

**Decision Maker:** EXECUTIVE, RESOURCES AND CONTRACTS POLICY  
DEVELOPMENT AND SCRUTINY COMMITTEE

**Date:** Wednesday 13<sup>th</sup> October 2021

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

**Title:** TRANSFORMING PROPERTY: UPDATE

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**Chief Officer:** Director of Housing, Planning, Property and Regeneration

**Ward:** (All Wards);

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1. Reason for report

- 1.1 In July 2020, the Leader using Executive powers agreed to a programme of transformation for the council's property function that would begin implementation of a corporate landlord model of property management, and that would end the Total Facilities Management contract approach (HPL2020/001).
- 1.2 This report provides a progress update on the transformation programme which seeks to put in place new staffing, system and supply chain approaches that will result in an excellent, responsive, and agile service well placed to manage the council's property interests and assets as a corporate landlord.

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2. **RECOMMENDATION(S)**

- 2.1 The Executive, Resources and Contract Management Policy Development and Scrutiny committee is asked to note the progress made on the Property Transformation Programme.

### Impact on Vulnerable Adults and Children

1. Summary of Impact: No direct impact.
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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: £6.3m
  3. Budget head/performance centre: Total Facilities Management
  4. Total current budget for this head: £6.3m
  5. Source of funding: Existing revenue budgets 2021/22
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### Personnel

1. Number of staff (current and additional): 26 – 22.5 FTE
  2. If from existing staff resources, number of staff hours: N/A
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### Legal

1. Legal Requirement: Statutory Requirement:
  2. Call-in: Not Applicable:
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### Procurement

1. Summary of Procurement Implications: The procurement activity described in the report has been undertaken in compliance with the council's Contract Procedure Rules.
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Unknown.
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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 In July 2020, the Leader using his Executive powers agreed to the transformation of the council's property service (**HPL2020/001**). This report provides an update on the progress and sets out next steps for the programme's continued delivery.

#### Background

- 3.2 On 1<sup>st</sup> October 2016, the council entered a contract with Amey Community Ltd for the delivery of Total Facilities Management services. This arrangement outsourced the council's property function, retaining only a slim client to manage the contract. The services that were outsourced under this arrangement included:

- **Soft facilities management services:** attendants and portorage, post and reprographic services, site security, cleaning, pest control and waste disposal.
- **Hard facilities management services:** planned preventative maintenance and statutory compliance testing, reactive maintenance, and management and monitoring of these responsibilities including the property helpdesk and computer system for managing work processes.
- **Capital project management service:** specialist project management team responsible for delivering key capital projects within the council's operational estate.
- **Strategic property services:** management of the council's property ownership interests and projects to optimise the estate – this service was subcontracted in full to Cushman & Wakefield.

Bromley staff, who were employed in the above services at that time, were identified as being in scope for transfer to the new provider of these services, under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) as amended (2014). A TUPE transfer of the staff took place, following formal consultation with staff and their representatives in accordance with the Council's policies, procedure and with regard for the framework of employment law.

- 3.3 In July 2020, as part of the commissioning cycle, officers reviewed the arrangements in place for the delivery of the property service and recommended a fundamental change to the way in which the council manages its property and the transformation of the property service. The review determined that the outsourced arrangement via the Total Facilities Management contract is no longer meeting the needs of the council. This is primarily because the council's requirements in relation to the management of its property portfolio is changing. The council's property has the potential to unlock some organisational challenges and opportunities. To deliver changes to the way in which the council uses and manages its property, the review recommended the implementation of a corporate landlord model of property management.
- 3.4 Therefore, the primary objective of the transformation is to implement a corporate landlord model of property management. The corporate landlord model centralises responsibility for the council's property management, allowing a strategic and corporate approach to budget management, decision-making, and management and maintenance activities.
- 3.5 In agreeing the recommendations to transform the property service, members reviewed the business case for the corporate landlord model, which includes the following benefits:

- Reducing revenue costs through centralised arrangements and maximising opportunities for income.
- Using property to support delivery of strategic priorities such as those identified in the adopted housing and regeneration strategies.
- A focus on managing property to support the changing requirements of council with the ability to unlock potential for service transformation and development driven by the council's corporate transformation programme, Transforming Bromley.

These benefits would arise from work to review the council's property interests (see **HPL2020/000**), and through implementing governance that ensures all recommendations affecting property assets are considered by property professionals and from a corporate perspective before being presented for decision making by elected members.

