

# Decision Pathway – Report

**PURPOSE:** Key decision

**MEETING:** Cabinet

**DATE:** 25<sup>th</sup> February

<b>TITLE</b>	Delivery of cleaning and security services	
<b>Ward(s)</b>	City Wide	
<b>Author:</b>	John Walsh	<b>Job title:</b> Director, Workforce and Change
<b>Cabinet lead:</b> Cllr Cheney	<b>Executive Director lead:</b> Mike Jackson	
<b>Proposal origin:</b> Other		
<b>Decision maker:</b> Cabinet Member <b>Decision forum:</b> Cabinet		
<b>Purpose of Report:</b> To obtain approval to transfer cleaning and security functions, and associated contracts (soft FM) to Bristol Waste Company Limited with affect from 1 <sup>st</sup> April 2021 as described in appendix A2		
<b>Evidence Base:</b>		
<ol style="list-style-type: none"> <li>1. Historic financial performance of services - the proposals and business case (appendix I) sets out a reduction in costs for these services</li> <li>2. Improving the service delivery of cleaning and security by benefiting the staff team through more supervision, investment in training and development, provision of new equipment and increasing head count in service delivery teams. Staff are protected by TUPE and also should proposal be approved additional protections for staff would be defined in contract (no future redundancies and complete protection of contracted terms and conditions for duration of the service agreement- for clarity this will include protection of pay and pensions, and the right to return to Bristol City Council when the contract ends, if Bristol Waste defaults, or if Bristol Waste is closed or sold off)</li> <li>3. Ensuring an efficient, compliant approach to service delivery in soft FM by not relying on lots of smaller contracts</li> <li>4. Investing in the development of the service team and organisational structure</li> <li>5. Supporting the development of Bristol Waste Company Limited by expanding their offer, in line with their business model</li> <li>6. BCC to retain governance through a joint executive board meaning that it would still retain strategic oversight</li> </ol>		
<b>Cabinet Member / Officer Recommendations:</b>		
<ol style="list-style-type: none"> <li>1. Approves the award of a contract for the delivery of the council’s cleaning and security services to Bristol Waste Company Limited from 4<sup>th</sup> May 2021, for a period of 4 +1+1+ 1 years at a cost of circa 5.8million per annum; and agree the exceptional arrangements for staff forms part of the said contract</li> <li>2. Authorises Director: Workforce and Change, in consultation with the Deputy Mayor for Finance, Governance and Performance, Director: Finance and Director: Legal &amp; Democratic Services to negotiate the terms of and enter into all necessary legal agreements to give effect to this service transition,</li> </ol>		

