

Appendix 3

TOTAL SECURITY SOLUTION – OPTIONS APPRAISAL

Number	Option	Comments
1	Do Nothing	<p>Given the many risks identified with us do nothing, for example, the potential security concerns for residents and women and children living in Chadwell high rise / hostel B, increases in ASB and the adverse impact on customer satisfaction this option was rejected.</p>
2	In-house/Direct Management	<p>This would result in the Council retaining full control and flexibility, but it also means it takes all the risk in terms of direct delivery. As a result, it is likely to be the most expensive and complex model to implement.</p> <p>As an in-house team we would incur the overheads and TUPE costs for the infrastructure to accommodate the existing and new employees and in supporting staff, resulting in higher service charge cost to tenants and leaseholders.</p> <p>There are however some benefits to this model. We could expect better customer service. Direct management would give us more direct control of resourcing and would simplify the implementation of change and continual improvement removing the need to agree changes through an external management team. Direct management would also allow us to improve information sharing between concierge and council staff. Additionally, we would have the scope for partnership working and/or blending roles within locality delivery models.</p> <p>On balance we rejected this option because of the high costs involved and whilst it is acknowledged that we have a small in-house security team there is not the appetite to increase the size of the team. Moreover, this would run contrary to the Council's aims of reducing its staffing base.</p> <p>The current contracts are budgeted for within the Housing Revenue Account at a cost of £511K and General Fund £87K.</p>

		<p>The costs of the new contract(s) could be in the region of between £605,115 to £725,414. It should be noted for the concierge services (Chadwell high rise and Piggs Corner) that any additional costs will be met by tenants and leaseholders. All other costs would have to be met by the General Fund for Hostel B.</p> <p>It should also be noted that a separate recharge and service charge review is planned in 2024/25.</p>
3	Total Security Service	<p>Re-procuring the contract would allow us to test the current market. It would provide certainty to the service users and staff for the coming years, and potentially allow us to build on the existing service by introducing new elements and working practices.</p> <p>This option is likely to score well on value for money and risk and could increase flexibility. This could bring the expertise of a market leader who has the experience and track record in running efficient services, delivering service quality improvements, can provide cost certainty and deliver savings.</p> <p>As we look to streamline our security team function, we will have less reliance on contract guards, but will see a need for other services such as alarm response, key holding and lock/unlocks. Moreover, this option would allow us to have a degree of flexibility in bringing in additional resources should the need arise in the future.</p> <p>The bigger the contract the larger the social value contribution / benefit to the community engagement and the larger the savings delivered through the economies of scale. There are however some potential risks – this delivery model involves many aspects of control handed directly to the contractor which is a risk and the larger the contract then the potential for losing that ‘personal touch.’ A competitive re-procurement will reveal market rates and may offer savings, but this is by no means certain and cannot be quantified. In addition, no matter how thorough the selection process is, a new contractor could diminish rather than improve the service.</p>

		<p>On balance we recommended this option because we thought it would offer the greatest savings to the Council and if managed properly could provide an improved service to residents and services. The option also aligns with the Council's vision and objectives and the procurement route (a further competition via a compliant framework agreement) helps to ensure competitive pricing, drive savings and improve efficiencies. Suppliers listed on the framework are assessed for financial stability, track record, experience as well as technical and professional ability. They must also be licensed by the SIA (Security Industry Authority).</p>
4	Single Contracts	<p>This contract will cover four service areas – Chadwell high rise (concierge only), Piggs Corner (concierge only), hostel (concierge only) and corporate services (security guards). Although this option might provide bespoke, high quality service delivery e.g. fire safety / evacuation at Piggs Corner and support local firms, having to manage a number of contracts is likely to result in much higher contract management resource requirements and costs and deliver no savings to the Council.</p> <p>Smaller contracts could mean risk and impact of failure is higher. The local market may mean less competition which means higher prices / less incentive for quality assurance. This option was rejected because we would not want to issue four small separate contracts due to the costs involved.</p>
5	Bundled Contracts	<p>This follows on from 4 above – although we would not want to issue four separate contracts, we might want to bundle the contracts. In this instance the most obvious way would be bundle those where there is a concierge requirement i.e. covering Chadwell high rise, Piggs Corner and Brook House, and to have a separate corporate contract.</p> <p>Having more than one contract would enable us to benchmark the services against each other. It would also provide a bit of resilience, in that we could 'buy-in' extra services or cover, from the contractors.</p> <p>This option highlights a combination of risks from all options. It is also unlikely to provide the best value for money and quality may vary across services resulting in a lack of consistency.</p>

		<p>This option was rejected because of the higher contract management resource requirements and costs than having one contractor.</p>
6	Hybrid Contracts	<p>This option is similar to 5. However, in this instance some bundles are delivered internally rather than bought.</p> <p>This means the Council retains part control and flexibility, but it also means it takes all the risk in terms of direct delivery which would be problematic given we do not have the resources in-house to provide some, or all, of the requirements.</p> <p>On balance we rejected this option because of the high costs involved and whilst it is acknowledged that we have a small in-house security team there is not the appetite to increase the size of the team. Moreover, this would run contrary to the Council's aims of reducing its staffing base.</p>