



# Efficiency and Effectiveness of Government-sponsored Museums and Galleries

Measurement and Improvement

**Facilities Management Excellence Study**

September 1999



# DCMS Review of the Efficiency and Effectiveness of the Government-sponsored Museums and Galleries

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## Appendix B: Excellence Studies – Facilities Management

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## Section 1: Executive Summary

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Deloitte & Touche have been retained by the Department of Culture Media & Sport to establish a mechanism for improving efficiency and effectiveness within the government funded Museums and Galleries. As part of that exercise 8 excellence studies have been produced one of which looks at Facilities Management.

We recommend that each National reviews this study and pays particular attention to all the examples of best practice that we have highlighted in italics. The outcome from this review should be the development of an FM Action Plan which pays particular attention to the following key issues:

- the organisational structure of FM and in particular:
  - how integrated services are;
  - whether there are well developed links to collections management.
- how best to develop a mixed economy of contracted and in-house resources which may be divided horizontally at skill levels. This includes the potential financial savings from extending contracting into areas of security and cleaning;
- whether Institutions should introduce customer focused Service Level Agreements (SLA's) accompanied by performance indicators;
- the benefits of closer partnerships with contractors;
- the need for energy procurement and management strategies;
- the benefits of allocating FM charges across the business on a metre<sup>2</sup> basis;
- the process by which the balance between hard and soft security is struck and the extent to which security staff become more visitor oriented;
- where responsibility for major incident planning rests and whether plans are regularly tested and updated.

## Section 2: Introduction

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### 2.1. Background and Status of this Study

Deloitte & Touche prepared this Excellence Study as part of the Efficiency & Effectiveness Review of the Government Sponsored Museums & Galleries which was commissioned by the Department for Culture, Media & Sport (DCMS). The study topic – Facilities Management – was chosen by the Review's Working Group as a key activity for which the wider adoption of best practice was thought likely to yield significant benefits in efficiency and effectiveness. The Terms of Reference were approved by the Study Sponsor – Chris Jones, Head of Administration at the British Museum – and are included in the Appendices.

This final version of the Excellence Study (Version 4) has been developed through an iterative process of consultation and improvement. Version 1 was reviewed by the Study Sponsor. Version 2 was circulated to all the Nationals for comment, and was discussed at a seminar. Version 3 was circulated to all members of the Working Group for further comments. This document should be seen as a position statement contributing to the debate on Excellence within this area. It does not purport to be a guide, or manual, on excellence.

### 2.2. Methodology

In conducting this work, we have:

- held discussions with key Museums and Galleries which have been identified to us as being useful benchmarks in various areas of FM practice. These are:
  - The British Museum
  - The National Gallery
  - The Royal Armouries, Leeds
  - National Museums and Galleries on Merseyside (NMGM)
  - The Victoria and Albert Museum
- met with senior facilities managers and directors within other organisations who provide high quality FM services, namely:
  - The BBC
  - Glaxo
  - Intercontinental Hotels
  - Building and Property Services
- researched areas of best practice within published materials and through FM publishers and representative organisations including:
  - British Institute of Facilities Management (BIFM)
  - University of Strathclyde – Centre for Facilities Management (CFM)
  - Eclipse group
  - Gee publishing

### 2.3. Scope of Facilities Management Services

The generic Business Model developed in the main part of this Review identifies three main areas of activity within the overall heading of “Support Services”. One of these is “Estates Management” which contains facilities management (FM) services. This study covers a number of areas within FM and identifies areas of best practice and excellence from within and outside the Museums and Galleries sector, which might serve as useful benchmarks for similar institutions.

Facilities management as a generic heading covers a very wide range of activities and services. There is no formal agreement on scope, but for the purposes of this guide the following services are included as being managed under the general heading of Facilities Management:

- utilities, including electrical and mechanical services, telecoms etc.
- maintenance and engineering, including lifts, air conditioning and minor works;
- security services (technology and people);
- cleaning;
- grounds maintenance, including car parking;
- office services (such as reprographics, stationery, furniture etc);
- waste management.

The following services are specifically excluded from this study:

- catering services;
- retail services;
- visitor services (including venue hire);
- IT, except for those elements which specifically relate to the scheduling, control and management of specific FM services;
- the management of major building works or improvement projects.

All these services are covered in other parts of the Business Model, and some are the subject of other Excellence Studies.

### 2.4. Key Facilities Management Processes

This guide deals with best practice in the effective management of facilities and not with their performance. In addition, the guide does not elaborate on up to date technical systems or processes concerning, for example, equipment such as air handling or security systems.

The key characteristics and processes in the management of facilities around which the guide is structured are as follows. These have been agreed by the Working Group as an acceptable remit for the study within the given time and resources parameters:

- Organisation, structure and coverage of FM departments

- Supply and services procurement, including:
  - Outsourcing decision making
  - Outsourcing and procurement processes
  - Contracts
- Contract and supplier management, including:
  - Service specifications and Service Level Agreements (SLAs)
  - Supplier partnerships
- Information and control, including:
  - Performance measurement (direct and contracted services)
  - Use and coverage of information systems
  - External benchmarking
  - Asset management
- Risk management, including:
  - Disaster recovery planning;
  - Health and safety

Each of these processes/services is discussed in this guide; *best practice is denoted by italics*

It has been suggested in the consultation process that Risk Management and Health and Safety are different issues which should be treated separately. In practice, this is indeed the case in the way these activities are managed within museums and galleries, and they have only been grouped for the convenience of structuring this study. The issue of the wider context of risk management as distinct from day-to-day health and safety requirements is discussed in the appropriate section.

## Section 3: Background to FM in the Museums and Galleries Sector

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### 3.1. History and Scope

Prior to 1989, properties were managed largely by the Property Services Agency (PSA); the PSA held the premises budget and were accountable for its expenditure. It is only since this time that the true costs of managing premises have become entirely visible. This may be responsible for the relatively low profile of FM which some managers still feel is inherent in the culture of some museums and galleries, and for the fact that attention has only recently focused on these activities and costs as critical to the health and well-being of the institution.

The management of buildings and facilities in a museum or gallery accounts for a very substantial proportion of the institution's expenditure. Our survey of the Heads of Finance suggested that Nationals spend an average of 30% on Estate Management (18% on Operations Maintenance and 11% on Security). The senior facilities manager in a major national institution might typically be responsible for around £10m of expenditure. As institutions focus on supplementing grant income and take on a more commercial outlook, the management of such a large budget assumes even greater importance.

Generally, the increasing professionalism of the facilities management discipline in commerce will provide its own momentum for an increasing profile to this critical function.

### 3.2. The Role of Facilities Management in the Institution

It could be argued that a great deal of the day to day management of a Museum or Gallery is concerned with facilities management, which occupies a key role in servicing other aspects of the institution's activities such as collection management.

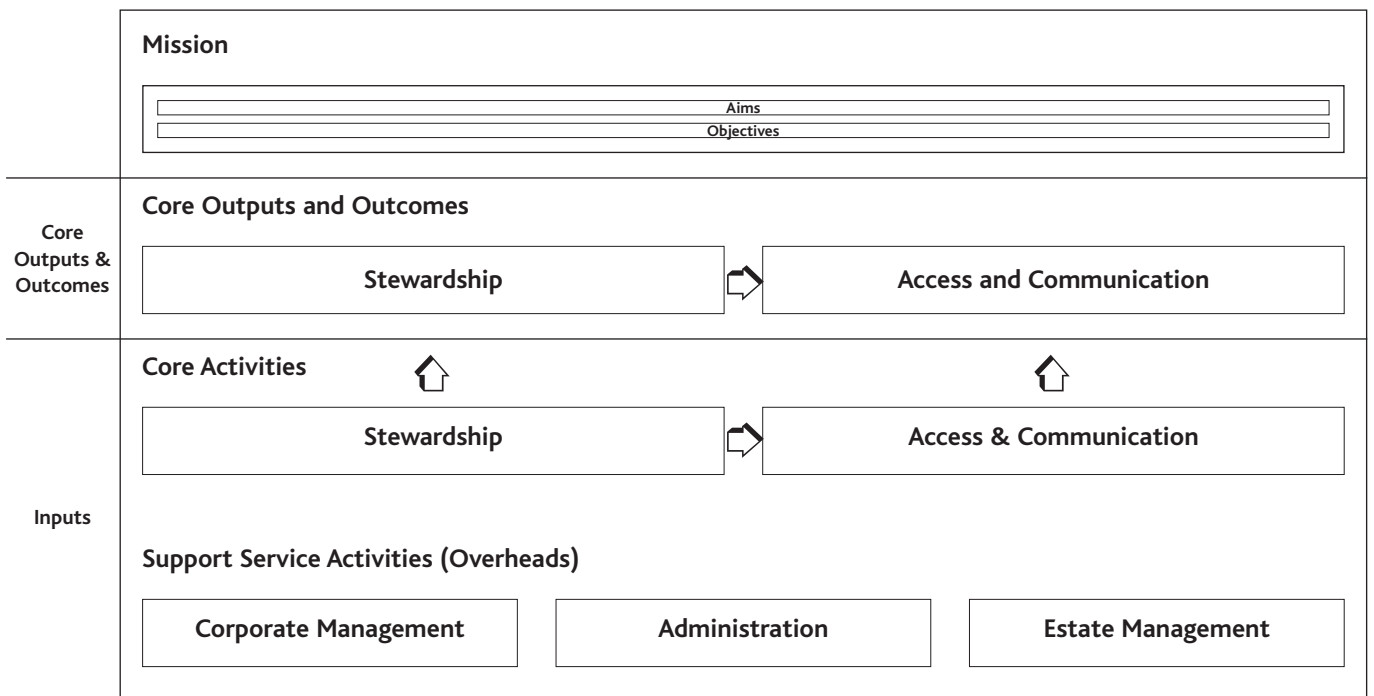
This view, at one end of the spectrum, could suggest the possibility of a complete separation of the management of the collection from the management of the Estate. Whilst this might be extremely difficult to achieve in many institutions, and undesirable where many types of collection and institution are concerned, the principle could represent an interesting starting point for policy-making and strategic discussions concerning the organisation. The organisational structure of FM, and its general position within the institution's overall structure, provides a common pointer to best practice in many areas.

In putting forward best practice within this study, we are mindful that many of the challenges facing facilities managers within Museums and Galleries stem from organisational models and practices which form the "status quo" within the sector which may be derived from situations and models which are less relevant to the future of the sector. It is hoped that a core function of the guide is to encourage more creative thinking concerning how other (external) FM models can be applied to the benefit of Museums and Galleries.

## Section 4: Current Position

### 4.1. The Business Model

The current version of the business model defined within the key study for DCMS is depicted below. Facilities management is a core element in the “input” section of the business model, covering a wide range of costs and resources which relate to the management of buildings and properties (labelled Estate Management below).



