



BUSINESS SERVICES: A GLOBAL SUCCESS



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ABOUT THE BSA

The BSA – the Business Services Association – is a policy and research organisation. It brings together all those who are interested in delivering efficient, flexible and cost-effective service and infrastructure projects across the private and public sectors.

FOREWORD



Suzanne Baxter
BSA Chairman
November 2016

This is now the ninth annual review produced by the BSA, demonstrating the vital investment, services and training BSA members deliver both within the UK and across the globe.

In the aftermath of the EU referendum and subsequent change of government, it is a time of profound political, economic and social change. This review focuses on how business service providers contribute towards Britain's changing place in the world. It demonstrates how this sector is building critical infrastructure, training apprentices and harnessing new technology aimed at furthering productivity and prosperity.

Additionally, the review provides case studies detailing the on the ground activities of BSA members and showcasing examples of innovative practice. The sector is already well established in markets around the world and supports exports from a range of industries, expertise that will prove crucial as the UK seeks to forge new trade partnerships in the years to come.

We, as business service providers, feel well placed to assist with the considerable challenges ahead and can support Government, business and industry in navigating the new economic climate.

I would like to thank all BSA members for their part in putting together this year's review. I would also like to thank the BSA team for all their work and support over the past year.

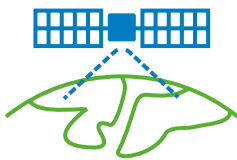
The business services sector and trade.^{4,5}



The UK is the **third largest exporter of services** in the world with a global share of **6.2 per cent** in 2010, six times greater than the UK's share of the world population.



Business services account for **27 per cent** of total UK services exports.



The UK provides **8.3 per cent** of all global communication services exports.



The UK provides **5.8 per cent** of all computer and information services.

INTRODUCTION

Following the decision of the British people to leave the EU, the nation faces a period of transition and transformation. The strength of UK enterprise and our global relationships will be fundamental to our future success and the business services sector will play a critical role. The sector accounts for 8 per cent of UK economic output and employs more than 1 in 10 workers. It supplies services that boost productivity and drive growth in every region. The sector accounts for a large part of the UK's trade surplus in services, and is an important factor in attracting inward investment.

Whether business services companies are supporting manufacturing exporters in Leeds, delivering contracts in Singapore, or attracting US investment into the country, they are showing the UK is open for business and on course for inclusive economic growth.

This Annual Review looks at the sector's contribution to the UK's global standing. It also demonstrates how BSA members have national importance and international reach.

BUSINESS SERVICES SECTOR CONTRIBUTION TO UK TRADE

"We are going to make a success of Brexit and one way we will do that is by playing to Britain's strengths as a great trading nation and forging our own new trade deals around the world... We will continue to be a powerful advocate for trade, recognising that with the right investment in training, skills and infrastructure, it can help us to build a fairer economy that works for all."

Theresa May, Prime Minister, speech *UK should become the global leader in free trade*, 4th September 2016

Strength of UK services

Trade is a major contributor to the overall growth of the economy and the UK has enjoyed a services trade surplus since the 1960s.¹ Between May and June 2016, the estimated surplus on trade in services rose to £7.3bn with exports topping £19.2bn, bringing vital revenue into the UK and balancing against the growing goods trade deficit of £9.2bn.

The business services sector was the second largest contributor to the surplus after financial services, bringing in £5.7bn from April to June 2016.²

Service exports have major growth potential, especially in emerging markets. Government economists comment, The type of high-quality goods and services the UK tends to export will be in increasing demand in emerging economies. The UK's experience in providing public and private services, across healthcare, education and infrastructure, could be channelled into supporting development in these markets.³



The UK provides
5.1 per cent
of all transport services.



The UK has enjoyed a
services **trade surplus**
since the 1960s.



60 per cent
of UKTI trade clients are
in services sectors.



Companies that export
become **34 per cent**
more productive in the first
year alone.

1. Department for Business, Innovation & Skills – UK trade performance across markets and sectors – February 2012
2. Office for National Statistics – UK trade: June 2016 – August 2016
3. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32475/12-579-uk-trade-performance-markets-and-sectors.pdf
4. Department for Business, Innovation & Skills – UK trade performance across markets and sectors – February 2012
5. UK Trade and Investment – Bringing home the benefits: How to grow through exporting – November 2013



CASE STUDY: **PROSPECTS AND GABBITAS EDUCATION: PROVIDING EDUCATIONAL EXCELLENCE**

Prospects Group's company Gabbitas Education is a leading provider of education services to students, families, schools and educators around the world. Established as an agency for the recruitment of schoolmasters, the company evolved into an education consultancy, supplying teaching staff and private tutors at all levels and advising families on the best school for their child.

With offices serving the UK, Europe, Asia and the Middle East Gabbitas Education is uniquely positioned to capitalise on the expansion of British education across the world.

Today Gabbitas Education helps families both in the UK and overseas to find the right school for their child. They also provide higher education and careers advice, tutoring, guardianship for international students and holiday courses, immersion and academic support programmes.

Finally, Gabbitas Education helps place the best staff in independent and international schools including school leadership professionals (Heads, Bursars and SLT members), classroom teachers and pastoral support staff. To date they have placed educators in more than 40 countries worldwide including: Brazil, China, France, Pakistan, Peru and the UAE, as well as the UK. Gabbitas Education successfully promotes British education across the world, contributing to one of the UK's strongest exports and most sought after services.



