

Report for Cabinet 10 March 2020

Title: Transfer of Cleaning Services to Haringey Council

Report authorised by : Richard Grice, Director of Customers, Transformation and Resources

Lead Officer: Andrew Meek, Head of Organisational Resilience

Ward(s) affected: n/a

**Report for Key/
Non Key Decision:** Key

1. Describe the issue under consideration

- 1.1 In July 2019 Cabinet approved the insource of the FM Service from the current provider, AMEY, on 1st April 2020. The approved option anticipated the Cleaning service, transferring to Homes for Haringey (HfH) alongside 'Hard' FM Services.
- 1.2 The approved option anticipated the insource of 'Soft' services such as building support, mail room and FM support (room booking) would transfer to Haringey Council directly and sit within the Environment and Neighbourhoods Directorate. 'Hard' services such as electrical and mechanical maintenance, engineering and tradespeople would transfer to Homes for Haringey alongside Cleaning.
- 1.3 Following the initial decision and after a review of future operational success and stability it was decided that Cleaning services should transfer directly to the Council in conjunction with all other 'Soft' FM services.

2. Cabinet Member Introduction

- 2.1 *The way we run our buildings is important – without clean, safe, well-maintained buildings, public services in Haringey will not be able to meet the needs of residents.*
- 2.2 *The transfer of the Cleaning to Environment and Neighbourhoods Directorate within the Council will allow for the smooth transfer of this service and the effective management of incoming staff.*
- 2.3 *Haringey is committed to the principles of equality of opportunity, fairness and quality of life for all, both in terms of how we work with the community and in our role as an employer. This transfer of cleaning to the Council will support these equality principles by offering improved terms and conditions to a significant percentage of incoming staff who are protected by the Equality Act.*

2.4 *In our Manifesto we said we would consider bringing services back in-house where it was prudent to do so. The decision to bring the Cleaning service back to Haringey Council directly is being taken accordingly and with the future operational success of the service in mind.*

3. Recommendations

3.1 For Cabinet to approve the direct transfer of the Cleaning Services to the Council when the Facilities Management Services are insourced from Amey Community Limited on 1st April 2020.

4. Reasons for decision

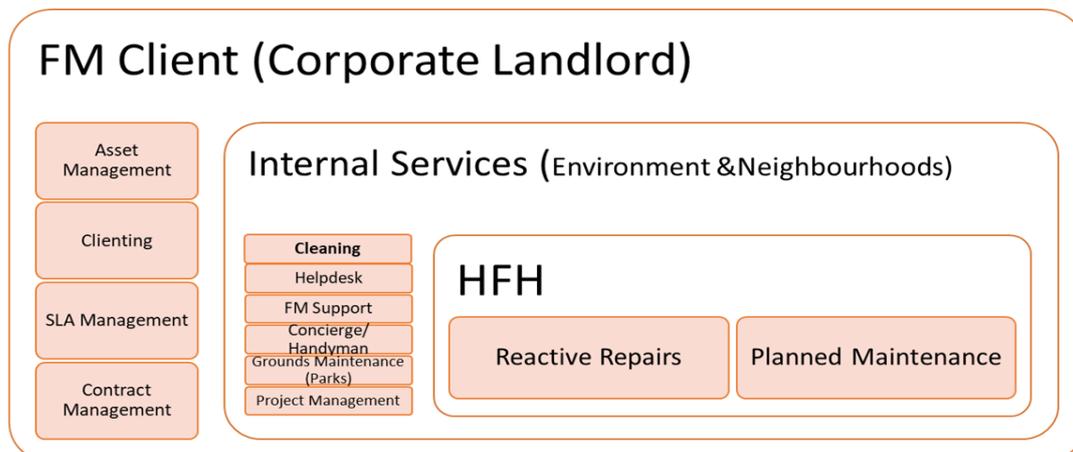
4.1 After Cabinet Decision in July 2019, joint mobilisation planning for the FM insource was undertaken with Homes for Haringey to prepare in for the transfer of all FM functions.

4.2 From these discussions it became apparent that the original intention for HfH to take cleaning would have possible implications as far as;

- Increase risk relating to HfH capacity to manage the take on of the Cleaning service given the need to prioritise 'Hard' FM services
- HfH do not have existing management capacity within their current business model to manage a cleaning service
- Environment and Neighbourhoods have experience successfully managing operational services for the Council
- An interim FM Manager is being recruited within Environment and Neighbourhoods to manage the transfer of the cleaning service.

4.3 Improving the cleanliness of key buildings is a key priority going forward to improve the environment for service users and staff.

