



Report for:	Cabinet 14th July 2015	Item Number:	
Title:	Provision of Facilities Management Services for Council buildings		
Report Authorised by:	Tracie Evans, Chief Operating Officer		
Lead Officer:	Malcolm Greaves, Head of Asset Management		
Ward(s) affected: None	Report for Key Decisions: Key		

1. Describe the issue under consideration

- 1.1 The Council currently spends approx £4.1m pa on Facilities Management (FM) services for its Operational, Commercial and Community buildings. This report describes how our FM Services are currently delivered, explores the options for future delivery and recommends a preferred delivery solution.
- 1.2 The Council currently delivers FM through a “mixed economy” combination of in-house service provision and external contracts. This includes “hard” FM services to maintain our buildings and “soft” FM services which support our use and occupation of the mainly corporate office buildings.
- 1.3 The table below indicates the core services under each heading:

		In-house delivery	External delivery
Hard FM		Contract Management and Performance Monitoring Compliance Monitoring	FM Helpdesk Reactive Repairs & Maintenance Planned Repairs & Maintenance Statutory compliance
Soft FM	Building Support	Portering / Handyman Building Opening / Closing Reception cover Water Coolers (owned stock) Stewarding Floor waste, recycling and confidential waste Grounds Maintenance (Litter clearance and sweeping) Car Park and staff permits	Cleaning Hygiene Services Security / Manned Guarding
	Post Room	Post / Mail/ Courier School Bag service	Post Room Equipment, Post delivery
	Reception	Reception / Customer Services	
	FM Support	Access control, Staff ID Room Bookings, Stationery Water Coolers Reception (Cover only)	Archiving and Storage Confidential waste / Shredding Stationery provision
	Libraries	Site Management	as for FM and Building Support

- 1.4 The current hard FM contract, awarded to Europa Facility Services Limited as Managing Agent in September 2008 and currently being novated to an associated company, Bilfinger Europa Facility Management Limited, is due to end in November 2015. This contract delivers most hard FM elements except asbestos management and grounds maintenance.
- 1.5 The majority of soft FM services, except Cleaning and Security, are directly delivered by the Council's facilities management team based in Asset Management and the Library site management team. There is approx 46 staff delivering these services of which 35 are directly affected by the recommendation in this report.
- 1.6 Cleaning services are provided by Cofely gdf-Suez under a contract which terminates in November 2016 and Security is provided by United Guarding under a contract which terminates in November 2015.



- 1.7 The requirement to re-procure the hard FM contracts has afforded the opportunity to consider a range of delivery models, including combining with soft FM; driving better value and efficiency now and into the future.
- 1.8 V4 Services Ltd were commissioned to complete an appraisal of delivery options (see appendix A). Alternative delivery models have been considered and it is believed that moving to an Integrated/ Total Facilities Management (TFM) arrangement will best meet the Council's criteria, offering the optimum level of savings across the contract term, without increased risk of a reduction in service quality. TFM is a service delivery model bringing together delivery of all hard and soft FM into a single delivery contract.
- 1.9 The Tri-borough Authorities (Westminster, Royal Borough of Kensington & Chelsea and Hammersmith & Fulham) have entered into a 10 year TFM contract with Amey. The contract commenced on 1 October 2013 for a period of 10 years (with an option to extend for a further 3 years). The arrangements include a single supplier Framework Agreement ("FA") which allows other London Boroughs and schools to enter into separate call off contracts with Amey. Haringey expressed an interest and has an opportunity to benefit from the same economies of scale.
- 1.10 The Tri-borough framework has been identified as the most appropriate solution and this report outlines the process undertaken, resultant immediate benefits and requests approval to award the contract. Under these arrangements all soft FM delivery staff would transfer to Amey under the TUPE regulations 2006.
- 1.11 LB Camden has recently awarded a contract under the FM framework and three more authorities are in the process of finalising negotiations.
- 1.12 Further savings can be achieved during the contract period through the adoption of new innovative methods of working and through the improved provision of certain centralised functions such as mailroom. Whilst the adoption of new and innovative ways may not be available immediately at contract award they will be phased in at the appropriate time.