### 4.2. Key Performance Indicators

Representing as it does a large proportion of a Museum or Gallery’s running costs, the effective management of the resources applied to facilities management is critical to the institution’s ability to work within its funding constraints. Performance measures within FM currently suggested by the business model are included in the two pages overleaf:

Activity Aims and Definition	Main Inputs	Main Outputs	Outcomes	Best Practice	Performance Indicators
<p><b>Estate Management</b></p> <p>Operations and Maintenance</p> <p>Aims are to:</p> <ul style="list-style-type: none"> <li>• maintain the fabric and interiors of the building in a good state of repair.</li> </ul> <p>Activities are:</p> <ul style="list-style-type: none"> <li>• developing a maintenance strategy and plan;</li> <li>• urveying the condition of the building;</li> <li>• carrying our planned maintenance;</li> <li>• carrying out unplanned maintenance;</li> <li>• maintaining cleanliness of building and grounds;</li> <li>• waste management;</li> <li>• managing utilities.</li> </ul>	<ul style="list-style-type: none"> <li>• cost of maintenance staff;</li> <li>• cost of contractors;</li> <li>• equipment and consumables.</li> </ul>	<ul style="list-style-type: none"> <li>• well-maintained building;</li> <li>• clean building (and gardens).</li> </ul>	<ul style="list-style-type: none"> <li>• secure environment in which to hold collection;</li> <li>• safe environment in which to welcome visitors.</li> </ul>	<p>An Excellence Study is currently underway on this area so this section will be developed upon its completion.</p> <p>Best practice is promoted by the International Association of Museum Facility Administrators, and measures should include:</p> <ul style="list-style-type: none"> <li>• the undertaking of regular energy efficiency audits (Cassar 1994)</li> <li>• undertaking periodic professional condition reports on all buildings to allow the development of a planned building programme</li> </ul> <p>Compliance with the following:</p> <ul style="list-style-type: none"> <li>• English Heritage’s Listed Building stipulations;</li> <li>• Health and Safety legislation;</li> <li>• Fire Certificate requirements.</li> </ul>	<p>Efficiency</p> <ol style="list-style-type: none"> <li>1. % cost of planned to unplanned maintenance;</li> <li>2. maintenance spend per m2 (or m3);</li> <li>3. building maintenance expenditure as % of valuation of buildings;</li> <li>4. energy costs per m2 (or m3);</li> <li>5. building management costs as a % of maintenance spend;</li> <li>6. value of backlog of essential maintenance;</li> <li>7. staff per m2 in office area (or m3);</li> <li>8. utility costs per m2 (or m3);</li> <li>9. average cost per hectare for gardens &amp; grounds maintenance;</li> <li>10. internal maintenance spend/total maintenance spend;</li> <li>11. cleaning cost per m2.</li> </ol> <p>Effectiveness</p> <ol style="list-style-type: none"> <li>12. nos of complaints/nos of visitors</li> <li>13. staff satisfaction (indexed through annual survey)</li> </ol> <p>Other</p> <ol style="list-style-type: none"> <li>14. accident nos (and % change) by level of seriousness. [see also Visitor and User Services for other indicators relating to satisfaction]</li> <li>15. total spend V budgeted spend (by service);</li> <li>16. compliance to audits of services</li> </ol> <p>[See also “Visitor and User Services” for other indicators relating to satisfaction]</p>

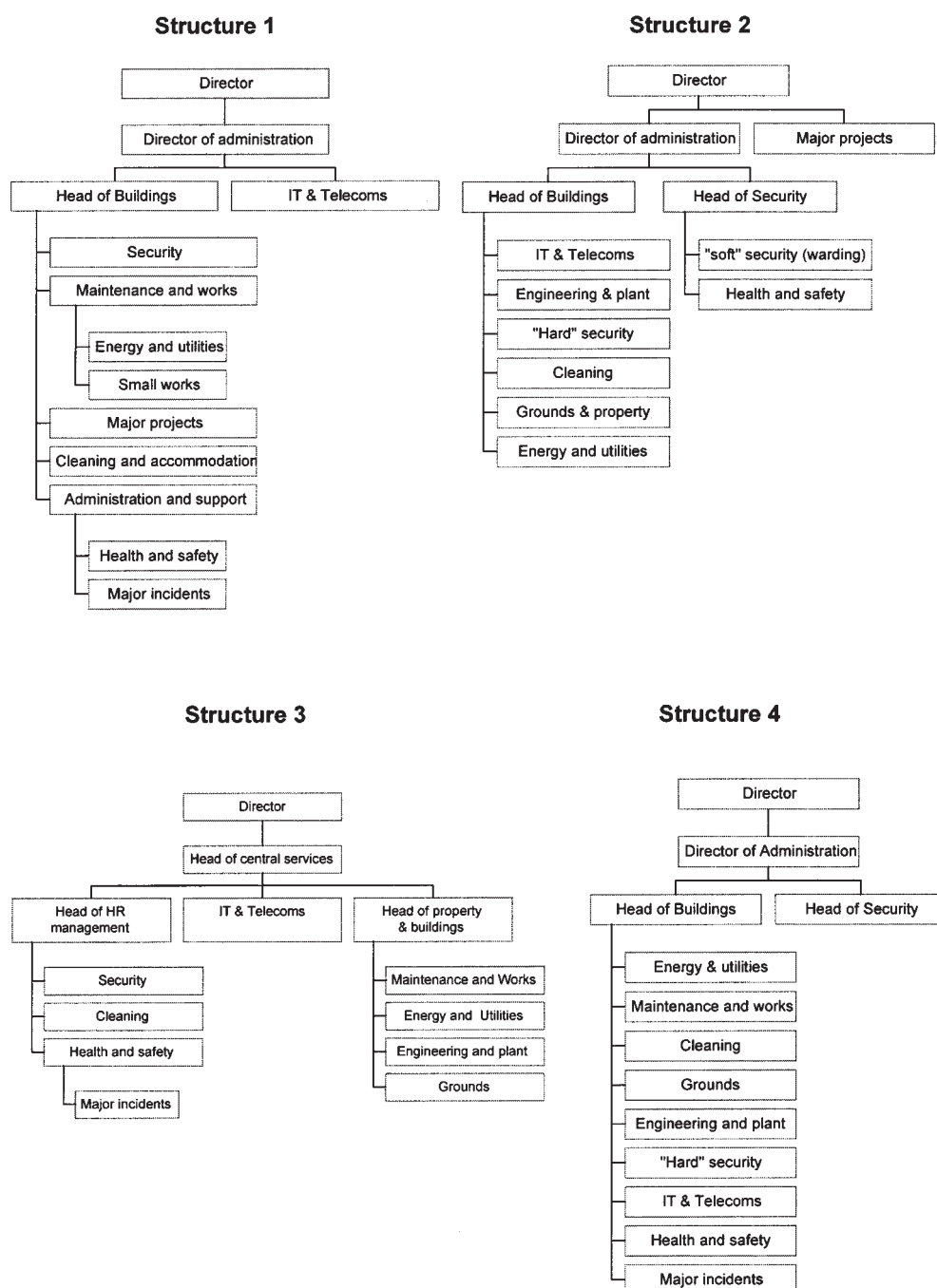
Activity Aims and Definition	Main Inputs	Main Outputs	Outcomes	Best Practice	Performance Indicators
<p><b>Security</b></p> <p>Aims:</p> <ul style="list-style-type: none"> <li>to provide for the physical security of collections and premises, and the security and safety of staff and visitors</li> <li>as front-line staff in public areas to control public access and circulation, and to provide courteous and accurate orientation information to visitors</li> </ul> <p>Involves:</p> <ul style="list-style-type: none"> <li>preparation and maintenance of risk management policies and plans</li> <li>monitoring security systems and maintaining security records and logs</li> <li>maintaining a security perimeter with controlled access to all collection areas</li> <li>providing warding services in all public collection areas</li> </ul>	<ul style="list-style-type: none"> <li>Policy and procedures</li> <li>Staff</li> <li>Security systems</li> </ul>	<ul style="list-style-type: none"> <li>Consistent and effective guarding of collections in all areas of the museum</li> <li>Courteous and effective management of public access to the collections.</li> <li>Provision of accurate information in response to public enquiries</li> </ul>	<ul style="list-style-type: none"> <li>A secure environment for the collections</li> <li>Well-managed control of public access and circulation</li> <li>High level of public satisfaction</li> </ul>	<p>Best practice guidelines for security policy &amp; procedures have been developed by ICOM &amp; the International Committee on Museum Security (ICOM 1993).</p> <p>There is also a need to undertake a comprehensive risk audit for the collections.</p>	<p>Efficiency</p> <ol style="list-style-type: none"> <li>Number of security staff per m2 of public collection zone space;</li> <li>Cost of security (including warding)/visitor nos;</li> <li>Cost of security per square metre of space for public and non-public zones;</li> <li>Expenditure on security/indemnity value of collection * no. of visitors * ranking of vulnerability of items);</li> <li>Cost of security (including warding)/visitors.</li> </ol> <p>Effectiveness</p> <ol style="list-style-type: none"> <li>No. and value of items from collection stolen;</li> <li>No. and value of items from collection maliciously damaged;</li> <li>Reduction in value of items maliciously damaged;</li> <li>Average response time for incidents;</li> <li>Number of security incidents.</li> </ol>

## Section 5: Organisation of Facilities Management Services

### 5.1. Organisation within the museums and galleries sector

The Facilities Management organisation differs greatly between institutions. There is much history in the way in which departments have been developed and structured, and an acknowledgement that if the organisation were to start afresh, then its structure might well be approached very differently.

Examples of various ways in which Facilities Management services are structured within Museums and Galleries are shown in the following diagrams:



A number of issues arise:

- Ownership of FM functions is split between personnel, estates and administrative functions;
- FM functions are sometimes structured and allocated on the basis of the competencies and experience of management;
- FM functions may be organised according to structures imposed by previous regimes of governance, e.g. by the PSA or Local Authority;
- Where several sets of premises are involved, FM functions have previously been devolved to individual building managers.

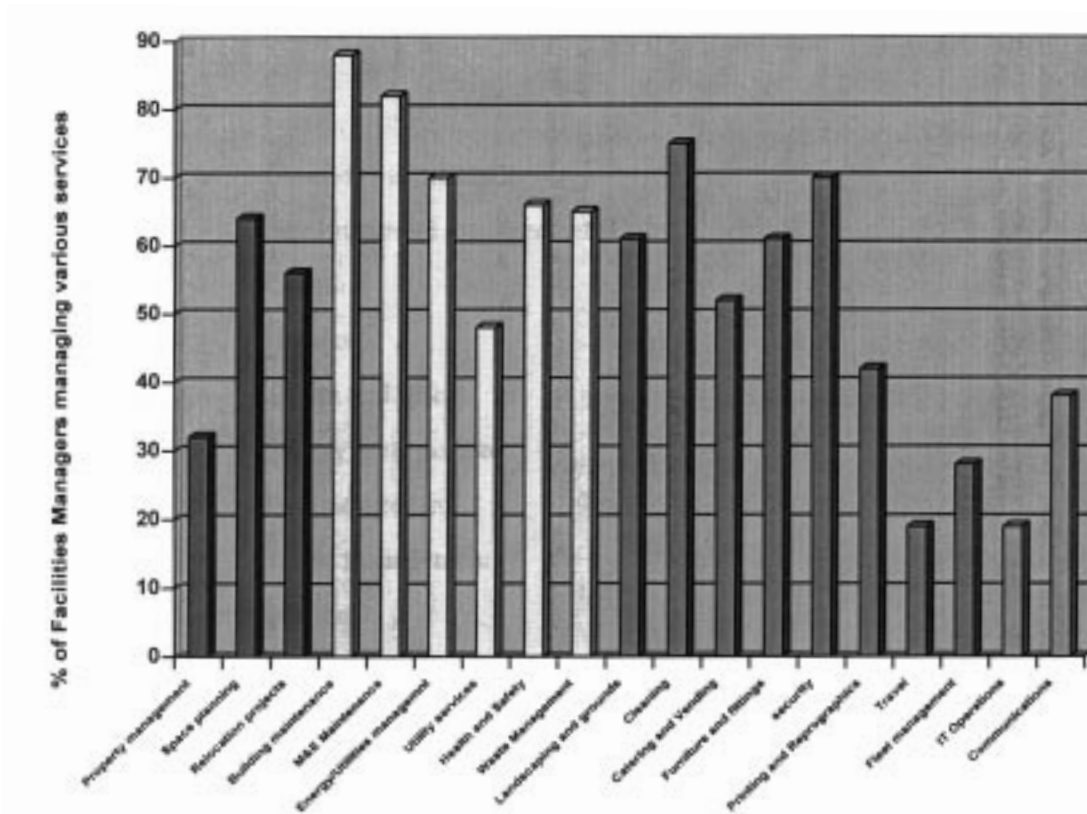
With FM being a relatively new discipline, it is not at all surprising that functions are treated very differently in different institutions, as indeed they seem to be in many different private sector businesses. A number of key differences of emphasis are noticeable between the different structures depicted:

- Security is often regarded as a separate function. This may be due to the original split between museum/gallery functions and PSA functions pre 1989, and in support of this there is a common view that this split owes more to history than design;
- The same is *not* true of cleaning services, another labour intensive and semi-skilled task, even though similar issues of management control and collection security apply;
- The ultimate head of buildings and FM services is usually found at assistant director level. Below this level there is either a single functional head or a number of service heads. The Assistant Director responsible for FM generally has a very broad range of functional responsibilities, so much so that it cannot be expected that any significant technical knowledge resides at this level;
- Few museums include the management of IT services within the remit of FM, although FM plays an increasingly important part in the provision and maintenance of the physical infrastructure for IT systems (networks etc) and often the procurement of hardware. This may be a point of definition between the information needs of the institution and the hardware, in addition to the level at which the function is separated within the organisation structure. Nevertheless, given the ubiquitous and increasingly mundane nature of IT, it seems likely that it will become an increasingly commonplace FM function, the technical and service delivery aspects of which may be outsourced.

## 5.2. External Benchmarks

### 5.2.1. FM Service Responsibilities

The British Institute of Facilities Management (BIFM) show the proportion of the members managing various services, according to the above functional groups, as follows:



Notably, IT and telecoms are managed by relatively few, whilst the majority run the “blue collar” and certain specialist advisory functions such as health and safety and waste management.

### 5.2.2. Organisational Priorities

Outside museums and galleries, the structure and organisation of FM services differ depending on the priorities and core focus of the organisation. A hotel group will regard excellent cleaning (housekeeping) services as critical to their organisational goals; a pharmaceutical or chemical company may focus more on plant, health and safety. Art galleries in particular might be expected to regard security of the collection as more central to their organisational goals. “Best practice” which can be regarded as relevant and universal is therefore difficult to identify.

The University of Strathclyde Centre for Facilities Management (CFM) categorises facilities management services into six areas:

- Premises services
  - Maintenance of buildings
  - Maintenance of equipment
  - Plant operations
  - Window cleaning
- Environment services
  - Site services
  - Grounds maintenance

- Environmental management
- Cleaning
- Hygiene
- Health and safety
- Energy management
- Pollution control
- Waste management
- Hotel services
  - Security
  - Car parking
  - Reception
  - Telecommunications
  - Portering
- Amenity services
  - Hospitality
  - Catering
  - Social
  - Leisure
  - Recreation
  - Occupational health
- Operational support
  - Travel
  - Fleet management
  - Logistics
  - Distribution
  - Transport
  - Supplies
  - Stores
- Business support
  - SAdministration
  - SReprographics
  - SContracts
  - SInformation services

*Whilst this categorisation does not necessarily reflect the hierarchy and existing structure within every organisation, there is a good case for considering this and other models of FM which relate broadly to the competencies required to run them.*

### **5.2.3. Competencies**

There is a principle that certain areas within FM require very different competencies, some at a higher level than others, and therefore that functional divisions need to be made at an appropriately senior level to be able to recruit and retain technical competency at the right level. For example, property management may require a qualified chartered surveyor, building projects a qualified architect or project manager, and IT a qualified networks manager.

Pragmatically, the quality of the qualification required will almost certainly affect the organisational structure. For example, at present, a security or catering qualification may be relatively easier to attain than an architectural or high level IT qualification, and will consequently be less expensive; the highest level specialist competency can therefore be positioned lower in the organisation.

#### 5.2.4. Spans of Control

Given the scope of the activities covered by the senior manager of premises or FM services, high quality technical expertise is often necessary below this level (see also our comments on outsourcing). In a major institution, the scale of the buildings and facilities budget should be able to justify a single senior member of staff to be responsible for all facilities and premises issues, including major projects and possibly IT and Telecommunications.

#### 5.2.5. Visitor Services

In this context, “visitor services” includes primarily income generating activities such as catering and retail, and in most cases reception and information services. These are not specifically covered within the scope of this paper, even though some elements of these services are provided in practice by FM departments. The trend among the major national museums and galleries is to form a trading company within which the income generating elements of these services can be managed. Thus the management regime and structures are likely to remain distinct from other FM services. In this regard, external organisational models rarely apply.

#### 5.2.6. Working with Collections

There is a clear advantage in FM services being closely involved with the stewardship and presentation of collections (e.g. in developing appropriate security systems, or access facilities for special needs groups). Understanding the requirements of various curatorial departments and the nature of the collections and their management and display is essential if FM operatives and contractors are to be able to work most effectively.

This is not simply a training issue. Interfaces between FM services and collections management cross over competency boundaries where exhibitions and display are concerned, for example where the cleaning of objects on open display is necessary. *Many Institutions retain technical groups, formally or informally, within their organisations who can provide a degree of integration with FM services.*

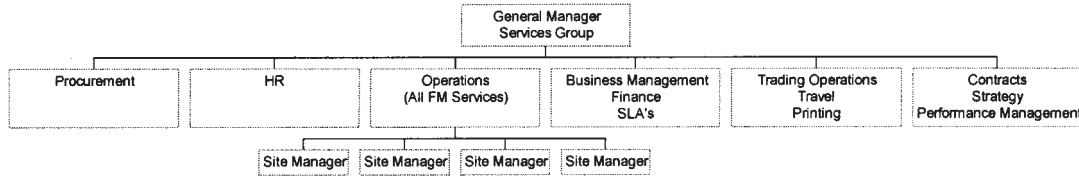
This issue is also encountered in other sectors, for example technical equipment maintenance and operating theatre cleaning in hospitals, or the management of animal testing facilities in pharmaceutical companies, so there are plenty of process benchmarks. *Clear reporting, consultation, executive and advisory links as appropriate must be maintained between FM and collections management below assistant director level.*

#### 5.2.7. Functional Competencies

In the larger NMG, the FM department might justify a dedicated functional approach, e.g. to contract letting and procurement, both within FM and across the organisation. In addition, where a very significant proportion of the services are outsourced, there may be insufficient

need to warrant a competency based approach, and structuring the department around more generic skills might be more appropriate.

The BBC' new structure for its FM services combines a competency and functionally based approach thus:

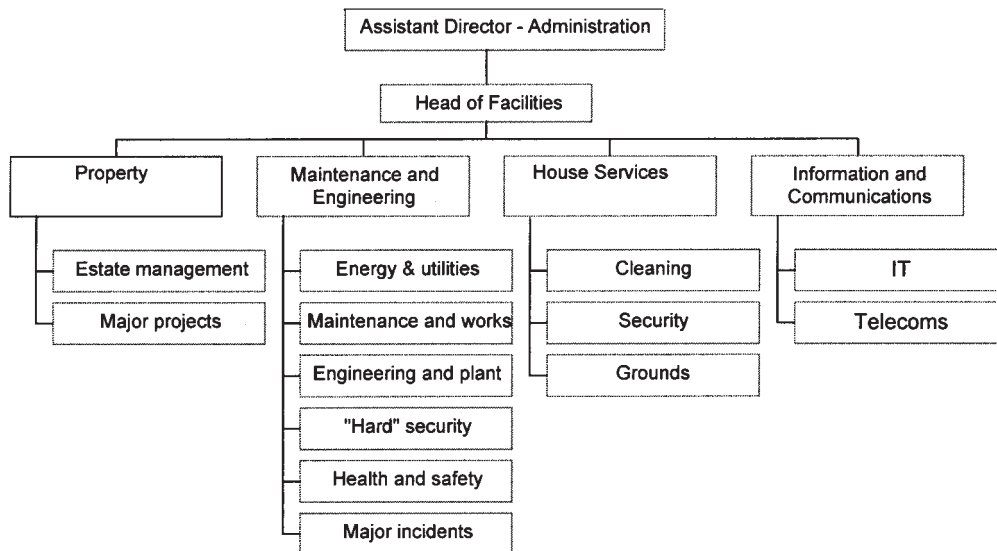


This approach provides a range of policy, strategy and advisory functions to site FM managers, who attend to local contract and services management.

Whilst this structure may only be appropriate to larger and particularly multi-site operations, *the definition of business management, contract and procurement competencies within the FM department provides a good example of an organisation which recognises the importance of customer focused FM in supporting the core activities of the business.*

**5.2.8. A competency Based Model**

Taking account of the competencies and the experience of external FM providers, and looking forward to an increasing remit for FM, a competency based model of the FM organisation will probably be structured along the following lines:



*Additional functional competencies may suggest a further division or advisory role at second or third tier level to manage contracts, procurement and other aspects of business management.*

Clearly, different institutions will have different priorities and the scope and seniority of positions will depend on the structure of their estate, major projects to be undertaken, and the extent of outsourcing in appropriate areas.

Nevertheless *it is increasingly regarded as important to integrate the various FM services as far as possible, in order to create the economies of scale necessary to integrate and optimise the use of IT systems, and to facilitate communications and records through database and helpdesk functions.* (See Section 7, **Information and Control**).

## Section 6: Supply and Service Procurement

### 6.1. The Decision to Outsource

From our discussions within the sector and externally, and our experience in outsourcing, particularly where blue collar and non-technical labour-intensive services are concerned, there are a number of core determinants of outsourcing practice within FM:

- *Organisational culture* and policy, primarily stemming from the more philanthropic goals of the business;
- Real *economic and efficiency* gains;
- The *criticality* of the service to core objectives, including practical issues surrounding security; and
- *knowledge* retention.

Each of these is discussed below:

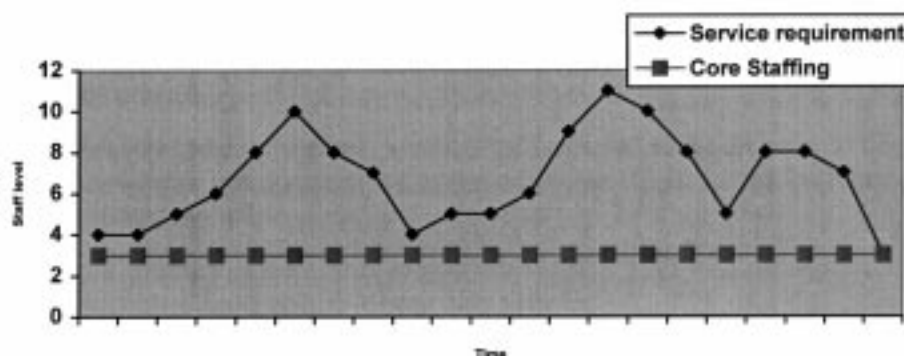
#### 6.1.1. Organisational Culture

The organisational culture within the DCMS funded Museums and Galleries is considerably influenced by the political climate, with advice and guidance issued by the relevant government departments concerning probity and market testing processes. We have not sensed any pervasive culture of in-house management within museums and galleries, and different institutions appear to have different preferences defined locally. Practical issues are much more critical determinants of outsourcing practice.

