

Decision Maker: ERC PDS

Date: 3 JULY 2019

Decision Type: Non-Urgent Non-Executive Non-Key

Title: TMF AUDIT REPORT RECOMMENDATION SPOT CHECKS

Contact Officer: Michael Watkins, Head of Asset and Investment Management
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Chief Officer: Director of Regeneration

Ward: All Wards

1. Reason for report

The Audit Sub-Committee met on 4th June 2019 and considered the Audit report on Total Facilities Management. One of the recommendations had been accepted by management in principle, but without any action being proposed. Members expressed concern regarding this, and asked for the matter to be referred back to the ER&C PDS Committee for their attention and scrutiny.

2. **RECOMMENDATION(S)**

That the ER&C PDS Committee notes the contents of this report.

Impact on Vulnerable Adults and Children

1. Summary of Impact: N/A
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Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Excellent Council:
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Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre:
 4. Total current budget for this head: £
 5. Source of funding:
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Personnel

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: N/A:
 2. Call-in: N/A
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Procurement

1. Summary of Procurement Implications: N/A
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

3.1 The Audit report that was carried out on Total Facilities Management dated 26 April 2019 made the following recommendation:

“ Pro-active measures, such as spot checks, should be in place to verify whether the work invoiced has been completed to a satisfactory standard”.

3.2 This recommendation was interpreted by the TFM Client Team as a recommendation that they should complete spot checks at the Council's sites. The recommendation has been accepted by management in principle, but without any action being proposed.

3.3 To put this in context, on average there are 400 tasks carried out by Amey each month at over 200 sites in the Borough, which include hard and soft FM tasks such security, cleaning, print, portage, reactive, planned and statutory repairs and inspections.

3.4 The Client team manages a number of contracts including the TFM Contract on a “thin client” principle, which prevailed in the Council at the time the contract was let, i.e. the client team would be small and the contract would include provisions for self-monitoring by the contractor. The team manages Capitol Building Contracts, Major Disposals and Asset Property Management which also includes Utilities Contracts, Document Management Contracts, Post Contracts and Reprographics Contracts.

3.5 The Client Team does not physically check repairs at sites, other than the Civic Centre, but the Client Team does manage the checking procedure built into the contract carefully and diligently. These monitoring activities are as follows:

3.5.1 When a task is raised through Amey's Helpdesk, the person reporting the task is sent a notification when the task is raised, a notification that the operative is on route to the task and a notification, when the task is completed. If the task is not completed to their satisfaction, they can and do raise this with Amey or with the Client Team, who will escalate the complaint.

3.5.2 Amey has focus group meetings with each client department (or partner organisation) monthly. At these Focus Group meetings, any performance issues can be discussed and a review of the month's outstanding tasks is discussed.

3.5.3 Monthly Works in Progress meetings are held to monitor progress on the planned programme.

3.5.4 Monthly Service Operations Board meetings are held which review amongst other things, compliments and complaints, KPIs (including delivery of tasks against service levels, customer satisfaction surveys.

3.5.5 The Client Team has access to Amey's' own ordering database, Concept, and can review any task. The system includes supporting information showing work carried out, operative or contractor worksheets, quotations, completion of the tasks against the service level agreement, client sign off on tasks, complaints.

3.5.6 The monthly application for payments shows all tasks invoiced that month which are checked in Amey's Concept database.

3.6 In essence the Client Team checks on works undertaken by the contractor in that every line of their request for payment is reviewed. The Client Team does not check or sign off on works as the contract is one of self-delivery by Amey and the nature of the work is either planned or reactive. If the latter then the Client Team know works are completed via agreed timescales because these are reviewed every week with the contractor. Planned Maintenance and

Statutory Compliance works are reviewed via Invoice checking and the resultant issue of relevant certification for the estate so that the Council is statutorily compliant.

- 3.7 The letting of the TFM Contract saw a saving in £210,000 which was secured from staff savings. The majority of works in the planned works/safety arena are specialised and require relevant qualified professionals to certify said works. In order to carry out physical checks, even on a random sample basis across all sites, additional staff would be required to undertake this work, especially in relation to Statutory Compliance and M&E works. Even then, it would be very difficult to check some tasks, where the repair is not evident on the surface, e.g. if a new washer had been placed in a tap or a part has been replaced in machinery.
- 3.8 It should be noted that since the letting of the TFM Contract, the operational estate which Amey manages on behalf of the Council has not suffered any H&S breaches, can demonstrate its compliance with H&S legislation (which it could not readily do so prior to Amey's management) and that works, whist not spot checked, have not caused any business interruption or concern.
- 3.9 It should be noted that the FM Service provided by Amey is not unique to Bromley and most contracts are let on a self-delivery basis.
- 3.10 To comply with the Audit Recommendation to undertake pro-active Spot Checks a further suitably qualified staff resource would need to be employed. It is estimated that this would cost the authority circa £23,000 at BR11 based on 0.5 FTE.

Non-Applicable Sections:	Impact On Vulnerable Adults And Children, Policy Implications, Financial Implications, Personnel Implications, Procurement Implications, Legal Implications, Procurement Implications
Background Documents: (Access via Contact Officer)	Audit Report on TFM Contract dated 26 April 2019