

Committee(s): Property Investment Board	Date(s): 10/10/2018
Subject: Facilities Management – Annual Update Report	Public
Report of: City Surveyor CS: 398/18	For Information
Report author: Alison Bunn – Head of Facilities Management	

Summary

The following report details the work that has been undertaken by the Investment Property Facilities Management (FM) team within the last twelve months. It also presents the current performance of all FM corporate contractors and the main workstreams that the team will be completing in the forthcoming year.

Recommendation

Members are asked to:

- Note the report.

Main Report

Background

1. The Investment Property FM team has an overall total member of staff of 41 and are split into three teams:
 - City Estate
 - Bridge House and Strategic
 - City Fund
2. These teams are assisted by the following support teams within the overall FM team:
 - Property Contracts Performance Team
 - Property Health & Safety Team
3. The FM team manage 81 investment properties across the whole of London.
4. The FM team deliver a range of Hard and Soft FM services to the buildings including Building, Repairs and Maintenance (BRM), Cleaning, Security, Pest Control, Lift & Escalators and Grounds Maintenance.
5. They also manage the statutory compliance for each of the buildings and this report confirms that compliance is on track and up to date. Maintenance that forms part of compliance are: fire detection, cooling tower and water hygiene, gas safety inspections, fall arrest and man safe systems, lighting protection and

electrical fixed wire testing. Compliance is reported quarterly to the Director of Investment Property and his management team.

6. The Property Contracts performance team manage FM contracts to the value of £90 million with 588 Key Performance Indicators measured within them.
7. This is the first of what will be an annual report which will be presented to this committee in October every year.

FM Contract Status

8. Appendix 1 shows the performance of the main FM contractors over the last three months (April, May and June). All contracts continue to run correctly and any repeated failure of KPI's are managed through a contractor action plan which is aimed to address the issues.
9. The main contract for concern is the Apex lift and escalator as the contractor has repeatedly failed some of the KPI's in the last three months. The impact on their poor performance with service delivery has been experienced in a small proportion of the investment estate properties mainly with lifts not being returned to service in a timely manner. There has been no financial impact on the City via tenant's requiring refunds on service charges due to poor performance.
10. An action plan is in place which is allowing the contract management team to manage the poor performance and ensure that it doesn't get any worse.

Achievements in the last 12 months

11. Introduction of a Computer Aided Facilities Management (CAFM) System Micad to manage all FM services including an up to date asset register, provision of the property service desk and improved reporting of management information.
12. Re-Shaping of the Property Contracts Performance Team to ensure it is fit for purpose to deliver the service required
13. Successful demobilisation of the BRM1 contract with Mitie including agreement on final accounts
14. Achieved BRM2 savings on BRM1 of £1.4 million per annum for the investment property estate
15. Collaboration with asset managers and finance teams on service charges to work towards achieving the deadlines set out in RICS Code.
16. Successful mobilisation of the BRM2 contract with Skanska
17. Update of the FM Strategy to meet the business needs and planning
18. Property Service Desk processed over 20,000 call requests either by phone or email
19. Introduction of the FM team into the annual revenue programme creation to ensure that only required works is completed
20. Employed an FM Supervisor apprentice
21. Moved to a more customer facing automated property service desk utilising Micad to allow the team to work more effectively
22. Processed 107 variations to FM contracts to alter service delivery of which 50% relate to the Investment property estate

Going Forward over the next 12 months

23. Re-tender of the Lift and Escalator contract to move to the 2nd generation and a more fit for purpose contract including the utilisation of the City's CAFM system
24. Re-tender of the Security contract to move to the 2nd generation and a more fit for purpose contract
25. Upload the assets found after the asset verification process for the Skanska contract and subsequent servicing regimes into the CAFM system to deliver correct planned preventative maintenance schedules for all assets.
26. Give the ability to report on the status of statutory compliance within the portfolio
27. Work with Skanska to move to condition-based maintenance rather than time expired maintenance
28. Invest in the Property Appraisal Module for the CAFM System to create accurate Forward Maintenance Plans and ensure all asset information is held in the same location
29. Work to create a tenant portal which will contain all of the necessary information for building users at the click of a button
30. Assist with managing the sale of 1-5 London Wall Buildings including the TUPE of FM staff based within the building
31. Creation of a new FM office at 65 London Wall which will become the hub for the Bridge House and Strategic Team
32. Review of the current team structure to see if it is fit for purpose including the admin team currently based at the Guildhall.

Corporate & Strategic Implications

33. Facilities Management at the City supports the following objective in the City Surveyors Business Plan:

Property assets and facilities management: We will ensure buildings are fit for purpose, sustainable, safe and secure, providing access for all, meeting service needs and community expectations and delivering value for money through enhancing our efficiencies; this includes asset management plans, facilities management including hard (planned and reactive maintenance) and soft services (cleaning, security, etc...), cyclical projects and minor improvements and delivery of major capital projects for refurbishments and new builds.

Conclusion

34. This report shows the progress that the team are making in managing the FM for the Investment property estate. Much work has been completed in the last year to bring the service up to a professional level. However, as FM is a continually evolving service there is much more work to do in the forthcoming year. It is intended that this report gives Members comfort that the City Surveyor is managing the service in a competent manner.

Appendices

- Appendix 1 – KPI Information for FM Contracts

Alison Bunn

Head of Facilities Management – City Surveyor's

T: 020 7332 1069

E: Alison.bunn@cityoflondon.gov.uk