

OVERVIEW & SCRUTINY COMMITTEE

14th November 2019

PART 1

RESPONSE TO REASONS FOR CALL IN

Relating to the Following Decision:

Decision: *The Future Delivery of Cleaning Services – Council Corporate Buildings*

Decision Date: 18/10/19

Decision of: Cabinet

Key Decision No: 4942

Reasons for Call In:

1. That the decision risks increased unemployment in the borough due to the phase reduction in service requirements

Response

Rationalisation of the Council's corporate operational property does not in and of itself mean there will be a reduction in services. More efficient use of buildings reduces costs and increases income enabling the continued delivery of council wide services and the safeguarding of council jobs.

Reuse and/or redevelopment of surplus property should also create further employment opportunities.

2. The report relies on staff turnover for reductions in service provision but fails to evidence with actual industry information.

Response

On average, around one in seven (14.6%) employees resigned from their jobs in 2018. The median voluntary resignation rate stood at 12.9%. Xpert HR 2019 (part of Reed Group)

In the public sector the total turnover rate for 2018 was 15.7%.

The rate for semi-skilled or unskilled workers was slightly higher at 19% and the rate for the service provision category was 17.8%

The assumptions for the insourcing option assume a reduction in staff numbers of between 4 and 5% per year.

3. Insufficient detail on how the authority / HR will handle the lack of job security for the new staff members.

We have been clear that any reduction in numbers will be managed through managing staff turnover. There should therefore be no issue around job security.

4. The Report discusses the creation of a two-tier workforce, it is unclear whether the full ramifications of this were considered.

Response

All staff transferring under TUPE will be offered the chance to switch on to Council T&C's. All new staff will be appointed on Council T&Cs.

5. Insufficient detail of how proposed harmonisation of conditions will be approached.

Response

See answer to 4 above.

6. Decision does not represent best value for tax payer, due to report specifically stating a tender option would be less expensive

Response

See Part 2

7. Does not detail why commercial services will be insourced, yet Enfield Norse will continue other contracts with the authority. It is not explained why this inconsistent approach was taken.

Response

The Corporate Properties Contract has come to an end, so we have reviewed our options for future delivery. As set out in paragraph 6.2.6 of the Part 1 Cabinet report whichever option was recommended it should be noted that no immediate decision has been made to include schools within the provision as they have their separate contracts with the existing JV. The service being procured will namely be with regards to Corporate buildings.

The JV will remain in existence in order to provide cleaning services to the schools. The Council will need to review its involvement of the JV after 3 months of the services being brought in house in order to see how economical it is to have the JV running.

8. No costings on TUPE of up to 140 individuals (60 FTE) and the effect on the MTFS

Response

See Part 2

9. Insufficient details on the actual number of staff to TUPE and resources required to meet deadlines

Response

See Part 2

10. The report failed to detail a draw down timetable of corporate buildings

Response

The details of the corporate property rationalisation strategy will be the subject of a future report to Cabinet. The report assumes a reduction of approximately 10% in the space requiring cleaning over the 4-year period.

11. Report suggests that the commercial tender did not have a flexible reduction of service team, whereas insourcing does. This approach could mean unequal consideration of the options.

Response

Different options will have different characteristics and the statement recognises that some options will offer different levels of flexibility should service requirements change. It does not say that the other options have no flexibility, however for bidders to be able to cost a bid, assumptions were made for the tender process and bids assessed against these.

These assumptions may change during the contract and whilst it is always possible to include flexibility in contracts or negotiate with contractors during a contract the council will maximum flexibility if it is delivering the service itself.