

From: Gary Cooke, Cabinet Member for Corporate and Democratic Services
Rebecca Spore, Director of Infrastructure

To: Property Sub-Committee – 12 April 2016

Subject: Total Facilities Management – Biannual Review

Classification: Unrestricted

Electoral Division: All

Summary: This biannual report seeks to update the Property Sub-Committee on the performance of the three Total Facilities Management (TFM) contractors since the last review. The TFM contractors and their areas are - Mid Kent with Amey, West Kent with Skanska, and East Kent with Kier.

This report includes the Performance Deductions of the Mid, West and East Kent TFM contractors since the 2nd biannual review, a summary of preference, the issues encountered by KCC services and management action taken.

This approach is in line with the commissioning cycle principles as set out in the County Council Paper on the 15th May 2014 titled 'Facing the Challenge: Towards a Strategic Commissioning Authority', with a view to providing wider scrutiny of the contracts performance.

Recommendations: The Property Sub-Committee is asked to:

- (1) Note the current performance of the Total Facilities Management contractors; and
- (2) Note the existing KCC contract governance in place to manage and monitor the performance of the Total Facilities Management Contracts.

1. Introduction

- 1.1 Following discussion, the Cabinet Member responsible for this portfolio took the decision on the 11 January 2013 (Decision No. 12/01838) to proceed with the implementation of a Total Facilities Management solution. Following a competitive procurement, contracts commenced with Amey and Skanska on 31 October 2014 and with Kier on 21 January 2015.

This report is intended to update Members on the performance of these contracts since the 2nd biannual review, and to provide Members with assurance that management and monitoring of the three TFM contracts are in place.

2. Financial Implications

- 2.1 A proportion of the property services savings identified in the MTFP was dependent on the consolidation of Facilities Management Support across the building stock. This is the equivalent of £1 million revenue savings.

3. Bold Steps for Kent and Policy Framework

- 3.1 The implementation of a Total Facilities Management solution directly relates to the delivery of the benefits from implementing a corporate landlord model as part of the change to keep succeeding plans, ensuring that our buildings are able to support front line service delivery and the delivery of the financial position as set out in the medium term financial plan.

4. The Report

- 4.1 The principles behind the contracts are:

- The delivery of outcomes. The authority's requirements were set out in an Output Specification. Bidders provided solutions to deliver the outcomes required by the Council. Bidders took the risk on how they were to deliver the required outcomes.
- Performance in the delivery of outcomes is measured against a set of Key Performance Indicators (KPIs). This is supported by a performance regime where deduction penalties are made for poor performance. The contracts are for 5 years with an option to extend for 2 years and are designed to foster a partnering relationship.

- 4.2 As with all substantial contracts (approximately £10 million spend per annum across the three contracts) there is a need to ensure that there is a robust client function and contract management process in place to manage performance. On a day to day basis, Property has put in place a number of contract managers and support officers who will manage and monitor activity. This is supported by monthly performance review meetings with the Director of Infrastructure and a quarterly review with the Cabinet Member for Corporate and Democratic Services.

- 4.3 In order to ensure that Members have oversight as to the ongoing performance of this contract, it has been agreed that a biannual performance review is undertaken by the Property Sub Committee on behalf of the Policy and Resources Cabinet Committee. This approach is in line with the commissioning cycle principles set out in the County Council Paper on the 15 May 2014 titled 'Facing the Challenge: Towards a Strategic Commissioning Authority', with a view to providing wider scrutiny of the contracts performance.

5. Performance Review

- 5.1 The current activities of the TFM contractors, the reporting they are each now able to provide us and the level of financial performance deductions over time are shown for each contractor within the following exempt Appendix 1.

5.2 The contract management teams of both KCC Property and the TFM contractors have worked hard to actively manage the contracts. Actions have included:

- Meetings arranged and attended with area managers and stakeholders from the services that have raised concern with the new service. These meetings are also used to explain the TFM services and service matrix.
- The KCC Property team being the point of escalation for service users if a request has not been actioned or is unresolved.
- The use by the TFM contractors of the County Council's Health and Safety, Incident, and complaints procedures for consistency across all three areas.
- Daily clarification to site users at meetings, by phone and email, on the scope of individual works.
- Daily contact between both teams to resolve items which require contractual clarification.
- Weekly and monthly operation and quarterly partnership meetings with contractors to review issues and services, and management and monitoring of the contracts. These include monthly contract review meetings and Monthly Performance/KPI meetings.
- Detailed analysis of Help Desk Calls to identify recurring reports of issues regarding Facilities Management services to enable a more strategic approach to Property Management.
- Implementation of Improvement plans with the contractors resulting in significantly improved performance.
- Software improvements on their CAFM systems.

6. Conclusions

6.1 During this six month period, the three TFM contractors have faced many challenges in providing the services to KCC which have generally been actioned and resolved, or plans agreed to help resolve these issues. KCC continues to manage robustly the three TFM providers.

7. Recommendation(s)

Recommendations: The Property Sub Committee is asked to:

- (1) Note the current performance of the Total Facilities Management contractors; and
- (2) Note the existing KCC contract governance in place to manage and monitor the performance of the Total Facilities Management Contracts.

8. Background Documents

8.1 Policy and Resources Cabinet Committee Report 27 September 2012

8.2 Record of Decision No: 12/01838

8.3 Attachments Exempt Appendix 1: Mid Kent Performance; East Kent Performance, West Kent Performance

9. Contact details

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