

From: Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services

Rebecca Spore, Director of Infrastructure

To: Policy and Resources Cabinet Committee – 24 May 2023

Subject: Facilities Management Bi-Annual Update

Classification: UNRESTRICTED

Past Paper Pathway: Policy and Resources Cabinet Committee:
20 March and 29 July 2020; 14 January and 9 November 2021;
24 March and 14 September 2022.

Future Pathway of Paper: None

Electoral Division: All

Summary: This report provides the Policy and Resources Cabinet Committee the bi-annual update on Kent County Council's (KCC) Facilities Management arrangements to provide services across both the corporate and schools estate, for which KCC has responsibility. It includes an update on the performance of the current contract and changes over the last six months.

Recommendation:

The Policy and Resources Cabinet Committee is asked to note the report and progress.

1. Background

1.1 On the 1 November 2022 the disaggregated facilities management (FM) model came into effect across the corporate landlord and school managed estate.

1.2 The FM services have been split into dedicated contracts for:

- Hard FM contract – Planned and reactive maintenance, statutory compliance and overall helpdesk – delivered by Skanska.
- Cleaning and Feminine Hygiene contract – delivered by Churchills.
- Waste and Recycling – delivered by Countrystyle.
- Landscape and Pest Control – delivered by Commercial Services Group (Landscape Services).
- Security - delivered by Sight and Sound, Wards Security and Prestige - this service will be subject to a procurement exercise over 12–18 month period.
- Porterage, Reception and Post Room services – delivered in-house by KCC Facilities Management Team.

- 1.3 The KCC FM team provide day-to-day operational management of the contracts. The new model represents significant change with a move from two contractors who provided a fully integrated Facilities Management Model across three areas. KCC have been transitioning into the new model from November 2022, with the final TUPE transfer occurring at the beginning of March 2023.
- 1.4 The current poor condition of the KCC estate, and historic lack of asset replacement and capital investment in buildings, continues to place increasing pressure on the delivery of FM services.
- 1.5 The key objectives for the FM service delivery arrangements are:
 - FM service delivery standards should be consistent and responsive to service requirements and required standards.
 - FM services should deliver value for money for Kent and ensure that the Council meets its statutory responsibilities.

2. Hard FM Performance (Contractual including KPIs)

- 2.1 The FM team has been working closely with Skanska colleagues over the last six months to mobilise and transition to the new contract and working arrangements.
- 2.2 The Key Performance Monitoring data outlined below focuses on the completion of planned, reactive and statutory tasks.
- 2.3 Each month KCC and Skanska review the performance of the contract at the Governance group meetings.
- 2.4 The mobilisation and transition period within the contract is now ending and the period of deduction/KPI relief also ends. This means that deductions against the specified KPIs will be applied.
- 2.5 Overall Planned Preventative Maintenance (PPM) tasks for the corporate and school managed estate are as follows:

Month	All PPM Tasks	% Completion	Statutory PPM Tasks	% Completion
November '22	2738	97.4	321	98.8
December '22	2510	94.8	205	97.6
January '23	2703	94.2	305	88.2
February '23	2711	96.5	319	91.5

- These figures demonstrate the high volume of planned preventative maintenance tasks that are completed as part of the fixed priced fee on a monthly basis across the estate.
- The KPI data shows FM contractor's performance against the contract and not necessarily the level of statutory compliance being achieved across the KCC estate.

- Tasks which are completed one day late or beyond or where evidence of completion was not available in a timely manner, are failed, even though the site remains compliant with statutory requirements.
- Tasks are scheduled to be completed, including the production of the documentation, prior to the expiry of the previous report.
- Tasks that have not been completed in line with the Service Level Agreement (SLA) will be reschedule and completed.
- Resultant/remedial works from these reports are automatically loaded on the Skanska Concept system to be reviewed and agreed by the KCC FM team.

2.6 The information provided below demonstrates the contract performance for reactive services defined within the contract schedules.