3.6 In recommending the corporate landlord model, the business case set out a range of options for the future delivery of the council's property service which included:

- Retaining a Total Facilities Management arrangement
- A fully insourced service
- A blend of insourced and outsourced services

3.7 The recommendation to end the Total Facilities Management approach and implement a performance focussed, in house and externally supplied service was agreed. The main reasons for agreeing to this revised approach were:

- The TFM arrangement had not delivered on all the benefits it originally offered.
- A blend of insourced and outsourced services would give the benefits of direct control over service delivery including compliance, performance, and customer engagement, as well as ensuring resilience and capability through a specialist supply chain.

## **Transformation Programme**

3.8 As set out in the July 2020 report (**HPL2020/001**), the original programme for the transformation of the property service was based on the assumptions that it would be possible to:

- End the TFM contract in respect of Strategic Property, Soft Facilities Management and Capital Projects Management services earlier than the contract end date (30<sup>th</sup> September 2021); and
- Extend the TFM contract with Amey Community Ltd for Hard Facilities Management services to 30<sup>th</sup> September 2022 to enable sufficient time to re-commission this service.

3.9 The Leader using Executive powers also agreed to grant permission to proceed to procurement for a range of services that would continue to be outsourced, and delegated authority to the Assistant Director, Strategic Property, in consultation with the Portfolio Holder for Resources, Commissioning and Contract Management and the Director of Housing, Planning and Regeneration to:

- Agree procurement strategies for tendering activity

- Award contracts

3.10 Following negotiations with Amey Community Ltd which commenced in September 2020, the Assistant Director, Property using the authority delegated to him agreed, in consultation with the Portfolio Holder for Resources, Commissioning and Contract Management and the Director of Housing, Planning and Regeneration, to an amendment to the programme for transformation which resulted in:

- The termination of the TFM contract in respect of Strategic Property Services on 5<sup>th</sup> May 2021.
- The termination of the TFM contract in respect of Soft Facilities Management, Hard Facilities Management and Capital Projects Management services on the original contract end date of 30<sup>th</sup> September 2021.

3.11 In agreeing to the transformation programme, the Leader using Executive powers also agreed to the recommendations to:

- Strengthen the capacity and capability of the property service’s management team.
- Invest in property management systems to support improved use of data led decision making in respect of the estate.

3.12 The transformation should be delivered within the existing budget envelope for the property service, and with the additional funding that was allocated which is summarised in the table below:

**Transforming Property: Additional Funding Agreed**

	<b>Revenue £,000</b>	<b>Capital £,000</b>
Senior management capability	85	
Statutory Asset Valuations	100	
Licences for property management systems	50	
One-off costs for purchase of/upgrade to property management systems		175
Project management cost (one-off)	65	
<b>Total</b>	<b>300</b>	<b>175</b>

**Strategic Property Services**

3.13 Notice was served to terminate the Total Facilities Management contract with Amey in respect of Strategic Property services on 5<sup>th</sup> November 2020, with a termination date of 5<sup>th</sup> May 2021. It was agreed that the new look strategic property service would comprise of:

- A new Head of Estates and Asset Management to lead the strategic property function
- An insourced team of surveyors to manage the council’s property interests
- An improved estates property management system
- A newly established supply chain that could deliver:

- Annual statutory asset valuations to the satisfaction of the council's external auditors
- Professional advice services to support the council on acquisitions and disposals, as and when required
- Fund management advice services to support the effective management of the council's investment property portfolio

3.14 The Head of Estates and Asset Management post was recruited to on 2<sup>nd</sup> November 2020. Subsequently, and following the termination of the Strategic Property aspect of the Total Facilities Management contract on 6<sup>th</sup> May 2021 the following 4 posts (3.8 FTEs) were transferred to the Council in accordance with TUPE legislation and the Council's Managing Change procedures, which included formal consultation with staff and their representatives:

- 2 x Senior Surveyors;
- 1 x Surveyor;
- 1 x Technical Support Assistant.

The team are responsible for managing the council's property ownership interests, including:

- Negotiating, establishing, and reviewing lease or license arrangements within the estate
- Actioning rent reviews
- Providing advice on property related matters across the council
- Collating and publishing statutory information about the council's estate
- Managing routine acquisition and/or disposal projects

3.15 As part of the transfer, a project was completed with support from BT to transfer electronic data from Cushman & Wakefield to the council, and to ensure that the transferring staff has the relevant ICT hardware and software required for their post.

### *Estates Property Management System*

3.16 Under the Total Facilities Management contract, Cushman & Wakefield used a cloud based version of the estates property management system that has been previously used by the council. This system is a database that managed information about the property in which the council has a legal interest. It is a regulatory requirement that the council records and manages this data, and a requirement of the council's own Financial Regulations that the council retains a database of its holdings. It is also essential to enable the council to manage its assets well and to support the provision of information in response to the Government's transparency agenda, freedom of information requests and on receipt of statutory organisations.

