



CITY OF WESTMINSTER

# MINUTES

**CABINET COMMITTEE MEETING – 13 MAY 2013**

## **MINUTES OF PROCEEDINGS**

Minutes of a meeting of the **Cabinet Committee** held at 2.30pm on **Monday 13<sup>th</sup> May 2013** at Westminster City Hall, 64 Victoria Street, London, SW1E 6QP

**Cabinet Members Present:** Councillors Melvyn Caplan, Jonathan Glanz and Rachael Robathan

### **1. MEMBERSHIP**

- 1.1 The membership of the Committee was noted.
- 1.2 Councillor Caplan was elected as Chairman.

### **2. DECLARATIONS OF INTEREST**

- 2.1 There were no declarations of interest.

### **3. TRI-BOROUGH TOTAL FACILITIES MANAGEMENT AWARD OF CONTRACT (see report of the Chief Executive of Westminster City Council and the Joint Chief Executive of the Royal Borough of Kensington and Chelsea and the London Borough of Hammersmith and Fulham)**

- 3.1 Ben Denton, Strategic Director for Housing, Regeneration and Property, introduced the report which sought approval to fully outsource the provision of 'Total Facilities Management' (TFM) and to award a Tri-Borough contract accordingly. Mr Denton explained that the Business Case approved by the three borough's Cabinets had set a target of £2 million of savings per annum to be achieved at the conclusion of the tendering exercise. This target had been exceeded and, based upon the current arrangements, the solution proposed by Amey Community Ltd had identified average net savings of approximately £6 million in the first year and more when further contracted efficiencies are realised.
- 3.2 Nigel Pallace, Executive Director for Transport and Technical Services, provided Members with an overview of the arrangements for the establishment of the Intelligent Client Function (ICF) that will manage the contract. Glenn Woodhead, TFM Strategy Manager, responded to Members' questions in respect of the staffing arrangements for officers at each of the three Boroughs.

3.3 In response to a query from the Committee Barbara Moorhouse, Chief Operating Officer, confirmed that she was content from the financial perspective with the recommendation to approve the spend £750,000 (£250,000 per Authority) to mobilise the TFM contract and cover external costs from May to September 2013.

#### 3.4 **RESOLVED:**

- (1) That the award of the Tri-Borough contract for the provision of TFM ("the Project Agreement") to Amey Community Limited with the services commencing on 1 October 2013 for a period of 10 years (with an optional 3 year extension) be approved;
- (2) That the award a London-wide Framework Agreement for the provision of facilities management services to Amey Community Limited for a period of four years be approved;
- (3) That it be noted that the initial £2 million savings identified in the Business Case have been met and that the potential net savings over the life of the contract could now significantly exceed this;
- (4) That the Bi-Borough Executive Director Transport and Technical Services at H&F and RBKC in conjunction with the bi-borough Head of Legal Services at H&F and RBKC, the Director of Corporate Property at RBKC and the WCC Strategic Director Housing Regeneration and Property with the Head of Legal Services be authorised to agree to any final amendments to the PA and FA deemed necessary and to conclude the PA and FA accordingly;
- (5) That the structure of the ICF at a net annual cost of £1.7 million to be funded from existing FM budgets be approved;
- (6) That it be agreed that RBKC will be the host employer for the ICF;
- (7) That the proposed high level Governance arrangements and principles of the Tri-Borough Inter-Authority Agreement, subject to any other report thought necessary at a later date, be approved;
- (8) That the Executive Director for Finance and Corporate Governance (LBHF), the Town Clerk and Executive Director of Finance (RBKC) and the Chief Operating Officer (WCC) be authorised to enter into a Tri-Borough agreement in respect of TFM underpinned by a s113 agreement for the client function;
- (9) That the methodology for allocating costs and indicative costs of TFM for each Borough be noted;
- (10) That approval be given to spend £750,000 (£250,000 per Authority) required to mobilise the TFM contract from May to September 2013. This will be split equally between the boroughs on the basis that the work required to deliver the TFM project in each borough is broadly the same. It is anticipated that the £250,000 can be met from existing facilities management budgets but in the event that this is not possible,

it may be necessary to call on funding from borough contingency budgets. For H&F in particular, this will need to be funded from the Efficiency Projects Reserve;

- (11) That it be agreed that the structure and form of the ICF shall be reviewed at a future date (no earlier than 12 months from contract commencement) with a view to considering a Tri-Borough Owned Company (TOC), should that prove to be commercially and operationally advantageous.

#### 4. EXEMPT REPORT UNDER LOCAL GOVERNMENT ACT 1972

**RESOLVED:** That under Section 100 (A) (4) and Schedule 12A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business because it involves the likely disclosure of information on the grounds shown below:

<u>Item</u>	<u>Grounds</u>
	<u>Para of Part 1 of Schedule 12A of the Act</u>
<b>Part B of Item 3</b> <i>Information relating to the financial or business affairs of the authority and contains legal advice of the authority</i>	Para 3

#### 5. CLOSE OF MEETING

The meeting ended at 2.40pm.

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**CHAIRMAN:**

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**DATE**