Original Article

Defining facilities management service delivery in UK shopping centres

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ABSTRACT High streets are traditionally the main focus of most retailing in the United Kingdom, but shopping centres represent a very important format for shoppers, retailers and investors. Today, shopping centres have become firmly established as an important component of UK retail environment. However, the success of shopping centres depends on how well they are managed and on how well management strategies cope with maintaining a balance between the income generated and the cost incurred in managing these properties. Therefore, when operational costs become an issue, the management tends to change the way in which a centre's infrastructures are managed and services delivered. This is the reason why better solutions are sought from the facilities management (FM) provider market. As FM is a relatively young industry, there is lack of research and studies on FM services in shopping centres. As a result, awareness of the FM market in the retail sector is poor. This research investigates FM service delivery in UK shopping centre.

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INTRODUCTION

Since the 1960s, the shopping centre industry has grown considerably in the United Kingdom. Nevertheless, the growth is not only seen in the numbers of shopping centres developed, but also in the size and format of the shopping centre schemes. Today, this sector is identified as a major contributor to UK economy. This has encouraged investment in shopping centres. The investment aim is to provide the business place that includes retail space/units, facilities and services to the actual and potential retailers. They then expect to optimise the return from the property. However, in order to optimise the return from the investment the management should focus strategies on how to minimise the operational cost. The traditional method of keeping all activities in-house has not proven a very cost-effective option, and this management approach is generally seen as non-proactive.

Currently, most of UK shopping centres have been considering changing the way their centre infrastructure is managed and delivered. This is because many investors in shopping centres are now finding that they are not getting the level of facilities management (FM) service anticipated, and at the cost originally expected. Retailers find that their service charges are not necessarily equivalent to the level and quality expected (Willis, 2003). This is an opportunity and, if the potential is fully understood, it will also create a demand for FM services within UK shopping centres. However, there has been little study on FM service delivery in UK shopping centres. Therefore, this paper investigates the trends of FM service delivery in UK shopping centres.

SHOPPING CENTRES IN THE UNITED KINGDOM

Since 1960s, the number and type of managed shopping centres has grown considerably in the United Kingdom. In the last 48 years, shopping centres have become firmly established as an important component of UK retail environment. This is because almost all of UK's major towns have at least one shopping centre scheme. Therefore, this sector is identified as a major contributor to UK economy. Today, there are around 387 existing shopping centres in the United Kingdom. However, this figure does not include retail parks. In the United Kingdom, England has the highest numbers of shopping centres scheme (see Table 1).

Over the last 48 years, the growth in shopping centres does not only show an increase in the numbers of developments, but also in the size and format of the shopping centre schemes. Investors increasingly favour larger sizes of shopping centre developments because they see an opportunity to dominate the location and to create or maintain a presence in prime locations. They find the main attractiveness of shopping centre schemes as an investment asset (NRPF, 2000). There are around 23 large (over 80 000 square metre (m²)) shopping centres identified in the United Kingdom (see Table 2).

Similarly in the United States, a similar shopping centre format to that of the United Kingdom has also been evolving since the early 1960s. This is because the shopping centre industry has seen considerable innovation. Most of the innovation, however, occurred in out of town locations where new formats have been created in the form of Regional Shopping Centres,

Table 1: The numbers of shopping centres in the United Kingdom

No.	Countries and regions	Numbers of shopping centres
1.0	England	290
1.1	Greater London	54
1.2	East Anglia	16
1.3	East Midlands	14
1.4	North East	12
1.5	North West	40
1.6	South East	59
1.8	South West	30
1.9	West Midlands	31
1.10	Yorkshire and Humber	34
2.0	Northern Ireland	25
3.0	Scotland	47
4.0	Wales	25
Total numbers of UK shopping centres		387