3.17 In July 2020, it was envisaged that the council would purchase licences to continue using the existing Property Management System, although it was recognised that investment would be required to support its ongoing usefulness. Following market research, in October 2020, the Assistant Director Strategic Property agreed, in consultation with the Portfolio Holder for Resources, Commissioning and Contract Management and the Director of Housing, Planning

and Regeneration, to a revised procurement strategy that tested the market for a new Property Management System that has enhanced capabilities, and that better meets the needs of the council in respect of management of estates data (the objectives for which were set out in **HPL2020/001** at paragraphs 3.81 – 3.84).

- 3.18 Officers used the government's G Cloud 12 framework to test the market; this is the leading public sector framework for the procurement of cloud based technologies and allows for public bodies to make a direct award to the supplier that best meets its requirements based on pre-determined evaluation criteria. The market testing exercise was supported by the Technology Solutions Manager and Head of Procurement. Concurrently, officers also worked with the incumbent supplier to establish what improvements could be made to the existing system through further investment.
- 3.19 Following this exercise, a contract was awarded to Concerto Support Services Ltd for the purchase of the estates module of their system for a term of two years with the option to extend for an additional 2 years (2+1+1) and at a total contract value of £378k, inclusive of both annual licences and data migration costs. The system was chosen on the basis that:
- Concerto's system offers excellent data management and reporting capabilities that would enable the council to use its estates data more dynamically.
  - There was a good package of responsive technical support offered
  - The price for the system was the most competitive, especially when compared to the level of investment that would be required into the existing system to give it a similar level of functionality to the Concerto offer.
- 3.20 Data migration activities are currently in progress supported by a Property Data Officer seconded for six months' from elsewhere within the business to oversee the implementation of the new system. It should be noted that there are issues with the quality of the data held in the existing system; the migration activities are inclusive of data cleansing to ensure that only good data is migrated into the Concerto system. Data extraction is expected to have completed during w/c 4<sup>th</sup> October 2021, with the system expected to be operational by December 2021.

### *Estates and Asset Management Contracted Services*

- 3.21 To compliment the inhouse team, officers have been undertaken work to procure a supply chain for additional estates and asset management services which external suppliers are better placed to deliver.
- 3.22 Following a tender process, Montagu Evans have been appointed to undertake statutory asset valuations for 2021/22. Officers are currently investigating options for a longer-term contract from 2022/23 and working with colleagues to agree a procurement strategy.
- 3.23 The Assistant Director Strategic Property agreed in consultation with the Portfolio Holder for Resources, Commissioning and Contract Management and the Director of Housing, Planning and Regeneration to a procurement strategy to establish a two supplier framework for the ad hoc purchase of professional property services, and more specifically advice on complex acquisitions or disposal and high value estates management tasks, such as development agreements. A two stage advertised tender process was used with tenders submitted at the end of August 2021. Nine tenders were received and are currently be evaluated; an award is

expected to be made in October 2021. Further competition will be used to purchase services through the framework and this will be based on price only.

3.24 Following further competition under the Crown Commercial Services Framework (RM3816), Montagu Evans were instructed in April 2021 to undertake a three phase investment portfolio analysis and strategy programme. Phase 1 (Investment Fund Analysis) has been completed and Phase 2 (Producing the Investment Portfolio Strategy and Individual Asset Plans) is currently underway, with completion expected at the end of 2021. Member oversight is being provided by Cllr Allatt as a member of the Investment Portfolio Board, and it is expected that the draft strategy will be reported to members in early 2022 for adoption. Phase 3 (Performance Monitoring and Strategy Review) will commence following the adoption of the draft strategy. The aim of this work is to maximise the income made from the council's investment portfolio.

## **Facilities Management**

3.25 On the retirement of Senior Property Manager in November 2020, it was agreed that this post be replaced by an Interim Head of Facilities Management to enhance the capability of the property management team during the transition between the Total Facilities Management and blended insourced and outsourced model. The Interim Head of Facilities Management has responsibility for soft and hard facilities management services and was recruited in November 2020.

## **Soft Facilities Management Services**

3.26 The future shape of the soft facilities management services was agreed in July 2020, and consisted of:

- Insourced attendant and portage services
- Insourced mail room and reprographic services
- A new directly appointed and performance focussed supply chain for:
  - Cleaning services
  - Security services (staffed guarding and key holding)
  - Other soft facilities management services such as washroom services, confidential waste removal, pest control services, postal services and parcel tracking services.