2. Cabinet Member introduction

- 2.1 The council continues to face very significant financial challenges as a result of government funding cuts, so it is right that we look across our services to see how can deliver high quality services at lower cost.
- 2.2 An independent review has identified opportunities to make savings in the way the council delivers facilities management. At the moment these services are delivered through a mix of council provision and a number of external contracts. The report recommends consolidating these services into a single contract through a 'Total Facilities Management' approach.



- 2.3 I'm pleased to say that all staff affected by this proposed change would be transferred to a new operator with their terms and conditions protected through TUPE, including their local government pension. In addition, all staff working on the contract will be paid at or above the London Living Wage and the contract will deliver apprenticeships to create new employment opportunities.
- 2.4 The proposal will provide cost certainty and the flexibility to meet the Council's changing requirements, whilst securing the benefits offered by this established facilities management framework.

3. Recommendations

- 3.1 That, subject to paragraph 3.2, Cabinet approve the award by way of a call off from the Tri-borough single supplier Framework Agreement to Amey Community Limited ("Amey") of a Total Facilities Management services contract for a period of 5 years starting in November 2015 with an option to extend for up to a further 3 one-year periods making a potential total of 8 years, for the total estimated all-inclusive price of £29.724M as further detailed in the exempt part of this report.
- 3.2 That Cabinet delegate authority to the Chief Operating Officer in consultation with the Cabinet Member for Resources and Culture to finalise the detailed payment mechanism, service levels, condition appraisal and other contract terms.

4. Alternative options considered

- 4.1 Using the detailed work carried out by the Tri-borough authorities as part of their extensive procurement process we have applied that to Haringey's criteria for determining the optimum delivery solution. To "do nothing" is not a viable option.
- 4.2 The following criteria have been considered in reviewing the delivery model options:
 - **Flexibility and scalability** - Council FM services that are capable of meeting changing service requirements, and economically sustainable as size of the estate reduces.
 - **Financial savings - A delivery** model with a focus on value for money that meets the pre-agreed, future planned and potential savings.
 - **Quality of delivery and performance – Simple (ideally single)** access to FM services, demonstrable performance of timing and works quality. Performance measured, managed and reported within the contract management and delivery model.
 - **Risk transfer** - Service and asset compliance risks and ownership clear, managed effectively in the most appropriate place.
 - **Innovation** - Best practice delivery, responsive to market developments and technological improvements, incentivised and shared investment.



- **Social and economic value** - A service that reflects the makeup of Haringey and recognises the social and economic value of its workforce.
 - **Customer perception** - An effective, integrated customer interface including a seamless service provision through a customer oriented helpdesk. Demonstrable evidence of customer satisfaction.
- 4.3 Following the Tri-borough feasibility evaluation a further options appraisal carried out by V4 Services Ltd also considered the alternative delivery models and concluded that an Integrated model such as TFM is the most appropriate to deliver the required outcomes for Haringey. The range of four models taken forward and considered for evaluation were; As-Is, Enhanced As-Is, bundled and Integrated
- 4.4 Table 1 below summarises the evaluation of each model to meet the required criteria.

Table 1- (Source: V4 Services Limited)

EXPECTED OUTCOME	DELIVERY MODEL			
	As is	Enhanced as is	Bundled, single sourced	Integrated services
Flexibility and scalability	3	3	4	5
Financial savings	1	2	3	5
Quality of delivery and performance	2	3	3	4
Risk transfer	1	2	3	5
Innovation	1	2	4	4
Social and economic value	3	3	4	4
Customer perception	2	2	3	4
Total Score(out of 35)	13	17	24	31
Ranking	4	3	2	1

- 4.5 The integrated option, such as TFM, scored the highest number of points.
- 4.6 A summary of the positive and negative aspects of each option is highlighted in Table 2 below. The table demonstrates where an option has received either a high (4-5) or low (1-2) score.

