

WESTMINSTER CITY COUNCIL

STATEMENT OF DECISION

SUBJECT: RESTRUCTURE OF FACILITIES MANAGEMENT SERVICE

Notice is hereby given that the Cabinet Member for Finance, Property and Corporate Services has made the following executive decision on the above mentioned subject for the reasons set out below.

Summary of Decision

1. That Appendix B of this report be exempt from disclosure by virtue of the Local Government Act 1972 Schedule 12A, Part 1, Paragraph 3 (as amended), in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).
2. That Following a full review of the tri-borough Total Facilities Management (TFM) Project Agreement (i.e. the contract) the Cabinet Member for Finance, Property and Corporate Services agreed to the proposed changes to the current Facilities Management (FM) service model.
3. That the Cabinet Member for Finance, Property and Corporate Services delegated authority to the Director of Corporate Services to conclude negotiations with Amey on terms recommended by the Council's professional advisors in accordance with the Heads of Terms and agree any necessary variations to the Heads of Terms or contract which are in the Council's best interests and necessary to complete the negotiations and determination of the existing contract.
4. That the Cabinet Member for Finance, Property and Corporate Services delegated authority to the Director for of Corporate Services and the Director of Property, Investment and Estates to incur the costs of professional fees associated with the exit from the contract.
5. That the Cabinet Member for Finance, Property and Corporate Services delegated authority to the Director of Corporate Services and the Director of Property, Investment and Estates to establish a new FM delivery function to delegate authority to the Director of Corporate Services and the Director of Property, Investment and Estates to change the FM service model from the single TFM Project Agreement that governs the supply of FM services to the three boroughs, to a sovereign performance focused multi-supplier model comprising a combination of in-house and external supplied services with a more direct influence on compliance, performance and direct customer engagement, and to procure and award new contracts to fulfil the requirements of the new FM delivery model through a number of competitively tendered contracts governed by existing framework agreements
6. That the Cabinet Member for Finance, Property and Corporate Services delegated authority to the Director of Property, Investment and Estates in consultation with the Director of People Services and the City Treasurer to

establish a new in-house Facilities Management team while also cogniscent of the influence of TUPE on this process.

7. That the Cabinet Member for Finance, Property and Corporate Services delegated authority to the Director of Property, Investment and Estates to approve mobilisation and transition costs to support the transformation in consultation with the City Treasurer.
8. That the Cabinet Member for Finance, Property and Corporate Services approved that the revenue budget consequences in 2018/19 be approved by a virement as agreed by the City Treasurer and the Executive Director for Growth, Planning and Housing, that that the revenue consequences for 2019/20 be dealt with as part of the 2019/20 budget setting process and that the income received from Amey Community Homes be placed in a reserve to be utilised as needed to finance any short term financing issues.

Reasons for Decision

1. The recommendations are to enable the TFM Project Agreement to terminate early by mutual agreement and to arrange the supply of replacement FM services through a mixture of in-house and externally procured services.
2. This recommendation represents the best approach to reasonably obtain appropriate FM services in the most cost effective and timely manner.
3. The recommendations enable continued strong contract management via more nimble and service specific contracts.
4. The recommendations provide for the Council to monitor and manage health and safety compliance more effectively and to be more closely involved with this function.
5. The recommendations ensure an effective, efficient and well-maintained corporate estate which properly supports the Council's delivery of services and offers the most economically advantageous combination of cost and function.
6. This enable the Council to meet its City for All obligation and its service transformation Routemap to Success targets by providing an efficient corporate estate.

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Implementation Date: 27 March 2018, 5.00pm

Reference: CMfFP&CS/2017-2018/50