CASE STUDY: **PA CONSULTING AND THE SUPREME COUNCIL OF HEALTH: DEVELOPING A NATIONAL DIABETES STRATEGY**

With an increased prevalence of diabetes amongst Qatari adults of 20.2% compared with 8.5% of adults worldwide, the Supreme Council of Health (SCH) recognised that a national strategy was required to help define the future approach to the prevention of, and care provision for, diabetes in order to tackle the rising tide of diabetes related health issues. As such, the SCH engaged PA Consulting to develop and deliver such a strategy.

PA mobilised a team of local and international experts in strategy and healthcare, who engaged with more than 70 stakeholders to develop a detailed assessment of the healthcare landscape in Qatar and to understand capacity demand. PA also developed a detailed population assessment report that, using advanced analytical methods, assessed the current state of Diabetes prevalence, the effect of multiple biological and behavioural factors and forecasted Diabetes prevalence over the next 5 years. PA also analysed international best practice for disease management, prevention and research which could prove applicable to Qatar.

As a result, PA identified future trends in the prevention, diagnosis and treatment of diabetes and developed a detailed vision for diabetes care management. Additionally, PA produced a detailed description of the various services, infrastructure and diagnostic criteria required to achieve the vision and a realistic implementation plan identifying the resources required for delivery.



CASE STUDY:

ISS AND IBM: TRANSFORMING BUILDING MANAGEMENT THROUGH THE INTERNET OF THINGS

ISS will integrate and analyse data from millions of devices embedded into the building

ISS has signed a commercial agreement with IBM to use the power of Watson IoT (Internet of Things) to transform the management of over 25,000 buildings around the world.

ISS will use IBM's Watson IoT platform, consulting and advanced facilities management technologies to transform the services it provides to building owners and users around the world with the goal of making buildings more personalised, intuitive and user-friendly.

Working with IBM, ISS will integrate and analyse data from millions of devices and sensors embedded into buildings including doors, windows, chairs, meeting rooms, dispensers and air conditioning systems. Data will be uploaded onto IBM's Watson IoT cloud platform and cognitive computing technologies will learn from this data helping ISS optimise its services as well as furthering its understanding of how people use buildings, thereby creating new opportunities for innovation.

For example, sensors in doors and entrance areas can tell a real estate manager how many people are in a building at any one time and sensors on plate dispensers can inform kitchen staff of how many people are still likely to need to eat – helping staff to prepare the right amount of food and avoid wastage. Sensors in meeting rooms, chairs and tables not only help building managers better manage room occupancy and cancel unwanted room bookings, but also inform service staff when a room needs more refreshments or requires cleaning.

Sharing UK expertise in service transformation and delivery

“The UK has many of the leading providers of financial, professional and business services in the world and our global reputation is second to none.”

UK Trade & Investment, Selling financial, professional and business services overseas, 26th May 2016

The UK business services industry is globally acknowledged as being at the cutting edge of service transformation and technological creativity.⁶ It has led the way in the development of public service markets and many homegrown British companies remain world leaders in this sector.⁷ For example, the principle elements of private financing for public sector projects (PPP) developed in the UK have been adopted in some 40 countries.⁸ A global survey by Deloitte of industry experts and practitioners found that the UK retained the second “most desirable PPP model” globally and was seen as the second most active market in the world.⁹

Additionally, the UK has a thriving research and skills base with 18 of the world's top 100 universities and one of the most highly qualified workforces in the world.¹⁰ This has fuelled a business services sector which embraces advances in technology, pioneering research in areas such as smart cities, automation and digital transformation.¹¹



CASE STUDY:

AMEY AND VTOL TECHNOLOGIES: TRANSFORMING ASSET INSPECTION USING DRONE TECHNOLOGY

Amey has entered into a joint venture with VTOL Technologies to develop precision, long-range drones which will transform asset management inspections – making it safer, quicker and easier to assess infrastructure such as bridges and railways.

AmeyVTOL's unique, patented, unmanned, autonomous drone, known as The Flying Wing, is at the forefront of long-range, Beyond Visual Line Of Sight (BVLOS), Remotely Piloted Aerial Systems (RPAS) autonomous drone technology. The Flying Wing offers a number of benefits over traditional drones. Functionality includes: ground penetrating radar; high definition video; and still, infrared, thermal and light detection and ranging sensors.

The drone can take off and land at any location, and it can travel up to 150km, at speeds of up to 60kph. It can change direction to precisely map the same route repeatedly, regardless of weather conditions. The drone is also able to capture data in real time and stream it live to a data processing engine.

Amey predicts the drone will be capable of delivering repeatable, consistent and accurate asset inspections as early as 2018.



CASE STUDY:

INTERSERVE AND THE CHRISTIE: DELIVERING CUTTING-EDGE TECHNOLOGY IN THE NHS

Interserve is currently on site at The Christie in Manchester, delivering the UK's first NHS high energy proton beam therapy centre. Interserve is using cutting-edge digital technology and advanced concrete pouring techniques to create 6-metre thick radiation proof walls.

Proton beam therapy is a specialist form of radiotherapy, which can very precisely target certain cancers, increasing success rates and reducing side effects. Its introduction to the UK will bring the treatment closer to patients who currently have to travel abroad to receive it.

