

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 18th March 2021

TITLE	Delivery of cleaning and security services		
Ward(s)	City Wide		
Author: John Walsh	Job title: Director, Workforce and Change		
Cabinet lead: Cllr Cheney	Executive Director lead: Mike Jackson		
Proposal origin: <i>Other</i>			
Decision maker: Cabinet Member Decision forum: <i>Cabinet</i>			
Purpose of Report: To obtain approval to transfer cleaning and security functions, and associated contracts (soft FM) to Bristol Waste Company Limited with effect from 1 st June 2021 as described in Appendix A.			
Evidence Base: <ol style="list-style-type: none">1. Historic financial performance of services - the proposals and business case (appendix I) sets out a reduction in costs for these services2. 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.3. The contractual terms and conditions of employment of the staff who are transferred to BWC are protected in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006. Additional protections for staff will also apply and will be incorporated into the contract between BCC and BWC including protection against compulsory redundancies, protection of contractual terms and conditions of employment for the duration of the service agreement including pay and pensions, and the right to return to Bristol City Council when the service is brought back in-house including when the contract ends or if Bristol Waste defaults, is closed or sold off.4. Ensuring an efficient, compliant approach to service delivery in soft FM by not relying on lots of smaller contracts5. Investing in the development of the service team and organisational structure6. Supporting the development of Bristol Waste Company Limited by expanding their offer, in line with their business model7. BCC to retain governance through a joint executive board meaning that it would still retain strategic oversight			
Cabinet Member / Officer Recommendations: That Cabinet: <ol style="list-style-type: none">1. Approve the award of a contract for the delivery of the council's cleaning and security services to Bristol Waste Company Limited from 1st June 2021, for a period of 4 +1+1+ 1 years at a cost of circa £5.8million per annum.2. Note the exceptional arrangements for staff, the costs of which are incorporated in annual cost of £5.8			

m.

3. Authorise Director: Workforce and Change, in consultation with the Deputy Mayor for Finance, Governance and Performance, Director: Finance and Director: Legal & Democratic Services to negotiate the terms of and enter into all necessary legal agreements to give effect to this service transition, including the transfer of staff to Bristol Waste Company.

Corporate Strategy alignment:

1. 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.

City Benefits:

1. **Equalities and Diversity** – BWC have a robust policy that fully supports equality and diversity (attached for reference). BWC offer language training, an employee assistance programme, they take a leading role in the Stepping Up mentoring programme, have an apprenticeship programme as well as a learning and development academy. The BWC Diversity and Inclusion Working Group has endorsed a D & I strategy (also attached) and 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.
2. **Health and Sustainability** – The proposed 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 structured approach towards sickness management is in place, which enables BWC and its service teams to operate at better levels than national rates. The new structure will increase in size and will be developed to enable career opportunities. A recognition and reward scheme is being extended to encourage innovation and continuous improvement. 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 to deliver specialist, niche and commodity services, which will help to support the local economy and supplier base. The operations will extend the range of services of BWC as a trusted provider. Introducing a formal FM service apprenticeship programme will provide on-going opportunities for local people.

Consultation Details:

2 November 2020: Deputy Mayor Finance, Governance and Performance briefed
Staff consultation from 10th November to 10th 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
18th February HR Committee
24th February OSMB
5th March HR Committee

Background Documents:

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

Revenue Cost	£5.8million in year reducing year on year to £5.2m in Yr4.	Source of Revenue Funding	FM and BCC Cleaning and Security Budgets
Capital Cost	£	Source of Capital Funding	<i>e.g. grant/ prudential borrowing etc.</i>
One off cost <input type="checkbox"/>	Ongoing cost <input checked="" type="checkbox"/>	Saving Proposal <input checked="" type="checkbox"/>	Income generation proposal <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, 10 March 2021

2. Legal Advice: Legal Services will advise and assist in reviewing the current contractual arrangements for the affected services and identify any wider contractual implications arising from any service transfer e.g. finalise our understanding of termination; scope for assignment/novation etc. The objectives of BWC 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. The Transfer of Undertaking (Protection of Employment) Regulations 2006 provide for the protection of contractual terms and conditions of employment for staff who will transfer to BWC.

Legal Team Leader: Eric Andrews/Husinara Jones, Legal Services, 10 March 2021

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 lifetime 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*

EDM Sign-off	Mike Jackson	09/12/2020
Cabinet Member sign-off	Cllr Craig Cheney	25/01/21
For Key Decisions - Mayor's Office sign-off	Mayor's Office	10/03/21

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