

EXECUTIVE

16th February 2023

Report Title	Security Services Contract
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Lead Member	Cllr Graham Lawman, Executive Member for Highways, Travel and Assets

Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972	

List of Appendices

None

1. Purpose of Report

- 1.1. This report summarises the work undertaken to analyse the options to secure cost-effective and consistent Building Security Services across North Northamptonshire Council.
- 1.2. The report recommends a preferred way forward and seeks permission to procure a single Building Security Services provider through a dedicated competitive tendering exercise to deliver all services across North Northamptonshire on a contractual basis for an agreed period.

2. Executive Summary

- 2.1 The Council currently arranges for the provision of a range of Building Security Services for Council-owned buildings, spending circa £370k per annum through five contractors. These are currently delivered to varying specifications across the Council. Services are predominantly provided by external organisations (with the exception of some out-of-hours 'keyholder' activities, which are delivered by a small number of in-house personnel).
- 2.2 The largest contract, covering the former County Council properties and the Cube, expires at the end of March 2023, therefore, the new NNC service delivery arrangements will ideally be in place as soon as possible in 2023 to ensure continuity of services to these properties as part of the new approach. Interim contracts, likely with current providers, will be implemented to continue service provision, within the existing service budgets until the new contract starts.
- 2.3 The Council wishes to move to a harmonised and consistent approach which offers value for money and meets the needs of current and future service users. Whilst this primarily aims to ensure consistency, it also provides an opportunity to reduce fragmentation in both procurement and delivery, releasing efficiencies accordingly.
- 2.4 This paper:
- summarises the objectives for Building Security Services moving forward
 - explores options for either direct delivery or procurement of third-party providers for the preferred approach.
 - Proposes a preferred way forward that allows the new arrangements to be scoped, procured and mobilised in 2023.

3. Recommendations

- 3.1 It is recommended that the Executive:
- a) Confirm the preferred procurement route of procuring a single Building Security Services provider through a dedicated competitive tendering exercise to deliver all services across North Northamptonshire
 - b) Delegate authority to the Executive Member for Highways, Travel, and Assets in consultation with the Assistant Director for Assets & Environment to:
 - i. finalise the scope of services, and the preferred service standards to be specified
 - ii. ensure scalability and willingness for the contractor to invest are included as key requirements
 - iii. commence the procurement process and award the contract.

3.2 Reasons for Recommendations:

- The recommendation provides a cost-effective solution, which can be deployed to suit the changes in service need and delivery throughout the contract period.
- The proposed option will provide a reliable security service and provision to monitor contractor performance, providing quality services for North Northamptonshire residents.
- The proposed framework route will allow flexibility to add and remove the buildings covered by the contract as the Council's estate is reviewed and evolves over the coming years.

3.3 Alternative Options Considered - A number of alternative options were considered by both operational managers and procurement colleagues, including building an in-house team, using an established Security Services framework agreement or incorporating Security Services within a wider Facilities Management (FM) contract. The preferred option was deemed to offer the best value for money to the Council in terms of access to providers, risk and overall value for money.

4. Report Background

- 4.1 There is currently a breadth of different service standards, costs, delivery processes and arrangements in place for Building Security Services across the Council. These reflect the historical arrangements in place in the County, District and Borough Councils operating prior to the establishment of NNC in April 2021.
- 4.2 The arrangements inherited from the existing contracts are largely considered to be sub-optimal. In the main, performance has been acceptable, but, there is ample opportunity for improvement and efficiencies. Fragmentation of arrangements has meant there is little consistency in the service.
- 4.3 In this context, the Council wishes to identify both the optimum forward arrangements and the preferred procurement route for accessing a more consistent, appropriately integrated, harmonised and, if required, rationalised Building Security Service across the Council.
- 4.4 There is an expectation that TUPE will not apply between the Council and the new contractor. Some Council employees undertake tasks which could be outsourced; however, it is not thought that the level of change to individual job descriptions and roles would be of a level to trigger TUPE. Any impact to individual staff members will be managed in consultation with the staff concerned.
- 4.5 TUPE will apply between the existing external providers and the new provider and may also apply to the people who currently provide services via agencies as these services will be in scope for the new contract.