3.27 The current Facilities and Support Client Services Manager is managing the soft facilities management services, supported by the existing Project Support Officer. On 1<sup>st</sup> October 2021 the Total Facilities Management contract ended, and in accordance with TUPE legislation and the Council's Managing Change procedures, which included formal consultation with staff and their representatives, the following 12 (9.2 FTEs) posts were TUPE transferred to the council to make up the new soft facilities management team:

- 1 x Attendant Team Leader
- 4 x Office Attendants
- 2 x Porters
- 1 x Support Services Team Leader
- 3 x Mail Room Operatives
- 1 x Print Operator

## *Soft Facilities Management Contracted Services*

- 3.28 It should be noted that under current arrangements, directly delivered council services have varying levels of responsibility for soft facilities management services at remote sites within the operational estate, and as a result there are a range of contractual arrangements in place for the delivery of these services. When determining the procurement strategy for outsourced services, tenders were designed to enable soft facilities management requirements from across the estate to be varied into the contracts being put in place so that, as part of the implementation of the corporate landlord model, these services can be amalgamated and centralised and a consistent approach be agreed across the estate as arrangements expire.
- 3.29 Following a two stage advertised tender process, City Cleaning & Support Services were appointed under delegated authority to deliver cleaning services at Bromley Civic Centre and the Orpington Walnuts Offices over a term of three years with the option to extend for an additional two years for a total contract value of £1.14m. At the time of tendering and award, it was not known to what extent the additional cleaning regime implemented in response to the pandemic would be needed; therefore, a schedule of rates for this cleaning regime was submitted. For the time that it is required, there is an additional weekly cost of £2,450 for this enhanced cleaning regime.
- 3.30 There is an ongoing requirement for security services which were previously provided by Amey Community Ltd.'s supply chain. This requirement includes:
- Staffed guarding services at Bromley Civic Centre (out of hours)
  - Staffed guarding at the Youth Offending Service
  - Key holding for various sites within the operational estate
- 3.31 The procurement strategy agreed use of the ESPO 347 framework for security services. Further competition was undertaken in June and July 2021, and SSG Support Services Group Ltd were appointed for a contract term of 4 years for a total contract value of £903,541. At the time of tendering and award it was not clear whether the Covid marshals supporting the Customer Service Centre and Registrars would be required and a schedule of rates was submitted and evaluated. It has subsequently been confirmed that the Covid marshals will be required from until the end of the calendar year and a variation at a value of £10.5k has been agreed.
- 3.32 Washroom services have been procured for Bromley Civic Centre, Orpington Walnuts Offices, Central Depot, Children and Family Centres, Contact Centres and Nurseries using ESPO 239 framework (washroom services) and Rentokil Initial Plc have been appointed via direct award for a term of 3 years with the option to extend for an additional 1 year at a total contract value of £32,535.
- 3.33 Confidential waste disposal services have been procured using the ESPO 981 framework for off-site shredding. A direct award has been made based on framework rates to Avena Environmental Ltd for a term of 3 years with the option to extend for an additional 1 year at a total contract value of £21,632. This service has been procured for Civic Centre only; a previous business case had agreed that the cost of providing this service to remote sites was high, and that remote sites had the ability to do their own shredding.
- 3.34 The council joined the London Boroughs Postal Board's procurement of postal services from September 2021. As a member of the London Boroughs Postal Board, the council benefits from competitive pricing on postal services procured by the Board as a buyer consortium. The Board re-tendered the contract via further competition on the Crown Commercial Services

RM6017 Framework: Postal Goods, Services and Solutions – Lot 3 (Collection and Delivery of Letters, Large Letters and Parcels) in May 2021 and a contract has been awarded to Royal Mail. The estimated value of council's spend under this contractual arrangement is £450k, however it should be noted that the value is dependent on the volume of post sent by the council during the contract term.

3.35 Finally, the council ran further competition in July 2021 on ESPO framework 150 to appoint a supplier to deliver planned and reactive pest control across several sites within the operational estate. Nightshift Pest Control Ltd have been appointed for a term of four years at an estimated total contract value of £6,304, with the actual value being determined by the volume of reactive works required.