Table 2 (Information source: V4 Services Ltd)

Delivery model	High scores 4 and 5	Low scores 1 and 2	Total score
1. As-is	<ul style="list-style-type: none"> •None 	<ul style="list-style-type: none"> •Financial savings •Quality of delivery and performance •Risk Transfer •Innovation •Customer perception 	13
2. Enhanced As-is	<ul style="list-style-type: none"> •None 	<ul style="list-style-type: none"> •Financial savings •Risk Transfer •Innovation •Customer perception 	17
3. Bundled, single sourced	<ul style="list-style-type: none"> •Flexibility and scalability •Innovation •Social and economic value 	<ul style="list-style-type: none"> •None 	24
4. Integrated services	<ul style="list-style-type: none"> •Flexibility and scalability •Financial Savings •Quality of delivery and performance •Risk transfer •Innovation •Social and economic value •Customer perception 	<ul style="list-style-type: none"> •None 	31

Market research of the potential financial savings and cost for the services in scope for each option is highlighted in table 3 below.

Table 3 (Information source V4 Services Ltd)

Overall current annual cost of services in scope				£ 4,112,000
Option	Savings range (%)	Mid-Range (%)	Mid-Range Saving	Mid-Range Cost
AS-IS	0	0	0	£4,112,000
AS-Is enhanced	1-5	2.5	£102,800	£4,009,200
Bundled	5-10	7.5	£308,400	£3,803,600
Integrated	15-20	17.5	£719,600	£3,392,400



- 4.7 The analysis undertaken by V4 indicates the model delivering the greatest savings is the integrated services option, including TFM (The Tri-borough- Amey proposal delivers savings within the range of 15-20%)
- 4.8 The analysis undertaken by V4 found a clear trend of Local Authorities moving towards integrated/TFM delivery of FM services. It highlighted seven case examples of recently awarded TFM models in Camden (Amey), Brent, Richmond, Lambeth, Kent, Essex, Oxford. Recent awards were based on a minimum 5 year initial term.

Summary- review of options

- 4.9 Option 1: As-is, mixed economy – a combination of in-house service provision and external contracts. Having evolved incrementally over time this is the operating model for FM that exists for the Council with in-house teams providing soft FM whilst cleaning, security, help desk, Hard FM (via a managing agent function) are provided through external suppliers.

Consideration: Discounted as it does not offer best value relative to the changing needs of the Council and the current market conditions and trends. This model would continue to deliver minimal savings only, mainly through staff reductions, and be limited in extent of innovation and risk transfer.

- 4.10 Option 2: Enhanced As-is – a combination of in-house service provision and external contracts remains, however with greater visibility and control of by the FM team of all spend and enforced compliance with corporate contracts. Enhanced quality and performance management across all areas of delivery. Estimated savings are in the range of 1-5%.

Consideration: Discounted as long as the preferred option ensures that the external provider is assured to adopt the London Living Wage (LLW) any advantages of in-house service provision would be negated. This model would require increased investment to achieve internal innovation and future savings. There is minimal scope for risk transfer or externally driven innovation.

- 4.11 Option 3: Bundled/Single services: a series of individual contracts for each separate service line (e.g. maintenance, security, cleaning, helpdesk provision etc) or bundling of similar sized contract. Such contracts are generally let for short periods of time (typically two to three, maximum five years) and offer the advantage of regular market appraisal but do not encourage innovation from the supplier. They incur increased procurement costs and do not facilitate a thinner client side operation. Estimated savings are in the range of 5-10%.

Consideration: Discounted as although it is considered that the adoption of a bundled/integrated model of FM service delivery could deliver the majority of the Council's requirements, changes in scale would be more difficult to action without affecting prices due to the lack of economy of scale in each bundle. Achieving consistent quality and savings would require greater management across the



bundles. Risk transfer would be possible but limited due to the lower value of each bundle, similarly innovation would be limited to within the scope of the bundle rather than the totality of FM Services. The need for a larger client function would reduce potential savings.

- 4.12 Option 4: Integrated/Total Facilities Management (TFM): a 'one stop shop' outsourced solution for all facilities services. Innovation and self management of the account assist the Council in transforming the client model to that of an intelligent client function. As such the TFM provides an economic and flexible platform for the provision of FM services. Estimated savings are in the range of 15-20%.

Consideration: This option offers the best value relative to the changing needs of the Council. It meets all evaluation criteria.