5. Issues and Choices

- 5.1 The forward service arrangements seek to provide consistent service standards to the existing portfolio of properties, unless there is good reason not to. They will involve no diminution of currently specified services.
- 5.2 In doing so, the Council's client-side Technical Team are revisiting the Building Security standards for each building to devise a narrow range of standards which can be used across the property estate. The arrangements will meet a number of Council operational objectives including:
- harmonisation of approaches and standards
 - adequate capacity to deliver the specified standards (frequencies, locations and service quality expectations)
 - resilience in resources
 - eradication of current service inefficiencies
 - investment in management systems/production of robust business intelligence
 - scalability and flexibility (to add additional services or/and services to additional buildings).
- 5.3 The new Service should allow for any additional Council-owned or leased buildings not within the current service scope to be included at a later stage and for existing buildings to be removed from the contract scope during the contract period, if desired.
- 5.4 An options identification and appraisal has been undertaken to identify how best to access the most appropriate set of arrangements available to the Council to meet its operational expectations. These arrangements include:
- An affordable and sustainable Building Security solution
 - Building security provided to the desired level in all in-scope buildings
 - Sufficient capacity to deliver services to the specified standard
 - Optimised service delivery moving forward.
- 5.5 Acknowledging the desire for consistency and a preference for TUPE to apply, then the headline options explored were as follows:
- **Direct in-house** delivery of services through a Council-employed Building Security Team
 - Procuring a single Building Security Services provider through a **dedicated competitive tendering exercise** to deliver all services on a contractual basis for an agreed period (this could be adapted to break the Council area into a small number of lots as a variation on a theme)
 - Reaching through **an established framework agreement** to appoint one or more Building Security Services providers (thus avoiding the need for/cost of a separate dedicated procurement exercise).

- 5.6 In order to establish an inhouse security service, the following functions would need to be established:- 1st responder, lock/unlock, remote monitoring, patrols, SIA licencing, with sufficient staffing resilience (including management capacity) and suitable roles to attract staff to unsociable hours contracts. It is expected that this would be more expensive for the Council to undertake than a private organisation. Added that the provision of security services is not the Council's core business, this option was discounted.
- 5.7 Incorporation within a more fully integrated FM contract was ruled out for the time-being due to specialisms in many Security roles and the need for resilience of staff cover for unsociable hours, in particular. It also aligns with other decisions to retain a standalone Cleaning Service contract in the medium term (with cross-Council alignment in the first instance with potential for further inter-service integration to be explored thereafter).
- 5.8 In exploring the options, it became apparent that use of established framework agreements would exclude current Council Building Security providers from the process. It was also evident that there was a shortage of Northamptonshire-based businesses who would have the opportunity to pursue the contract. Similarly, building a new North Northamptonshire framework agreement was discounted given the time constraints for existing contracts and the preference.
- 5.9 Drawing on a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis, the preferred option is to procure a single Building Security Services provider through a dedicated competitive tendering exercise to deliver all services across North Northamptonshire. This route offers several potential advantages, including:
- allowing the Council scope to specify requirements – including investment and systems expectations - in full, from the outset
 - placing accountability on one provider to deliver services at a price and to a quality specified in their tender response
 - Ensuring as many companies as possible have the opportunity to bid for the contract, including local Northamptonshire based firms.
 - securing economies of scale not available through smaller bespoke (re)procurements/ arrangements
 - offering stability and security throughout the contract duration (assuming the performance targets are met)
 - TUPE would likely apply for relevant Authority and supply chain staff.
- 5.10 Initial preparation work around the process is currently being undertaken by the Procurement and technical teams, with discussions having commenced around extending current provision where necessary until the proposed procurement has been completed.
- 5.11 Appropriate steps will be taken to ensure any procurement route will be fully compliant with the UK Procurement Regulations and will be approved by the Council's Procurement Team.