Table 2: The numbers of the largest shopping centres in the United Kingdom

Rank	Name	Town/City	Region	Size (m ²)
1	Metro centre	Gateshead, Tyne and wear	North East	165 000
2	Bluewater	Dartford, Kent	South East	155 700
3	Westfield London	Shepherd's Bush, West London	Greater London	150 000
4	Westfield Merryhill	Dudley, West Midlands	West Midlands	148 000
5	Trafford centre	Trafford, Greater Manchester	North West	137 347
6	Meadowhall	Sheffield, South Yorkshire	Yorkshire and Humber	131 922
7	Lakeside	Thurrock, Essex	East	130 300
8	Manchester Arndale	Manchester, Greater Manchester	North West	130 060
9	Liverpool 1	Liverpool, Merseyside	North West	130 050
10	St David's centre	Cardiff, South Wales	Wales	129 561
11	The centre: mk	Milton Keynes, Buckinghamshire	South East	120 773
12	Birmingham Bullring	Birmingham, West Midlands	West Midlands	110 000
13	High cross Leicester	Leicester, Leicestershire	East Midlands	110 000
14	Westfield Derby	Derby, Derbyshire	East Midlands	106 130
15	Festival place	Basingstoke, Hampshire	South East	102 000
16	Centrale	Croydon, South London	Greater London	100 000
17	Silverburn centre	Pollak, Glasgow	Scotland	100 000
18	Telford shopping centre	Telford, Shropshire	West Midlands	100 000
19	Braehead	Paisley, Renfrewshire	Scotland	98 474
20	Cribbs causeway	Patchway, Gloucestershire	South West	92 436
21	Victoria centre	Nottingham, Nottinghamshire	East Midlands	91 135
22	Eldon square	Newcastle-upon-Tyne, Tyne and wear	North East	89 277
23	Frenchgate centre	Doncaster, South Yorkshire	Yorkshire and Humber	81 754

retail warehouse or retail parks and outlet centres (NRPF, 2000). The shopping centre industry has grown and changed, and more types of centres have been created and evolved while the existing classifications are no longer adequate.

At the end of 2005, ICSC Research published a study that reviewed national definitions currently used to describe shopping centres throughout Europe with the goal of refining the common centre types and their characteristics into a Pan-European International Standard. However, this new international framework does not replace any existing national definitions. As a working definition, the study defines a European shopping centre as a retail property that is planned, built

Table 3: Pan-European centre standard

<i>International standard for European shopping centre types</i>		
<i>Format</i>	<i>Type of scheme</i>	<i>Gross leasable area (m²)</i>
Traditional	Very large	80 000 and above
	Large	40 000–79 999
	Medium	20 000–39 999
	Small	
	Comparison-based	5 000–19 999
	Convenience-based	5 000–19 999
Specialised	Retail Park	
	Large	20 000 and above
	Medium	10 000–19 999
	Small	5 000–9 999
	Factory Outlet Centre	5 000 and above
	Theme-Oriented Centre	
	Leisure-based	5 000 and above
	Non-leisure-based	5 000 and above

Source: ICSC Research, 2005.

and managed as a single entity, comprising units and ‘communal’ areas, with a minimum gross leasable area of 5000 m² (Lambert, 2006).

A framework was created after extracting common elements from centre types throughout Europe. This new framework classifies shopping centres into 11 broad-based international types of centres, which can be grouped into two broader categories, that is, traditional and specialised, as shown in Table 3.

According to the Pan-European Centre Standard (2005), the types of shopping centre are as follows (for examples see Table 4). A traditional centre is an all-purpose scheme that could be either enclosed or open-air and classified by size, that is, very large, large, medium and small. There are two types of small traditional centres: comparison-based and convenience-based. Comparison-based centres include retailers typically selling fashion apparel and shoes, home furnishings, electronics, general merchandise, toys, luxury goods, gifts and other discretionary goods. Comparison-based centres are often part of larger retail areas, most likely found in city centres and not anchored. Convenience-based centres include retailers that sell essential goods (those items consumer buy on a regular basis) and are typically anchored by a grocery store (supermarket or hypermarket). Additional stores usually found in convenience-based centres include chemists (drugstores); convenience stores; and retailers selling household goods, basic apparel, flowers and pet supplies. These centres are typically located at the edge or out of town.

Specialised centres include specific purposed-built retail schemes or shopping centres that are typically open-air and could be further classified by size. There are as follows:

The Retail Park, also known as a power centre, is a consistently designed, planned and managed scheme, which comprises mainly medium- and large-scale specialist retailers (big boxes or power stores). Meanwhile Factory Outlet Centres are a consistently designed, planned and managed scheme with separate store units, where manufacturers and retailers sell merchandise at discounted prices, which may be surplus stock, prior-season or slow selling.