When completed in 2018, the five-storey building will provide three treatment rooms, research room, a patient reception, consultation rooms and public space. The building is designed to be future-proof with additional space for The Christie to grow into.

By designing the facility around the equipment, and being brought in very early in the equipment procurement stage, Interserve is helping The Christie to drive the project's costs down and offer value for money. Building Information Modelling (BIM) technology has played a crucial role in the design and construction. Interserve, HKS architects, Arup and equipment suppliers all produced BIM models which have been integrated into one version to give a 4D representation of the project.

High-energy protons are harmful when people are exposed to them over long periods. It is vital to prevent radiation leakage and therefore a thick concrete barrier – 6 metres thick in places – is being poured to separate the equipment and hospital staff.

6. UK Trade & Investment – Selling financial, professional and business services overseas – May 2016
7. For example, see The Financial Times – Horizons broaden for outsourcing groups – September 2012
8. BSA – Reform of the Private Finance Initiative: BSA submission – 2012
9. Deloitte – The Global PPP Market 2012 – April 2016
10. UK Commission for Employment and Skills – Employer Skills Survey 2015: Skills in the Labour Market – January 2016
11. Department for Business, Innovation & Skill – UK set to lead the way for smart cities – December 2013



CASE STUDY:

KIER AND MERSEY GATEWAY: BUILDING LINKS ACROSS THE NORTHERN POWERHOUSE

The project will create more than 4,600 permanent jobs, and Kier is committed to recruiting people from the local area and to employing apprentices

The Mersey Gateway project is one of the largest infrastructure initiatives in the UK, part of the Northern Powerhouse. Its centrepiece is a new six-lane toll bridge over the River Mersey, between Widnes and Runcorn, along with upgrades to more than 9km of local roads.

The construction is being carried out by Merseylink – a consortium formed by Kier together with Samsung C&T Corporation and FCC Construction SA. Kier have worked closely with partners to push efficiencies, for instance by bringing in innovative working practices and redesigning the approach viaducts. This has ensured Kier are at the forefront of new developments in engineering.

An example of a new innovation is the use of a hydraulically driven scaffold system. This will greatly speed up the process of pouring and casting the concrete for the bridge decks.

Kier are helping their clients protect the local environment by using clearly defined access routes to protect nearby sites of special scientific interest.

The project will create more than 4,600 permanent jobs, and Kier is committed to recruiting people from the local area and to employing apprentices, to develop the skills young people need for a career in construction.



CASE STUDY:

BERENDSEN: INNOVATING LAUNDRY SERVICES FOR CARE HOMES

Care home operators outsource a difficult area of operations management, freeing up staff to spend more time with residents

Berendsen has designed and launched a new service offering outsourced laundry services for care homes, where currently over 95% launder their textiles in house. Critically, the new service includes the laundering of resident's own clothing, where each item is tagged with electronic codes to ensure that the garment is returned to the correct resident, resolving the upsetting issue of lost garments.

Berendsen's research showed significant levels of dissatisfaction among care homes with their laundry operations along with concerns over compliance to Department of Health infection control guidelines. Quality of finish is also an issue, since care homes typically have neither the equipment nor the time to produce well ironed bed linen and attractively presented residents' clothing.

Berendsen has built a state-of-the-art laundering facility in London using innovative washing processes to achieve disinfection of clothing at low temperatures, avoiding damage to sensitive fabrics. The unit is fully compliant with infection control guidelines and has capacity built in to cover any breakdowns, the number one laundry operational issue identified by care homes with 57% of homes experiencing breakdowns at least every six months.

Residents benefit from hotel-quality, ironed bed linen and carefully presented, professionally laundered clothing while care home operators outsource a difficult area of operations management, freeing up staff to spend more time with residents.



CASE STUDY: **SERCO AND NOMS: IMPROVING EFFICIENCY IN THE CRIMINAL JUSTICE SYSTEM**

When Sir Brian Leveson published his Review of Efficiency in Criminal Proceedings in 2015, Serco looked to see how they could help with the implementation of some of the Review's recommendations. As the Police, Prisons and Courts sought to introduce more video hearings to reduce the requirement for participants to travel to court, Serco saw that a new hybrid service – linking the management of participants with new mobile video conference technology – could lead to new solutions that would deliver to the Leveson requirements.

Under its own initiative and expense, Serco produced technically advanced concept vehicles that ran a series of pilot programmes to prove their utility to the Criminal Justice system. The success of these programmes have enabled the Government to consider innovative solutions for the next generation prisoner escort service, which will deliver significant benefits in whole life cost, safety and security, and welfare of prisoners. Variants of this new service design are also under consideration by police forces and the Crown Prosecution Service to increase access to justice for remote and vulnerable witnesses.

UK business services companies expanding globally

The business services sector has created a number of fast-growing, world-class companies – for instance, BSA members provide taxi information services in Singapore, offer business process outsourcing and facilities management services in Kenya, and install ICT systems for the US Navy. Their global footprint is an integral part of the UK's trade network and their growth and success feeds directly into the UK economy. For instance, the sector contributes over £33bn per annum in tax to the Exchequer.¹²

World map showing the breadth of BSA member projects



International clients benefit from Amey's experience gained through a long history of highways management in the UK



CASE STUDY:

AMEY AND ASHGHAL: EXPANDING QATAR'S ROADS NETWORK

In recent years Amey has expanded its highways and consulting business to the United States, Australia and Qatar. Its footprint in Qatar is steadily growing through its partnership with Ashghal, Qatar's Public Works Authority, who maintain assets on approximately 18,000 km of roads.

