Purpose

This document is one of a series of documents produced by Finance and Commercial Services providing information on Sheffield City Council’s key Suppliers, the Services they provide and their performance in the delivery of those Services.
Equitix: Howden House PFI

Introduction

Howden House PFI

Howden House PFI was part of the Heart of the City initiative for the Regeneration of Sheffield. In 1996, due to major capital regeneration investment, the decision was taken to demolish the building adjacent to the Town Hall (known as the Egg Box), that housed the Council’s major services, in order to release land for the construction of the Winter Gardens, St Paul’s Phase 1 and Hotel, under the regeneration portfolio. The Council’s Services moved occupancy to the Howden House building, built under the Governments PFI initiative, in Partnership with Sheffield City Council, Taylor Woodrow Ltd and London and Regional Properties. The building was completed on 14th February 2001 moving the Project Agreement into the Operational Phase. The Project Agreement ends 14th February 2031.

Equitix

In September 2014, Sheffield City Council was informed by London & Regional that the PFI was changing its operator. In October 2014, Howden House Equitix became the new owner of LR(Sheffield PFI) Ltd. Both Transport and Facilities Management and Commercial Services were involved to ensure a seamless transfer of ownership took place and ensured the service delivery remained uninterrupted.

Background

Equitix Investment Management Limited has a proven track record of raising and successfully investing capital from Local Authority and Corporate Pension Funds into core infrastructure assets. Through Equitix developmental activities a sustainable pipeline of reliable investment opportunities for the Equitix Funds is provided and in addition to opportunities acquired in the secondary market. Equitix is an experienced fund management organisation that are committed to managing the investments which are held for the length of the concession providing reliable 25 year returns for the investors as well as stability of ownership for the public sector client.

Vinci Facilities Management

VINCI Facilities is a leading provider of facilities services to the public and private sectors, and is the main FM Sub-Contractor for the Howden House PFI Contract. The Vinci ethic towards Facilities Management is to provide an entirely customer-focused approach to support clients in their decision making at both operational and strategic level.
Howden House is one of the Council’s key buildings and is the only office building that has been constructed under a Private Finance Initiative (PFI) agreement. The building provides the Council’s front facing interface with the public via First Point and provides office accommodation to over 850 Council employees.

The contract provides a range of services including:

- Asset Management
- Provision of Hard FM Services
  - Comprehensive Building Management – Life cycle works
  - Planned Maintenance
  - Reactive Building Service
- Provision of Soft FM Services
  - Periodic, reactive and standard cleaning services
  - Security
  - Waste Management
- Energy Management

**Supplier details and operating base**

Equitix (Howden House) Limited
On site agent – Vinci Facilities Management
  
  Union Street
  
  Sheffield

**Key facts and figures**

- **Contract Period** – July 1999 – February 2001 Construction Phase
  
  February 2001 – February 2031 Operating Phase

- **Contract Value** – 2018/19 spend, £5.93m; projected spend 2019/20 £6.15m
Sheffield City Council has defined the best practice approach implemented for managing and developing its commercial relationships - the Intelligent Client Model. This is supported by a world class contract management approach developed by the Council’s Procurement and Supply Chain Department.

The ‘Intelligent Client’ is defined as the integrated roles, responsibilities, structures, processes and values that exist to ensure that Sheffield City Council manages and develops the delivery of services and systems, minimises risk and obtains value for money over the full life of the commercial relationship, defined by the legal agreement put in place between the Council and the Service Provider.

The management of Sheffield City Council’s Contracts is supported by comprehensive governance arrangements in the form of Governance Boards.

**Strategic Partnership Board:**

This Board is about strategic direction, major developments and an oversight of the effectiveness of the Contract. It is not involved in the management of the Contract unless matters of a serious nature are escalated by the Management or Service Operations Boards.

**Management Board:**

This Board is about the performance management of the Contract and service provision.

The Management Board has responsibility for ensuring that Performance Indicators are being achieved, risks are being jointly managed, the Payment and Performance Mechanism is being operated correctly, a high performance relationship and culture is being developed and maintained and that Contract variations, or issues are resolved.

**Service Operations Board:**

This Board is responsible for the ongoing performance and development of the contracted services within the specific service area. Where a Contract has a number of individual service areas, it may be appropriate to have individual Service Operations Boards for each service area.

All Boards are controlled by Sheffield City Council.

It is important that the Intelligent Client and Service Provider(s) are working in partnership, which is about performance and people. The ‘people’ elements are within the ethos and principles or culture and values which the Intelligent Client will establish, and are based on the following:

- Openness, excellent communication, mutual trust and sharing of information
- Developing agreed and clearly understood mutual objectives
- Commitment towards continuous improvement
- Resolution of problems in a constructive and collaborative way
- Working proactively to manage a relationship
### Contract management governance arrangements (cont’d)

- **Management & Operations Boards** – held Quarterly. Chaired by SCC Highways and Property Procurement and Supply Chain Manager

  The scope of the Board meeting is to:

  - facilitate, lead and steer in the following areas:
    - Service Strategy & Planning
    - Service Development & Business Requirements
    - Technical & Service Assurance

  The Board meeting ensures that:

  - the perspective of the Customer, Council and Partner are represented appropriately and considered in the decision making process.
  - the Partnership delivers best value for the service area, including managing demand and tracking performance.
  - provides directional and prompt approvals or responses to seek resolution of issues raised.

- **Service Operations Boards** – held Monthly. Chaired by the SCC Highways and Property Procurement and Supply Chain Manager

  The Board Meeting has responsibility for the following:

  - monitoring and reviewing the delivery of Hard FM and Soft FM Services
  - Change Management
  - Ensuring a high performance relationship and culture develops and is maintained
  - Resolution of issues
Key performance data

Contractor Performance ranges from reactive and planned building maintenance works to soft services provision – domestic, waste, security; delivering programs of works on a monthly, annual and cyclical basis over the life of the Project Agreement.

Key Service Performance Building Maintenance May 2019

<table>
<thead>
<tr>
<th>Service Schedule</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Hard FM Outline — Annual schedule of Building</td>
<td>• Two Project Works are being undertaken all at</td>
</tr>
<tr>
<td>Maintenance works including life cycle milestones</td>
<td>various stages</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Planned, Preventative Maintenance Works — Annual</td>
<td>• Works ongoing</td>
</tr>
<tr>
<td>schedule of works to be delivered to a periodic</td>
<td></td>
</tr>
<tr>
<td>timetable (monthly, bi monthly, quarterly activities)</td>
<td></td>
</tr>
</tbody>
</table>

Employment, apprenticeships and Corporate Social Responsibility

Howden House is located in Sheffield city centre and is staffed with people from the local area

Vinci FM, the on-site agent is responsible for the standards applied to the operations of the built environment. The standards reflect:

- The carbon foot print agenda
- Commitment to employee engagement
- Health & Safety
- Value for Money
- Customer Satisfaction.
**Equitix: Howden House PFI**

**Buy local contributions**

The contractor tenders to the local market to support the delivery of services required under the contract.

**Other useful links**

*Example of Latest Quarterly Management Report*

![Image](example.png)

Year 18 Q4
Management Operations Board Report

**Contact Details**

- For any enquiries on this contract, the easiest way to communicate with us is through the Council’s website [www.sheffield.gov.uk](http://www.sheffield.gov.uk) or please contact the Council on 0114 273 4567 8am to 6pm, Monday to Friday.