



Co-operative Councils
Innovation Network

BUDGETS

Peopletoo working with Cardiff Council

Commercialisation of Total Facilities Management (TFM) Services

Cardiff Council, like many local authorities, had a fragmented approach to facilities management, with many services including; Cleaning, Security, Building Maintenance and Pest Control, all sitting in different departments. This resulted in multiple front doors, significant internal recharges, limited financial and commercial oversight, and ultimately, confusion for the customer. Working in partnership with Cardiff Council, Peopletoo helped create processes for a new Commercial Services directorate, whose purpose would be to generate income and ensure financial sustainability of the component services, specifically those concerning facilities management.

Peopletoo performed a commercial review across facilities management services before implementing recommendations which secured c£1m in savings, delivered significant quality improvements to customers, and additional social value to stakeholders. Additionally, by implementing better commercial controls and restructuring how the council works with the market, it is anticipated the programme will deliver a further £1.8m in cost reduction annually.

Recommendations included:

- **Modelling Charge out Rates:** In depth analysis to identify the required charge out rates required for cost recovery and how this could be improved. This included consideration of productivity, overheads, workplace variables.
- **Demand Modelling:** Assessing what types of work provided the greatest demand on each service, before introducing strategies to sustainably manage it cost effectively.
- **Job by Job profit/loss:** Performed analysis on individual jobs/sites to determine which delivered the greatest profit/loss, why this was the case, and how they could be turned around.
- **Productivity Improvements:** Introduced new ways of working to improve productivity and the value for money provided to Customers. Including Works Scheduling, Team Cleaning and Enhanced Specifications.



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- **Commercial Controls:** Introduced new processes and mechanisms to ensure the improved and effective management of works, over the life of a Contract.
- **Market and Competitor Analysis:** Assessed and identified local market conditions to understand the products offered by competitors and developed strategies on how best to counteract and compete.

From the outset, any capacity released through commercial improvements, was used to pursue an insourcing strategy. As a result, this secured both new and increased revenue streams for the Council whilst increasing employment and job security for employees. This has allowed the TFM team to provide improved opportunities for apprenticeships, with the council recently introducing 4 new apprentices with another 10 in the pipeline.

For further information contact:

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