Qatari projects include:

- Designing and implementing a Roads Network Management Centre
- Developing capability strategy and performance management in the Roads Maintenance Department
- Working with IBM to develop an Enterprise Asset Management System.

International clients benefit from Amey's experience gained through a long history of highways management in the UK. In turn, UK clients benefit from the experience that Amey staff gain working in new environments.

The partnership enables extensive skill sharing and strategic guidance



CASE STUDY:

CAPITA AND CHINA'S NATIONAL HEALTH AND DEVELOPMENT RESEARCH CENTRE: WORKING TOGETHER TO IMPROVE HEALTHCARE

Capita Healthcare Decisions, in partnership with China's National Health and Development Research Centre (CNHDRC) and the International Decision Support Initiative (iDSI), was one of the providers recently awarded funding from the UK Government to support healthcare development in China.

The Prosperity Fund, a cross-government initiative managed by the Foreign and Commonwealth Office (FCO), is a £1.3 billion fund to promote the economic reform and development needed for growth in eligible partner countries over the next five years.

The partnership enables extensive skill sharing and strategic guidance, allowing Chinese healthcare to achieve benefits and improvements in a number of areas.

Capita will guide Chinese healthcare organisations on the use of clinical content using specialist clinical teletriage algorithms and patient focused web based clinical algorithms. Capita also has a clinical editorial team – supported by an extensive network of external experts – which can create or update clinical content to meet clients' requirements.

HELPING UK COMPANIES TO EXPORT

“Britain has always been a great trading nation. We must do everything we can to help British businesses stay globally competitive as we prepare to thrive outside the EU.”

Philip Hammond, M.P., Chancellor of the Exchequer, *Chancellor backs British exporters as he steps up business engagement ahead of Autumn Statement*, 12th September 2016

The business services sector supplies services to British exporters which helps boost their productivity and global competitiveness. Outsourcing enables companies to focus on their core activities and reduce business costs. Business service companies can offer the latest technologies, invest in training and skills for their specialised workforce, and offer economies of scale to their clients, all without reducing job growth.¹³

“The business services sector makes a valuable contribution to the economy. The sector is certainly unique in that it supports both large businesses and SMEs, as well as the public sector, and operates in every region in the UK.”

Simon Kirby, M.P., Economic Secretary to the Treasury, letter to the Business Services Association, 15th August 2016

Services that support UK exporters:

- Facilities Management – estates and asset management, security, repairs and maintenance, grounds maintenance, cleaning and catering
- Business Process Outsourcing – payroll, finance, human resources, contact centres and customer support services
- ICT and Digital Services – network and communications maintenance, data centre services, user support, digital transformation and hosting systems on the cloud
- Construction and Infrastructure – building and maintenance of buildings, roads, railways, utilities and specialised construction activities



12. Figures refer to 2013. Oxford Economics – The UK market for business services – January 2015

13. Oxford Economics – The use of business services by UK industries and the impact on economic performance – September 2015



CASE STUDY:
**VINCI AND TATA STEEL: SUPPORTING UK
 MANUFACTURING**

The result is an FM and maintenance service that is highly responsive to business needs

Tata Steel's Trostre Works in Llanelli, South Wales, is a significant contributor to the local and Welsh economy. Each year it produces half a million tonnes of tinplate, electrolytic chrome-coated and polymer-coated steel, providing hundreds of jobs and creating a market for local suppliers.

As a business constrained by the price of raw material, Tata seeks to reduce its flexible costs wherever possible. VINCI Facilities has been its partner in this endeavour since 2007, when a unique hard FM contract was agreed to minimise the cost of support staff without compromising efficiency.

VINCI replaced a pool of smaller contractors to become the single provider of mechanical support and facilities maintenance to the site, slashing the contractors' overhead bill at a stroke. VINCI and Tata staff worked together to create a single core team with multi-skilled personnel, ensuring that the right skills can be matched to jobs as they arise with no wastage.

The contract is structured around an agreed 'pot' of man hours. This allows Trostre to predict labour costs, while VINCI is rewarded with extra man hours if it achieves its targets. The result is an FM and maintenance service that is highly responsive to business needs, with built-in incentives to continuously improve productivity and efficiency.



CASE STUDY:
**SERCO, DCLG AND CORNWALL AND ISLES OF SCILLY
 LEP: HELPING BUSINESSES GET CONNECTED**

The programme provides a tailored menu of advice, capacity development and grant funding

Serco delivers a specialist business support programme across Cornwall and Isles of Scilly designed to help local companies embrace and exploit the fibre broadband infrastructure. The programme, supported by English European Regional Development Fund, provides a tailored menu of advice, capacity development and grant funding that enables ambitious businesses to invest in technology and growth plans including pursuing new international market opportunities, and is one of seven similar programmes delivered by Serco across the UK.

Manufacturer Ram Gaskets is one example of the impact of the programme. Their bespoke mechanical components can be found in products as diverse as Mars landers and deep mining machinery, garage forecourts, to sealing Damian Hirst's Formaldehyde Shark Tank and their exports account for over 50% of revenue. Through Serco's help to exploit new technology across their business – dealing with internal communications, client management and targeting new markets – they are increasing contacts, quotes per month and rapidly increasing business from new customers.



