be addressed as part of TUPE consultation if the contract is awarded to Amey/C & W.

5) Was there a requirement that, if the service is not to be located at the Civic Centre, alternative office provision had to be within a fixed distance of the Civic centre, as used to be the case with some services, e.g. previous Exchequer contracts?

No.

6) Do C&W provide the service that is proposed for Bromley to any other local authorities? If so, please can you advise which Councils currently employ them, or any that have done so in the past.

C&W have a range of experience in working with a number of public bodies.

7) How has the process already undertaken demonstrated best value? Why was the service not put out to competitive tender? In the absence of such a tendering exercise, how can you be confident that C&W offers the best mix of price and quality?

The Tri-Borough Framework went live on the 1st October 2013 following an extensive OJEU procurement process lasting eighteen months. It was estimated to have cost the Tri-Boroughs £1.1m. Expressions of interests were received from 143 organisations of which eleven submitted responses to the Pre-Qualification Questionnaire. From this, five shortlisted bidders were invited to participate in a two stage Competitive Dialogue process. Three of the Bidders were shortlisted and in May 2013 the Tri-Borough cabinets approved the award of the contract to Amey Community Limited for a ten year contract for the provision of hard and soft facilities management services across their estates.

This process tested value for money principles including the provision of investment in people and systems. The saving on the tendering costs, the ongoing revenue savings and the proposals on future income all show consideration of value for money factors.

8) Please can you advise where the ownership of the Council's property records will rest? We have a large number of paper files – will these be passed to C&W and, if so, will they subsequently be returned to the Council? Who will own the records of activities undertaken and correspondence relating to LBB's properties that arises while the contract is being performed by C&W? What will happen if the records are held in a format which is not compatible with LBB's systems?

LBB will retain ownership and we will specify what format records need to be returned in.

9) Does the saving identified from out-sourcing allow for the cost of the client unit?

Yes.

10) We have advised in the past that the baseline document which sets out our activities represents the work undertaken by the Division at the time it was prepared. Some of this work is predictable, on-going work which will continue throughout the life of the contract (e.g. rent reviews, lease renewals). However, in addition we undertake ad hoc projects in response to members' requirements and policies, and new areas of work emerge over time – such as the property work associated with Academy and Free Schools, which would not have featured in a “specification” or baseline document drafted say 5 years ago. The Division currently has to take on such work, prioritising and meeting Members' requirements, usually from existing resources and, therefore, at no additional cost to the Council. New areas of work that emerge over the contract period cannot, by definition, be identified in the specification. How will C&W be paid for such areas of work – will it be covered by the overall figure which we understand is currently proposed, or will such variations to the baseline document give rise to additional charges? If the latter, it might be that the saving quoted in the consultation document is not “guaranteed”.

The specification required of Amey will be the same as the scope of services currently provided.

11) Please confirm whether the baseline document produced by Strategic Property will be used or that produced by C&W. If the C&W version is to be used, can this be shared with staff in Strategic Property?

The specification required of Amey will be the same as the scope of services now. The specifications have been signed off by Heads of Service and are available from Heads of Service.

12) Has there been a “lessons learnt” exercise following the outsourcing of the Parks and Greenspace client function to TLG? If so, have any issues identified been taken into account in the TFM outsourcing proposals?

A review is always undertaken by the Commissioning Team when services are commissioned to see if there are any lessons to be learnt or if there are any examples of good practice.

13) How is it envisaged that the Transparency Agenda will be delivered?

The specification required of C&W will be the same as the scope of services now. The details will be looked at further during due diligence.

This is an area under consideration at the moment and, if Members agree to proceed with the Amey/ C&W proposal, would be included as an improvement activity within the price agreed.

14) How are vacant posts being dealt with? If they are not shown as being subject to TUPE, were the budgets for the posts included in the assessment of the in-house cost of service provision when the savings were being calculated? You might be aware that we were forced to hold one vacant post in order to fund the cost of consultants to undertake the asset valuations each year following the substantial cut in staff in 2012. We have not filled a vacant post that arose last year because at the time the vacancy arose we understood the outsourcing decision to be imminent.

The staffing budgets for all three services, excluding client costs, would transfer across.

15) If Members agree to take forward the outsourcing, will the existing staff have an opportunity to meet their new employer at Team meetings as well as at 1:1 meetings as there has been no contact with staff to date?

Yes, this would be addressed as part of TUPE consultation.

16) We assume that the report to the Executive will include a full and detailed analysis of the risks that will arise from outsourcing the services (both cost and quality) and that Members will be advised of the change in the relationship that will result between staff dealing with cases and Members – i.e. they will no longer have direct access to such staff.

Noted, this is the same as with all of the currently commissioned arrangements, as Members will be aware.

It would be helpful if you could identify the exact risks that have not been identified already in the report or during this process. A number of risks have been identified by the TFM Project Team regarding the lack of and quality of data currently held by Strategic Property and the delays in meeting important deadlines.

17) Staff employed at the Civic Centre took their jobs in the knowledge that they would be working at that location. If it transpires that, following commissioning, they will have to relocate to London, this will involve (in most cases) a big difference in travel time to and from work and, as a result, change the work/life balance significantly. Will staff be offered redundancy or alternative working arrangements if they do not wish, or are unable to work in London due to external factors, i.e. childcare provision, caring for an elderly relative, health concerns etc.?

At this time we are unable to confirm this, this matter would be addressed during the TUPE consultation period and due diligence if Members agree to proceed with the Amey/ C&W proposal.

18) What assurances can you give to staff that their comments are going to be taken seriously by Members, and that the decision to outsource the TFM bundle of departments is going to happen irrespective of what staff say?

All questions raised by staff throughout the consultation process and the answers given as the management response will be seen by Members as part of the decision-making process.

19) Has there been any consideration of how the client/contractor split will be made? The baseline document that we produced covered all our work, without any assumptions about which functions/responsibilities might be retained by the client. We assume that this will affect how C&W have priced for the work.

The specification required of C&W will be the same as the scope of services currently provided.

20) Please can you confirm that all affected staff will be able to see your draft report to the Executive and will have an opportunity to raise any further questions that arise?

The link to the published report will be sent around to all affected staff.