including the transfer of 196 employees to Bristol Waste Company

**Corporate Strategy alignment:**

1. Workplace\_Organisational\_Priorities WOP1 - Redesign the council to work effectively as a smaller organisation. The transition of the service lines will reduce financial pressure on the council due to the associated savings attached to the integrated service model approach. This will reduce council FTEs and therefore supports this element of the corporate strategy.
2. One\_City\_Plan By 2050 Bristol will be a sustainable city, with low impact on our planet and a healthy environment for all- the proposed approach with staffing deployment and use of ECO / sustainable cleaning products and equipment will help to support this aspect of the one city plan. A large number of the new equipment that will be introduced is sustainably sourced and produced using 75% recycled materials and components.
3. Well\_Connected WC1 - Improve physical and geographical connectivity; tackling congestion and progressing towards a mass transit system. Staffing resources will be deployed to sites nearest their home location, improving their work-life balance but also supporting the strategy for tackling congestion in the city centre.
4. Well\_Connected WC2 - Make progress towards being the UK's best digitally connected city. The implementation of the 'CORE application' as part of the BWC approach will see staff utilising hand-held devices and 'smart-tags' to support service delivery. This will involve upskilling staff to utilise new digital technology and applications. The integrated service will also be introducing state of the art robotics not to replace the service team, which will actually be expanding, but to support and enhance their service delivery methods. This will also involve upskilling staff with new digital technologies which will support their development and progression.
5. Wellbeing W2 - Keep Bristol on course to be run entirely on clean energy by 2050 whilst improving our environment to ensure people enjoy cleaner air, cleaner streets and access to parks and green spaces. Staffing resource will be deployed to sites nearest their home location, improving their work-life balance, which will also support less vehicles on the road. The fleet for these services will also be electric where possible, helping to keep on course for reduction of pollutants and improving air quality.
6. Wellbeing W1 - Embed health in all our policies to improve physical and mental health and wellbeing, reducing inequalities and the demand for acute services. BWC have articulated that they have robust systems in place to support mental health and wellbeing of staff. These will be extended to the service team and include wellbeing workshops, help-line, regular bulletins, mentoring programmes, health and lifestyle plans, exercise programmes and others.
7. Fair\_and\_Inclusive FI3 - Develop a diverse economy that offers opportunity to all and makes quality work experience and apprenticeships available to every young person. The proposal from BWC specifies the introduction of apprenticeships in these service areas, currently there are no apprentices in the Soft FM service delivery or support teams. This will also involve the introduction of clear training and mentoring programmes for all members of the service team. The organisation will be re-organised into an integrated service delivery team, which will provide continuous career and development opportunities for people. This also includes significant expansion of the service delivery teams, supervisory and management elements. The proposals support clear investment in the service team and people involved.
8. Covid\_Recovery\_and\_Renewal Organisational Change. The proposal from BWC indicates the development of Covid secure commercial cleaning package which will help to continue to deliver confidence that reactive cleaning works can enable spaces to function again following a known Covid case. There are clear KPIs in place to ensure that any time lost to BCC premises through known Covid cases is minimised. The KPIs will be embodied in a modern Performance Service Level Agreement (PSLA)

framework that will be introduced for the integrated service. The new structure will also introduce 'rapid response' teams to support rotational cleaning methods, deep and sanitised cleans to provide safe places for people to work and visit (visitors etc). The integrated service model is modular in design and provides service agility, which will allow a supportive response to changes in demand and evolving government guidance.

9. **Covid\_Recovery\_and\_Renewal Organisational Change.** The proposal from BWC will see staff transitioning across, this will reduce economic pressure on the council as these service areas are historically a financial burden due to the additional on-costs, which means that it is hard to commercialise them. This approach will mean reduced costs to BCC in terms of an annualised saving exceeding £750k, but also importantly there is a host of additional efficiencies through other support services, such as HR, procurement and accounts, being allowed to better support other colleagues and organisational change requirements at this unprecedented time.
10. **Covid\_Recovery\_and\_Renewal Economy and Business.** This will allow for BWC to bring in additional income from outside sources including its current commercial customer base, which will help support local business. Additionally, a regional network of service partners will be used to deliver specialist, niche and commodity services, this will help to support the local economy and supplier base.
11. **Workplace\_Organisational\_Priorities WOP4 -** Be responsible financial managers and explore new commercial ideas. This is a practical opportunity to allow these service lines to operate in a more commercial way, enabling them to bring income into the council as shareholders in BWC.
12. **Climate\_Emergency\_Action\_Plan** Reduce carbon emissions from the city of Bristol. The proposed approach with staffing deployment and use of ECO / sustainable cleaning products, equipment, vehicles and digital resources will help to support this objective. As noted above, a large number of the new equipment, consumables and resources that will be deployed are sustainably sourced and produced using recycled materials and components.
13. **Corporate Landlord-** The integrated service delivery model, as proposed by BWC, goes 'hand in hand' with supporting the Corporate Landlord objectives. This will allow for a central conduit for Soft FM function initially, with Hard FM services also being explored. This will allow for greater consistency across the BCC portfolio and allow for better organisational oversight of these functions through the use of the 'Core Application'. It will enable BCC to concentrate on development and implementation of strategic objectives and providing a customer-centric service.

