

<b>13 March 2024</b>		<b>ITEM: 23</b>
<b>Decision: 110718</b>		
<b>Cabinet</b>		
<b>Total Security Solution Contract Procurement</b>		
<b>Wards and communities affected:</b>	<b>Key Decision:</b>	
All	Key	
<b>Report of:</b> Councillor Barry Johnson, Portfolio Member for Housing and Children Services		
<b>Accountable Assistant Director:</b> Ewelina Sorbjan, Assistant Director of Housing and Development		
<b>Accountable Director:</b> Ian Wake, Corporate Director of Adults, Housing and Health		
<b>This report is</b> Public with exempt appendices. Appendix 2, 4 and 5 by virtue of part 1 of Schedule 12A of the Local Government Act 1972 are exempt because they contain information as set out in category 3 relating to the financial or business affairs of any particular person		
<i>If the report, or a part of this, has been classified as being either confidential or exempt by reference to the descriptions in Schedule 12A of the Local Government Act 1972, it is hereby marked as being not for publication. The press and public are likely to be excluded from the meeting during consideration of any confidential or exempt items of business to which the report relates.</i>		
<i>Appendix 2 -Service Requirements is exempt for the purpose of this report</i>		
<i>Appendix 4 – Draft Stage 1 Form is exempt for the purpose of this report.</i>		
<i>Appendix 5 – Cost Specification Report is exempt for the purpose of this report.</i>		
<b>Date of notice given of exempt or confidential report: 5 March 2024</b>		
<b>Version: Final / Cabinet</b>		

## Executive Summary

This report seeks approval for an integrated Total Security Solution Contract for the period 2024/25, combining concierge, static guarding, access control, and intruder alarm response call outs. This procurement exercise allows for one contract model to be in place of multiple security contractors across the council via a compliant framework agreement.

The report reviews the options considered to continue delivering security services in a more effective and efficient way.

The key findings support a combined security solution for the following reasons:

**Increased Costs** – Current security costs could increase having different unaligned contracts in place with various contractors.

**Expensive In-House Model** - An in-house Council team delivering this combined security service is the most expensive model to implement compared to an outsourced integrated security solution.

**Controls Expenditure** - One contract helps to control and monitor security costs across the council.

**Reduced Costs** - An opportunity to scale up an Intruder alarm response service in council owned buildings to reduce static guard costs.

**Other Services** – This gives the opportunity to purchase wider security services in performing our current duties, legal requirements now and in the future e.g., fire warden, vacant property safety, event security, etc., to a diverse range of portfolio sites.

**Efficiency** - Key Performance Indicators (KPIs) will help to measure the effectiveness and efficiency of this security contract in relation to overall performance, cost, contract utilization and social value.

### **Government Intervention & Section 114**

In July 2022, the Council was made aware of concerns around the valuation of specific investments. A review process commenced, and the initial findings highlighted significant concern about three investments and the position was shared informally with the Department of Levelling Up, Housing and Communities (DLUHC).

On the 2 September 2022, DLUHC announced directions to implement an intervention package at the Council.

The Secretary of State exercised his powers under section 15(11) of the Local Government Act 1999 to give a Direction without complying with the requirement at section 15(9) to give Thurrock an opportunity to make representations about the Directions, as he considered the failures of the Council's compliance with its Best Value duty in respect of the functions specified in the Directions sufficiently urgent. This was because of the following:

- The scale of the financial and commercial risks potentially facing the Authority, which were compounded by the Authority's approach to financial management, and the seriousness of the allegations that were made by third parties about the processes applied to the operation of the Authority's commercial strategy, and.
- The failure of the Authority to provide assurance to Ministers and the Department on the adequacy of the actions that the Authority was taking to address the issues, taking account of the scale and pace of the response required.

The Secretary of State nominated Essex County Council to the role of Commissioner.

On 19 December 2022, the Council's Acting Director of Finance & Section 151 Officer issued a report under Section 114 of the Local Government Finance Act 1988. This advises Councillors that the Council faces 'a financial situation of an extremely serious nature.'

Since that period, the Council has continued to operate under the s114 Notice and is collaborating with Commissioners to tighten its financial management procedures.

## **Commissioner Comment:**

Commissioners have been consulted on the content of this report and agree with the recommendations made.