## **Hard Facilities Management**

3.36 As set out in paragraph 3.10, the programme for the recommissioning of hard facilities management services was condensed which has been challenging. These challenges were exacerbated by the lack of information provided on the existing service delivery arrangements, and because of issues with the quality of the data available to inform tendering activities. However, a procurement strategy for Hard Facilities Management services was agreed in March 2021 acknowledged these challenges and agreed to:

- Insource the management and monitoring of hard facilities management services and delivery of small projects
- Outsource the helpdesk function and purchase a new Computer Aided Facilities Management (CAFM) system
- Identify a category based supply chain for planned preventative and reactive maintenance works, including statutory compliance testing.

3.37 The purpose of changing the hard facilities management delivery in this way is to drive up service levels by improving contractual terms and relationships with suppliers, providing a system to manage workflows and compliance, and energising and enabling directly employed LBB staff to manage and own the service.

3.38 The hard facilities management team was insourced from Amey Community Ltd on 1<sup>st</sup> October 2021. This process took place in accordance with TUPE legislation and the Council's Managing Change procedures, which included formal consultation with staff and their representatives. The following 7 posts were TUPE transferred to the council, comprising of:

- 1 x Acting Hard FM Team Leader
- 1 x Asset Management Officer
- 1 x Building Surveyor
- 1 x Operations Manager
- 1 x Scheduler
- 1 x Electrician (Test and Inspection)
- 1 x General Building Operative

The team are responsible for:

- Overseeing and prioritising the planned maintenance programme

- Ensuring statutory compliance within the estate
- Contract and supply chain management, taking ownership of performance
- Delivering routine facilities management projects for planned and reactive works
- Budget management for repairs and maintenance

#### *CAFM and Outsourced Helpdesk*

- 3.39 A CAFM system is required by the Council to effectively manage all planned and reactive property maintenance obligations and related statutory compliance works and activity.
- 3.40 The purchase of a new CAFM system to support workflows and as a central depository for records pertaining to the estates statutory compliance was agreed in July 2020.
- 3.41 An outsourced helpdesk was agreed as part of the overarching procurement strategy for hard facilities management services; it enables a 24/7/365 availability for report faulting which would be less resilient and more expensive if the helpdesk function was insourced.
- 3.42 The CAFM and helpdesk requirement was tendered using the Government's G Cloud-12 framework for the purchase of cloud based software and with support from the Technology Solutions Manager and the Head of Procurement. Systems with an offer that could meet the council's requirement were evaluated against a pre-determined set of criteria using a prepared specification.
- 3.43 Following evaluation, a direct award was made for the CAFM module of Concerto's Property Management System for a contract term of 2 years with the option to extend for another 2 years (2+1+1) and for a total contract value of £378k, which is inclusive of annual licences and support costs, data migration costs and helpdesk costs. The Concerto system has the added benefit of being able to integrate with the estates module which means for the first time, the council will store all its property data in one database.
- 3.44 The Concerto CAFM and helpdesk was the most competitively priced and was judged to have an excellent functionality to enable cost and time efficient management of planned and reactive tasks across the portfolio. Specifically, the system allows for highly customisable real-time reporting, has real-time web based read and editing capabilities for multiple users, and can provide a reactive 24/7/365 integrated reactive helpdesk function.
- 3.45 Migration activities are under way. The CAFM is operational from 1<sup>st</sup> October 2021; there are additional migration activities to be completed over the next three months.

#### *Hard Facilities Management Supply Chain*

- 3.46 The procurement strategy agreed a category based supply chain for the delivery of planned & preventative maintenance, reactive maintenance, and statutory compliance testing. The primary aim of the strategy is to appoint specialist, committed suppliers for whom the council is a priority customer and who have specific responsibility for a category of works. The table below sets out the category approach that was taken:

Category	Type of Maintenance
Water hygiene	Planned Preventative Maintenance and Statutory Compliance
Asbestos services	PPM, statutory compliance, and reactive maintenance
Fire systems maintenance	PPM, statutory compliance, and reactive maintenance
Lift maintenance	PPM, statutory compliance, and reactive maintenance
Mechanical & Electrical maintenance	PPM, statutory compliance, and reactive maintenance
Security systems maintenance	PPM, statutory compliance, and reactive maintenance
Building fabric repairs	Reactive maintenance only

3.47 The procurement strategy agreed that different contracting arrangements would be used depending on the maintenance requirement:

- **PPM /statutory compliance testing only** – a single supplier is appointed for each category using a two-stage advertised tender process.
- **PPM/statutory compliance testing AND reactive maintenance** – a two-stage advertised tender process is used to establish a single supplier framework with a fixed price for PPM and a schedule of rates to be applied through call-off arrangements for reactive maintenance.
- **Reactive maintenance only** – the council will make use of existing frameworks and DPS's to and the inhouse engineers to undertake repairs. Each individual reactive maintenance transaction put through the category-based contract would be subject to a spend cap currently intended to be £30k. Any individual requirement with an estimated value of above this cap would need to be reviewed, with its own procurement strategy being considered and implemented.