#### **City Benefits:**

1. **Equalities and Diversity** – BWC have a robust and active policy that fully supports equality and diversity for the people of Bristol and its service teams – their policy is attached for reference. BWC already employ a large and diverse workforce that is involved in service delivery and management. The business has an active programme of recruitment that provides continuous opportunity for people, so this item is a natural extension of their policy and activities in this area. Implementation includes a number of features such as; language training, recruitment / selection / employment opportunities, employee assistance programmes, a leading role in the step up mentoring programme, apprenticeship programme, access to their learning and development academy and a range of standard operating procedures to support equality and diversity. As an organisation, BWC aims to represent the diverse cultures and communities of Bristol. In addition to a diverse workforce, it also promotes an inclusive environment where; people's differences are valued; in which everyone feels that they belong, without having to conform; and; they are able to perform to their full potential. The BWC Diversity and Inclusion working group has endorsed a D & I strategy (which has been attached) and it is working on a number of initiatives and actions to support this strategy. For example, identifying local community groups, reviewing its online application process and highlighting barriers to for underrepresented groups. BWC are constantly looking at ways to reach out and connect with its workforce
2. **Health and Sustainability** – The proposed integrated service introduces a number of features intended

to improve the wellbeing of people. BWC already have an active programme of initiatives in this area that will be extended to the service team. These include mental health workshops, ‘buddy’ plans, webinars, staff engagement surveys, help lines, focus groups and healthy lifestyle training. A supportive, but structured approach towards sickness management is also employed, which enables BWC and its service teams to operate at better levels than national rates. The new integrated structure is also being increased in size and is being re-structured to enable continuous career opportunity for people. Additionally a recognition and reward scheme is being extended to encourage innovation and continuous improvement – when combined these features enhance sustainability and outcomes for people. BWC have a positive track record of working with trade unions and regularly solicit their input into consultation and negotiation frameworks to enable the views and ideas of the workforce into any decisions. The BWC wellbeing strategy and model are attached for reference.

3. **Social Value** – BWC adopt and operate the same social value policy as BCC and this policy is also attached for reference. A number of features support the social value objectives. These include; a regional network of service partners will be used to deliver specialist, niche and commodity services, this will help to support the local economy and supplier base, the operations will extend the range of services of BWC as a trusted provider, introduction of a formal FM service apprenticeship programme, provision of on-going opportunities for local people and regional enterprises, supporting the mature workforce through provision of additional equipment, use of ECO products and equipment, introducing service innovation and technology, career advancement and partnership opportunities.

**Consultation Details:**

2 November 2020: Deputy Mayor Finance, Governance and Performance briefed  
 Staff consultation from 10<sup>th</sup> November to 10<sup>th</sup> December 2020  
 10 November 2020: Members and Shareholder Group briefed  
 23 November 2020: discussed at Shareholder Group  
 2nd December 2020: Resources EDM review of draft Cabinet Report  
 7th December 2020: Cabinet member briefing on draft Cabinet Report  
 18 January 2021: OSMB review draft Business Case

**Background Documents:**

1. [Bristol City Council Corporate Plan](#)

<b>Revenue Cost</b>	<b>£ 5.8million per annum</b>	<b>Source of Revenue Funding</b>	Mainly Cleaning and Security Budgets
<b>Capital Cost</b>	<b>£</b>	<b>Source of Capital Funding</b>	<i>e.g. grant/ prudential borrowing etc.</i>
<b>One off cost</b> <input type="checkbox"/>	<b>Ongoing cost</b> <input checked="" type="checkbox"/>	<b>Saving Proposal</b> <input checked="" type="checkbox"/>	<b>Income generation proposal</b> <input type="checkbox"/>

**Required information to be completed by Financial/Legal/ICT/ HR partners:**

**1. Finance Advice:** It’s proposed that BCC Facilities Management (FM) outsources its Cleaning and Security Services to Bristol Waste Company (a BCC wholly owned Teckal company). The FM division faces ongoing pressures to its annual budget. This approach is intended to relieve some element of these financial pressures, in addition to modernising the services and aligning to various priorities within BCC’s corporate strategy. These services combined currently cost £6.0m per annum. BWC have tendered £5.8m in year 1 of the proposed contract representing a saving of £0.2m. By year 4 the annual contract price will be £5.2m representing an in year saving of £0.8m and delivering £2.0m cumulative saving over the 4 years. (Details of the annual profiling are set out in Appendix G).