Summary of TFM

- 4.13 Implementing and promoting the TFM model offers greater benefits to the Council with least risk. This model maximises the opportunity for integrated innovative delivery and savings through a single provider. Risk can be transferred to and managed by the most appropriate partner across the whole FM service which provides greater cost certainty. This option offers considerable flexibility to accommodate changes in the size and scope of the managed estate. It is expected that the LBH estate will reduce in size significantly over the coming years and this option allows the Council to remove buildings and reduce its FM spend accordingly. Therefore Option 4, the Integrated/TFM model, is recommended.
- 4.14 The Tri-borough FA provides a delivery option that fulfils the Council's requirements whilst providing a scope of services whereby new and innovative ways of working will be available to the Council during the life of the contract. The ability to call-off from this existing FA provides for a cost effective and time efficient procurement route to the Council.

Alternative frameworks

- 4.15 The Crown Commercial Services framework has been considered, however it is currently being re-procured and is unlikely to be available before November 2015. Following this a further period of mini competition tendering would be required.
- 4.16 The new Scape Group framework has also been considered and is available from May 2015; this would require a further period of procurement to establish an indicative price. The benefits of this have not been fully established and there is no proven record or current users.



5. Background information

Scope

5.1 The following buildings and services are in scope:

Building Type	Number of Properties	Services provided
Commercial buildings	145	Hard services, minimum responsive repairs
Operational corporate buildings	94	Hard and Soft services, with some variations
Buildings on Parks land	14	Hard services, responsive repairs
Community buildings	9	Hard services, specific repair responsibilities
Leisure Centres	3	Hard services, minimum responsive repairs
Grand Total	265	

5.2 The following services are currently out of scope:

- Corporate Office receptions, with the intention of transferring to Customer Services.
- Schools FM, although the FA allows schools to procure these services directly should they so wish.
- Housing maintenance, delivered through Homes for Haringey.

5.3 Schools generally contract on a stand-alone basis with some advisory support from Asset Management and Corporate Property & Major Projects teams. They are not therefore included in the current scope of services but can opt to use the framework at a later date if required.

Tri-borough – Amey framework agreement

5.4 Following a robust and extensive competitive procurement process, the Tri-borough TFM FA has been in place since 1 October 2013 and LBH officers understand it has performed well. Amey also delivers many large, well established contracts for major government departments including the Home Office, MOD and the Department of Transport.

5.5 Starting in March 2014, Council officers met with officers of the Tri-borough to review possible applications of the TFM FA. Specifically, the purpose of the meeting was to explain, explore and understand:



- what the FA has to offer and how the FA operates
- clienting opportunities
- potential timescales
- stakeholder issues
- data requirements and templates
- service scope and specification

Further meetings were held to refine the Council's requirements following which a feasibility study was undertaken, the purpose of which was to determine the minimum savings level ("MSL") and other benefits of entering into a contract with Amey (called off from the Tri-borough FA), across soft and hard services.

- 5.6 The recommended option for the provision of TFM services for the Council's estate is a contract with Amey called off from the Tri-borough TFM FA. This recommendation is based on the above review of the Triborough FA arrangements and clarification of deliverability of the Council's detailed requirements and the criteria described at 4.2 above and opportunity for further efficiency savings in areas such as post, security etc (currently priced as "pass through" services) through the adoption of new innovative models of operation.

Advantages include:

- 5.7 The Tri-borough Framework delivers the following advantages:
- An initial price with guaranteed net minimum savings level of £221k pa rising to £353 pa for the properties and services in scope.
 - Further efficiency savings through the adoption of new innovative models of operation; savings incentivised and shared with Amey on an 80/20 basis (LBH/Amey).
 - No limit of liability for reactive repairs for the core operational properties, risk will be transferred to Amey, greater cost certainty.
 - Amey, Managing Agent for a small number of contracts including cleaning until expiry. Avoids termination costs, smooth transition and further savings.
 - Terms and conditions protected in accordance with TUPE regulations 2006 for transfer of approx 35 staff from the Council's facilities management and library site management services to Amey, retaining the existing workforce and contractor staff.
 - Pensions protected under admitted body status.
 - All staff paid at or above the London Living Wage, in accordance with the Council's requirements.



