

**Facilities Management – Briefing report to scope future inquiry.**

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**Purpose of report**

1. To receive a presentation and briefing on the services delivered and challenges faced by the Facilities Management service area, a service of the Economic Development Directorate.

**Background**

2. The Committees Terms of Reference include responsibility for monitoring and reviewing improvement in respect of Council property services.
3. The Committee formally agreed its work programme for 2018/19 at its September meeting, at which Members expressed an interest in scoping a scrutiny inquiry into Facilities Management. To progress the matter, and clarify best use of the Committees time, Members requested a briefing of the full Committee on the issues and challenges faced by the Facilities Management service, with a view to commencing an inquiry in 2019.

**Profile of the Service**

4. Facilities Management (FM) sits within the Investment and Development Cabinet portfolio. The service is headed up by the Operational Manager Commercial Services, and the Senior Responsible Officer for the service is the Director of Economic Development.
5. The delivery plan for the service is found in the Economic Development Directorate Delivery Plan. The Plan explains the Total Property Management (TPM) Service (FM) offers “a broad range of professional and advisory services

that support and enable the primary business of the organisation including maintenance and statutory compliance". Services include:

- Building Services - maintenance services planned and responsive building repairs, statutory obligations compliance testing and remedial works ;
- Management and maintenance of key Council operational buildings including County Hall, City Hall, Wilcox House, Coleridge Road and Brindley Road;
- Cleaning and Security;
- Pest Control;
- Function service at County Hall (eg. weddings) which provides a valuable source of income for FM.
- A service area compliance and quality management section.

6. The Council employs approximately 600 cleaners, managed by a small team.
7. Building Maintenance Services are delivered either through the Council's in-house Direct Labour Organisation, or by external contractors under a procurement framework. The maintenance of Council buildings is primarily undertaken on a reactive rather than planned basis.

## **Budgets**

8. Facilities Management holds the budget for the running of all corporate buildings. However, it is not in direct frontline control of many aspects of these budgets, for example, the use of energy in corporate buildings, which can be an issue. In 2017/18 the budget for running corporate buildings overspent by around £400,000.

## **Customers**

9. Building Services is responsible for the day-to-day management of County Hall, City Hall, Wilcox House, Coleridge Road and Brindley Road.

10. In respect of Schools, seventy of Cardiff's one hundred and eighty schools use the Cleaning and Support service for school cleaning, and ninety schools use Building Services for building maintenance. A team of four Client Liaison officers assist with communications between FM and the schools.

## Competitors

11. The service has identified a main competitor ***Estates for Education*** (<https://www.estates4education.com/>) who target primary schools, offering to project manage buildings cleaning, maintenance and facilities management by sub-contracting work. The Council has lost a number of school cleaning contracts as a result of being asked to competitively tender against private sector providers. Of greater concern is the quality of work carried out by some external contractors, the management of the associated health and safety, as well as the longer-term maintenance implications of poor workmanship for the Council.
12. Currently, the only 'external' clients FM offers its services to are schools, who hold delegated budgets for cleaning and maintenance. The service considers the volume of work available internally and within schools is sufficient and its main challenge is increasing the number of school contracts.
13. In respect of Building Services, there is a perception that the Council's FM service is more expensive than external providers. However, the service area points out that the quality of the work, and meeting health and safety requirements, is paramount.
14. Members may wish to reflect on how resilient the Facilities Management function is to competitive market forces, and whether a focus for any future scrutiny inquiry could usefully be a review of the Facilities Management service, with a view to halting the loss of contracts, adopting a marketing strategy that builds on the weight of Council branding?

## **Way Forward**

13. The Operational Manager with responsibility for the Council's Facilities Management service has been invited to give a presentation outlining the challenges faced, and to assist in scoping how best the Committee can work alongside the service to have an appropriate impact should it decide an inquiry is the way forward.
  
14. Members will have an opportunity to clarify their understanding of how the service operates and consider whether there is merit programming an in depth piece of work that would assist FM to improve its offer and build commercial resilience. This could be achieved by establishing a task and finish group of the Committee to commence in 2019, or undertaking a short scrutiny to be programmed at the earliest opportunity on the Committee's work programme.

## **Legal Implications**

15. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

## **Financial Implications**

16. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

## **Recommendations**

The Committee is recommended to:

- a. Consider the challenges faced by the Facilities Management Service;
- b. Identify whether the service would benefit from further scrutiny; and what specific issues are of concern;
- c. Consider how it wishes to take forward a scrutiny focus on the service, either by means of a task and finish inquiry to commence in 2019, or a short scrutiny to be programmed at the earliest opportunity on the Committee's work programme.

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