

Executive

20th July 2016

4. QUESTIONS FROM MEMBERS OF THE PUBLIC

1. From Gill Slater, Unite Steward, to the Portfolio Holder for Resources

Given the lack of pre-scrutiny of the TFM Gateway Report are members aware of the lack of rigour in the assessment of this commissioning proposal, which, with a contemptuous lack of contact with staff (despite specific instruction from the Executive in March), ignores the significance of their contribution to the services which far exceeds the contractual minimum, ignores the implications across the Council resulting from the breaking up of effective “One Bromley” synergies, and is based upon an illusory financial case?

Reply:

This is not the case, the principle underlying the recommendation to award the Total Facility Management Contract has been extensively scrutinised, having been to the Contract Working Group, E&R PDS and the Executive in March of this year. This report has been circulated to all members of the E&R PDS prior to being considered at the Executive on the 20th July, these members were invited to attend and make comment at this Executive. It is completely misleading to state that there has been a contemptuous lack of contact, meetings have been held with staff groups and the trade unions and both Amey and Cushman and Wakefield have met with key staff and staff groups throughout the process of due diligence. Indeed, the author of the question has attended a number of these meetings.

Supplementary Question:

Critical to the financial case set out in the table in para 6.1 is the “Additional Income Opportunity” produced by “growing investment income” - the suggested £1m. Given that the contract proposes savings from staff in the valuation team, and the fact that Amey can only hope to realise a maximum of £55k over 3 years to make the Council £945K, how likely is it that they will be incentivised to commit staff to deliver this income, which nets them only £18,333 per year?

Reply:

The Portfolio Holder responded that the contractors had experience in these fields gained elsewhere that they could bring to bear, and that existing staff also had lots to offer.

2. From Gill Slater, Unite Steward, to the Portfolio Holder for Resources

The potentially significant costs highlighted in paras 3.14 and 3.15 relating to the migration of data and retention or archiving and any additional BT costs have not been factored into the report. Have there been any assessments of these costs, the likely knock on costs to staff in other departments and the staff costs associated with the commissioning process to date?

Reply:

It is not anticipated that there are likely to be any significant costs in managing the transition. A client team will be established which will manage the relationship between the Council, including staff and members, and the service providers as is the case with all of the large contracts that the council successfully manages.

Supplementary Question:

How will the resilience, capacity and experience, diminished through the non-filling of posts, be guaranteed by the contract given the likely redundancies or potential redeployment within Amey, of existing LBB staff and the requirement of Amey simply to meet the contract minimum specification? Can Members be confident that the client side will be able to effectively oversee a contractor who will:

- be reporting the buildings condition survey (not anticipated until mid-August,
- be advising the Council on managing, maintaining or disposing of these buildings, and
- have an exclusivity deal to undertake any work they themselves recommend?

Reply:

The Portfolio Holder responded that contract monitoring would be key. The thin client model was well-established, and Members would be monitoring the contract as well as officers.

3. From Gill Slater, Unite Steward, to the Portfolio Holder for Resources

As table (para 6.6) illustrates only £170k is “Assured net savings from Amey”. Unlike the March Executive report the current report no longer includes a table illustrating the in-house against the Amey bid. In light of the fact that the financial section indicates a reduction in savings of £105k in a full year from that indicated in the March report should the comparison against in-house not be fully and fairly scrutinised again?

Reply:

The table in 6.6 provides for a ‘part year effect, with the Council having already taken £40k in the 2016/17 budget, the full year effect is £210k as set out in table 6.1 of the report which is the figure as reported to the March Executive.

Supplementary Question:

Many of the savings indicated would be made in house in any event. The contract has not been made available, even in a redacted form, to staff, unions (or I

understand members? Recommendation 2.2 asks you to delegate the award of this contract, the savings from which have already reduced since it was last presented to you, and with so much still outstanding, particularly in relation to costs around data; potential conflicts of interest in relation to the outstanding conditions surveys and the exclusivity arrangements; and in relation to the newly introduced but little explained education role dealing with very significant and extremely complex education expansion developments , many of which are time critical?

Reply:

The Portfolio Holder agreed that this was a complicated issue and the process had been long. However, having reached this point he was confident that the proposals should be supported.

(During consideration of the questions, Councillor Simon Fawthrop declared an interest as an employee of British Telecom.)