- Minimum 20 apprenticeships employed through the contract.
- Engaging with local suppliers, including the existing supply chain, supplier event during the mobilisation period.
- Capped one off transitional and mobilisation costs- set out in the Exempt Information part of this report.
- Streamlined delivery and procurement of capital repair maintenance and improvement works of up to £250k per project in the scope of the framework.
- Robust performance management mechanism based on a Balanced Scorecard and benchmarked Performance Indicators and weightings.
- Tailored Output Specification and comprehensive flexible Service Delivery Plans.
- Full competitive procurement including notification in the Official Journal of the European Union, was considered prior to expressing an interest in the Tri-Borough framework in 2011. This option would normally take 12 – 18 months to complete and is unlikely to deliver a significant level of savings from the current FM budget, at a significantly higher procurement cost of circa £150k based on previous procurement.

Risks

5.8 There are some risks from the Tri-borough- Amey framework that the Council will need to manage. These include:

- RPIx annual increase- to be allowed for in the Medium Term Financial Strategy
- Condition surveys, carried out during mobilisation, likely to identify significant repairs required over the contract period as the basis of agreeing the apportionment of risk. This remains the main residual risk which is uneconomic to pass over to the contractor. There is a risk of not agreeing the relative responsibility for repair/replacement- Considered medium risk.
- The Council will need to make provision in its capital programme to invest in maintaining and enhancing its operational buildings. There is a risk that specific additional works are identified through a more rigorous condition survey regime which requires further investment – Considered medium risk.



- Price is TUPE, pensions and London Living Wage (LLW) neutral. A contingency of £500k has been allowed for this, which can be amortised over 5 years at £100k per annum, the actual cost of which may be considerably less-Considered low risk to go above allowance.

Contract management and next steps

- 5.9 The contract will be managed by an intelligent client team in Asset Management to ensure contract performance, manage the interface between key stakeholders & Amey and provide strategic management of the corporate estate.
- 5.10 It is proposed to finalise the contract fully in time for contract mobilisation to start in August. 2015 with a target operational start date for the new TFM services on 1 November 2015.

6. Comments of the Chief Finance Officer and financial implications

- 6.1 The CFO confirms that the total current budgeted cost of Facilities Management for the buildings in the proposed contract scope is just over £4.1m per annum.
- 6.2 Details of the proposed annual contract price, the contingencies required to cover elements still to be negotiated, and the mobilisation costs for the initial 5 year term are set out in the table in Part B. The estimated costs are compared against budget to demonstrate the savings expected to be achieved over 5 years, and the potential for continued savings if the contract were extended for up to a possible further three years.
- 6.3 Estimated savings in the first full year are £221k, rising to £353k per annum from years 2-5. After 5 years, all mobilisation costs would have been fully paid for, and the annual savings would increase to £513k per annum if the contract continued for a further 3 years. Annual market testing of the contract rates will be undertaken throughout the contract, with the contractor obliged to match rates where beneficial to the Council. The Council would also have the option to fully test the market after the initial 5 year period in order to ensure best value continued to be obtained.
- 6.4 The contractor's total estimated all-inclusive price which delivers the guaranteed minimum savings level secured as part of the contract will offer the benefit of budget stability and certainty in relation to the basic costs of facilities management, as the risk of increased input costs is passed to the contractor.
- 6.5 The contract proposes that certain elements of the Council's existing costs are treated as pass through costs. These elements will require more detailed investigation over the initial contract period to determine whether further efficiencies and additional savings can be derived. Security costs for the Council's estate are currently volatile as the Council seeks to both rationalise property and also to support regeneration plans with strategic acquisitions. The



Council will therefore need to continue to cover the risk on security costs until a more stable position is achieved on its operational estate.