3.48 The procurement strategy agreed that the term of the contract is 4 years. This term has been decided on the balance of providing a sufficient term to achieve value for money and commitment from suppliers, whilst also recognising that completion of projects to refine our data will mean that the council should be able to go back to the market with more specific requirements and achieve better value for money after a relatively short term.

3.49 A summary of the Hard Facilities Management contract awards is provided in the table below:

Category	Supplier	Estimated Whole Life Contract Value	Notes
Water hygiene services	HBE	£182,899	<p>Responsible for providing an annual programme of maintenance including the following activities:</p> <ul style="list-style-type: none"> <li>• Annual review of water hygiene risk assessments</li> <li>• Temperature checks and sampling</li> <li>• Chlorination and treatment of water assets (storage tanks/vessels, outlets, and showerheads).</li> </ul>
Asbestos services	Riverside Environmental Services Ltd	£301,300.	<p>Responsible for a planned programme of work to annually review and update Asbestos Management Plans for a fixed price.</p> <p>The supplier is also responsible for providing the following services as required:</p> <ul style="list-style-type: none"> <li>• Professional advice</li> <li>• Management surveys including sampling</li> <li>• Reinspection surveys</li> <li>• Refurbishment and demolition surveys</li> <li>• Four stage clearance monitoring</li> <li>• Air monitoring (leak, reassurance, background, personal)</li> <li>• Bulk sampling</li> <li>• Inspection following works with ACMs that do not require an enclosure</li> <li>• Monitoring performance of those conducting works with ACMs.</li> </ul> <p>An estimated volume of work has been applied the tendered framework rates to estimate the total contract value.</p>

Fire systems maintenance services	AJS Group Services Ltd	£669,092	<p>Responsible for a planned programme of maintenance for a fixed price which comprises of:</p> <ul style="list-style-type: none"> <li>• Fire Risk Assessments</li> <li>• Inspection and testing of fire alarms</li> <li>• Testing and certification for emergency lighting</li> <li>• Servicing of fire extinguishers</li> <li>• Pressure tests and visual inspections of dry risers</li> <li>• Testing and maintenance of hose reels</li> <li>• Testing and maintenance of fire dampers</li> <li>• Testing and maintenance of specialist suppression systems</li> </ul> <p>Also responsible for reactive repairs as required; an estimated volume of work has been applied the tendered framework rates to estimate the total contract value.</p>
Lift maintenance	RJ Lift Services Ltd	£281,488	<p>Responsible for a comprehensive planned programme of maintenance for a fixed price which comprises of:</p> <ul style="list-style-type: none"> <li>• A specified number of maintenance visits per annum to check condition and undertake fault finding activities</li> <li>• Undertaking any repairs required to ensure compliance specified standards and to rectify any failures of equipment, unless the repair necessitates the replacement of an obsolete part, or is required because of misuse</li> <li>• Providing a 24/7/365 emergency call-out service to resolve entrapments or breakdowns in accordance</li> </ul> <p>Also responsible for responding to reactive maintenance for repairs because of faults and equipment failure where this is the result of misuse, or the repair requires the replacement of an obsolete part. An estimated volume of work has been applied the tendered framework rates to estimate the total contract value.</p>

Mechanical and Electrical maintenance	B&M McHugh Ltd	£1,279,458	<p>The scope of the contract covers:</p> <ul style="list-style-type: none"> <li>• Review and updating of mechanical and electrical asset registers</li> <li>• Periodic servicing and inspection</li> <li>• Routine maintenance</li> <li>• Responsive works</li> </ul> <p>in relation to mechanical and electrical assets such as:</p> <ul style="list-style-type: none"> <li>• Air conditioning and handling systems</li> <li>• BMS systems</li> <li>• Boilers</li> <li>• Pressure systems</li> <li>• Water heaters</li> <li>• Boosted water systems</li> <li>• Sewage pumps and drainage</li> <li>• Water fountains</li> <li>• Generators/UPS</li> <li>• PAT</li> <li>• High level lighting</li> <li>• Lightning protection</li> </ul>
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3.50 At the time of drafting this report, tender evaluations were underway for the security systems maintenance requirement; it is expected that this contract will have been awarded at the beginning of October 2021, and there are interim arrangements in place to cover any emergency maintenance works needed in the meantime.