CASE STUDY:

PA CONSULTING AND THE HIGHLANDS AND ISLANDS ENTERPRISE: HELPING SCOTTISH BUSINESS ACCESS SPECIALIST ADVICE

Highlands and Islands Enterprise (HIE) supports hundreds of client businesses – ranging from social enterprises and community-based trusts to large businesses – across a region that covers more than half of Scotland. The organisation is focused on developing key growth sectors and aims to help its client community become more international in outlook. PA works closely with HIE as a strategic partner to help the organisation achieve its goals.

In addition to supporting HIE's management teams to deliver better and lasting outcomes for client businesses, PA advises businesses directly on a wide range of issues, from digital awareness to corporate governance to market strategy. PAs support draws on the experience of locally based business specialists and the extended network of PA experts in areas including energy and life sciences.

By helping HIE clients develop digital, international and innovation programmes and by establishing a highly effective advisor network, PA has helped over 500 Scottish businesses access funding, increase revenues and improve profitability.

“The support provided through the Specialist Advice Framework is critical to our work in supporting all our clients to grow successfully. The fresh thinking and international perspective PA brings to our partnership is helping us get more from the business advice network across the region, and we use this to benefit businesses, social enterprises and communities across the Highlands and Islands.”

Colin MacBeath, Senior Business Development Manager, Highlands and Islands Enterprise.

Sectors that invest a higher proportion of their output in business services have enjoyed higher productivity growth than the UK average and have also seen the fastest growth in the value of their exports (see table).¹⁴

Spending on business services and growth in productivity and export value¹⁵

	Spending on business services in 2013	Annual productivity growth	Annual export value growth
Professional services	14.6%	2.3%	11.8%
Support services	14.6%	2.2%	6.8%
Information and communication	11.2%	3.2%	11.4%
Financial services	10.7%	3.0%	12.8%
Average across sectors	7.7%	1.6%	5.3%

Business services behind the scenes:

- Cutting-edge ICT and communications services enable financial services companies to trade around the world while based in London
- Specialist cleaning services provided to labs and research facilities at UK universities support the growth of world-leading research and life sciences industries

14. Oxford Economics – The use of business services by UK industries and the impact on economic performance – September 2015

15. Oxford Economics – The use of business services by UK industries and the impact on economic performance – September 2015

Broadcasting events straight to people's pockets and enabling them to 'multiplatform' marks a big step change in how the Olympics are experienced



CASE STUDY:
ATOS AND RIO 2016: DELIVERING A CONNECTED OLYMPIC GAMES

The Rio 2016 Olympic Games was the most digitally enabled sporting event in history. Atos – Worldwide IT Partner for the Olympic Games since 2001 – was responsible for processing more competition data than ever before for the 22,000 media in attendance and keeping the 10,000+ athletes up to date with competition schedules, results, transport and weather forecasts.

Since London 2012, viewing habits have shifted considerably. Today, people are increasingly connected; for instance, watching events on their smartphones while reacting to the results on social media. They are also producing content on their smart devices and recording their own reactions to historic sporting moments. Broadcasting events straight to people's pockets and enabling them to 'multiplatform' marks a big step change in how the Olympics are experienced. Additionally, some of the Games' critical IT services were delivered for the first time via the Cloud.

Hosting key applications such as the volunteer portal and the accreditation system on the Cloud ensured that access to information on the move could happen in near real-time and meant that this was the first Summer Games to be supported remotely by our new permanent Technical Technology Operations Centre in Spain. This will be the operating model for future Games, delivered fully in Software as a Service and over the cloud to improve efficiencies and deliver new innovations for an ever more connected audience.

Over 800 buildings are now serviced by 4000 ISS people who are embedded into the contract



CASE STUDY:
ISS UK: PROVIDING OPERATIONAL SUPPORT TO MAJOR GLOBAL BANKS

After two years of talks and negotiations ISS signed an agreement with a major Bank to provide a range of services to their facilities not only in the UK but across the globe. By the end of Year 1 both organisations had delivered on their commitment to deliver a fully integrated IFM (Integrated Facilities Management) operational solution across 27 countries.

This was fully supported by internal and external benchmarking, realising the agreed reductions against the baseline, with guaranteed savings delivered by each country from day one of operations. This was achieved without any dilution of service outputs, through the implementation of the ISS excellence concept and the reorganisation of operational structures into functional work-streams for hard services, soft services and admin functions, clear lines of ownership and accountability fully supported by ISS self-delivery capability across each service line.

Over 800 buildings are now serviced by 4000 ISS people who are embedded into the contract. There are clear examples of two-way working with the sharing of best practice, knowledge and expertise is systematic and innovative. A Governance steering group was established and is effective in ensuring that the strategic objectives are achieved. For example, rationalising to one supplier gave the partnership an opportunity for standardisation of reporting and management information, resulting in benchmarked key occupancy cost data. This enables the partnership to make better informed property and operational efficiency decisions and supports the management of change through responsiveness and flexibility.

- Highly-trained and accredited security guards protect defence industry designers and manufacturers as they create products for export
- Customer interface technology and operatives handle consumer queries efficiently for leading retailers, allowing investment in online and other cross-border channels

HOW THE SECTOR ATTRACTS INWARD INVESTMENT

“I want to encourage more quality investment because of the benefits it brings to the UK economy and society. It is important because I truly believe that business is a force for good. Businesses create jobs and transform lives. Investment into the UK has created over 300,000 jobs since 2010. In the UK, businesses collect the majority of taxes that go to the Exchequer. These are then reinvested into society to fund our schools, hospitals and national defence. There is an inextricable link between the health of business and the strength of our society.”