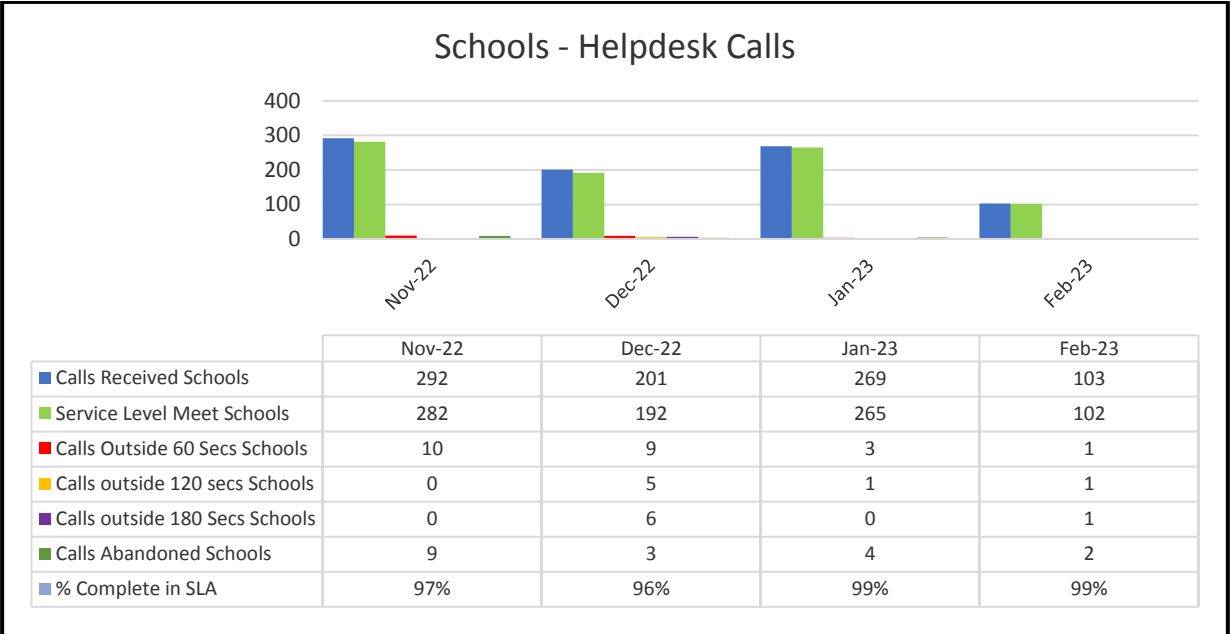
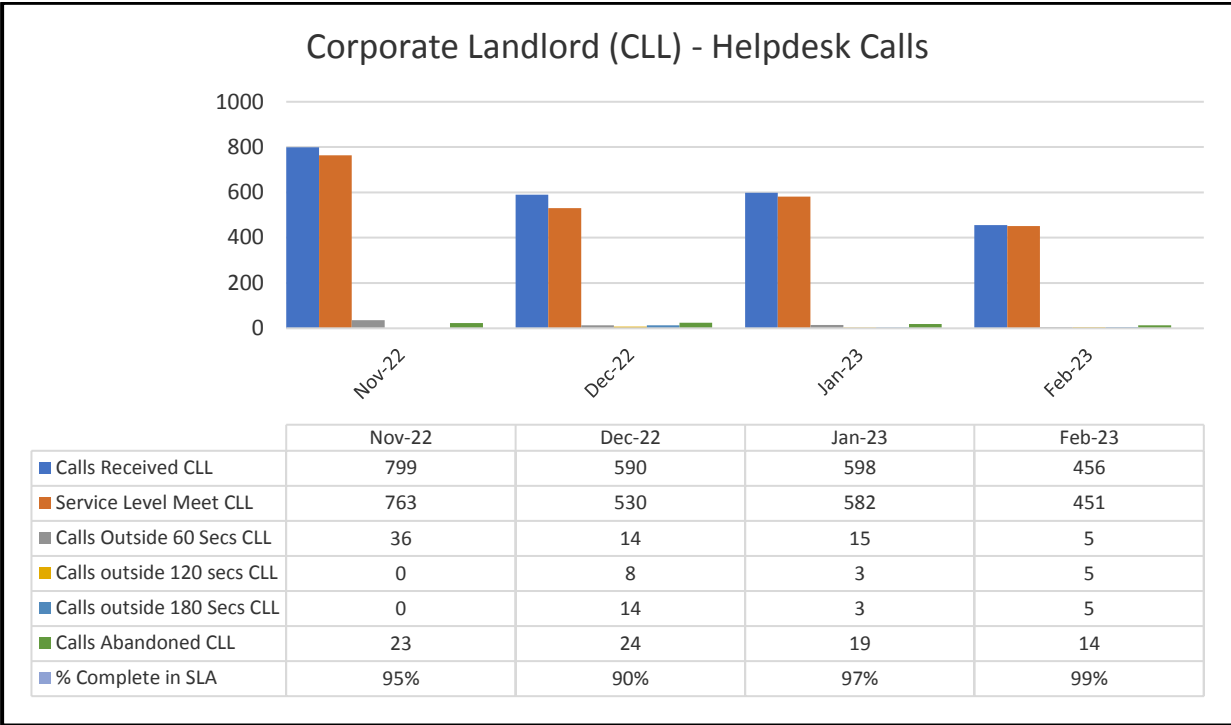
2.7 These figures are applicable to the Corporate Landlord estate:

Month	Total tasks logged	% Completion
November 22	2311	82%
December 22	991	84%
January 23	1169	85%
February 23	945	93%

- The figures cover all reactive task priority levels within the agreed SLA i.e. Priority levels A-H.
- Each task is issued a priority level which is defined within the contract and corresponds to type of work being reported. More detail can be found in Appendix A priority levels and indicative scenarios.
- To support the contractor in ensuring that the correct Priority levels are applied, a detailed list of indicative scenarios have been agreed.
- Skanska have undertaken extensive training with the contract team including the helpdesk to ensure that the correct priorities are allocated to each call received.
- Each month the helpdesk priority level allocations are audited and reported back to KCC as part of the governance process.
- The contractual application of hourly rates is currently in dispute between KCC and Skanska. This has caused a delay in the authorisation of works based on the rates being charged. A temporary solution has been put in place with the agreement of all parties and a permanent agreement being worked on with implementation in June 2023.
- The completion rates of tasks are gradually improving and systems are being introduced to accelerate the time it takes to authorise quotes.

2.8 As part of the contract changes, there is now a single helpdesk provision, provided by Skanska, with calls being passed through to the other contractors when received based on the SLA.

2.9 The helpdesk call data for both Corporate and Schools is shown below:



- At the point of the contract change in November, an increase of nearly 300 calls were received by the Helpdesk across the school and Corporate Landlord (CLL) estate combined.
- This reflects calls only and does not include emails.
- SLA standard is that a call should be answered within 60 seconds. If the call continues to go unanswered the KPI is accumulative after every 60 seconds.

3. Soft FM Performance (Contractual including KPIs)

3.1 **Cleaning:** The table shows the reactive tasks undertaken by Churchills cleaning.

Month	Total tasks raised	Total tasks completed within timescales	Percentage completed within timescale
November '22	152	152	100%
December '22	73	73	100%
January '23	104	104	100%
February '23	98	96	98%

3.2 **Waste Management:** The table below shows the number of waste collections including general waste, mixed recycling and confidential waste from across the estate.

Month	Lifts
November '22	1922
December '22	1731
January '23	1900
February '23	1614
Total	7167

3.3 **Landscape and Pest Control:** The table below indicates the number of planned visits conducted by Landscape Services across the CLL estate. Examples of the tasks include grass cutting and hedge trimming.

3.4 The slight reduction in overall percentage levels in February were due to unforeseen weather events and staff sickness. Visits were reallocated to be completed in the following month. During this period KCC and Kent Commercial Services Landscape Services have been working in partnership to mobilise the contract and refine the estate specification.

Grounds maintenance (planned)

Month	Planned	Completed	Percentage completed within timescale
November '22	158	158	100%
December '22	74	74	100%
January '23	104	104	100%
February '23	115	83	95%

- 3.5 The table below is the volume of reactive grounds maintenance tasks raised and completed within the agreed SLA for the CLL estate.

Grounds Maintenance (Reactive)

Month	Total tasks raised	Total tasks completed within timescales	Percentage completed within timescale
November '22	60	58	97%
December '22	27	27	100%
January '23	38	37	97%
February '23	32	31	97%

- 3.5 The table below shows the level of planned and completed Pest Control visits carried out across the CLL estate. Any missed visits in month are re-programmed to be completed as a rollover event into the next month.

Pest Control

Month	Planned	Completed	Percentage completed within timescale
November '22	36	36	100%
December '22	29	29	100%
January '23	61	61	100%
February '23	63	60	95%

4. FM Performance (Non-KPI related)

- 4.1 The last six months have seen the authority transition to a different FM model, which has been challenging as the new arrangements start to move into the new business as usual. We continue to work with our contract supply chain to continuously improve the services we provide within the budget constraints.
- 4.2 The transfer (TUPE) of the Facility Officers and the Reception function across the office and Multi Agency Specialist Hubs (MASH) estates was completed at the beginning of March 2023. This increased the level of control and flexibility to manage the day-to-day operation of the office estate and align the building management arrangements to the new hybrid working arrangements.
- 4.3 Under the new arrangements, the Infrastructure division will undergo a redesign which will include the KCC Facilities Management Team, to ensure that the team have the right skills and capacity to support the new arrangements. Supporting engagement with the directorates and divisions is critical, and as part of the new arrangements, specified contacts within the FM team have been established to support the services where issues arise with contractor communication and where multiple parties including external organisations are involved such as Ofsted and the Care Quality Commission.