- 6.6 Until discussion on the final terms is concluded, there remains a risk in relation to the costs of any TUPE transfers including pension rights. The contractor's final costs are dependent on the final details of potential transfers and the pension status of those concerned. A contingency sum to cover these costs has been included in the calculations of potential savings. This contingency sum is considered adequate, but there remains a low risk that additional costs would erode the savings achievable based on the current estimated price.
- 6.7 The main residual risk for the Council concerns the existing condition of buildings proposed to be managed in the contract, and the potential for significant repairs to be required over the contract period. The Council will therefore continue to need to make provision in its medium term capital programme to invest in maintaining and enhancing its operational buildings. The current annual provision is £750k per annum, which is relatively low given the size of the estate. There is therefore a risk that specific additional works are identified through a more rigorous condition survey regime which requires further investment. The Council will be responsible for agreeing the priorities and overall level of investment for this programme although it is proposed that the proposed Facilities Management contractor manages the future works programme.
- 6.8 In relation to the Council's Medium Term Financial Plan it should be noted that planned savings from facilities management efficiencies of a total of £175k were agreed for the 14/15 financial year, and have therefore already been applied to the Council's base budget. In the current year these savings are partially being met by one off savings, but pressures on the current year budget remain. The savings identified from the proposed contract would therefore allow the base budget savings already taken to be sustained, and allow a further base budget saving of £46k in 15/16 (£221k less £175k already taken), and a further base budget saving from 16/17 for the duration of the contract of £132k per annum (£353k-£221k).
- 6.9 In line with the Council's corporate landlord policy, all savings from the proposed contract and any rationalisation of property holding costs are savings due to be credited to corporate property services and the corporate accommodation savings target. Where necessary and appropriate any service budgets for such costs will be centralised in order to effect the implementation of these savings and overall improved control of property costs for the Council as a whole.

7. Comments of Assistant Director of Corporate Governance and legal implications

- 7.1 The report recommends the award of a contract for up to 8 years for services which are Part A services subject to the EU tender regime, as reflected in the Public Contract Regulations 2006 ("PCR 2006").



- 7.2 Contract Standing Orders (CSOs) also apply to this procurement in as far as they allow the Council to award a contract to a contractor selected from a framework established by another public sector body under the PCR 2006.
- 7.3 Paragraph 3.1 of the report proposes that the contract be awarded to Amey, the provider appointed to a single provider framework set up by the Tri-borough group of London boroughs. The framework was set up pursuant to an EU tender led by the Borough of Hammersmith and Fulham under the PCR 2006. The tender specifically provided for all London boroughs to call off contracts from the framework. It also provided for contracts to be called off from the framework for terms longer than 4 years depending on the contract's subject matter. This is what is proposed here given the need to allow time to build an innovative total facilities management delivery model.
- 7.4 The Council's proposed award will be compliant with EU procurement rules in as far as the Tri-borough procurement has followed PCR 2006 procedures and the Council has applied the terms of the specific framework agreement.
- 7.5 Because the award relates to a contract valued over £500,000, the decision must normally be taken by Cabinet under CSO 9.06.1d. It is also a Key Decision and 28 clear days' notice of intention to make it should normally be given through publication in the Council's Forward Plan. This has been done.
- 7.6 The recommendation in paragraph 3.2 of the report is for Cabinet to delegate authority to finalise the contract terms to the Chief Operating Officer in consultation with the lead Cabinet Member. Cabinet has the power under section 15(5)(b) of the Local Government Act 2000 to make this delegation.
- 7.7 Legal Services should continue to be consulted in the process of finalising the contract terms, including to ensure that TUPE procedures are fully implemented.
- 7.8 The recommended Total Facilities Management ("TFM") services contract appears to be a "service provision change" for the purposes of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended) ("TUPE 2006"). Accordingly Council employees who are assigned to the services which would be carried out by Amey under the contract will transfer by virtue of TUPE 2006 to Amey from the date Amey start carrying out those services, except where they object to becoming employed by Amey. Under TUPE 2006, the Council will be obliged to provide Amey at least 28 days before the transfer certain information called "employee liability information" about the employees assigned to those services. The Council will also be obliged to give prior to the transfer certain information to the trade unions it recognises for the employees who may be affected by the transfer, including the legal, economic and social implications of the transfer for any affected employees.
- 7.9 TUPE 2006 does not protect the rights of Council employees who transfer to a new employer to continue to accrue benefits under the Local Government Pension Scheme ("LGPS"). However the Best Value Authorities Staff Transfer



(Pensions) Direction 2007 requires the Council in its services contracts to require the contractor to give TUPE transferring employees rights to acquire pension benefits which are the same as, broadly comparable to or better than the rights they had with the council. This obligation will be met if Amey are contractually required to have admitted body status under the LGPS from the date Council employees TUPE transfer to them.