Lord Price, Minister of State for Trade Policy, Department for International Trade, speech at the Global Investment Conference in Rio, 5th August 2016

Retaining the UK's FDI ranking

In 2015, the UK posted its strongest ever performance in attracting inward investment by foreign companies.¹⁶ Ranked as the top destination in Europe for foreign direct investment (FDI), it secured 2,213 projects which created or safeguarded around 116,000 jobs.¹⁷

Factors attracting inward investment into the UK:¹⁸

- The ease of doing business – including the political, legislative and taxation environment
- Availability of a highly skilled and trained workforce
- Access to technology and innovation – including research and development incentives
- A modern infrastructure network – across the utilities, transport, and communications
- A supportive business environment – with attractive supplier networks and service provider

Creating an attractive investment destination by investing in skills

The sector invests significantly in skills and training with BSA full members employing over 17,000 apprentices and providing around 845,000 days of training each year.¹⁹ As large organisations prepare to invest more than ever before in vocational training through the apprenticeship levy, BSA members are developing Trailblazer apprenticeship standards and expanding their existing apprenticeship programmes.

16. EY – Attractiveness Survey: UK 2016 Positive Rebalancing – 2016

17. Department for International Trade – UK remains number one investment destination in Europe – August 2016

18. UK Trade & Investment – Why overseas companies should set up in the UK – April 2014

19. BSA – Submission to the Apprenticeships Inquiry by the Sub-Committee on Education, Skills and the Economy – March 2016



CASE STUDY:

INTERSERVE, BUSINESS IN THE COMMUNITY AND ASDA: SUPPORTING SOCIAL ENTERPRISE IN YORKSHIRE

It ran a successful pilot scheme in 2015 and continues to give social entrepreneurs free access to tailored, practical support

In partnership with Business in the Community and Asda, Interserve launched the 'arc' social enterprise support programme in Yorkshire, which aims to create social value, and specifically 1,000 jobs, in the region.

Interserve's capacity to leverage many of its operational activities in Yorkshire was a significant factor behind choosing this region to launch the scheme. It ran a successful pilot scheme in 2015 and continues to give social entrepreneurs free access to tailored, practical support to help grow their businesses and create employment opportunities.

So far Interserve has supported a number of social enterprises including Legacy Sport CIC in Huddersfield, which promotes healthy and active lifestyles by delivering PE, sport and health programmes, and Paperworks, a print production company in Leeds providing work preparation training and support to adults with learning, physical and mental health related disabilities.



CASE STUDY:

AECOM: BOOSTING THE SKILLS SET OF A DIVERSE RANGE OF WORKERS

Apprentices can progress to university courses and gain full Chartered Engineer status

With clients and Government asking companies operating in the built environment to tackle increasingly complex technical challenges, attracting highly skilled people is all the more crucial.

To help maintain its innovative, lateral approach to projects, AECOM employs a broad mix of diverse talent, from apprentices and graduates through to experienced hires transferring from different industries.

As the largest employer of graduates and apprentices in its field, AECOM offers new recruits opportunities to play a meaningful role in projects very early on in their careers. Apprentices can progress to university courses and gain full Chartered Engineer status.

AECOM was recently awarded a Gold Award in the Ministry of Defence's Employer Recognition Scheme for its support for the Armed Forces. The company believes ex-service personnel are a vastly untapped talent base with highly employable skills. They typically bring sustained experience in leadership roles and are adept at motivating others, coordinating teams and getting the best out of people. AECOM also actively supports Reservists and Cadet Instructors, awarding them 15 days' extra leave in addition to their annual holiday allowance.

Solving society's most pressing technical challenges requires brilliant minds from a range of cultures, disciplines and backgrounds. A diverse talent base is therefore key.



CASE STUDY:

VINCI AND BARKING & DAGENHAM COLLEGE: ADDING SOCIAL VALUE IN EAST LONDON

VINCI Facilities has always taken social value seriously, even before the law obliged public sector service providers to reach out to local communities. Its partnership with Barking & Dagenham College (BDC) in east London stands as a model of engagement, helping to equip young people for work and life.

Students in further education are at a critical stage in their development when the right intervention at the right time can make all the difference. VINCI organises industry talks and workshops for students where they can engage with contractors and potential employers, benefiting from real-world experience and advice.

VINCI also provides opportunities for students to work on actual projects, giving them valuable insights and the chance to develop practical skills. In 2014, VINCI led a project to refurbish an outdoor activity centre for the Wide Horizons children's charity. Fifteen BDC students took part alongside VINCI suppliers, with nine going on to find full-time employment.

Developing the skills and confidence of young people and improving their employment chances is a worthwhile goal in itself. However, VINCI also regards the partnership as an opportunity to expand the east London talent pool, ensuring a future supply of motivated recruits equipped to succeed in facilities management and the wider construction business.



CASE STUDY:

INGEUS AND NORTHERN IRELAND'S DEPARTMENT FOR EMPLOYMENT AND LEARNING: DEVELOPING SKILLS THROUGH MUSIC

Ingeus, along with Northern Ireland's Department for Employment and Learning, have developed an employment programme encouraging participants to make the link between music skills and those needed for getting and keeping a job.