- 5.12 The new contract is expected to take at least 6 months to procure and, as such, interim contractual arrangements will need to be implemented with incumbent security providers, working to existing budget constraints.

6. Next steps

- 6.1 The next steps are as follows:
- a. Confirm the preferred procurement route
 - b. Finalise the scope of services, list of buildings and the preferred service standards to be specified
 - c. Ensure contractor innovation, investment and scalability are included as key requirements
 - d. Progress market engagement in a manner that complies with Council procurement rules.

7. Implications (including financial implications)

7.1 Resources, Financial and Transformation

- 7.1.1 The proposed arrangements seek to work within the allocated revenue budgets for the impacted service.
- 7.1.2 The delivery routes (including the procurement options) were subject to a SWOT analysis considering a breadth of issues around affordability, deliverability and flexibility; as well as both value for money and potential risk.
- 7.1.3 The Council currently spends circa £370k per annum on security arrangements across its estate. The new contract is proposed to to be a three plus one year contract, which aims to ensure flexibility such that the level of security service provided can be reduced (or increased) should changes in buildings arise following the council's asset rationalisation programme or the security requirements for a locality change.

7.2 Legal and governance

- 7.2.1 There is a requirement to comply with Public Contract Regulation 2015 and the Council's financial and constitutional procedures regarding any of the future options.
- 7.2.2 The Public Contracts Regulations 2015 requires contracts for supplies and services of more than £213,477 to be tendered in accordance with the regulations.

7.3 Relevant Policies and Plans

- 7.3.1 The procurement will seek bidder solutions that align with the Council's Corporate Plan commitment to deliver Modern Public Services.

7.4 Risk

- 7.4.1 Failure to provide appropriate arrangements and associated resources for this service may contribute to deterioration of the Council's estate and associated health and safety and reputational risks.
- 7.4.2 Failure to secure sufficient capacity via a third-party provider is likely to continue to lead to under-performance of the service.
- 7.4.3 Continuation of the current fragmented arrangements sustains current levels of underperformance and will have both management and re-procurement cost implications.
- 7.4.4 Failure to enter into affordable and flexible arrangements may see the Council unable to fulfil its commitments to service continuity, customer service, safeguarding and value for money.
- 7.4.5 Ensuring both a safe operating environment for council staff and that our assets are suitably secured is vital to safeguard the provision of services and staff. Having contractual access to sufficient and suitably qualified security arrangements, therefore, mitigates the above risk.

7.5 Consultation

- 7.5.1 No external consultation is required as part of this decision.

7.6 Consideration by Executive Advisory Panel

- 7.6.1 This item has not been considered by an Executive Advisory Panel.

7.7 Consideration by Scrutiny

- 7.7.1 This item is eligible to be reviewed by the Scrutiny Commission as part of their work plan.

7.8 Equality implications

- 7.8.1 An equality impact assessment will be in place as part of the project and cover the TUPE transfer process and the terms of the selected contractor.

7.9 Climate and Environment Impact

- 7.9.1 Appointing a single provider is intended to have a number of climate change mitigation benefits arising from
 - Improved resource deployment
 - More modern (and environmentally friendly) plant and equipment
 - Enhanced use of management information to plan and deliver services.

7.9.2 Within the procurement, bidders will be requested to demonstrate how they are supporting climate change through reductions in their carbon emissions, which might include switching to low carbon vehicles, sustainable procurement practices or removing reliance on paper.:

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7.10 **Community Impact**

7.10.1 Improved building security will help to maximise benefits for customers and community-oriented service delivery through safer and more secure public buildings. The proposed route aims to provide flexibility to change service delivery arrangements as product innovation emerges to further improve security, safety and value for money moving forward.

7.11 **Crime and Disorder Impact**

7.11.1 None arising directly as a result of this paper.

8. **Background Papers**

8.1 None