### **1. Recommendation(s)**

- 1.1 To approve the procurement for an Integrated Total Security Solution Contract across council departments.**
- 1.2 To delegate authority to Corporate Director in consultation with the Portfolio Holder to award this contract following the PCR 2015 and the Council's contract procedure rules.**
- 1.3 To note that the new security contract will have a term of 3 years with an option to extend for further 2 years making the total contract term 5 years.**

### **2. Introduction and Background**

2.1 Current contractual arrangements: There are four Council departments using different security contracts detailed below.

2.2. The existing contracts includes:

2.2.1 Social Housing – Chadwell St Mary, Chadwell St Mary – 273 properties

The core service is as follows. 24/7 Concierge service – controlling entry and monitoring all visitors to the building, and patrols. Funding for this service recovers from tenant and leaseholder service charges in the Housing Revenue Account. The contract value is circa £284k per annum. This contract has been extended until 30 September 2024.

2.2.2 Sheltered Housing – Pigg's Corner, Grays Thurrock – 82 properties.

The core service is as follows. 24/7 Concierge Service – controlling entry and monitoring all visitors to the building, and patrols. Funding for this service recovers from tenant service charges in the Housing Revenue Account. The contract value is circa £140k per annum. This contract has been extended until 30 September 2024.

2.2.3 Homelessness – Brook House, Grays Thurrock – homeless hostel ten units

The core service is as follows. 55 hours per week, controlling entry, greeting visitors, and conducting building patrols. Funding for this service comes from the General Fund Account. The contract value is circa £112k per annum. An extension until 30 September 2024 is currently being considered by SAP.

2.2.4 Facilities Management – Civic Office and Thameside, Grays Riverside

The core service is as follows. 136 hours per week, general building security services and out of hours evening and nights security. Funding for this service comes from the General Fund Account. The contract value is circa £150k per annum.

2.3 The drawbacks to these current contractual relationships are:

- Higher prices paid by different departments as small value contracts reduces the councils bargaining power.
- Higher management and administration costs to the council.
- Lower social value contribution in small value contracts.
- Lower levels of trust in small value contracts.
- Reduced collaboration and shared benefits of a long-term partnership.

### **3. Service Model Options and Analysis of Options**

- 3.1 Appendix 1 presents a high-level option appraisal of potential security delivery models for residents, staff, and public safety at sites 2.2.1 to 2.2.4. The findings helped, to reshape our service requirements.
- 3.2 Key findings were as follows:
- 3.3 The options appraisal has four different service delivery models to keep residents and the civic building protected.
- 3.4 The preferred option retains the current specification but with appropriate revisions to improve service delivery and effectiveness.
- 3.5 Appendix 2 contains the proposed Total Security Contract service requirements.
- 3.6 Table 1 presents the current services to fulfil our existing duties and allows the purchase of further security services in the future to fulfil other legal requirements within this new contract.

Table 1

<b>Current Service Requirements</b>	<b>New Additional Security Services</b>
Concierge – meet and greet controlled entry	Flexibility for other council departments to join and access security services.
Customer Service – friendly, polite, and helpful	Waking Watch Fire Warden Service – This covers the protection of residents and buildings in response to fire safety issues.
Mobile security patrols to deter unauthorised visits through inspection and patrol of the exterior areas	Static Guards to protect residents and Thurrock public buildings and assets.
Patrol System Technology	Response to alarms and key holding for out of hours Thurrock public buildings.
Keyholder/Out of Hours Response	Site Security to protect Thurrock public buildings and assets.
Relief SIA [Security Industry Authority] Security Guards	Event Security at council civil events.
General Building Security to ensure doors, windows, and car parks are secure	Vacant Property Guardian Service for housing estates redevelopment e.g., Blackshots Lane, Little Thurrock Blackshots

3.7 The new contract will be three years with option to extend in annual increments for a further two years. The whole life value of this contract is above £500K and has a scope to control future expenditure on security services.

#### **4. Analysis of Security Contract Options**

4.1 The following options have been considered before recommending entering this tender for procurement. Table 2 represents a summary of those high-level options considered in Appendix 3.