#### 6.1.2. Economy and Efficiency

There is a difference in view among the institutions over the real economic benefits of outsourcing. This echoes similar views in the private sector. There is a major point of consensus, however, that the economic advantage of outsourcing lies more in the ability to manage service levels more flexibly than in reducing real unit costs. This is particularly true where labour-intensive services are concerned, being subject as they are to Transfer of Undertakings legislation which, to a large extent, reduces the potential for unit cost savings in the short term.

*Where buildings and minor works are concerned, outsourcing tends to be used to manage fluctuations in service level requirements by retaining a smaller core of technical staff and by topping up with contracted workers as illustrated in the graph following:*



This principle is applied externally in the private sector with other services, in particular cleaning and housekeeping in hotel groups, where it is felt necessary to keep a core of knowledgeable staff but retain the flexibility of a contracted service (although in practice the contract tends to be with agency staff who work under close supervision rather than a contractor per se.).

However, outsourcing is no guarantee of cost savings; the process only enables costs to be compared within the market place. All other things being equal, a well managed and regularly tested and audited in-house service is likely to deliver at least the same level of efficiency as a contracted service. There is clear evidence that some museums have taken major steps in reconfiguring and rationalising in-house services, particularly labour-intensive ones, resulting in considerable savings. Others appear to be continuing with in-house services in some areas without regard to any benchmarks concerning value, primarily because of the perceived difficulties in managing the people aspects of the outsourcing process, or perceived practical considerations.

### 6.1.3. Criticality

The concept of “core/non-core” services is too simplistic to provide a valuable guide to FM outsourcing practice. Certain services, such as electricity supply, are certainly “non-core” but notwithstanding are “critical” to a business. Most FM services, however, whilst not unimportant to achieving optimal results from the business’s core processes, are generally non-critical from two points of view:

- the *time* it would take for a core business process to reach the point of critical failure, due to a failure on the part of the supplier, would be much longer in the case of a FM service provider than if they were an integral part of the supply chain. For example if a vehicle assembly line was working on a nil stock or “just-in-time” basis then the failure of a supplier to deliver tyres might stop the line altogether, whereas a failure of the FM contractor to clean underneath that part of the line would take longer to have effect; and/or
- the *consequences* of failure are less critical. For example a failure to deliver sufficient airline meals to a long-haul aircraft before take-off will have less critical results than a failure to deliver sufficient fuel for the flight.

In terms of museums and galleries, the criticality of security services is an issue which is commonly cited as a core reason for keeping the service in-house. Two arguments prevail:

- that the visitor contact required of security staff dictates a degree of knowledge and commitment to the institution which cannot be found among contracted staff;
- that contractors are unable to guarantee quality staff who are trustworthy with valuable objects and have been duly vetted.

Nevertheless many of the major institutions find security staff, particularly warders (to whom the above arguments seem to be most frequently applied), very difficult to manage, whether due to longevity of service, unionisation, unwelcome areas of custom and practice or the difficulty in obtaining staff with the right competencies. As a result, some institutions are

notably quick to outsource security wherever they can, even if this is restricted to less critical areas such as out-stations, more remote collections, or non-central locations such as offices.

Similar arguments as are applied to security are made concerning cleaning staff. Some institutions, for example, do not allow contract cleaning staff to clean near valuable objects.

*Nevertheless, it is most common in the private sector for almost all FM services to be tested against the contract market, and the result is usually at least partial outsourcing.* In museums and galleries, there appears to be a great deal of scope for the extension of contracting into the areas of security and cleaning, and in reality buildings and facilities managers appear to be more open to the idea, *and there is a belief in some quarters that there are real financial gains to be had through market testing security services.* However, in some institutions, particularly where theft is a major concern, the institution's directorate and curatorial staff have very indestructible and quite legitimate concerns whether outsourcing security compromises the safety of the collection. In the final analysis, this is a judgement which must be based on the type of collection and the institution's ability to manage the issue.

*"In every organisation, the "make or buy" choice can be critical to long-run success. All in-house services need to be subjected regularly to the test of the market-place; and in any case, it makes little sense to waste scarce management time on activities that are peripheral to meeting customers' and clients' needs more effectively – particularly if specialists are available to do the work better and at lower cost"*

*Sir John Banham, Past Director General CBI*

#### 6.1.4. Knowledge Retention

The ability to manage contracted services effectively relies on having a reasonable degree of knowledge concerning the technical aspects of the services. Clearly this will be more true where there are more technical aspects to the service, and in many such areas such as lift or major plant maintenance there are very good practical reasons to rely on the technical knowledge of the supplier or other specialists rather than attempt to retain knowledge in-house. Additionally, franchised or concession services which do not require continuous hands-on management (catering and retail, for example) may only require technical knowledge at the market testing or review stage, which can itself be bought as required.

The need to retain in-house technical knowledge within FM is acknowledged in many organisations within the private sector. The key questions are:

- at what level to retain technical knowledge?
- can people with such knowledge be effective without a core of technical staff to manage directly?

To gain the optimum advantage from the in-house/contract mix, *best practice suggests a "mixed economy" of contracted and in-house resources which is divided "horizontally" at certain skill levels rather than "vertically" between services. Thus, a typical best practice model for knowledge retention and service management might look something like the following:*

	Service – e.g.				
	Security	Cleaning	General Engineering	General Maintenance	Technical and plant
Senior Facilities Manager	In house				
Service manager	In-house	Contract	In-house		
Supervisory	Contract	Contract	In house	In house	Contract
Service delivery	Contract	Contract	Contract	Split	Contract

There is a critical view in implementing this model that an organisation should avoid duplicating skills in-house in a largely contracted service function. In this respect best practice would suggest where this decision is concerned, that each function should be treated separately according to business criticality and the level of technical skill needed to ensure that service dependability and improvement are not put in jeopardy.

*In practice, within the museum/gallery environment as well as special environments in industry, there may be a need to supplement these skills from within the organisation or on an advisory basis. Thus, support from a “Technical Service Group” to advise on specialist cleaning treatments of objects, specialist security measures or particularly critical engineering services may be provided in-house, or in less critical areas, bought occasionally on a consultancy basis.*

*Whilst the concept of Total Facilities Management (TFM) outsourcing is a commonplace, its application is less than universally welcomed. It is hard to see a successful application in a museum or gallery where the buildings and facilities are such a critical part of the business, and its application at venues such as the Royal Armouries in Leeds have demonstrated some of the practical difficulties.*

## 6.2. Outsourcing Processes

*“Contracting services is not enough. The way contracts are put out to tender, the way bids are evaluated, the way in which the transition from one supplier to another is handled and the long term relationship between client and contractor can make the difference between real savings and an embarrassing shambles.”*

*Sir John Banham, Past Director General CBI*

In summary, it is the way in which the outsourcing process is run, and the contract subsequently managed, that is the main determinant of successful service delivery.

There are many conflicting views about what is best practice in services procurement and outsourcing. Even government advice is interpreted differently and subject to policy change. It has been suggested, for example, that the procurement requirements relating to lottery funded developments are not necessarily consistent with the advice on single tender actions and partnership sourcing from the DETR.

Best practice regarding the outsourcing process will also vary between services. Typically, best practice dictates that:

- *Regular maintenance contracts are tendered on a “measured work” basis, supplemented by limited use of closely monitored day rates;*
- *Fixed service level contracts (e.g. cleaning/security) are generally fixed term contracts based on a mixture of outputs (measured where possible) and key inputs (guards on duty/rounds completed);*
- *Irregular service contracts are based on “call-off” contracts with nominated suppliers, each fixed or subject to pre-agreed rate schedules.*

Whilst common sense dictates that there will be a de minimis level at which formal market testing will be applied and different levels of tender or procurement process, different institutions subject themselves to very different regimes and protocols. For example:

- *Some institutions apply the same procurement processes whatever the level of expenditure. Best practice would dictate a more flexible approach; we believe there is no reason why a flexible approach cannot be adopted within public sector procurement as long as management discipline is applied;*
- *The procurement process is sometimes policed from within the finance function, within which a contracts department sits, whilst in other cases the FM department retains its own contracts and purchasing function. The detachment of the contracts department from the responsible department is all very well from the point of view of probity, but in some cases it will put the contracts department in the position of having to play a significant role in the procurement of, and giving authority for the purchase of, services of which it knows little and understands less. Best practice does not always suggest that a prerequisite for a secure management process is to remove purchasing authority to a disinterested department. However, best practice suggests that the procurement process is managed by those who are experienced in it, and not by functional departments such as Finance, who may be responsible for defining procedures, auditing the process and agreeing the price of the service. It is critical to the success of the procurement process that wherever the organisational responsibilities lie, that there should be full co-operation throughout the process. Recognising that other departments also require purchasing expertise and the practical difficulties in recruiting qualified purchasing staff, there may be practical considerations why a separate purchasing function is necessary. It may also be that because the majority of procurement activity is instigated by FM functions that the management of a museum-wide purchasing function might be located within FM, although it could be argued that with full co-operation between departments, functional affinity is not a critical issue and may impede processes.*
- *In most cases, written procedures are defined which govern the procurement and outsourcing process, even though an outsourcing strategy is not always declared. Best practice would dictate an all-encompassing procurement and outsourcing manual which indicated inter alia:*
  - *overall strategy*
  - *policy regarding different services*
  - *external guidance from government departments etc*
  - *outsourcing and procurement processes*
  - *purchasing authority levels*

### 6.3. Service Level Agreements

Whilst outsourced services are managed through service specifications and in many cases tightly defined and well controlled contract and payment structures, the use of service level agreements (SLAs) for in-house services is not widespread. However, there is a strong argument that SLAs form an essential tool for demonstrating benefits throughout institutions, managing expectations and facilitating comparison and benchmarks internally and externally.

*A best practice approach to FM services is that SLAs are equally important to the management of in-house services as they are to contracted ones. They should as far as possible be customer focused; that is to say, defined, managed and monitored according to the requirements of the end user. The end user may be an individual user (of a telephone or PC) a department (the security of a collection) or a visitor (clean toilets). Service level agreements are the focus of schedules of user requirements and the basis of a service measurement and audit regime.*

Within museums and galleries, evidence of defined service levels is most commonly found in the area of general maintenance and small works in the form of response times. Elsewhere the process of developing SLAs is generally regarded as resource-intensive and non-urgent. The eventual integration of information systems and the need for improved performance management regimes is likely to mean that SLAs will become more important, as performance management, auditing and information systems are of limited use without them.

