

**POLICY REVIEW & PERFORMANCE  
SCRUTINY COMMITTEE**

**7 January 2014**

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**FACILITIES MANAGEMENT**

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**Reason for the Report**

1. To provide the Committee with an opportunity to consider Cardiff Council's Facilities Management Service. When the Committee agreed its 2013/14 work programme, Members indicated that they would like to focus on particular service areas in more depth during budget monitoring sessions. Facilities Management and Central Transport Services have therefore been scheduled for consideration in the context of the 2013/14 Month 6 budget monitoring report at this meeting. Central Transport Services is at Agenda Item 8 in Committee papers.

**Background**

2. Facilities Management was established in April 2011, as part of Central Transport Services, bringing together disaggregated service area budgets to manage the following within Council buildings:
  - Building Maintenance
  - Cleaning (excluding Schools)
  - Security
  - Office environment and office moves
  - Staff ID badges and access cards
  - Pest control
  - Grounds maintenance requests
  - Waste services
  - Room bookings for core buildings.
3. . The service's stated focus is on ensuring the organisation is:

- Compliant
  - Competitive
  - Safe
  - Sustainable.
4. Until the recent senior management restructure, Facilities Management service sat within Shared Services, but now forms part of the Resources Directorate, as part of a unit with the Central Transport Services and Business Support.
5. As background information, Members may like to refer to the papers relating to Agenda Item 8 – Central Transport Services, as they also relate to Facilities Management:
- **Item 8 - Appendix A** - Resources Directorate's structure, as distributed with Directorate Budget briefing packs at the Committee's November 2013 meeting, showing where Central Transport Services sits;
  - **Item 8 – Appendix B** - Resources Directorate budgetary analysis;
  - **Item 8 – Appendix C** - Resources Directorate Net Revenue Budget 2013/14 'bubble diagram';
  - **Item 8 - Appendix D** - Central Transport Service's 2013/14 Business Plan, setting out a number of aspects of the service, including its key performance indicators, a more detailed structure, and its action plan for 2013/14;
  - **Item 8 – Appendix E** Central Transport Services performance information to the end of November 2013.

## **Issues**

6. The 2013/14 Budget Proposals included a number of savings proposals for Facilities management. Savings were predicted to be achieved through lower security costs, based on reduced building opening hours, and reduced staffing costs following the merger of the Facilities Management and Business Support teams. These are set out at **Appendix A to this report**, which also includes a line by line update as at Month 3 and at Month 6, showing where savings shortfalls are currently projected.

7. Members will note from the 2013/14 Budget Monitoring Report (at Agenda Item 13 in Committee papers), that overall the Council faces a projected overspend of £903,000 at Month 6, as compared to an overspend of £3.913 million projected at Month 3. Within this figure, the Resources Directorate is currently projecting an overspend of £1.198 million, a reduction of £598,000 as compared to the Month 3 position. Facilities Management is however projecting an overspend of £924,000 currently, mainly due to shortfalls against its savings targets, including shortfalls of £357,000 against the security saving, £205,000 on building cleaning, £355,000 on other facilities management budgets and £252,000 due to the delayed restructure within Building Support. These are partly offset by savings generated by the office rationalisation project and from other savings on premises budgets.

### **Way Forward**

8. Councillor Russell Goodway, Cabinet Member for Finance and Economic Development; Christine Salter, Corporate Director Resources, have been invited to attend this meeting. Lesley Ironfield, Operational Manager - Facilities Management, will also be in attendance to give a presentation about the service's current position and future opportunities.

### **Legal Implications**

9. 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 of 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**

10. 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.

### **RECOMMENDATION**

The Committee is recommended to:

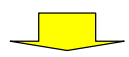
- i. Consider the information attached and presented at the meeting and forward any comments and recommendation it wishes to relay to the Cabinet.

**MARIE ROSENTHAL**

County Clerk and Monitoring Officer

30 December 2013

Cardiff Council



No	Saving	Proposed	Accept	Reject	Residual Risk	Achievability	Equalities Impact Assessment	Projected Saving at Month 3	Potential saving Shortfall at Month 3	Projected Saving at Month 6	Potential Saving Shortfall at Month 6	Comments
		£000	£000	£000								
210	<b>Facilities Management (FM) Security</b> - savings are based on buildings with an FM security budget. A £487k saving is based on reduced operating hours for the eight in-scope buildings (City Hall, County Hall, Lamby Way, Marland House, Willcox House, Brindley Road, Cardiff Castle and Central Library.)LIST, which would close at 10pm and re-open at 6am. They would be closed all day Sunday (excluding Lamby Way.) Should events occur in these buildings outside normal hours then the event would be charged directly for the additional security. The proposal would result in a staffing reduction of 10 FTE's. Additional detailed work will now be undertaken to ensure the saving can be realised without compromising operational efficiencies. Savings should also be made on operating costs of these buildings.	487	487	0	Green	Amber-Green	Red-Amber	83	404	130	357	Savings have been achieved by reducing opening hours at a number of Council buildings. Proposals to achieve the balance of savings have yet to be implemented. Opportunities for greater use of CCTV and mobile security are still being considered but are subject to consideration of operational risks and investment requirements.
211	<b>Office Cleaning</b> - proposal to clean all non-school buildings to a consistent standard. A team cleaning model will be implemented and the service desk used to monitor feedback and cleaning requirements. A £479k saving would be achieved in 2013/14, with a further £105k in 2014/15. There would be approximately 68 displaced staff shifts (22 FTE) by the end of the third phase. Staff will be offered voluntary severance, vacancies in schools services or retraining and reskilling to fill other Council vacancies. The proposal also reflects associated savings on cleaning consumables.	479	479	0	Green	Amber-Green	Red-Amber	279	200	274	205	A number of measures have already been implemented, however further savings opportunities have yet to be identified in order to achieve the full saving.
212	<b>Facilities Management (FM) staffing reductions and Merger of Business Support</b> - Business Administration teams will merge with FM and Central Transport Service (CTS). Currently there are a number of posts covered via Cardiff Works and vacant posts which can be deleted once the process of the business case has been realigned and consultation completed implementation April 2013.	120	120	0	Green	Red-Amber	Green	60	60	13	107	The restructure commenced in May 2013 and it is anticipated to be completed in January 2014. The full saving will be achieved in 2014/15.
213	<b>Reduction in energy consumption</b> - a £50k reduction across facilities management buildings via reduction in energy consumption through good housekeeping and energy initiatives. This will involve working with the Energy Management Team and close monitoring of energy use information.	50	50	0	Green	Green	Green	50	0	50	0	
216	<b>Business Administration (BA) staff reductions</b> - Removal of OM2 and removal of grade 9. The cancellation of the BA project has resulted in a much smaller team than was originally envisaged under the OM2 and grade 9 posts, and by moving the remaining staff under the Facilities Management structure, the existing management arrangement can be used to replace these staff.	117	117	0	Green	Green	Green	117	0	117	0	