Table 2

No.	Description	Outcome
1.	Do Nothing	High security concerns for vulnerable residents and women and children living in Chadwell high rise /sheltered housing / homeless hostel, increases in Anti-Social Behaviour and the adverse impact on customer satisfaction this option was rejected.
2	In House/Direct Management	This model is expensive for tenants, leaseholders, and the Council. An in-house team would incur higher staffing costs, overheads, and TUPE cost to accommodate existing and new employees. This option was rejected because of high cost and the council's aim of reducing its staffing base.
3	Total Security Service	This model provides the council the following benefits: Long term partnership arrangement, potential of collaboration and innovation in security services at diverse range of sites. A higher social value contribution having one large contract in place rather than small, bundled lots. Increased flexibility for other departments to join this contract in the future. New and extra security services available to protect council assets. Procurement under a framework agreement helps to ensure competitive pricing, drive savings, and improve efficiencies. This was the preferred option.
4.	Single Contract	Small contracts have some drawbacks, such as higher risk and lower competitiveness to secure a contractor. This option was rejected because we would not want to issue four small separate contracts due to the costs involved.
5.	Bundled Contract	A bundled contract could combine some services together into smaller lots. However, this option has a combination of high risks, unlikely to provide best value for money and quality may vary across services, resulting in service inconsistency. This option was rejected because of the higher contract management resource requirements and costs than having one contractor.
6.	Hybrid Contract	This option is like five. However, in this instance, some bundles are delivered in house rather than bought. This option was rejected because of the high costs involved for the council to have an in-house team expanded to deliver some of these services.

- 4.2 The Procurement team has agreed that Housing lead on the procurement of the Total Security Solution tender. The different routes to market available include open tender and compliant framework agreement, with differing timescales, but Housing has opted for a compliant framework agreement to achieve administrative efficiencies.
- 4.3 The use of a compliant framework agreement will mean the suppliers have already been vetted and can provide the required services. All suppliers on the chosen framework (or Lot) will be invited to tender. It may be possible to undertake an expression of interest exercise to gauge supplier interest before commencing the further competition.
- 4.4 Different framework user guides were considered e.g., ESPO, CCS and NHS before Housing selected ESPO Framework 377\_22 Security Services. This includes all aspects of the Council's requirements for a Boroughwide security solution as laid out in the Service Specification in Appendix 1. The award criteria will be 50% quality and 50% price. This is also the award criteria preferred by the Council's Commissioners.

4.5 The expected benefits of tendering out this service include:

- Improvement in our contract specification requirements and expanding the service to protect Thurrock's building assets and to keep vulnerable residents safe.
- Continuation of security services to protect residents and council assets.
- Value for money through the tendering competition process.
- One security service able to co-ordinate a response to our security requirements across the Council.
- A larger contract value provides a larger social value benefit for residents.

4.6 Appendix 4 presents the draft Stage 1 Form Approval to proceed to Tender.

## **5. Budget Analysis**

5.1 The Budget Specification Report in Appendix 5 presents a high-level breakdown of current budget spend in comparison to the proposed contract service requirements.

5.2 Key findings are as follows:

5.3 The total current budget for Housing and Corporate Services totals £536k per annum.

5.4 The estimated Frameworks costs, fall in the range of £509,758 to £612,943 per annum or a total contract value of £ 2,548, 790 to £3,064,715 for five years. These top and bottom contract values are budgeted annually within Housing Revenue Account (HRA) and Housing General Fund (HGF).

5.5 The bottom contract value has a potential in saving costs to the Council in procurement. Other benefits include a better contract in terms of service quality, flexibility, and, therefore, better value for money as a whole contract.

5.6 The contract price shall be fixed for the first two years and there after subject to an annual price review based on the increase of Consumer Price Index (CPI). The purpose of the price review is determine if a change of price shall apply for the next 12 months.

5.7 Whilst the costs of the new contract to the Council will be higher we are expecting the following non-financial gains:

- Benefits to the community from innovative Social Value
- Contract efficiencies such as: clear requirements, key performance indicators so suppliers can be held accountable, sustainability, cost control
- A supplier that is licensed by the SIA (Security Industry Authority) as well as meeting the requirements of the framework agreement in terms of financial stability, track record and experience
- Ability for continuous improvement
- Ability to identify and manage risks
- Customer satisfaction

## **6. Timetable for Procurement and Award**

6.1 It is anticipated that the following timescales will be applied, see Table 3. Changes may be made by Officers to any of these dates if this action is delayed beyond the control of the council.

Table 3

<b>Key Event</b>	<b>Estimated Timeline</b>
Tender Publication	01/04/2024
Deadline for clarification requests	24/04/2024
Closing date for Tender submission	01/05/2024
Notification of result of evaluation	22/05/2024
Standstill period	10 days*
Leaseholder Consultation [Section 20}	35 days*
Expected date of award of Contract	21/06/2024
Contract Commencement	01/10/2024
Contract End	30/09/2024

\* these dates can run in parallel

\*\* assuming a total contract term of 5 years

6.2 Each department involved has apportioned costs budgeted for in HRA and HGF.

6.3 Housing and Corporate Services shall manage their own contractual relationship with the appointed supplier separately to ensure their service requirements are adhered too.