Whilst SLAs are regarded by some as a “nightmare to produce” and manage, best practice suggests that this need not be so. There are good models for SLA development and usage. *The scope of an SLA need not be equivalent to a detailed specification of inputs and outputs for contractual purposes, but could be little more than a concise statement of what user departments might expect from their in-house service provider, whether relating to service availability, response times or processes for ordering or complaint. As such the SLA might be no more than a single page for each service.*

Accordingly, the value of SLAs, if constructed according to best practice, could be said to lie as much in the process of their construction (through the assessment of user needs and as a driver of performance measurement) as in their use to define the activities and detailed processes and measurements within a service function. *Best practice suggests an explanatory “buyer’s guide” to FM services, containing service levels as appropriate, which treats user departments as “customers” of the service.* An interesting “spin” is being placed on this at the BBC, where the FM department is also seeking to specify what they expect of their customers, for example regarding the wearing of security tags, energy conservation measures and the reporting of general faults.

An extract of the BBC’s buyer’s guide showing the framework for a maintenance SLA and re-charging structures is given in Appendix 1.

### 6.4. Contract Management

The way in which contracts are managed is subject to the differing terms of various types of service contract. Maintenance services based on measured work contracts will in many ways be self-managing through the work authority and monitoring process, considerably aided by the use of maintenance management systems.

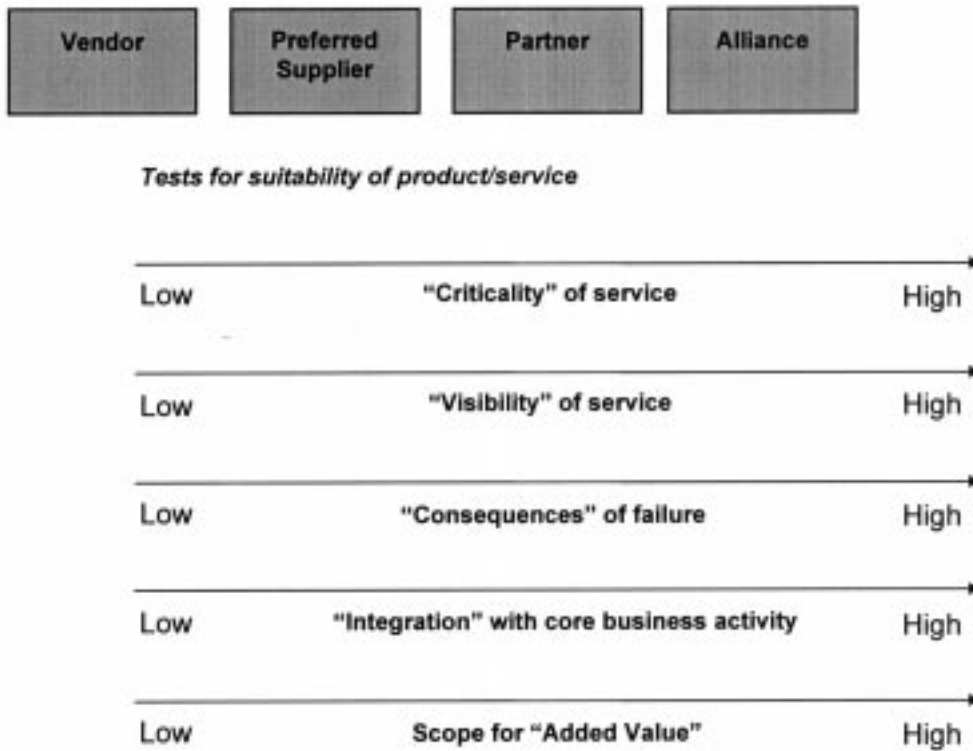
Term contracts for ongoing services (e.g. security and cleaning) where achievement is more difficult to measure need to be managed in a different way. Key elements of contract management in these contracts are:

- Detailed output specifications, preferably based on customer requirements through a formal customer needs assessment;
- Performance indicators based on these specifications;
- A formal and regular audit process, either self audit by the contractor or externally;
- A disciplined reporting and meetings regime, at which performance can be discussed and corrective action taken.

This implies frequent dialogue with contractors and active management and to an extent control of the contract. *Best practice for a large and complex institution would include the integration and networking of information and control systems with the core business, rather than allowing the contractor to create their own information management systems or populate their own databases. This subsequently implies a move towards a closer partnership.*

**6.4.1. Expectations of Supplier Partnerships**

The following chart describes a number of tests which could be used to assess the value to the business of a supplier partnership with various types of FM service provider.



Clearly, different FM services will “score” very differently on this scale depending on the type of business which FM services support, and the business’s culture, priorities and goals. The criticality of electricity supply, because it is almost “invisible” and there is so little scope for adding value to the supply, does not make a good case for a supplier partnership, whereas catering services, which are not “business critical”, have high visibility and there is considerable opportunity for them to go wrong, thus a partnership may bring more benefit.

Thus, certain services are suitable for partnership agreements, whilst for others there seems to be little to gain from the customer’s viewpoint. Below are the expected outcomes of supplier partnerships at the Post Office. Note that cost savings per se are not identified as expected outcomes:

- mutual understanding of business plans
- new service opportunities identified
- current and strategic needs identified and prioritised
- new revenue and cost saving opportunities identified
- improved relationships and loyalty created
- learning from suppliers
- clarified accountability and shortened problem resolution process
- business wide co-operation for individual suppliers
- best practice identified, shared and implemented

## Section 7: Information and Control

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### 7.1. Introduction

Information and information systems are increasingly central to the role of premises and facilities management, whether to enable better control to be exercised within the function, or in order to support the operation of the core business through the effective management of ever increasing IT applications within it.

This chapter does not attempt to investigate the range, coverage or quality of available systems, only to define best practice in their use and coverage.

### 7.2. Information Applications

The systems applications most commonly encountered in FM are in the following areas:

- Building management systems (BMS) for the management of energy consumption and mechanical services;
- Computer aided design (CAD) systems for recording works and property plans;
- Maintenance management systems to track and control maintenance works;
- Energy management systems (EMS).

These are almost universally supported by standard database systems, word processing, and spreadsheet applications, together with specific applications for project management, diary management and financial control.

#### 7.2.1. BMS

BMS's are now regarded not simply as best practice in managing large buildings but as essential to their effective functioning. Substantial savings are reported following their introduction, although their implementation is costly.

#### 7.2.2. CAD

CAD is being introduced as a ubiquitous design and planning tool. Three issues are key:

- Retrospective recording of plans onto CAD systems is not regarded as an effective use of resources. Areas tend to be progressively included as works are undertaken;
- Clear protocols regarding the structuring and "layering" of CAD drawings are necessary if external and contracted service providers are to be able to integrate their drawings into the museum or gallery's CAD format.
- CAD systems often form the basis of more integrated computer-aided FM systems

#### 7.2.3. Maintenance Management

The use of IT systems for the management of maintenance works is increasing; significant gains in customer satisfaction and benefits in supplier management are reported. Cost

reductions arising from better management of works, tighter control over ordering and invoicing, and headcount reductions are also reported. The following issues are key:

- These systems are generally used through a “helpdesk” function;
- Whilst systems typically include modules for financial accounting, these are not generally used to any great degree;
- Asset management in the form of planned preventative maintenance systems and asset lifecycle costing is a key part of these systems, but they are often not integrated with the general accounting system or asset register for accounting or budgeting purposes;
- Systems have the capacity to allow users to access the system to place their own orders for work, or at least to track the progress of works on a “read only” basis. This element of functionality is seldom used in museums and galleries, possibly because cost centre accounting processes and FM cost apportionment to user departments is uncommon;
- Advanced systems have the ability to interface with CAD and project management software.

#### 7.2.4. EMS

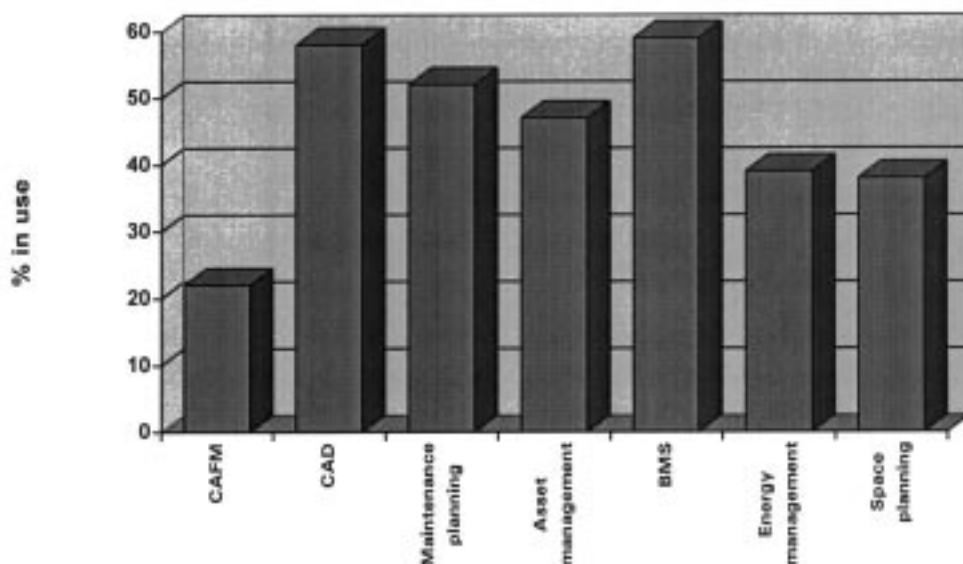
In the context of museums and galleries, encountered only as stand-alone systems for monitoring energy usage. The key issues are:

- The effectiveness of these systems is dependent on the extent to which energy is measurable in key areas of the building;
- Unless an effective BMS is in place together with a regime of cost centre accountability, the information obtained is useful only for monitoring purposes.

*However, energy procurement and management strategies will become increasingly important in the cost effective management of the institution. The use of purchasing consortia, regular market testing with different energy supplier and the application of technology to measurement of consumption will increasingly become a requirement of FM departments.*

#### 7.3. External Practice

The BIFM shows the following systems to be commonly in use among their members:



#### 7.4. Integration of Systems

The key issue for FM systems effectiveness is the extent they are able to be integrated between themselves and with other management systems within the institution. Systems will probably only be used to less than 50% of their potential functionality unless there is full integration. There appears to be far more information available from within many FM departments than is ever likely to be used by the institution, even though significant benefits might be obtained from fuller use.