4.4 The diagram below displas the updated Operating Model with Cleaning transferring to the Council:



5. Alternative options considered

- 5.1 Remain with current provider – not possible as the contract for FM services provided to Haringey terminates on 31st March 2020.
- 5.2 Transfer Cleaning to Homes for Haringey – this would split the core ‘Hard and ‘Soft’ FM services and result in increased risk to operational success due to a lack of defined management capacity within Homes for Haringey.

6. Background information

- 6.1 Facilities Management (FM) is the organisational function which integrates people, place and process within the built environment with the purpose of improving the quality of life of people and the productivity of the core business. It encompasses:
 - Repairs, planned maintenance, statutory testing, improvements and minor project works
 - Security services, cleaning, mailroom, and other building support functions.
- 6.2 In Haringey, the coverage of these services varies according to need, site by site, across the following portfolios of buildings:
 - Corporate buildings, including offices and civic buildings
 - Operational estates, including depots, mortuary, coroners court,
 - Schools and children’s centres and other educational/youth provision
 - Adult services buildings such as day centres and care homes
 - Commercial property, including industrial estates, shops and offices.
- 6.3 In November 2015 the Council let a contract to Amey Community Ltd, for Total Facilities Management (TFM) services. The contract was for a period of five years, with the option to extend for a further two years. Although the contract was due to expire at the end of October 2020, it included an option for the Council to terminate the contract, in whole or in part, by giving six months’ notice to Amey.
- 6.4 The current model of provision is not delivering the required level of performance and the originally intended savings have not been delivered. Building User satisfaction with the service is low, and the Client team experience considerable problem driving performance through the contractual levers available.
- 6.5 With a clear need for improvement it was concluded that bringing the service back in-house was in the overall interest of the council. Cabinet agreed in July 2019 that the council would bring the facilities management function back in house to be delivered by a combination of the council and Homes for Haringey (HfH). Formal notice was subsequently provided to Amey in August 2019 to

end the contract on 31st March 2020 in order that service provision commenced in-house on 1st April 2020.

6.6 As the transfer of FM services is the council's first insource programme it is clear that the transition needs to be done well and that the experience for staff is positive and as seamless as possible. Delivering a high-quality in-house service from 1st April 2020 will ensure consistency for staff and build confidence that insourcing can work for Haringey.

7. Contribution to strategic outcomes

7.1 The Borough Plan sets out overarching priorities, and the FM Service needs to operate successfully in order to enable all of them to succeed. As such, it aligns most closely to the 'Your Council' theme.

7.2 The proposal also:

- Supports the delivery of Jobs and Growth by prioritising local employment and local procurement.
- Supports the workforce plan by promoting the wellbeing of staff by
- enabling better working environments for employees.
- Enables the delivery of the Council's carbon reduction and sustainability objectives.
- Supports the Accommodation Strategy.

7.3 The amended to the FM Operating Model to transfer Cleaning directly to Haringey Council is not anticipated to alter the strategic outcomes set out in the report.

8. Statutory Officers comments (Chief Finance Officer, Head of Procurement), Assistant Director of Corporate Governance, Equalities)

8.1 Finance

All costs including staffing costs for delivering this service will be contained within the existing budgets.

8.2 Procurement

8.2.1 Strategic Procurement notes the contents of this report and confirms there are no procurement related reasons that prevent the Council accepting the recommendations stated in Section 3 of this report

8.3 Legal

8.3.1 The Assistant Director of Corporate Governance has been consulted in the preparation of this report.

8.3.2 The legal implications of the direct transfer of the Cleaning Service to the Council, which is part of the insourcing of the Facilities Management Service, is that this constitutes a Service Provision Change under the TUPE Regulations [Transfer of Undertakings (Protection of Employment) Regulation 2006 as amended in 2014] and the effect is that all staff that are assigned to the Cleaning Service contract will automatically transfer to the employment of Haringey Council and all rights, responsibilities and liabilities will also transfer with the staff. The Council along with the current employers have a duty to inform and consult with the representatives of the staff affected about what will happen when the service transfers, the reasons for the transfer and any changes that will occur.

Equality

The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- 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.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

The proposed decision is to approve the direct transfer of the Cleaning Services to the Council when the Facilities Management Services are insourced from Amey Community Limited on 1st April 2020. There are no particular equalities implications arising from the decision for the Council to directly operate cleaning services as opposed to transferring cleaning services to Homes for Haringey. The transition to direct delivery will be undertaken with due regard for the need to achieve the three aims of the public sector equality duty and in accordance with the Council's HR policies.

9. Use of Appendices

None

10. Local Government (Access to Information) Act 1985

Building and property management - Cabinet Report 9th of July 2010