

**Please see the management response listed in bold below.**

Dear Colin,

Thank you for providing your responses to the Strategic Property queries.

I have collected the views on my colleagues in Strategic property and they have asked me to respond with the following subsequent queries:

In response to question 2 you refer to “delays in delivering some key areas of work .. have impacted on our revenue income streams...” Please can you advise on the detail behind this statement. What income streams are you referring to and how much is involved?

**Example 1 – Limited review of strategic assets undertaken. Only one review (of shops) has been completed within the year, this means we have not been maximising our income in this area.**

**Example 2 – Raising invoices in a timely manner. Invoices for users of Anerley Town Hall were not raised for 15 months after the due date which impacted negatively on cash flows, and the potential interest that could have been earned while also leaving us exposed on debt liability.**

**Example 3 – Delay in acquisition of investment properties. A review of the criteria was all that was needed to ensure we met the income target of £2m per annum.**

Question 3 – why are you not able to advise whether Cushman and Wakefield have asked for office accommodation?

**In the event that the contract is awarded to Amey/C&W and as originally stated, once due diligence is undertaken, C&W will advise on how they will manage the service and where it will be located. It is important that we do not give misleading information which may later change.**

Question 6 – please can you advise whether Cushman and Wakefield provide the range of services being sought by LBB to any other local authorities and if so, to whom.

**Yes, we can confirm that C&W provide services of this type to other local authorities.**

Question 7 – we are not clear how the Tri-Boroughs tendering exercise which resulted in the appointment of Amey demonstrates how service provision by Cushman and Wakefield, which has not been the subject of competitive tendering, demonstrates best value.

**The Tri-partite contract notice included provision for this activity to be properly included in the Framework. The Tri-Boroughs subsequently formally varied this activity into the Framework Agreement. Therefore, LBB is properly able to make use of this under the terms of the Framework, in the event that the contract is awarded to Amey/C&W. In relation to demonstrating best value, the signed contract change proposal states:**

***“The service will be delivered at no higher cost than a London local authority could access via other public sector Frameworks for Property***

***Management Services, as agreed with the relevant local authority, and may include further benefits including increased income streams, reduced costs and framework discounts.”***

Question 10 – you have not advised how new work, which emerges following the new arrangement starting, will be dealt with. We have commented in the past that the nature of our work changes over time and that the current “specification” covers the work that we currently undertake but cannot predict what will be required in the future.

**As a contracting organisation it is inevitable that most services will change over the contract term. This is something we deal with frequently and we manage it as required. The contract makes provision for change.**

Question 11 – your response does not answer the question. We have had a prolonged exchange of correspondence on the issue of “signing off” the Strategic property specification and we are surprised to see the statement that the Head of Service has signed it off so unequivocally stated in the committee report despite this correspondence. We are certain that the specification will change over the length of the contract.

**The specification was drawn up in consultation with all the service leads to reflect the work they currently undertake and was signed off by the Head of Service as an accurate reflection of work currently performed. The Head of Service has been given opportunities throughout the process to amend or update any inaccuracies in the specification.**

Question 12 – please can you advise whether any issues identified following the Landscape Group transfer been taken into account in the TFM outsourcing proposals?’

**As part of the work of the Commissioning Team, best practise principles and lessons learnt exercises are always undertaken. The AD responsible for this area, who is part of the Commissioning Team, has fed back into the Team on his experience.**

Question 16 - we wish to take issue with your comments about the data held by the Strategic Property Team. The records that we hold are **ownership** records – we have never claimed that they are anything more than this. They record our ownership of properties and provide us with the information that we require to carry out our functions, which have always related primarily to non-operational properties.. We acknowledge that a lack of investment over many years and the electronic transfer of data from one system to another has meant that some of the records require review and we have been fortunate to be able to take on an extra member of staff to undertake this work. However, it appeared that our records did not necessarily include all the information that Amey required to progress their bid – but this appeared to be largely information that we would never have needed to collect in the past.

The main risk that we anticipate has been mentioned several times – that the nature of strategic property work will change over the life of the contract and that this will result in significantly increased costs – several authorities have found this and have sought to return their service to an in-house team.

**We note that you accept your records required updating and took on an extra member of staff to do this.**

**The view of the TFM Project Team is that the data and information held was insufficient to support effective service delivery which has been validated by Amey.**

**As already stated, all services are likely to change over the life of a contract and officers deal with this as and when it happens. The proposal from Amey/C&W offers guaranteed revenue savings immediately, investment in business processes, potential new income to be generated, and increases in resilience and capacity, all of which are needed in this service as we go forward as a commissioning organisation.**

Question 19 – the current team effectively performs both a client and contractor role – the retention of some responsibilities by the client must surely affect the Cushman and Wakefield role.

**In the event that the contract is awarded to Amey/C&W, a client team will be set up as is always the procedure when services are outsourced for the first time. As you will be aware, the consultation document included reference to a draft client structure and draft job descriptions which set out the roles and responsibilities required. The Client Team will support the Provider/Council in fulfilling their obligation in the contract.**

We were very disappointed that, despite an indication that we would be able to see and comment on your report when it was in draft form, not only were we not invited to do so, but we were not sent any advanced notification that the report was being published. The link to the report was sent a week after it was published.

**The Head of Strategic Property did have the report in its draft form to comment on, with ample time before the deadline.**

**Strategic Property Team**