3.51 On review of the available DPS and framework options, officers have also recommended that an additional contract be tendered for emergency building fabric repairs in addition to making use of the existing DPS and framework options. It is suggested that a multiple supplier framework be tendered via a single stage advertised tender process and that up to four suppliers are appointed that could be called upon to action urgent and small building fabric repairs offered to suppliers on a 'taxi rank' basis. This would cover repairs in relation to:

- Roofing
- General building maintenance
- Locks
- Plumbing
- Electrical

It is expected that this will be tendered in October 2021 with a contract award made by January 2021. In the meantime, these reactive repairs will be managed making use of existing frameworks and by the two insourced engineers.

## Capital Projects Team

3.52 The Capital Project Management service was insourced from Amey Community Ltd on on 1<sup>st</sup> October 2021 This process took place in accordance with TUPE legislation and the Council's Managing Change procedures, which included formal consultation with staff and their representatives. The following 3 posts (2.4 FTEs) were TUPE transferred to the council, comprising of:

- 1 x Senior Project Manager
- 2 x Project Managers

3.52 The Capital Projects team provide specialist project management for delivery of capital property projects and work cross-departmentally to manage improvement and build projects across the estate.

3.54 Officers worked with BT to deliver a project to equip the capital projects team and the soft and hard facilities management teams with the required ICT hardware and software, and to support the transfer of electronic data from Amey to the council.

### **Next Steps**

3.55 The council will be restructuring the property division in November/December 2021. This process will not result in efficiencies; it's aim is to reorganise staff to reflect new ways of working. There are several posts that were transferred out under the Total Facilities Management model that were not replaced by Amey or that did not transfer back to the council. It is expected that the restructure will create additional posts within the existing revenue budget envelope to ensure that there is sufficient capacity within the staffing structure to provide quality services.

3.56 Clearly, there will be a bedding in period as the new systems and supply chains are implemented; officers will work hard to minimise any disruption and to ensure that the transition is as smooth as possible. Rigorous monitoring of performance against Key Performance Indicators will commence with appropriate reporting.

3.57 To progress the implementation of the Corporate Landlord model, additional work will need to be undertaken including:

- Creation of policies and procedures for property use and management within the estate that will clearly define roles and responsibilities and allow for the necessary culture change to ensure that the model is embedded within the organisation so that the benefits are realised and reported.
- Continue the monthly meetings of the Corporate Landlord Officer Board, which was established earlier in the year, so that key decisions with recommendations can be reported to members for consideration following internal assessment of needs and business case.
- Rigorous performance management of supply chain and additional procurements
- Review of soft facilities management contracting arrangements across the estate and implementation of centralised arrangements where appropriate.
- Work to cleanse and clarify property management data.

3.58 Condition surveys have recently been undertaken and are currently evaluated and reviewed by officers to inform the planned maintenance programme and repairs and maintenance budget setting which is annually reviewed and presented to members in the January/February committee cycle.

#### **4. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

- 4.1 There are no direct implications arising from the transformation programme on vulnerable adults and children, although an improved property service and the implementation of the corporate landlord model of property management aims to improve the management of the council's estate which could indirectly positively impact on vulnerable adults and children accessing services based within the operational estate.

#### **5. POLICY IMPLICATIONS**

- 5.1 The transformation of the property service contributes towards the council's aim for an Excellent Council.
- 5.2 The proposals also support the delivery of the principles of the council's corporate transformation programme, specifically responsible financial management, a modern efficient and flexible work environment and maintaining organisational resilience.

#### **6. FINANCIAL IMPLICATIONS**

- 6.1 The total revenue budget for Total Facilities Management in 2021/22 is currently £6.3m, including £3.3m for repairs and maintenance.
- 6.2 The additional revenue budget of £300k approved in July 2020 was allocated as follows;
- £65k for temporary Project Management staffing
  - £85k for on-going Management staffing
  - £50k for property management system licences
  - £100k to fund the cost of the statutory asset valuations to be held in Central Contingency
- 6.3 Capital funding of £175k was also approved for one-off costs to purchase/upgrade property management systems.
- 6.4 The cost of staff that have transferred via TUPE from AMEY & C&W, the contracts awarded to date and those yet to be finalised to meet the requirements of bringing the service in-house are expected to be within the existing overall revenue budget that made up the TFM contract previously.
- 6.5 In the event that the overall costs of the contracts being tendered and staff transferring to the Council are anticipated to exceed the available budget, a further report would need to be submitted to the Executive.
- 6.6 The Repair & Maintenance budget totals £3.255m for 2021/22, over which the Director of Housing, Planning, Property and Regeneration has delegated authority to vary the programmes to accommodate any change in the approved budget or where such action is considered necessary to either protect the Council's assets or make the most effective use of resources.