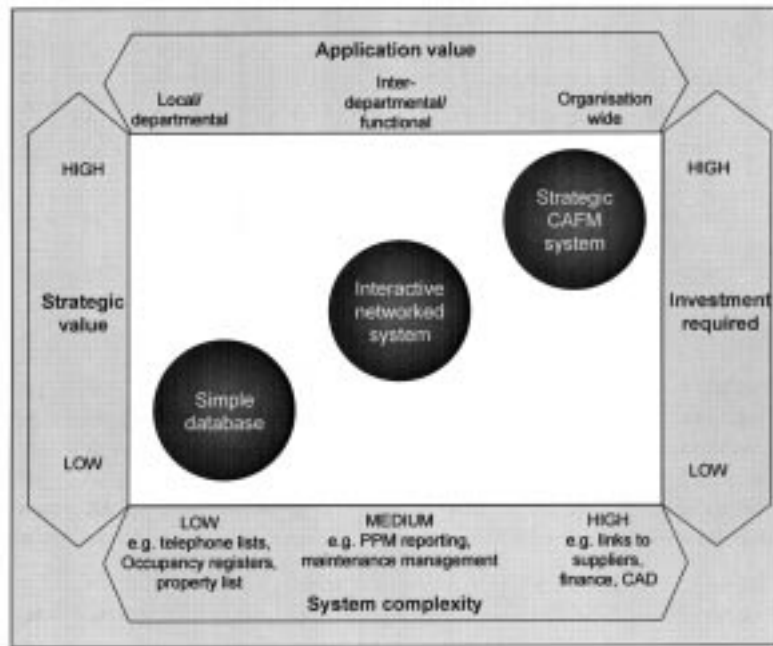
Fully integrated computer aided facilities management systems (CAFM) are not in common use museums and galleries, although some are introducing them. In practice, systems in which all elements of FM are integrated, including financial accounting systems, are difficult to find. *Best practice encountered in this study was for the use of independent off-the-shelf systems, selected according to their individual attributes, and integrated through HTML "browser" technology.*

Facilities managers consider the main barrier to this to be the pervasive culture within many museums and galleries which does not appear to welcome the extension of full cost centre accountability in the form of FM cost allocation to curatorial or other core departments. Information is entirely benign before it is put to use, and unless there is a regime of measurement and accountability is likely to remain thus.

*Best practice suggests allocation of FM charges across the business on a direct usage or m2 basis in order that user departments are encouraged to take responsibility for the costs of FM services provided. Clearly there are issues of practicality in terms of what is charged, and accounting structures must be in place to support cross charging.*

Clearly the issue of systems integration is a complex one for the institution. However, with a £10m or more budget to be managed through FM, and the increasing use of sophisticated IT systems to manage it, the information residing in this department should arguably be one of the key drivers of the process

The following schematic shows the potential configuration and use of FM systems. At present the type and functionality of systems within FM in museums and galleries is in the middle of the schematic, although their extent of use is sometimes closer to the stand-alone nature of low cost database systems.



*The use of integrated and broadly based information systems is increasingly essential to support SLAs and performance management of contractors. Without integrated information, the use of SLAs and the performance management of contracted and in-house services is very unlikely to be compromised. In the future, a fully integrated approach will be vital to the demonstrable delivery of efficient and cost effective FM services.*

**7.5. Performance Measurement and Benchmarking**

Performance management is made more difficult by the absence of customer-focused SLAs. The absence of information systems which are integrated with the finance functions makes it even more difficult. There is little evidence from our programme of visits of a performance management and reporting regime outside the budgetary control process. This is not to say that FM services are not controlled; on the contrary, there is a very considerable amount of information inside the FM function, which typically has the ability to monitor and report in very considerable detail on trends and costs within the department and does so internally.

**7.5.1. Performance Management Model**

*Best practice follows a model based on customer requirements:*



*In this model, performance indicators and service measurement are reported outside the financial accounting system, although some (but certainly not all) measures may be reliant on the system to obtain data.*

### 7.5.2. The Balanced Scorecard Approach

Best practice is to judge performance against a more holistic range of performance indicators than simple budgetary measures; often termed a “balanced scorecard” of measures. In general, current reporting and accounting regimes within museums and galleries require reporting only against budgeted expenditure, and this often only at a high level.

*Best practice is for the use of a balanced scorecard will include customer driven measures, financial measures and those relating to the high level goals of the organisation. Technical FM performance measures will support these high level measures and the scorecard may include some of these. Measures may be used either for internal measurement (over time) or form the basis of external comparisons.*

A balanced scorecard may include:

- Total actual vs. budgeted spend – breakdown by service;
- Facilities costs – as a % of total funding;
- Average response times – breakdown by categorisation;
- Customer satisfaction – data collection by satisfaction audit;
- Staff satisfaction – indexed annual survey;
- Overhead – FM management cost vs direct operations;
- Galleries in use – or effective % of space open to the public;
- Number of security incidents;
- Number of accidents;
- Selected technical FM measures including, for example:
  - Energy consumption – trends
  - Maintenance cost – per FTE or per M2
  - Warding cost per M2 of public space
  - Cleaning costs per M2 of public space
  - Planned to unplanned maintenance costs
  - Compliance (audits of various services)

### 7.5.3. External Benchmarking

Even well-resourced commercial organisations have a great deal of difficulty in defining common performance measures which can realistically be used to compare with other organisations. Variables which can lead to confusion in making comparisons include:

- the nature and priorities of the business;
- the size of the business;
- key variables such as buildings configuration and construction;

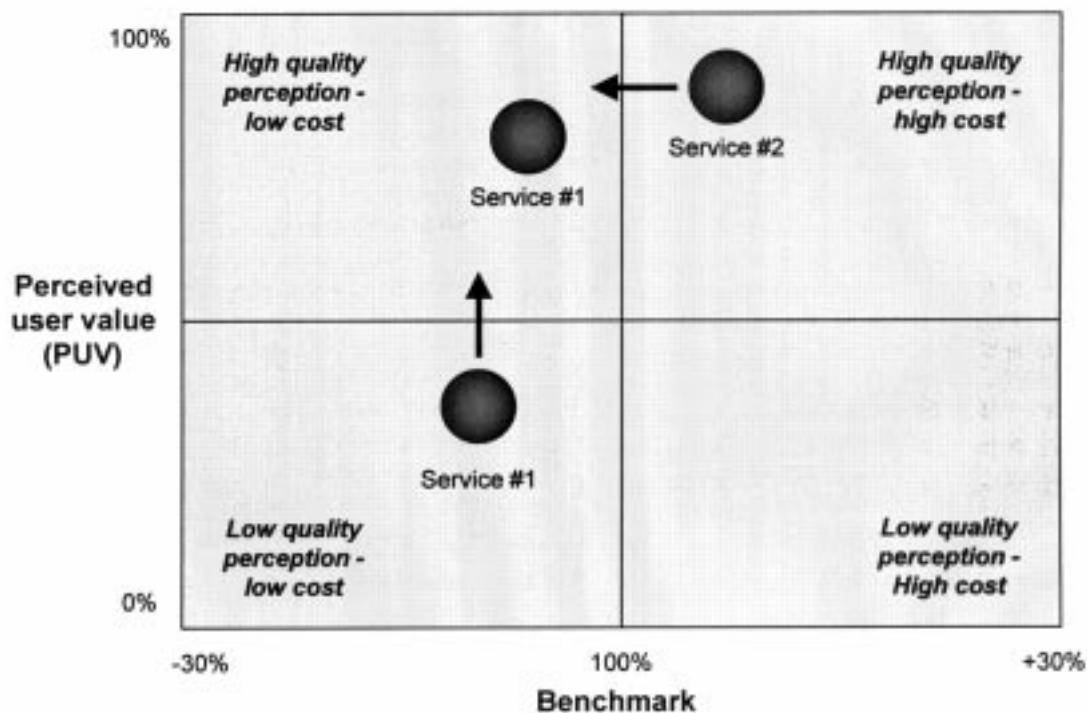
- organisational differences including outsourcing policy;
- the type of collection;
- different measurement protocols.

The BIFM are attempting to define key measurement protocols, and various formal benchmarking groups exist within or across various industries. However, external performance benchmarks should be used with caution and judgement; league tables are of limited use as a tool to assess positioning and identify areas where changes to the management processes might be best targeted.

This is not to say that performance comparisons are not useful. Internal measurements including comparisons between buildings and performance trends are essential to maximise efficiency. *The FM contractor Building and Property Services, particularly in long term PFI based contracts, is very committed to benchmarking to present evidence of comparative management which might be able to pre-empt a full market test. Similarly, where an organisation is focused on customer needs which are measured against service level agreements and where FM costs are allocated to customer departments, there can be significant pressure to ensure that cost effectiveness can be proven to customers.*

The critical issue is the use to which benchmarking is put. As a tool for continuous performance measurement its use is probably limited; as a tool for strategic decision-making the exercise is likely to have more value.

*The BBC uses FM benchmarking extensively and strategically to position its FM services using external and internal comparisons as a way for tracking customer satisfaction using a matrix:*



This positions cost performance (y axis) against perceived user value (x axis), demonstrating the relationship between cost and user satisfaction with the services – conducted through regular user questionnaires. The matrix allows trade-offs to be made and taken account of between the quality of service demanded and the cost of providing it. Using the matrix and supporting measures ensures that compromises are deliberate and the agreed level of service expressed within a Service Level Agreement. Informed discussions can be had concerning cost/quality compromises, but in any event the ongoing task is, as far as is possible to provide higher quality at the same cost (Service #1 on the chart), or to reduce cost without compromising quality (Service #2).

## Section 8: Security

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### 8.1. Introduction

Museum security carries a large budget, is labour-intensive and carries a considerable amount of history, custom and practice with it. In many areas basic warding skills and processes have not changed significantly for decades.

There are a number of issues influencing the adoption of best practice in security management which have arisen during our visits and discussions, these are:

- The changing balance between “hard” and “soft” security;
- The visitor management role; and
- Organisation and outsourcing.

### 8.2. The Changing Balance Between “Hard” and “Soft” Security

These are not commonly accepted definitions, but for the purposes of this discussion:

- “Hard” security includes security systems such as CCTV and control rooms, detection equipment, key management etc.
- “Soft” security is people-based security, primarily warders but including night and other “beat” based security.

#### 8.2.1. The Case for Hard Security

Universally, there are factors which are causing the balance between hard and soft security to change towards hard security measures. Technology such as CCTV systems is becoming more sophisticated and available at lower costs. Reportedly, the installation cost of hard systems can be fully recovered from a reduced headcount within a very few years. The management of warding staff appears to be an almost intractable problem at particular institutions, and movement towards hard systems is seen as a useful management tool.

Control room installations such as that at the British Museum and currently being built at the V&A are increasingly making use of digital technology which allows sophisticated image capture and manipulation and incorporates movement detection technology within video cameras (digital motion cameras) rather than having separate movement detection systems.

Computer access controlled and database-managed key security systems currently being trialled also have the potential to reduce headcount in fixed security areas.

#### 8.2.2. The Case for Soft Security

Working against the movement towards hard security measures are a number of factors:

- established institutional policies, for example that of having a warder in each display room at all times;

- the visitor management role of security, including fire safety (evacuation), visitor direction and information;
- advice from the Museums and Galleries Commission concerning de minimis levels of security staffing;
- the particular requirements of security surrounding certain vulnerable collections and travelling exhibitions.
- The general requirement for immediate response in the case of a security incident concerning the collections or displays.

### 8.2.3. Striking a Balance

*In practice, best practice will be found in the process by which the balance between soft and hard security is struck in particular situations, and the process for managing efficiently and effectively the resultant mix. For example, art galleries appear to lean towards soft security, whilst museums are more open to hard measures. Some collections, such as jewellery, lend themselves more readily to, and demand hard security measures.*

This balance may be affected by the objective of security, which itself may require a different balance in different institutions, viz: whether the key objectives and threats are perceived to do with:

- theft;
- damage;
- visitor behaviour (e.g. school parties);
- providing visitor information;
- safety (including fire, control on numbers, policing dark or potentially hazardous areas etc.).

Institutional policies may at the moment take account of these factors intuitively, but evidentially there is limited science, data or process supporting priorities. The general assumption is that warder competencies can effectively cover all of the above, whereas in practice this is seldom the case, and there are clear conflicts between the policing role and the provision of visitor services in some cases.

