



**CABINET**

**6 SEPTEMBER 2016**

**CORPORATE DIRECTOR OF PLACE COMMISSIONING: TONY CIABURRO**

**CABINET MEMBER WITH RESPONSIBILITY FOR FINANCE:  
COUNCILLOR ROBIN BROWN**

<b>Subject:</b>	Corporate Cleaning Contract
<b>Recommendations:</b>	That Cabinet approves the re-procurement of the Corporate Cleaning Contract for a term of 3+1 years from 1 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2021 and delegate authority to the Corporate Director of Place commissioning in consultation with the Cabinet Member for Finance to complete associated contracts in line with Council procedures.

**1. Purpose of Report**

1.1 To re-procure the Corporate Cleaning Contract on the same basis as the current contract – a single contract which aggregates all the cleaning requirements of the whole corporate property portfolio of circa 120 properties. The contract term will be 3 years with an option to extend by a further year if both parties agree.

**2. How this decision contributes to the Council Plan**

The Council’s vision is to make Northamptonshire a great place to live and work. This is achieved through increasing the wellbeing of your county’s communities and/or safeguarding the county’s communities.

This initiative specifically delivers increased wellbeing and/or safeguarding by ensuring that:
<ul style="list-style-type: none"><li>Resources are utilised effectively and efficiently, in coordination with partners and providers.</li></ul>

**3. Background**

- 3.1 The Council’s operational properties require a regular cleaning service to promote a healthy and productive working environment.
- 3.2 The cleaning of Corporate Properties was outsourced to the private sector approximately 14-years ago and has been via various contracts ever since. Corporate Properties included at that time were: all HQ properties, libraries, registrars and various day care centres.
- 3.3 The rationale for outsourcing includes economies of scale in terms of procurement and management, and also reduces the unit cost of the service.

3.4 The centralisation of property budgets during 2008/09 has extended the breadth of properties included in the contract. It now includes: fire stations, children’s centres and country parks.

3.5 The current contract provides cleaning services to circa 120 properties.

3.6 Our approach to supporting local enterprise and social value is to: (i) set minimum response times which necessitate local resourcing, (ii) exclude travel costs from the contract which necessitate local resourcing, (iii) use the Social Value Act within the procurement within the tender evaluation to seek local investment such as apprenticeships, and (iv) consider the cost implications of the supplier’s management within the tender evaluation.

**4. Consultation and Scrutiny**

4.1 There has not been any consultation because this Cabinet Paper is seeking only to continue the current, long established, outsourced cleaning service.

**5. Equality Screening**

5.1 An Initial Equality Impact Assessment has been completed which indicates that there is no known relationship between the Corporate Cleaning Contract / service and the equality of its impact on different protected groups. The service will impact all property occupiers / users equally.

<b>Reason that no EqIA is required</b>	<b>as appropriate</b>
The paper is for information only	
The proposal/activity/decision has no impact on customers or the service they receive	
The proposal impacts upon staff but the proposed staffing changes will not affect the service that customers receive*	
Other (please explain further)	

\* where a proposal affects staff, the appropriate HR processes will be followed, which have already been subject to the EqIA process and will be compliant with HR legislation

**6. Alternative Options Considered**

6.1 In-sourcing of the service. In-sourcing decisions are often made to obtain control of a critical production or competency; conversely outsourcing decisions are often made to reduce ‘non-core’ in-house operations and to reduce some costs, typically by taking advantage of specialist providers, competitive market forces and by reducing employment costs. Cleaning fits best as an outsourced service and this is the market trend. In-sourcing from private to public-sector will also create significant new costs associated with pension liabilities.

6.2 Disaggregation of the contract into small Lots. The current procurement strategy relies on aggregating all site cleaning requirements into a single contract with one specialist supplier in order to attract the greatest commercial interest from the market and obtain additional value and/or reduce cost through efficiency of scale, and minimise the Council’s own administrative burden. This approach previously attracted significant market interest and has provided exceptionally competitive rates well below the market benchmark. A disaggregation would increase the Council’s administration of the

contracts and is likely to increase the contract costs too – particularly for small remote sites.

## 7. Financial Implications

7.1 There will be no increase in spending commitments, as this Cabinet Paper is seeking only to continue the current, long established, cleaning service.

7.2 There may be a reduction to cost due to closure of JDH, County Hall and other properties and the relocation of staff into the new headquarters at No.1 Angel Square.

	Current year	Forecast		
	2016/17	2017/18	2018/19	2019/20 & beyond
	£000	£000	£000	£000
<b>On-going costs (revenue)</b>				
Costs - Staffing	nil	nil	nil	nil
Other	680	660	660	660
Total on-going costs (revenue)	680	660	660	660
Funded by	Existing Property Services managed budgets.			

What benefits will the proposal deliver?	<ul style="list-style-type: none"> <li>Regular cleaning of property facilities will promote a healthy and productive working environment</li> <li>The bulk procurement and management of the service will minimise the Council's management burden and costs, and will produce a highly competitive unit cost for the service</li> <li>It will be the responsibility of the cleaning contractor to appropriately resource the service at all times</li> </ul>
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## 8. Risk and Business Continuity Management

a) Risk(s) associated with the proposal

There are no new risks associated with the proposal because it represents a continuation of the current cleaning strategy.

b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
Risk to employee and visitor health & safety	Red
Reduction to employee morale	Amber
Reduction to employee care and respect afforded to other aspects of the facilities	Amber

## 9. List of Appendices

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Background Papers:	
Does the report propose a key decision is taken?	YES
If yes, is the decision in the Forward Plan?	YES
Will further decisions be required? If so, please outline the timetable here	N/A
Does the report include delegated decisions? If so, please outline the timetable here	The delegated decision to approve a new Corporate Cleaning Contract will be made during February / March 2017.
Is this report proposing an amendment to the budget and/or policy framework?	NO
Have the financial implications been cleared by the Strategic Finance Manager (SFM)? Have any capital spend implications been cleared by the Capital Investment Board (CIB)	YES Name of SFM: Rosemary Pallot  N/A
Has the report been cleared by the relevant Director?	YES Name of Director: Tony Ciaburro
Has the relevant Cabinet Member been consulted?	YES Cabinet Member: Robin Brown
Has the relevant scrutiny committee been consulted?	Informally only Scrutiny Committee: Finance & Resources Scrutiny Committee
Has the report been cleared by Legal Services?	YES Name of solicitor: Laurie Gould
	Solicitor's comments:
Have any communications issues been cleared by Communications and Marketing?	YES Name of officer: Simon Deacon
Have any property issues been cleared by Property and Asset Management?	YES Name of officer: James Wheeler
Are there any community safety implications?	NO
Are there any environmental implications:	NO
Are there any Health & Safety Implications:	NO
Are there any Human Resources Implications:	NO
Are there any human rights implications:	NO
Constituency Interest:	N/A