Table 4: Examples of retail properties according to pan-European centre standard

<i>Examples of retail properties according to the ICSC pan-European shopping centre standard</i>		
<i>Pan-European standard</i>		<i>Examples by country</i>
<i>Format</i>	<i>Type of scheme</i>	<i>United Kingdom</i>
Traditional	Very large	Bluewater(Kent); Bullring (Birmingham); MetroCentre (Gateshead); The Trafford Centre (Manchester)
	Large	The Bentall Centre (Kingston Upon Thames); Buchanan Galleries (Glasgow); Golden Square Shopping Centre (Warrington); The Harlequin (Watford); West Quay (Southampton)
	Medium	Cascades Shopping Centre (Portsmouth); Castle Court (Belfast); Ocean Plaza (Southport); Princess Quay (Hull); Two Rivers (Staines)
	Small	
	Comparison-based	Cathedral Lanes (Conventry); St John Centres (Leeds); The Triangle (Manchester); Victoria Quarter (Leeds)
	Convenience-based	Arndale Centre (Leeds); Chalfont Square (Reading); Chineham Centre (Basingstoke)
Specialised	Retail Park	
	Large	The Brewery (Romford); The Fort (Birmingham); Roaring Meg (Stevenage)
	Medium	Boulevard (Peterborough); Central Retail Park (Manchester); Forbury Retail Park, Reading Riverside Retail Park (Norwich)
	Small	Kew Retail Park (Richmond); Lady Bay (Nottingham); Taunton Retail Park (Taunton)
	Factory Outlet Centre	Bicester Village (Bicester); Freeport Fleetwood (Fleetwood); MacArthurGlen Designer Outlet Cheshire Oaks (Ellesmere Port); MacArthurGlen Designer Outlet (Livingstone); Sterling Mills Designer Outlet Village (Tillicoultry)
	Theme-Oriented Centre	
	Leisure-based	O2 Centre (Finceley, London); Printworks (Manchester); Tower Park Centre (Poole)
	Non-leisure-based	

Source: ICSC Research, 2005.

The Theme-Oriented Centre, however, is a consistently designed, planned and managed scheme, which can either be leisure-based or non-leisure based. This scheme includes some retail units and typically concentrates on a narrow but deep selection of merchandise within a specific retail category. On the other hand, a leisure-based centre is usually anchored by a multiplex cinema and includes restaurants and bars with any combination of bowling, health and fitness and other leisure-concept uses, whereas a non-leisure-based centre concentrates on a niche market for fashion/apparel or home furnishings or can target specific customers such as passengers at airports.

What is the business of shopping centres?

There is a common misconception as to what is the actual business of shopping centres. Most people would think that retailing is the core business, but this is the retailer's core business. However, the core business of the shopping centres should of course be determined from the business of the owners of shopping centres. It is, above all, an investment.

The background of owners of shopping centres' core business is varied. They are probably developers, life insurance companies, multinational corporations, local authority, properties companies and also joint ventures owners. However, when the owners invest in developing or buying this property, they are making a business in a real estate investment or retail property investment. This is because the owners invest to develop or buy this commercial property to provide the business place, which includes retail space/units, facilities and services, to the potential retailers.

They expect the professional property manager to optimise the return from the productive resource of the property, extend the productive life of the building, and preserve and enhance the capital value of the centre (Hines, 1988). This is the way in which the owners seek to secure a future stream on the capital investment while also adding capital value to the investment.

Therefore, leasing or marketing the space and managing the tenant mix become a main concern to the business of shopping centres. These are the main sources of income from a shopping centre.

According to BOMI (2001), the income streams of shopping centres are as follows:

- Typically, the largest of these is percentage rent. Such leases generally provide for payment of a fixed minimum rental computed against a percentage of sales. Generally, the percentage of sales is negotiated as part of the original leasing process.
- Common area maintenance charges pass on to each tenant a pro-rata share for exterior maintenance, certain utility costs and other related to areas used by tenants' retail customers.
- Advertising funds and merchants associations, often controlled by the tenants of major retail centres, active merchants associations and advertising funds, provide a benefit to the retail centre through customer recognition and increased traffic flow. The presence of these entities may provide both revenue and expenses to the property manager.
- Income derived from seasonal or temporary activities might include kiosk rental, gift wrapping or sidewalk sales during warm weather.
- Retail pad rents, a retail pad, is a freestanding parcel of property generally within the confines of a larger project parcel. It is generally developed for use by such businesses as bank and restaurants.

Predominantly, having a good tenant mix is crucial to the business of shopping centres. McGoldrick and Thomson (1992) show that tenant mix has been identified as a critical factor in the success or failure of purpose-built shopping centres. Therefore, in managing tenant mix of a

retail property, such as a shopping centre, managers need to develop an effective business model for tenant location, tenant selection and the structure of lease agreements so as to create value, increase the brand value of the property rentals and achieve a long-term stability in the value of discounted cash flows, given various uncertainties.