- 7.10 Most but not all of the other terms and conditions of Council employees who TUPE transfer to Amey will be protected by TUPE 2006. Their contracts may contain clauses which state that the outcomes of national or local collective bargaining will apply to the employee e.g. national agreements between trade unions and employers concerning pay increases. Under TUPE 2006 any outcomes of such bargaining agreed after the transfer to Amey will not be legally binding on Amey, assuming Amey were not participants in that bargaining .
- 7.11 There may be TUPE transfers of staff employed by other contractors to provide services such as cleaning to Amey on those contracts expiring and Amey then continuing to provide to the Council those services under the TFM services contract.
- 7.12 The Assistant Director of Corporate Governance confirms that there are no legal reasons preventing Cabinet from approving the recommendations in paragraph 3 of this report.

8. Equalities and Community Cohesion Comments

- 8.1 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:
- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
 - advance equality of opportunity between people who share those protected characteristics and people who do not;
 - foster good relations between people who share those characteristics and people who do not
- 8.2 An initial Equalities Impact Assessment (EqIA) has been completed for the award of this Framework Agreement and accompanies this report.
- 8.3 An EqIA was carried out prior to the Tri-borough Cabinet approving the award of the Tri-borough contract and framework agreement to Amey. The procurement process was carried out within the three Council's corporate procurement guidelines which have relevant equalities considerations at all the key stage including evaluation of qualitative criteria on the submitted bids.
- 8.4 The facilities management services will continue to be available to the Council and its employees whatever their protected characteristics and irrespective of



who the provider is. The proposal has no equality relevance from a service provision perspective as there is no risk of adverse impact on any section of the Council who use this service.

- 8.5 No staff will be adversely affected as a result of the proposals in this report as all affected staff will transfer with existing terms and conditions under the TUPE regulations 2006.
- 8.6 Further to consultation with the Unions a request has been made for additional employment terms beyond those specified in the TUPE regulations 2006, Management have considered the requests in detail and are in the process of assessing acceptability and contractual impact. Some will require further consideration by the service provider to determine agreement or otherwise.

9. Head of Procurement Comments

- 9.1 The duration of the proposed contract is for up to 8 years by accessing the Tri-borough Framework for facilities management. The Tri-borough Framework is valid between 1 October 2013 and 1 October 2023, with a possible extension for 4 years, which was set up under the Public Contract Regulations 2006 ("PCR 2006") and permits contracts to be awarded beyond 4 years.
- 9.2 It is noted that the savings predicated on using the Tri-borough Framework will rely on the completion of negotiations between Amey and the Authority.
- 9.3 Accessing the Tri-borough Framework and appointing Amey for the TFM solution as other London boroughs have done may have the effect of collaboration amongst London boroughs and assist the Authority with the relationship with Amey.
- 9.4 The transfer of services provided by Cofely gdf-Suez and United Guarding will need to be taken into account and these may affect the savings required from the Amey contract.
- 9.5 The Head of Procurement supports the recommendations in paragraph 3 to progress the option of entering into contract with Amey through the Tri-borough Framework.

10. Policy Implication

- 10.1 Approval of this report has no direct impact on Council policy.

11. Reasons for Decision

- 11.1 The Council needs to replace the managed service contract for its FM service.

12. Use of Appendices

- 12.1 Appendix 1 Equalities Impact Assessment



Haringey Council

12.2 Appendix 2 There is an exempt appendix to be considered at the meeting.

13. Local Government (Access to Information) Act 1985

13.1 This report contains exempt and non-exempt information. Exempt information is contained in the Exempt Information Part of this report and is not for publication. The information is exempt under the following category (identified in the amended Schedule 12 A of the Local Government Act 1972).

13.2 Category 3 - Information relating to financial or business affairs of any particular person (including the authority holding that information)

14. Background Papers

14.1 V4 Services Ltd FM services option appraisal