

For: (X)	Report Author: Darren Carlile	Subject: FM/AM Transformation Programme Progress Report	Consultations: (X)	Agenda Item No: 5
Cabinet:			Councillors:	
Gateway Board:			Scrutiny:	
SMT:			Stakeholders:	
Scrutiny	X		Others:	
Meeting Date: 1 Sep 11				



Programme Update:	
Work progresses well with substantial in-roads being made in complex and challenging areas. Key successes have been the launch of the AM/FM Programme Intranet site, the implementation of an R&M gatekeeper process, project approvals process and the mapping of the existing FM function. The supplier engagement work stream has continued to identify significant savings. Once approval of the mandates has been received from the AM/FM Programme Board, the implementation phase of these savings can be commenced.	
Work stream/Project	Progress
Facilities Management	
Work continues well with much progress being made in complex and challenging areas. Savings identified at present are in the region of c£300k in year and c£1.3m FY 12/13 and beyond. Implementation plans are in the process of being developed.	
FM Mapping & Efficiency report	<ul style="list-style-type: none"> As previously reported, all 25 'core' buildings (plus a number of operational buildings; i.e. public halls) have been reviewed which informed the efficiency report. Report awaits formal sign-off by the Programme Board 15 Sep 11.
Proposed FM Delivery Model Options	<ul style="list-style-type: none"> A report is due to go to Cabinet on 19 Sep 11 to seek approval of a consolidated list of new delivery model options. Once approved, these options will be considered in detail culminating in a Outline Business Case being submitted to Programme Board in November.
Interim Project Approvals Process	<ul style="list-style-type: none"> Interim project approvals process for projects > £5k (with all associated templates) produced, approved & commenced Jun 11. Slow responses from Directorates. Revised submission date for projects baseline Sep 11. Evaluations from received data will be submitted to programme Board 15 Sep 11 for approval/feedback.
Repairs & Maintenance Gatekeeper Process	<ul style="list-style-type: none"> Gatekeeper approvals process implemented Jul 11 for works requests £500 - £5,000 (scrutinised by technical 'gatekeepers'). Directorates adherence to procedure high. Anticipated savings c£130k in year, with c£198k FY 12/13 onwards (savings can only be confirmed at year end on each Directorates 'underspend').
Supplier Engagement	
Work continues well, a number of obstacles have been experienced and overcome (primarily due to legal/procurement rules and concerns over reduced levels of service). Significant savings have been identified totalling c£379k in year & c£528k thereafter. These savings have been approved by the Programme Board & await sign-off from the Assistant Chief Finance Officer prior to implementation.	
Repairs & Maintenance 'Handyman' Service	<ul style="list-style-type: none"> The Programme Board agreed that this should remain 'as-is' the current model with a view to rationalisation within the wider FM procurement.
Mail/post efficiencies	<ul style="list-style-type: none"> Identified savings in year of c£54k & c£118k of annualised savings thereafter through reduction of franking machines and maintenance costs, mail licence costs and the reduction of 1st class mail usage to 2nd class. Mandates approved by Programme Board and await sign-off from Assistant Chief Finance Officer for implementation.
Utilities	<ul style="list-style-type: none"> Identified savings in year of c£47k & c£74k of annualised savings thereafter through reduction of franking machines and maintenance costs, mail licence costs and the reduction of 1st class mail usage to 2nd class. Mandates await approval from Programme Board and await sign-off from Assistant Chief Finance Officer for implementation.
Catering Services & Food	<ul style="list-style-type: none"> Identified savings of £34k in year & £58.5k of annualised savings thereafter through the cessation of external providers & transfer to internal catering. Mandates approved by Programme Board and await sign-off from Assistant Chief Finance Officer for implementation.
Skip Hire	<ul style="list-style-type: none"> Identified savings in year of £244k & £178k of annualised savings thereafter through re-negotiation of terms and sale of surplus/obsolete equipment. Programme Board agreement to put into place 2 year contract (none exist at present), competitively tendered thereafter. Mandates approved by Programme Board and await sign-off from Assistant Chief Finance Officer for implementation.
Asset Management	
The office portfolio high level mapping has been completed and a 'draft' Asset Management report been published with comments received. The final report will be submitted to the Programme Board for approval on 15 Sep 11. A proposal is to be submitted to the Programme Board to undertake a detailed Phase 2 review of the portfolio, including a detailed options analysis (including cost/benefit analysis of the options). Following approval at the Programme Board (15 Sep 11) approval will be sought from the Gateway Board.	