The non-core business of shopping centres is the supporting functions to the core business. This is not primarily to generate income, but in incurring cost to ensure the effectiveness of the supporting function. The non-core business of shopping centres can be divided into three aspects. This includes managing property, managing service operation and managing facilities.

One significant function in managing the property is maintenance. Maintenance is a necessary part of the shopping centre business. Management of maintenance is to ensure that the centre's systems are running effectively in order to enhance the customer and tenant environment and experience, as well as to preserve and enhance the owner's investment. Therefore, management needs to develop strong maintenance staff who understand how the shopping centre functions and its inter-relationship with retail tenants, customers, community and environment. Maintenance in the shopping industry is more than just repairing equipment, fixing roof leaks and checking broken tiles. It is about securing the future of the asset, the shopping centre, through a planned maintenance programme (Paul, 1999).

Services in shopping centres are varied. Among them are the administration and support services, cleaning services, security services, M & E services, maintenance services, waste management, health and safety services and so on. Managing service operation can be seen as encompassing the processes to do with the provision of the space that supports organisational activities. This includes the activities that maintain the physical infrastructure and the support services that operate within the space that support those services. Managing these kind of services is important to ensure that the quality and effectiveness of service delivery are guaranteed to the customers.

Facilities also vary according to the types of building. In shopping centres, facilities provided to the customers (either tenants, consumers or owners) are typically parking spaces, toilets, signage, utilities, heating, ventilation and air-conditioning (HVAC) systems, lifts and escalators, public phones, cash machines and so on. These facilities provided by shopping centres apparently facilitate and attract the tenants and consumers to occupy and visit the shopping centre. Therefore, it is important for the shopping centre management to ensure that these facilities are managed efficiently. This would keep the tenants and also consumers happy with the facilities provided and it is a good indicator of an efficient business.

SHOPPING CENTRE OPERATION AND MANAGEMENT

The operation and management of a shopping centre is vital to its success. Shopping centre's management is an intensive process. Efficiency, astuteness and sensitivity to people and their needs are essential qualities in successful management and operation (Hines, 1988).

Therefore, the roles of property manager and the management team are important in contributing to success.

To successfully operate the many facets of centre management and operation, an organisational chart may be drawn up to show the various staff of the management and their main areas of responsibility. The property manager may have a number of assistants to cover such narrower management areas as record keeping, marketing, landscaping, maintenance, security and so on (Hines, 1988). Most shopping centres usually have a general manager on site. The general manager oversees the operation of the centres on a day-to-day basis. Larger shopping centres often have an assistant or associate manager in support of the general manager. The specific responsibilities of a general manager and an assistant can vary greatly according to both the philosophy of the landlord and the centre's performance (London, 1999).

Most larger shopping centres have an operations department on site. The function of this unit is to clean (housekeeping) and maintain the property. Whether or not the centre has a central plant or separate HVAC units it has a major impact on the type and nature of staffing in this area. A central plant produces conditioned air through the operation of a centralised system, which then distributes it to the enclosed common areas and usually the tenants' stores. The anchor stores usually handle this function independently (London, 1999).

Operations basically oversee day-to-day housekeeping, emergency repairs, ongoing maintenance that includes landscaping, and usually long-term maintenance as well. Most often, there is an operations manager or director overseeing all areas and reporting to the general manager. The balance of the staff required is increasingly more likely to be contracted through a third-party resource rather than being in-house staff, or owner's employees. While tenants (retailers) are usually responsible for the maintenance and housekeeping of their own stores, the owner maintains all common areas, including the roof over tenants' (retailers) stores. Anchor or large stores often have individual arrangements specific to their lease. Tenants (retailers) collectively contribute to a common area maintenance fund that is usually allocated on a pro rata basis to non-anchor stores. Tenants share the cost of operating the common areas of the centre (London, 1999).

During the operation, the role of security is essential. The role of security in shopping centres, particularly in larger centres, has become increasingly imperative since the bombing of the Arndale Shopping Centre in Manchester, by the Provisional Irish Republican Army. This incident marked a change in the attitudes of many shoppers, who began exhibiting more awareness in regard to overall safety issues.

Similar to the preceding centre functions, security efforts vary with the size and complexity of a shopping centre. The largest centres typically have a specific director of security usually reporting directly to the operations manager or general manager, additional security staff, one or more vehicles and probably sophisticated communications equipment. The main purpose of security is to protect the landlord's property and common areas of the shopping centre. For the most part,

security within each tenant's premises is that tenant's responsibility (London, 1999).