### 8.2.4. Coverage of the Collections and Buildings

There are significant differences in institutional policy and therefore warding practice. In particular, different structures and procedures for covering the full extent of the collections include:

- Singleton – allocating a single warder for each room;
- Mobile – allocating an area of more than one room to a single warder;
- Zoned – allocating a zone of a number of rooms to be covered by a smaller number of warders; e.g. six warders to cover twenty rooms;
- Patrol – patrols of two warders covering a zone (promotes team work and allows coverage for breaks etc.)

In all cases other than singleton coverage, support must be given by hard security systems. Best practice includes full radio communications, paging systems, CCTV and control room direction. Generally, the greater the back-up from these systems, the more scope for achieving flexibility in the use of warders.

### 8.3. The Visitor Management Role

The nature of the warding task has been expressed as “boring and low paid”. However, some staff have considerable longevity of service and a great deal of knowledge of the collections, whilst others are reportedly transient with a limited command of English.

It seems, therefore, that practical issues of recruitment will dictate the extent to which the security role can incorporate more visitor direction and service. Security staff’s role is often supplemented by “explainers” who have a security as well as a visitor service role. The choice which museums and galleries may wish to make in the future is the extent to which gallery security will continue to be an overt policing and deterrent role, involving as at present quasi-military uniforms and high visibility or, (taking the visitor attraction model) a softer visitor service orientation, with a more approachable standard of dress and customer oriented attitudes and behaviours.

*Best practice will depend on the objectives of security and the type of collection. The underlying trend, however, as espoused at the Science Museum, is for security staff to become more visitor oriented, to the extent that they may become a part of a different department which may include other visitor services and income generating activities, acting as tour guides as much as policemen.*

There are, as always, organisational implications. The more security staff are involved with the collections and with visitors, the more FM services will need to be integrated organisationally with collections and gallery management.

### 8.4. Organisation and Outsourcing

Our comments regarding the appropriate organisational positioning and extent of outsourcing within the security function are elaborated in sections 4 and 5.

The outsourcing decision will also be to an extent dependent on the balance (or possible demarcation) of roles along the lines discussed above. External to the museums and galleries sector there is certainly less reticence to outsource security, although the nature of the task tends to be more mundane, closer to the night security and fixed security roles in museums and galleries undertaken behind the scenes or outside opening hours, which could in any event be easily outsourced.

Externally, however, in industry or visitor attractions where there is a significant visitor management role in security, including the operation of visitor reception, there is less of a case for outsourcing, and where outsourcing is undertaken in these areas, success is very dependent on adequate training, management processes and integration of the contractor’s operations with the core business (uniforms, systems etc.)

*Nevertheless, best practice suggests at least the undertaking of a cost benefit analysis, whether by market test or benchmarking, for this important and business-critical FM service.*

## Section 9: Risk Management and Disaster Recovery

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### 9.1. Introduction

The scope of risk management within this study covers two areas:

- Major incident planning; and
- Health and safety.

There are, as always, organisational issues surrounding both of these. In fact, major incident planning is largely an organisational issue inasmuch as it primarily involves a set of processes and protocols for mobilising the organisation in the event of a major incident.

We have not covered Y2K (Millennium Bug) issues within this study.

We recognise that there is a clear distinction to be made between the day-to-day management of health and safety and the more specific major incident plans and risk management processes, albeit that many of these contingencies may well draw largely upon the expertise of health and safety personnel, and major incidents may well be the result of failures in health and safety processes e.g. fire precautions or systems.

### 9.2. Major Incident Planning

#### 9.2.1. Scope of the Plan

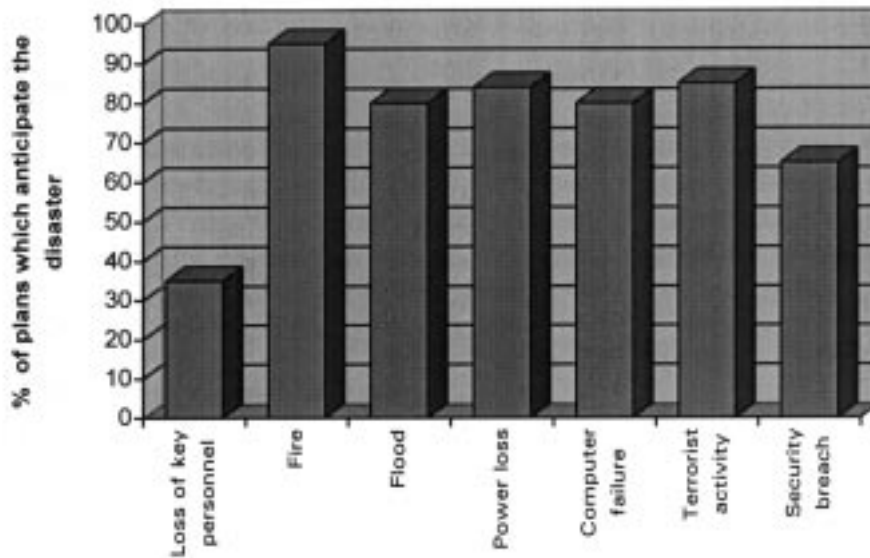
All of the institutions we visited within and outside the sector have developed a major incident or disaster recovery plan to some extent. The scope and definition of a major incident covered by the plan varies, however; some are limited to incidents which hold an immediate threat to the life or safety of all staff or members of the public or to a major part of the collection.

Thus, typically:

- Incidents covered include:
  - Major fires
  - Explosion
  - Flooding
  - Major terrorist acts (hostage taking etc.)
- Incidents which tend not to be covered include, for example:
  - Roof leaks or floods which threaten single works or groups of objects;
  - Single deaths or injuries on the premises
  - Terrorist threats

#### 9.2.2. External Practice

A BIFM survey showed that nearly 80% of organisations have a disaster recovery plan, and that these anticipate a number of specific disasters as shown in the following graph:



Notably, the BIFM are to include in their next survey:

- Denial of access to buildings, and
- Loss of telecommunications

Clearly, for a commercial business there are enormous risks surrounding loss of systems, communications and access denial which are slightly less critical in museums and galleries. For similar commercial reasons, the loss of a major organisation's executive board might arguably have more far reaching consequences for a major PLC than it would a museum (separate means of transport for different board members are often specified for this reason).

### 9.2.3. Responsibility for the Plan

Nevertheless museum disaster recovery planning appears generally to be more restricted in scope than best practice in commerce. Whilst not all disasters can be anticipated, the driving party for the plan probably tends to dictate its focus, i.e. it is unlikely that "loss of key personnel" is a disaster which will cross the field of vision of a facilities manager, nor might "computer failure" unless FM has IT responsibility.

Responsibility for the disaster recovery plan lies variously with buildings management, security or health and safety departments. Given the foregoing, *the effective development and management of disaster recovery plans suggests that the responsible party should have as broad a management remit as possible, as it seems likely that an all-encompassing plan will involve incidents relating to finance, IT and personnel as much as it does to buildings and security. In this respect it is unlikely that the responsibility for risk management in all its aspects will ultimately rest with the FM function.*

### 9.2.4. Maintaining the Plan

*Best practice is that the plan is maintained by regular testing against simulated incidents. The effective plan is subject to continual updating through feedback from simulations.*

### 9.3. Health and Safety

The responsibility for health and safety, organisationally, tends to accord with the disaster recovery plan. Similarly, the focus of the health and safety manager or advisor will vary according to the ownership of the function. A security based function might focus more on visitor safety and public areas, whilst a buildings-oriented department might have greater coverage of legislation and practice relating to maintenance and building works.

#### 9.3.1. Ownership of Health and Safety

Similar to the disaster recovery plan, best practice suggests a degree of detachment from a particular function if health and safety management processes are to have equal weight and thorough coverage across the range of risks and activities.

Best practice health and safety management is based on risk awareness and management, and coverage is critical. Quite unanticipated and often obscure and technical areas of risk sometimes need to be managed, reportedly including abseiling, x-rays, radiation and biohazards, as well as the more common and mundane areas of, for example, asbestos, fire, VDU operation and roof working. Organisationally, therefore, the health and safety manager needs to have a broad scope of vision covering the full range of activities going on in all departments in the institution. Whereas a large organisation can pass on the responsibility for health and safety awareness to other departments, in museums and galleries there is likely to be a responsibility on the FM department to ensure that departments are risk-aware.

#### 9.3.2. Outsourcing Health and Safety

Practice and opinion varies on this subject. All employers by law have to appoint a competent person to help them carry out their health and safety duties. The Health and Safety Executive (HSE) states that:

*“Employers may appoint one or more of their own employees to do all that is necessary or may enlist help or support from outside the organisation, or they may do both.”*

Also, that:

*“external appointments are usually in an advisory capacity only”*

It is clear that good practice requires a company to manage actively health and safety if they are to be able to maintain a duty of care, and this militates against full outsourcing, as even fully outsourcing health and safety consultants does not absolve the employer from its statutory duties.

The major FM contractor, Building and Property Services, is of sufficient size to be able to manage a central health and safety advisory department, linked by intranet to its contract sites, which means that resources at contract level can be minimised.

Within some Museums and Galleries, health and safety is managed by a consultant, while others have a one or two person team to manage the function full time. All retain the function within FM. Because of the wide-ranging and changing nature of health and safety, *best practice suggests some external advisory or information sources to support a small in-house group responsible for all risk and safety issues within the institution, not just those relating to FM services.* External resources could be obtained from a number of sources:

- Consultancy
- Publications and on-line services
- The HSE
- A health and safety special interest group made up of professionals from museums and galleries to share systems and best practices.

## Section 10: Management and Training

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### 10.1. Introduction

Given the labour-intensive nature of many FM services, and the lack of technical standards and qualifications surrounding many of the semi-skilled services, management and training within the FM function might be expected to be key to their success. Technical trades tend to be easier to manage from this point of view because they are most often contracted and/or undertaken by qualified and “time served” tradesmen. Cleaning and security, on the other hand, rely more on broad generic competencies of customer care and process knowledge which tend to be specific to the task or institution.

### 10.2. Awards and People Focus

*Best practice in people management is represented by national schemes such as Investors in People or the National Training Award. These set out clear standards and approaches concerning staff management and training required to achieve best practice, and we have not reproduced these here.*

Investors in People need not be applied to the entire organisation where a part of it can be sufficiently well defined, but the organisation will need to rely on good practice approaches being in place within certain general functions, the personnel department in particular. The value to an organisation of applying for an award often lies as much in the process of focusing on the issues of management training as in the effect of the improved processes and management regime itself. For this reason some organisations do not seek to move beyond the “working towards” stage of the process.

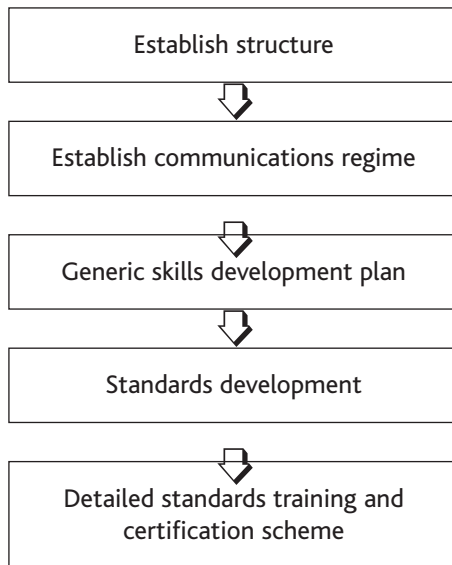
Key institutions within the sector already have, or are working towards these awards.