These skills included discipline, team work, time management, communications and planning. Several local employers, from retailers to restaurateurs, gave their time to outline the qualities and skills they look for when recruiting new employees.

Amongst those attending were 27-year-old Michael Blaney and Christopher Dickson, 36, from Belfast, as well as James Powell, who's 34. "I've been unemployed since 2010," said Michael. "I have experience working for retailers and that's where I want to return, but I'm also a music lover. It's given me renewed enthusiasm to find a job."

"The week was designed so that people could develop the essential skills required to find long-term work by drawing similarities between music and employment in a wide range of sectors," said Michelle Scott from Ingeus. "The support we received from so many people really helped our group to believe in themselves and in what they can offer employers."



CASE STUDY:

MITIE AND HAMMERSMITH AND FULHAM LONDON BOROUGH COUNCIL: PREPARING YOUNG PEOPLE FOR THE WORKPLACE

A key factor in their success as one of the UK's top 50 apprenticeship employers is developing tailored, local solutions

Mitie is investing in giving young people the opportunity to develop their skills and help prepare them for the workplace. A key factor in their success as one of the UK's top 50 apprenticeship employers is developing tailored, local solutions.

In West London, Mitie has worked with its client London Borough of Hammersmith and Fulham to provide a platform for significant local employment and training. Mitie has developed a strong partnership with The Fulham Enterprise Studio School where students can expect to receive free CV writing and interview skills, a Mitie mentor and industry workshops run by senior managers.

The programme supports pupils into the Mitie Apprenticeship programme, with 12 local pupils now having joined and completing two and three year apprenticeships with Mitie. Mitie currently has 1,500 apprentices across the business.

"Learning whilst being part of the team is great... The team are so helpful and want to help me develop, I don't really feel like an apprentice, I feel like an employee contributing to the team's success."



CASE STUDY:

CARILLION: TRAINING THE BUILDERS AND ENGINEERS OF THE FUTURE

All had demonstrated and undergone the new 12 month programme that will help them to become better leaders

Carillion's services business celebrated its first set of graduates on the Supervisory Leadership Programme (SLP) in September 2016 at a ceremony held in London.

Some 60 front line colleagues were presented with graduation certificates by Nigel Taylor, Managing Director of Services and the Carillion Senior Leadership Team as part of their personal development. All had demonstrated and undergone the new 12-month programme that will help them to become better leaders and manage tasks more effectively within Facilities Management.

The Supervisory Leadership Programme (SLP) is a series of externally accredited performance-led courses designed to develop the engagement of diverse front line employees, from cleaners to security supervisors and engineers to technical administrators.

The programme is sponsored by the British Institute of Facilities Management (BIFM) which recognises the achievements of supervisors with a BIFM Level 3 accreditation as part of the SLP.

The SLP is currently underway with its second group of supervisors who will attend a similar graduation ceremony in March 2017.

Attracting international corporate headquarters

The UK attracts a range of investment projects, from manufacturing to sales, research and development to logistics. As well as appealing to inward investment projects across the board, the UK remains a top destination for international corporate headquarters. In 2015 alone, 153 new headquarters were built in the UK, winning a 53% market share of this type of project across Europe.²⁰ Investment in new UK headquarters brings important benefits to the economy as they generate more jobs on average than other projects, and represent a longer-term strategic investment in the country.²¹

New investments into the UK in 2015 by type and the UK's European market share²²

	Projects	UK market share	Change on 2014
Headquarters	135	55.3%	221.4%
Research & Development	65	23.2%	54.8%
Sales & Marketing	365	19.7%	-3.7%
Logistics	58	16.8%	7.4%
Manufacturing	55	9.4%	17.0%

A supportive business environment is central to headquarters decision-making as the availability of high-quality facilities management, business process outsourcing and ICT and digital services provide overseas organisations with the confidence to invest in significant office space and resources in a new country. When promoting the UK to potential investors, the Department for International Trade highlights



CASE STUDY: **CARILLION AND NOMURA SERVICES: ENSURING THE RESILIENCE OF THE WORLD'S LARGEST TRADING FLOOR**

Carillion has worked in partnership with global investment bank Nomura for 11 years; ensuring the bank's critical environment and infrastructure is resilient and continually delivers best in class service to clients.

Carillion won a five-year contract with Nomura in November 2013 valued at £20 million to provide engineering services at south-east properties including the European headquarters, One Angel Lane, London EC4. This houses the world's largest trading floor; 402,691 ft² of technologically advanced workspace; 2.5km of chilled desks on two trading floors; 1.4km of linear LED ceiling lighting and 44,800 light sources. There are 28 sub-equipment rooms including equipment rooms measuring 1,950m² plus 2,800 staff.

In 2016 One Angel Lane was awarded the first Uptime Institute Management & Operations Stamp of Approval for a complex, critical corporate building delivering 100% Uptime and the highest standards of IT service availability. This was achieved over 12 months using Carillion's CEM risk management toolkit as part of a 'One Team' approach and using the P4 risk philosophy to eliminate human error.