In addition, the role of security aims increasingly to deliver, where appropriate, a message of personal safety to shopping centre consumers. At the same time each visitor has a responsibility to conduct himself/herself prudently. Security will also help a tenant with special situations from time to time. Security services are typically provided in-house or contracted out.

FACILITIES MANAGEMENT SERVICES DEFINED

FM is a relatively young industry; however, since the late 1980s, it has gradually gained momentum as a credible discipline within the property and construction industry (Tay and Ooi, 2001). Today, there are a number of definitions of FM. Therefore, the term 'facilities management', or FM, is widely used and often can be misused. However, one that is commonly used to describe FM is the integration and alignment of the non-core services, including those relating to premises, required to operate and maintain a business to fully support the core objectives of the organisation (Tucker and Pitt, 2008).

Indeed, most buildings represent substantial investments for organisations and usually have to accommodate and support range of activities, taking into account competing needs. If buildings and other facilities are not managed, they can begin to impact an organisation's performance. Conversely, buildings and facilities have the potential to enhance performance by contributing towards the provision of the optimum working and business environment. The proper application of FM techniques enables organisations to provide the right environment for conducting their core business on a cost-effective and best value basis (Atkin and Brooks, 2005).

However, there is no universal approach to managing facilities. Each organisation will have different needs even within the same sector. Understanding these needs is the key to effective FM measured in terms of providing best value. In practice, FM can cover a wide range of services, including real estate management, financial management, change management, human resource management, health and safety and contract management, in addition to building maintenance, utilities suppliers and domestic services, that is, cleaning and security (Atkin and Brooks, 2005).

FACILITIES MANAGEMENT SERVICES IN UK SHOPPING CENTRES

FM is also a relatively young profession in the retail shopping centre industry. Much has been written on meeting sector-based demands, but one area that has received relatively little attention is the retail sector. As a result, most of retail shopping centres in United Kingdom have been managed via in-house management teams and in a relatively static and standard fashion. The way in which many shopping centres have traditionally operated in the past by keeping all activities in-house is not a very cost-effective option. Therefore, many investors of shopping centres are now finding that they are not getting the level of FM service

anticipated, and at cost originally sought. Retailers also feel that they are not finding their service charges necessarily equal to the level and quality expected (Willis, 2003).

With the traditional 'managing agent'-led method in the retail shopping centre coming under increasing pressure, there is a significant opportunity to consider changing the way centre infrastructure is managed and delivered.

The retail sector has long been a target for FM service providers. It has also been subject to major change as the economy fluctuates according to financial health, spending patterns and many other influences. This is now seen as a fast-growing opportunity for the service sectors, and many in the FM industry see it as a major source of growth in the coming years (Willis, 2003). This is an opportunity and will also create a demand on FM services for UK shopping centres.

However, FM services in UK shopping centres are varying in accordance to the shopping centres management needs. This is because different shopping centres have required different FM services (see Table 5). There is also a significant difference between providing FM services to a single store or portfolio outlets rather than the management and provision of services to a large retail shopping centre either in the centre of a city such as the new Bullring in Birmingham, Brent Cross in North London and West Quay in Southampton, or in a huge reclaimed excavation site as in the case of Bluewater (Willis, 2003).

The trends of facilities management service delivery in UK shopping centres

The earlier trends of FM services in UK shopping centres are identified as a provider for the general cleaning and maintenance services. Typically, most of the shopping centres in the United Kingdom are contracting out their infrastructure and operational services to the services suppliers. The general cleaning and maintenance services have traditionally been offered as a single source contract to the successful service provider, but not necessarily FM service provider.

This is because there are wide ranges of suppliers in the market. Therefore, shopping centre managers can individually source better

Table 5: Some of the FM service providers in UK shopping centres

<i>FM service providers</i>	<i>FM services</i>	<i>Shopping centres</i>
Europa Facility Services	Cleaning, total waste management, recycling, pest control, hygiene services	Bullring, Birmingham
	All housekeeping, waste management, security, customer service support	Metro Centre, Gateshead, Eldon Square, Victoria Centre, The Potteries, Chapel field
Incentive FM	Security, cleaning, housekeeping operations, repairs maintenance and engineering, car park management, waste and environmental, health and safety	Bluewater
Interserve	Security, cleaning and waste management	Crowngate

suppliers and then attempt to manage the vast array of reports, budgets and invoices that result from this. Many shopping centres currently operate this way, and although technically it gives them the maximum amount of choice, but it also involves a huge amount of management time. They are looking for a better solution in order to reduce the inefficiencies with the high number of suppliers.