## 7. Reasons for Recommendation

7.1 This report is submitted to Cabinet in accordance with the Council's Contract Procedure rules to seek approval to proceed to tender for a contract with a whole life value above £500k.

7.2 The decision to procure cannot be deferred.

## 8. Consultation (including Overview and Scrutiny, if applicable)

8.1 The residents at Chadwell St Mary, Brook House and Piggs Corner will have their say on how they want the new service to operate and support vulnerable residents.

8.2 Leaseholders in Chadwell St Mary affected by this decision will also be consulted Under section 20 of the Landlord and Tenant Act 1985 [amended by section 151 of the Commonhold and Leasehold Reform Act 2002 regarding the Total Security Solution Contract for which they must pay.

## 9. Impact on corporate policies, priorities, performance and community impact

9.1 This security service will support Housing and the Police to manage and tackle crime, disorder on estates, and improve the health and wellbeing of residents to live in a safe and secure environment.

9.2 The Council's Social Value condition in this contract will secure community benefits, such as a mix of local recruitment, apprenticeships, event sponsorship, etc. in Thurrock.

## 10. Implications

### 10.1 Financial

Implications verified by: **Andy Michaelides**



## **Senior Management Accountant**

The current housing contracts are budgeted for within the Housing Revenue Account and General Fund 2023/24 and extended to 2024/25 to fulfil our legal requirements.

A competitive procurement process will aim to procure a new security contract, with enhanced performance delivery outcomes, including maximising social value to the local community and value for money for residents in awarding a contract.

### **10.2 Legal**

Implications verified by: **Kevin Molloy**  
**Principal Solicitor Contracts Team**

Following issue by the Council of a s114 notice, the Council must ensure that its resources are not used for non-essential spending. The contract at issue here is essential and related to the provision of essential Council services. In procuring the services outlined, the Council must observe the obligations upon it outlined in national legislation and in its internal procurement rules. Officers should ensure Legal Services are kept informed as they progress through the procurement.

### **10.3 Diversity and Equality**

Implications verified by: **Roxanne Scanlon**  
**Community Engagement and Project Officer**

The re-procurement of the housing concierge element of this contract does not involve any changes to service delivery of operational practices to residents. However, a community equalities impact assessment will be conducted to ensure our decision-making process and service does not present barriers or disadvantage any protected groups.

The service remains front line aimed at enhancing the quality of life on estates which will benefit all equality and diversity groups and particularly address those who may feel vulnerable in their home and environment.

The procurement process will establish a suitable list of tenderers who can evidence their commitment to the council social value priorities and demonstrate excellent practice in employment including equal opportunities, recruitment, training and staff term and conditions.

### **10.4 Risks**

NA

### **10.5 Other implications (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, or Impact on Looked After Children**

There are no direct staffing implications for the Council arising from this report although there is the potential for TUPE between the existing security contractors at Chadwell St Marys, Piggs Corner Civic Offices and Thameside and the new security contractor. Staffing costs will

need to be obtained from the current providers before we go out to tender and will only be shared with potential bidders upon completion of a confidentiality agreement.

Security services will protect both the council's assets, staff, and members of the public against anti-social behaviour. The security provision can also cover the council's civil events.

Security staff provide customer service at tenanted high-rise blocks, sheltered housing, hostel shared accommodation and the council civic offices. The appointed supplier must comply with all the relevant council policies and procedures.

**11. Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Housing Re-procurement of Concierge Contract, 10 March 2021.  
[Report Template \(thurrock.gov.uk\)](https://www.thurrock.gov.uk)

**12. Appendices to the report**

- Appendix 1 Service Delivery Model Options
- Appendix 2 Total Security Contract Service Requirement [**Exempt**]
- Appendix 3 Options Appraisal Report
- Appendix 4 Draft Stage 1 Form – Approval to proceed to Tender. [**Exempt**]
- Appendix 5 Cost Specification Report [**Exempt**]

**Report Author:**

Dulal Ahmed, Housing Enforcement Manager, Private Housing & CCTV Enforcement  
Peter Doherty, Head of Housing Operations