#### **7. PERSONNEL IMPLICATIONS**

- 7.1. Following a period of consultation, in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) as amended (2014) 4 staff (3.8 FTEs) transferred

from Cushman and Wakefield to the Council on 6<sup>th</sup> May 2021 and a further 22 staff (18.7 FTEs) subsequently transferred to the Council from Amey Community Ltd on 1<sup>st</sup> October 2021; a total of 26 staff (22.5 FTEs) transferred to the Council following this process.

- 7.2 The formal consultation, in line with Council policy and procedures, commenced on 26<sup>th</sup> August 2021 and continued throughout, until the transfer date, involved staff, trade union representatives, departmental representatives and the employee representatives elected by the transferring Amey workforce. A number of meetings took place including whole staff meetings, staff representative meetings, as well as individual staff meetings to enable staff to meet and discuss their individual queries. Separately a Frequently Asked Questions document was provided to staff and their representatives, to clarify points that were raised during the consultation process.
- 7.3 A review of the service, post transfer, is planned in order to ensure that the transferring services are able to meet the changing needs of the business arising from the Council’s transformation programme. Detailed proposals will be developed, which will be subject to a period of formal consultation with staff, trade unions and other staff representatives in accordance with employment legislation and the Council’s managing change procedures.

## 8. LEGAL IMPLICATIONS

- 8.1 There are no significant legal issues identified in this report.
- 8.2 Officers have been working closely with Legal Services on the various procurements described in this report to either prepare contract documents or (where existing third party frameworks are used) review relevant contract documents.

## 9. PROCUREMENT IMPLICATIONS

- 9.1 This report refers to a number of procurements undertaken to support the establishment of the new corporate landlord model, relating to the services stated in 3.2 above.
- 9.2 These procurements were undertaken in accordance with the Council’s Contract Procedure Rules, making use of the delegated authority referred to in 3.9 and 3.29 of this report.

<b>Non-Applicable Sections:</b>	None
Background Documents: (Access via Contact Officer)	<p><b>HPL2020/001</b> – Transformation of Property Services – 8<sup>th</sup> July 2020</p> <p><b>HPL2020/000</b> Transforming Property - Creation of a £30M Disposal Programme – 16<sup>th</sup> September 2020</p> <p><u>Officer Reports:</u></p> <p>Permission to proceed to procurement for a Property Management System – 28<sup>th</sup> October 2020 (Part 2)</p> <p>Consideration for Agreement to Award Contract for Provision of a Property Management Software System to Concerto (A Bellrock Company) – 22<sup>nd</sup> Jun 2021 (Part 2)</p>

	<p>Award of Contract: Cleaning Services for Bromley Civic Centre and Orpington Walnuts Offices – 8<sup>th</sup> April 2021 (Part 2)</p> <p>Award of Contract: Security Services – 22<sup>nd</sup> July 2021 (Part 2)</p> <p>Contract Award: Washroom Services – 15<sup>th</sup> September (Part 2)</p> <p>Contract Award: Confidential Waste Disposal (Secure Shredding and Disposal) – 15<sup>th</sup> September (Part 2)</p> <p>Award of Contract: Pest Control Services – 16<sup>th</sup> August 2021 (Part 2)</p> <p>Award of Contract: Postal Services – 25<sup>th</sup> June 2021 (Part 2)</p> <p>DELIVERY OF HARD FACILITIES MANAGEMENT SERVICES FROM 1<sup>st</sup> OCTOBER 2021 – 1<sup>st</sup> March 2021 (Part 2)</p> <p>Agreement to Award Contract for Provision of a Computer Aided Facilities Management (CAFM) system to Concerto Support Services Ltd (Bellrock Property &amp; Facilities Management Ltd) – 25<sup>th</sup> June 2021 (Part 2)</p> <p>Contract Award: Water Hygiene Services – 24<sup>th</sup> August 2021 (Part 2)</p> <p>Contract Award: Asbestos Testing, Inspection and Consultancy Services – 22<sup>nd</sup> July 2021 (Part 2)</p> <p>Contract Award: Fire Systems Maintenance Services – 22<sup>nd</sup> July 2021 (Part 2)</p> <p>Contract Award: Lift Maintenance Services – 3<sup>rd</sup> August 2021 (Part 2)</p> <p>Contract Award: Mechanical and Electrical (M&amp;E) PPM and Reactive Repairs - 2<sup>nd</sup> September 2021 (Part 2)</p> <p>Corporate Landlord Officer Board Terms of Reference</p>
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