However, this trend is no longer in favour because the role of the FM demands more than cleaning and maintenance. In spite of this more recent shift in investors' and major retailers perceptions, they have yet to cascade fully into the FM provider market (Cant, 2004). There are a lot of shopping centres that want to exercise freedom in their choice of suppliers while getting some of the benefits that would result from having a full FM services. They believe that the FM service provider can offer a range of services from under one roof and enable them to benefit from a tailored but flexible package of services that can be more flexible to meet changing requirements.

Recently, a new model of FM service delivery in UK shopping centres has come from the United States. In the United States, the concept of 'total facilities support' is becoming established as a key method of enhancing service delivery, controlling service charges and creating new revenue streams (Fenwick, 2007). Total facilities support provides economies of scale and a single service from a single provider. It will provide the day-to-day management elements such as maintenance, security and cleaning and where there is capacity to sell those services to tenants or nearby businesses (Fenwick, 2007). This approach is soon to be extended by Europa Facility Services through a 50:50 joint venture with Control Group. Their 50:50 joint venture is called 'Origin'. Origin is designed to offer integrated services and a single operational management to shopping centres, managing agents and property owners. In addition, this model is designed to find efficiencies, share in the benefits and reinvest in the shopping centre. Partnership is an integral part of a model that brings efficiencies to the bottom line. They claim that this will free up centre managers to become business managers focusing on maximising revenue from tenants and the profitability of the centre, including a new potential revenue stream for service provision (Fenwick, 2007).

It demonstrates that FM service delivery in UK shopping centres has evolved. This is because the shopping centre management perception towards FM services has previously fallen behind market expectations and is now increasingly becoming more challenging. The shopping centre industry is now evolving to a model that demands a more directly added valued and genuinely strategic contribution of its FM suppliers. FM providers are now seen to be an essential and integral part of some shopping centre strategy such as the Bullring shopping centre in Birmingham, and not merely a base level provider of general cleaning, security or mechanical and electrical support (Cant, 2004).

The challenges of facilities management service delivery in UK shopping centres

It is increasingly challenging for FM service providers to deliver the FM services in shopping centres. The FM service provider needs to provide

FM solutions in the retail environment, with the specific requirements of the sector in mind. These challenges include (Willis, 2003)

- maintaining a healthy and safe environment with large numbers of the general public present and considerable risk of litigation.
- the need to match support service activity with the footfall that varies daily, weekly and seasonally, without affecting service levels.
- the dual-funding mechanism, whereby asset repair and maintenance is supported through the service charge, but asset enhancement and replacement is funded through developer investment.

Therefore, delivering facilities services to shopping centres requires particular skills and systems that meet the needs of a public access facility, maintain critical services that affect public safety and business success, all within a constant downward pressure on costs in a volatile retail environment. Footfall through a shopping centre is a key metric for service providers as the more shoppers there are, the more facilities need to be cleaned and the more waste is generated (Fenwick, 2007).

The challenges are significantly different between providing FM services to a single retailer as against providing the full range of support services to a 100 000 m² retail centre, with 150–200 retail units and 4000 parking spaces.

It is important that all parties take a fresh look, and perhaps consider the new models for the management and delivery of FM services in such a dynamic environment (Willis, 2003).

CONCLUSION

FM services in UK shopping centres are more likely to perceive the delivered solutions as being for operational matters rather than strategic matters. This is because shopping centres are generally considered to be in the custody of property manager to ensure that the investment value of the property is optimised and the objectives of the investors are achieved. In other words, shopping centres are moving towards total property management rather than FM. In contrast, other property like office can be offered a total FM solution because it is considered an operational property rather than investment property.

With the operational cost in the retail shopping centre coming under increasing pressure, there is a significant opportunity to consider changing the way centre infrastructure is managed and space delivered. The property manager has seen that FM is an avenue in which money can be saved in non-core areas that do not negatively affect the running of the centre. To outsource the non-core areas to the FM service provider is predominantly a short-term solution. A long-term or strategic relationship is much better with FM service provider to undertake that services into better quality and cost anticipated.

It is more probable that collaboration is the key for FM service provider to involve at the strategic level. Working with a professional FM company will allow shopping centre managers and property managers to be better able to focus on strategic and value-enhancing rather than trying to manage a diverse number of different service suppliers. It is important

to realise that a good FM partner can be vital to the success and profitability of managing shopping centres.

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