

BACKGROUND

South Essex Property Services (SEPS), the commercial subsidiary of South Essex Homes (SEH), is based in Southend. South Essex Homes is the independent ALMO of Southend-on-Sea Borough Council.

In July 2017 the Borough's outsourced corporate cleaning and security services contract, valued in excess of £750,000, ended - providing an opportunity to raise quality standards and reduce costs.

The South Essex Property Services team negotiated to bring the contract 'in-house', back into the Southend 'family' of companies. The Borough insisted that any proposition delivered by SEPS would be commercially based representing both good value and high quality.

The SEPS team, assisted by the SEH team, reviewed the current contract, identified where quality improvements were needed, and agreed a minimum 'initial' cost saving of 10%. The Borough agreed TECKAL terms and the SEPS team arranged a smooth TUPE transfer from the current supplier; improved standards from day one; and delivered the full £75,000 saving, as promised within year one.





KEY OBJECTIVES

- Improve quality of cleaning
- Improve standards of security
- Reduce cost burden by at least 10%
- Ensure a smooth change of contract ownership
- Improve customer satisfaction

KEY RESULTS

- £75,000 cost reduction for client
- Surplus and overhead spread opportunity created for SEPS
- Noticeable improvement in standards from day one
- Reviewed and 'right sized' cleaning schedules
- Reviewed and recast security regimes
- Delivered a deep clean - raising standards to 'bronze' levels

CHALLENGES AND GOALS

- Poor cooperation in respect of TUPE transfer by the commercial supplier
- Inconsistent personal staff contracts
- Personal loyalty of senior TUPE staff remained with previous supplier
- Difficult and time consuming process for aligning input and contracted hours worked
- Transferred staff operating methods indicated absence of positive direct management
- Health and Safety issues not actively enforced by previous contractor
- Organisation of workforce sub-optimal
- Misalignment of contractor and SEPS staff employment conditions
- On-going standards once reset need to be maintained
- Cost reduction in excess of 10%

THROUGH THIS CONTRACT, SEPS WANTED TO ACHIEVE:

- The building of a good reputation for delivering quality services within the FM (cleaning/security) business
- To become the 'go to' provider of Building, Facilities and Property Management within Southend Public Realm
- To retain Regulation 12 status and to win external work
- To demonstrate to SBC SEPS' good commercial management capability
- Use this model to drive efficiencies through scale and process improvement
- Use this model and the model proposition as the offering to a well-defined market segment
- Increase critical mass in order to successfully enter competition for 3rd party commercial work

THE SEPS APPROACH

SEPS view each contract situation as an opportunity to improve service and reduce costs. This requires that:

Prior to creating 'the offer', the specialist delivery team review & establish;

- The reason why the client feels the need to change the supplier
- The current quality standards in operation
- The total current cost of service
- The fit with SEPS 'built environment service delivery strategy'
- The extent of the potential to create a small surplus share and spread overheads/costs

Following that review, SEPS;

- Established the potential for improvement and sealed the promised 'metrics'.
- Engaged with the client to establish effective monitoring arrangements
- Planned and executed the transition arrangements
- Planned and executed the service transformation plan





RESULTS AND BENEFITS

- The Borough achieved a minimum of £75,000 PA savings against original contract and more against actual invoiced fees
- The cleaning standards within all corporate buildings improved from the first day of contract to levels noticed by SBC staff.
- All contract staff successfully transferred via TUPE into SEPS
- Within the first two weeks a deep clean exercise started throughout all buildings
- Within the first week security services were stabilised and later effective rescheduling improved operations
- Within the first three months operational and structural changes were completed successfully
- Staff look better (uniforms) whilst personal standards of behaviour and H&S have improved
- The model of transition was proven and is reusable
- SEPS achieved a small surplus and spread overheads

“Moving this business via TECKAL arrangements to the ALMO’s commercial arm is one of the easier procurement tasks. Talking and negotiating with a true partner is swift and requirements are easily and candidly made absolutely clear. We the Borough, benefited from lower costs and vastly improved service quality”

Scott Dolling
 Director of Culture, Tourism and Property
 Southend on Sea Borough Council