### 10.3. Training vs. Outsourcing

A frequent criticism of outsourcing is its too frequent use as a means of abdicating the people management responsibilities of labour intensive services such as security or cleaning. There is an equally sound argument that outsourcing a service which is operating ineffectively and inefficiently is the very worst time to do so, as any financial or other efficiency comparisons arising from the market testing process will be bound to yield a positive case for outsourcing without necessarily reflecting best practice.

An alternative approach, taken by the National Museums and Galleries on Merseyside, is to focus effort on ensuring that these services are managed according to best practice, using commercial analogues as benchmarks for performance management and as a test for efficiency against the market.

The process included:



A number of key issues merit comment:

- The starting point is to ensure that an appropriate organisational structure is in place, and posts and roles defined within it. This will involve definition of work groups and teams with clear responsibilities, backed up by performance measures where appropriate;
- A major issue is to establish an effective communications regime within the function, involving team briefings, regular information sharing sessions and offering opportunities for feedback. This should involve opportunities for staff to learn about the collections and discuss relevant issues with other departments including any technical cleaning or security functions elsewhere within the organisation;
- Acknowledgement of the generic skills and capabilities of staff and rectifying or otherwise managing shortcomings is critical in unskilled areas. There is little point in embarking on a formal training regime if its effect is to disenfranchise those who have difficulty with basic skills such as writing and who may never have gained any sort of qualification in their lives;
- Without clear written standards, preferably derived from user needs as well as best practice, there can be no effective or long lasting training. NVQ schemes include written standards for various grades in specific area such as cleaning which can form the basis of standards and training structures;
- Certification need not be focused on NVQs which are regarded in some quarters as onerous in their management and may not be appropriate to the staff mix. However, NVQs are often welcomed by staff in unskilled or semi-skilled areas, and it is often only managers who are reluctant to embrace them.

Best practice in management and training is certainly reflected by the Investors in People standard, backed up by NVQ based training and development. The experiences at NMGM suggest that it is very difficult to gain the commitment of an external contractor's

management to best practice in these areas. *The BBC are using NVQ based training programmes in partnership with their service contractors. They invest in the programme themselves to ensure that quality gains are achieved and monitor these through service quality audits and the benchmarking matrix reproduced earlier in this study.*

As far as Museums and Galleries are concerned, the key to success in training is to ensure that NVQ standards where adopted are relevant to the specific needs of the institution and enable the training of properly qualified functional specialists.

## Section 11: Appendix 1 – BBC SLA Framework

### Introduction

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The primary role of The Facilities Management Group is to manage the environment of your workplace and to provide you with a range of additional support services in order that you can focus on carrying out your business efficiently and effectively. Charges are levied on your Business Unit to recover the costs of providing the services and the management of the workplace environment.

This Guide outlines the core and supplementary services available, the methods of charging for them, and the costs incurred. This Guide does not provide the complete specification of each service but these can be supplied, on request, by the Premises Manager of your building.

The services range from essential building services such as heating, lighting and cleaning, to minor ancillaries such as coat hooks and shelves.

Three mechanisms are used to recover the costs of the services that you use, the type of charge is dependent on the nature of the services supplied.

The two types of charges are:

- **The Service Charge**
- **Pay As You Use Billing**

It should be noted that the “fixed” catering services (restaurants, food bars, vending machines, etc) within the London premises are funded by a combination of direct sales to staff and a Corporate subsidy. The amount of this subsidy is set by the Director of Personnel and charged at Directorate level by a headcount levy for each member of staff. The Facilities Management Group is the agent responsible for the provision of these services.

#### 1. The Service Charge (SC)

Levies mandatory charges against the General Service Level Agreement to cover the costs of the main services provided to all buildings.

#### 2. Pay As You Use (PAYU)

Charges levied on an “as and when” basis for conference room bookings, transport services, reprographics, etc. Your Business Unit is notified each month of the services that have been used and the charges are recovered automatically by internal transfer.

#### **Rent (including building insurance), Rates, Utilities and Postage**

In addition to the Service Charge, all occupied space attracts separate charges for rent (including building insurance), rates, utilities and postage, which is collected by the Property Services Group on behalf of the Property Asset Management Business Unit, the Corporate “landlord”.

- **Rent** has been determined by an assessment of local market rental conditions carried out by external surveyors. Buildings insurance is levied at a rate of 18 pence per sq. ft and is included in the rental charge.

- Charges for **Rates** are determined according to the actual rateable value of space occupied and are recovered at cost.
- Annual **Energy and Utility** expenditure for each site is forecast on the basis of previous year's demand for electricity, gas, oil and water, as recorded at the suppliers' meters. Within this overall cost per site, the level of charges is set to reflect the differing levels of demand between the basic categories of occupied space i.e. highest for technical areas, lowest for storage space. The forecasted charge will be adjusted periodically to reflect actual usage.
- All outgoing external mail costs (i.e. postage costs only) will be recovered on an "actuals basis". Internal mail distribution costs will continue to be recovered from the accommodation Service Charge. A separate statement itemising external postage expenditure by Business Unit will be sent to each business unit manager.

Your Business Unit receives a monthly statement which lists, by Building, Floor and Room, all accommodation rented by the Unit and itemises the costs as follows:

- Rent and Buildings Insurance per sq. ft per annum
- Rates per sq. ft per annum
- Service Charge per sq. foot per annum
- Car Parking Spaces (if any) and charges per annum
- Utilities per sq. ft per annum

### **THE SERVICE LEVEL AGREEMENT**

This is an internal contract, renewed annually, setting out the levels of service that you can expect to receive and the costs that they will incur. The contract relates primarily to the provisions under the Service Charge.

The services are tailored, where possible, to suit individual building occupants' needs. The services to be provided and their associated costs are agreed between the nominated representative of each Directorate and The Facilities Management Group.

Any variations to the level of services provided under the SLA will normally only be negotiated at Directorate, and not individual Business Unit level.

### **ADJUSTMENTS TO THE SLA**

Other internal contracts may be negotiated between The Facilities Management Group and its customers at Directorate or individual Business Unit level. These would cover the provision of additional ongoing services where there are specific, quantifiable, annual requirements that may justify alterations in the standard charges. Car parking charges fall within this category.

### **YOUR GUARANTEE**

The Facilities Management Group undertake to provide reasonable services and make fair charges for all aspects of the Service Level Agreement.

To this end they are required to:

- Monitor and report on performance in relation to the agreed service levels and quality standards.
- Produce an Annual Performance Review which will incorporate financial information and performance monitoring results.
- Demonstrate value for money and appropriate service quality for all services supplied, either through market testing, benchmarking or undertaking independent value for money audits when necessary.
- Follow BBC procedures for financial auditing, procurement, insurance, employment policy, security, health, safety and statutory obligations.

*The following sections of this guide list the services available, how to obtain them and, where practicable, how much they will cost.*

## **THE SERVICE CHARGE**

This charge is made to cover the costs of the core services that will be supplied by The Facilities Management Group as agreed with the Directorates' representatives in the Service Level Agreement.

The core services supplied under the Service Charge are listed in the remainder of this section.

A monthly charge is made for these services and the level of charge is determined according to the category of accommodation and the amount of space occupied by the customer.

The unit of accommodation space is one square foot. There are annual service charges for each category of accommodation which are as follows:

### **Annual service charge categories**

Air-conditioned offices and technical areas
Offices and Windowed technical areas
TV Studios
Windowless technical areas
Utility/Storage areas
Warehouse Space

The charges exclude the cost of postage and utilities in appropriate proportions across each space category.

It should be noted that:

- BBC Policy and/or statutory requirements may, in certain circumstances, dictate the level of service provided.

- For many services (e.g. security, engineering, catering), it is neither practical nor possible to deliver different standards of service to customers occupying the same building. It is for this reason therefore that minimum standards are determined and negotiable only by directorate nominated representatives. However, if a business unit requires a different standard of service than that specified, and this can be delivered without affecting the services provided to other customers, then the Group will negotiate this with an appropriate adjustment to the service charge.
- On-going services, provided over and above the Service Level Agreement and agreed between The Facilities Management Group and its customers, will be charged as “Adjustments to the Service Level Agreement” and will be reflected in the monthly charges statements.
- Locally agreed and achievable reductions to service levels will also be reflected in the monthly charges statement.
- Costs for other one-off additional services (not covered by PAYU) will be recovered through the cost recovery process as they arise at an appropriate, locally agreed cost.

### **THE CORE SERVICES SUPPLIED UNDER THE SERVICE CHARGE**

The workplace environment is maintained by a combination of the service activities listed below. These activities are funded from a proportion of the Service Charge.

- Building Engineering Maintenance
- Cleaning Services
- Mail Services
- Premises Management
- Security and Fire Safety

The level of service provided is agreed between Directorate representatives and The Facilities Management Group. Any concerns or queries regarding these core services should, in the first instance, be addressed to the appropriate Senior Premises Manager.

### **BUILDING ENGINEERING MAINTENANCE SERVICES**

- Planned maintenance of building plant and equipment.
- Response to building services faults and problems (see response times listed overleaf).
- Procedures to deal with major equipment failure or power cuts.
- Provision and control of the heating, ventilation and air conditioning of the workplace (appropriate to the accommodation category).
- Response to lift breakdowns and implementation of lift rescue service.
- Ensuring that the external fabric of all premises is maintained to a safe condition.
- Ensuring, in so far as it is possible, that all water services within the premises are maintained so that they are safe and without risk to health. However please note incoming mains water is supplied by

the relevant local water authority.

- Fire alarm and sprinkler systems maintenance and testing.
- Statutory safety inspections and testing of portable electrical appliances.
- The regular inspection and testing of portable office electrical appliances in accordance with the Electricity at Work Regulations 1989 (excludes hired or lease equipment such as computers, photocopiers, televisions etc. – safety arrangements for these must be agreed separately with the leasor/hirer).
- Maintenance of supplies, e.g. electricity, gas, water etc.

Normal response times for dealing with most common breakdowns and emergencies concerning these services are listed below:

### BBC Engineering Maintenance Response Times

Fault	Common	Office	Studio/Technical		Other
			Rehearse	Rec/Live	
Air Conditioning	4 hrs	2 hrs	1hr	30m	2hrs
Flickering Lamps	12hrs	2hrs	1hr	30m	2hrs
Failed Lamp	12hrs	2hrs	1hr	30m	2hrs
Area too hot*	4hrs	2hrs	1hr	15m	4hrs
Area too cold*	4hrs	2hrs	1hr	15m	4hrs
Local loss of power	30m	20m	15m	15m	15m
PAC System failure	4hrs	4hrs	4hrs	4hrs	4hrs
Fire alarm fault	4hrs	4hrs	4hrs	4hrs	4hrs
Security alarm fault	4hrs	4hrs	4hrs	4hrs	4hrs
Dripping taps	4hrs	4hrs	2hrs	30m	4hrs
Blocked wastes	1hr				1hr
Catering equipment	4hrs				4hrs
Lift Fault**	4hrs	4hrs	4hrs	4hrs	4hrs

\*Area temperature normally 19 – 21°C

\*\*Other than trapped persons when response is 15 minutes.