- It is key that BCC reduces its £0.2m budget of Overhead costs identified as being directly linked to BCC's current provision of these services i.e. within Finance, HR, IT, Procurement and Premises. (Also set out in Appendix G).
- For Budget 21/22 it will be necessary to centralise within FM those elements of the current budget which sit outside the FM division.
- Care must be taken as contract terms are drawn up to ensure that terms set don't undermine the planned financial position.
- No additional costs linked to the TUPE-ing of staff to BWC has been assessed at this time.
- No onerous existing supplier contract terms have been identified.
- This contract is to sit outside the existing Paymech agreement between BCC and BWC.

**Finance Business Partner:** *Jemma Prince, 22<sup>nd</sup> December 2020*

**2. Legal Advice:** Procurement issues are addressed in Procurement Advice section below. Further work is required to be clear on the current contractual arrangements for the affected services and to identify any wider contractual implications arising from any service transfer eg finalise our understanding of termination; scope for assignment/novation etc. Consideration will also need to be given to TUPE related issues flowing from the transfer of services.

The objectives of BW may need to be revisited to ensure they encompass the additional services. (The Articles do provide for the company, with the Councils consent, as a reserved matter, to add/alter these objectives. This would require a decision by the Shareholder).

The form of contract proposed by BW is an industry model – Integrated Workforce & Facilities Management Service Contract. An initial review suggests this will, subject to some amendments, be acceptable, but will require appropriate service specifications, KPI's, payment profile etc to be produced.

**Legal Team Leader:** *Eric Andrews, Legal Services, 22 December 2020*

**3. Implications on IT:** No anticipated adverse impact on IT Services. A solution to enable BWC staff to utilise both BCC systems and also utilise BWC systems will need to be considered and costed into the transition planning. Information Assurance colleagues will want to ensure that building Physical Access and Monitoring controls remain appropriate to achieve our Information Security standards, and that access to our Monitoring systems by BWC staff is appropriately controlled

**IT Team Leader:** *Simon Oliver, IT, 07/01/2021*

**4. HR Advice:** All employees will be transferred to the Bristol Waste Company in accordance with the provisions of the Transfer of Undertakings Protection of Employment Regulations (TUPE). It has been agreed with BWC that the terms and conditions of the employees who transfer will be protected for the life time of the contract. In addition, as a minimum, annual pay settlements will be uplifted in line the NJC pay award for local government staff. In addition BWC is an accredited Living Wage Employer so staff on the living wage rate will automatically have their pay uplifted annually on 1 April.

All employees who transfer to the service provider will continue to be members of the Local Government Pension (LGPS). The right to be a member of the LGPS is also retained for employees who have opted out of the LGPS at the point of transfer and will continue in perpetuity after the transfer.

The service provider is already a designated employer in the Avon Pension Fund. The Board of the Bristol Waste Company will need to pass a resolution admitting the transferring staff into the LGPS including providing continuing access to the scheme for those employees who transfer who have opted out of the scheme. These arrangements are a condition of the transfer.

**HR Partner:** *Mark Williams, Head of HR, December 21 2020*

<b>EDM Sign-off</b>	Mike Jackson	09/12/2020
<b>Cabinet Member sign-off</b>	Cllr Craig Cheney	25/01/2021
<b>For Key Decisions - Mayor's Office sign-off</b>	Mayor's Office	17/02/2021

<b>Appendix A – Further essential background / detail on the proposal</b> A: Overview of process undertaken to identify BWC as suitable provider	<b>YES</b>
<b>Appendix B – Details of consultation carried out - internal and external</b>	<b>YES</b>
<b>Appendix C – Summary of any engagement with scrutiny</b>	<b>NO</b>
<b>Appendix D – Risk assessment</b>	<b>YES</b>
<b>Appendix E – Equalities screening / impact assessment of proposal</b>	<b>YES</b>
<b>Appendix F – Eco-impact screening/ impact assessment of proposal</b>	<b>YES</b>
<b>Appendix G – Financial Advice</b>	<b>YES</b>
<b>Appendix H – Legal Advice</b>	<b>NO</b>
<b>Appendix I – Exempt Information “I BWC Business Case EXEMPT”</b>	<b>YES</b>
<b>Appendix J – HR advice</b>	<b>NO</b>
<b>Appendix K – ICT</b>	<b>NO</b>
<b>Appendix L – Procurement</b>	<b>NO</b>