20. EY – Attractiveness Survey: UK 2016 Positive Rebalancing – 2016

21. EY – Attractiveness Survey: UK 2016 Positive Rebalancing – 2016

22. EY – Attractiveness Survey: UK 2016 Positive Rebalancing – 2016

23. Department for International Trade – Invest in the UK: your springboard for global growth – September 2016

the UK's professional strength, arguing, "We are world leaders in professional and business services – services that provide essential expertise to underpin your innovation, export and expansion plans."²³

Building the UK's core infrastructure

Connectivity is central to all businesses, whether they depend on high-speed broadband connections, travel to meetings using the rail network, or conduct business abroad via one of the country's airport hubs. Business services companies provide infrastructure and construction services to the Government and the private sector, designing, delivering and maintaining crucial networks nationwide.

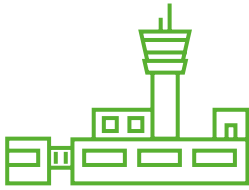
The UK construction industry is world-class, pioneering technology and innovation in everything from pipes and wires to rail and roads. As networks and structures around the nation require maintenance or replacement, construction services are vital and their skills invaluable. Working with the sector, further investment from government will help build modern, efficient transport networks and effective telecoms infrastructure, without which the UK cannot remain a global leader in attracting inward investment.

BSA members have the potential to transform the UK's aging networks. Recently, they have successfully carried out rail electrification upgrades across Wales, delivered improvements to major roads in Perth, helped dig the Thames Tideway Tunnel in London, and installed broadband links to new homes in Yorkshire.



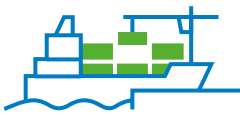
24. Airports Commission – Airports Commission: Interim Report – December 2013
25. The United Kingdom's Major Ports Group – The UK ports industry – 2016
26. PwC – Cities of Opportunity 6 – 2014
27. Department for Transport – Road Lengths in Great Britain: 2013 – June 2014
28. Ofcom – The European Scorecard – December 2015

The UK business services sector helps build and maintain:



70 airports

creating the largest air transport system in Europe²⁴



40 major ports

handling 95% of the UK's import/export trade²⁵



10,000 miles of rail systems

in a public transport network ranked top for efficiency, reliability and safety amongst the world's greatest cities²⁶



245,000 miles of roads

including 31,500 miles of main roads and motorways²⁷



90 per cent

superfast broadband coverage to UK homes and businesses – a higher proportion than Germany, Spain, Italy and France²⁸



CASE STUDY:

CAPITA AND HS2 COUNTRY NORTH: INFORMING THE DESIGN OF HIGH SPEED RAIL

In 2012 a Capita-Ineco joint venture began providing civil and structural design services on the Country North section, for Phase 1 of the planned High Speed 2 (HS2) high speed railway. This covers an 84km section of the route through Warwickshire and Staffordshire. As one of the most complex sections of the project this also incorporates the high speed Delta Junction at Birmingham, presenting significant engineering challenges.

The scope of works includes railway alignment design, railway structures, highways alignment design, highways structures, drainage design, geotechnical, tunnel design, utility diversion, construction approach through to scheme costing. Capita has been preparing preliminary designs and working closely with HS2 Ltd, rail systems designers, environmentalists and land referencing companies.

The designs were used to inform one of the UK's largest Hybrid Bill documents, submitted to Parliament in November 2013. This bill defines all land acquisition and both permanent and temporary access rights required to enable construction and subsequent operation and maintenance of the railway.

The Capita team has continued to support HS2 through the Select Committee hearings in 2014 and the development of Additional Provisions to the original bill in 2015.



CASE STUDY:

TERRAQUEST AND HS2: PREPARING THE WAY FOR MAJOR INFRASTRUCTURE

TerraQuest has been supporting HS2 Ltd with its land referencing process since 2012. The process involves identifying both the land and its legal owners that will one day be the site of the new rail line. TerraQuest initially arranged site access for environmental and geotechnical investigation but went on to produce a Book of Reference and land plans, key documents which proved vital to the passage of the HS2 Hybrid Bill through parliament.

The Book of Reference lists all the land parcels that will be directly affected by the project, either to be permanently acquired or temporarily occupied to facilitate the construction of the scheme. For Phase 1 of HS2, between London and Birmingham, approximately 11,000 land parcels across 111 administrative areas required the serving of over 15,000 notices to inform affected land owners and occupiers. The programme to date has negotiated the Hybrid Bill stage and is scheduled to receive Royal Assent before the end of 2016 which will trigger the land acquisition process.

All key parties co-located to foster close collaboration, efficient communication, decision making and teamwork



CASE STUDY:
KIER AND CROSSRAIL: DELIVERING EUROPE'S LARGEST RAILWAY PROJECT

Kier are currently busy delivering Europe's biggest and most complex rail project, building stations and tunnels under central London.

At Crossrail, Kier within its Joint Ventures (including BAM Nuttall and Ferrovial Agroman) have undertaken 6 separate infrastructure contracts.

These technically complex works have taken place over 35 construction sites, involving interface with multiple stakeholders' assets such as Network Rail, London Underground, local authorities, businesses and the wider community. The contracts include design, extensive utility diversions, 6.5km of twin bore tunnelling, 2.5km of station SCL tunnelling, deep shaft construction and station building. Kier have undertaken civil engineering and MEP works, settlement monitoring and instrumentation and over 65km of compensation grouting pipework to mitigate the effects of excavation related settlement, including works to listed buildings.

All 6 contracts have taken on a truly collaborative nature. Operating in several office locations across London, all key parties co-located to foster close collaboration, efficient communication, decision making and teamwork. This has been essential to keep the project moving to plan.

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