

From: Eric Hotson, Cabinet Member for Corporate and Democratic Services
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To: Policy and Resources Cabinet Committee - 20 November 2018

Subject: Total Facilities Management – Bi-annual Review

Classification: Unrestricted

Electoral Division: All

Summary: This paper considers the performance of the Total Facilities Management Contracts - Mid Kent with Amey, West Kent with Skanska, and East Kent with Kier.

Recommendations: The Policy and Resources Cabinet Committee is asked to note the current performance of the Total Facilities Management Contractors and assurance from the Policy & Resources Property Sub Committee.

1. Introduction

1.1 In January 2013, the Cabinet Member responsible for this portfolio took the decision (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. The Policy and Resources Cabinet Committee reviews the performance of these contracts on a bi-annual basis to provide Member oversight and assurance.

This report is intended to update Members on the performance of these contracts since the previous review in January 2018, and to provide Members with assurance that management and monitoring of the three TFM contracts are in place.

2. Financial Implications

2.1 The financial savings identified in the MTFP of £1 million have been delivered following the implementation of the TFM Contracts.

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.
 - Officers are currently liaising with the three TFM Suppliers to discuss the extension provisions.
- 4.2 As with all substantial contracts (approximately £15 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. Gen2 provide day to day contract management services.

5. Performance Review

- 5.1 The current summary report showing the TFM contractors' KPI performance, key trends in the performance data and current status against triggers is included in the exempt Appendix 1.
- 5.2 Over the last reporting period the following actions have been taken:
- 5.2.1 A continuing review of FM has been undertaken to monitor the key issues within FM delivery following reported issues with health & safety compliance. The management actions taken during the last period have supplied a greater transparency of the levels of performance of the TFM Suppliers with regards to Statutory Compliance and improvements to the overall compliance standards. The ongoing management approach will ensure:
- a more comprehensive contract management regime is in place to address all operational issues;
 - full implementation of KPI's to ensure audit tests on performance are undertaken and addressed;
 - analysis and transparency of FM spend and control of costs;
 - CAFM (Computer Aided Facilities Management) system review which remains ongoing and an independent compliance tracker being maintained to monitor performance.
- 5.2.2 A compliance audit process remains in place to ensure all resultant works are processed as required and as identified from assessments.
- 5.2.3 Service user bi-monthly meetings are ongoing to discuss issues and improve communications.
- 5.2.4 Site Audits are undertaken each quarter to check compliance documentation is in place and in date certificates are being held on site.
- 5.2.5 Audits of TFM Suppliers Help Desk systems and Contract Management processes have been undertaken and recommendations are being actioned by Gen 2 and the TFM Suppliers working in conjunction with Property Commissioning team.

- 5.2.6 Continuation of the Health & Safety Group workshops to ensure management and information flow relating to all Health & Safety matters are discussed and shared with all stakeholders
- 5.2.7 Escalation process through KCC Operations meetings and to the Joint Management Team to review and address long outstanding contractual issues, such as lack of functioning of the supplier CAFM systems.
- 5.2.8 Greater management of the asset enhancement programme, which includes works to enhance and replace assets within properties, improving health and safety and modernising facilities for users, to ensure full programme delivery of the 18/19 programme.
- 5.2.9 Client and service user engagement regarding the future of FM and potential procurement options.

6. Conclusions

- 6.1 During this six month period, a full independent review of FM has been undertaken to further understand health & safety issues and management processes. A joint approach has continued to operate between Gen2 and KCC to support the escalation of issues. Improved service user engagement through regular meetings continues to enhance communications and understand service user risk and concerns.
- 6.2 Corporate KPIs are reported on a monthly basis to Policy & Resources committee. These include a TFM related KPI namely 'Reactive Maintenance calls through TFM Helpdesk resolved within timescales. The 3 TFM helpdesks deal with circa 1600 reactive tasks per month, of which on average 1450 tasks (90.6%) are completed within the contract Response & Rectification times. Since April 2018, the KPI performance trend has been relatively flat and remained within a narrow range between 90% and 92% with the exception of July 2018 where the performance dipped to 87.8% due to a drop in one provider's reactive task completion performance.

7. Recommendation(s)

Recommendations: The Policy and Resources Cabinet Committee is asked to note the current performance of the Total Facilities Management Contractors and assurance from the Policy & Resources Property Sub Committee.

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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