- 4.4 The health and safety of employees, residents, services and visitors etc as well as ensuring that KCC meets its legal and policy duties remains the highest priority.
- 4.5 Infrastructure are the owners of three main policies which are:
- Asbestos Management – currently under review. A new management, refurbishment and demolition survey to be introduced from May 2023 following feedback from the Health and Safety Executive’s Duty to Manage inspections within the school sector. The policy and training provision review is being conducted in conjunction with the Health and Safety Team.
 - Lift Policy – this is under review to reflect the changes in contractual requirements and is due to be complete by June 2023.
 - Legionella Policy – this policy review will commence in August 2023. Regular meetings with Health and Safety colleagues to address concerns and to focus on improving the way in which risks are mitigated take place on a regular basis.
- 4.6 The FM contractors, particularly Skanska, continue to support KCC to meet its environmental initiatives including projects externally funded.
- 4.7 Where opportunities have arisen, for example, the introduction of LED lighting, the FM contractor has been delivering these projects to support the overall funding requirements.
- 4.8 The FM contractors continue to work with the wider KCC teams including environmental and sustainability teams to assist in KCC meeting its obligations under ISO14001 and its recent accreditation achievements.

5. Brief Look Forward To 2023/2024

- 5.1 Along with the Infrastructure division, the KCC FM team will be redesigned to meet the needs of the services being provided, along with all the business processes which have changed following the implementation of the new FM model.
- 5.2 The security provision will be reviewed considering experiences from previous procurement activities. The service will be reviewed and procured within a 12-18 month period.
- 5.3 The minor works frameworks will be procured to enable the delivery of small works to complement the existing FM contracts which are now in place.
- 5.4 The FM team will continue to engage with internal and external stakeholders to improve the services being provided to meet the needs of the authority and to ensure that KCC are meeting its statutory duties.

6. New KPIs

- 6.1 The KPIs proposed are as follows to be measured against the Hard FM contract:

6.1.1 The percentage of Planned Preventative Maintenance (PPM) tasks in any given month, relative to their frequency which are completed by their due date. This is to provide assurance that PPM tasks are being delivered in line with the relevant programmes of work, and the estate meets the requirements with relevant regulations for building compliance.

6.1.2 The percentage of Reactive tasks completed in any given calendar month concluded within the SLA time relevant for the type of task. This is to provide assurance that resultant and reactive works are being completed in a timely manner and meeting the contractual requirements.

6.1.3 The percentage of telephone calls to the FM helpdesk answered within contractual timescales. As this is a focal point for FM services, this is to ensure that all calls are answered and responded to.

7. Finance

7.1 The disaggregated FM contracts have been awarded within the existing base budget for the previous contractual arrangements. Each new contract is subject to indexation, and this has been provided for within the 2023-26 Medium Term Financial Plan (MTFP). The work with the new providers to finalise and confirm undiscovered assets, is to conclude shortly and is affordable within current budget envelopes.

7.2 There is a risk that the variable budgets will come under pressure due to the severely limited availability of capital budget within the Modernisation of Assets programme. This will need to be actively managed but could result in further backlog of maintenance occurring.

7.3 An additional pressure on the variable budgets will also be due to the decrease in the amount of Semi Comprehensive Maintenance Threshold (SCMT) now applicable to the Hard FM contract. This has changed from £1750 under the previous Total Facilities Management contract to £1000 under the new contract. This will be monitored on an ongoing basis.

8. Recommendation(s)

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The Policy and Resources Cabinet Committee is asked to note the report and progress.

9 Background documents

9.1 Appendix A - Priority Levels and Indicative Scenarios

10 Contact Details

<p>Report Authors: Tony Carty Head of Facilities Management 03000 41 72 43 anthony.carty@kent.gov.uk</p> <p>James Sanderson Head of Property Operations 03000 41 76 06 james.sanderson2@kent.gov.uk</p>	<p>Relevant Director: Rebecca Spore Director of Infrastructure 03000 41 67 16 rebecca.spore@kent.gov.uk</p>
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