



Author/Lead Officer of Report:
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Report of: *Eugene Walker*
Report to: *Cllr Ben Curran*
Date of Decision: *18 November 2016*
Subject: *Delivery of Security Services and Reception services for Moorfoot and the Town Hall*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
- Expenditure and/or savings over £500,000		<input checked="" type="checkbox"/>
- Affects 2 or more Wards		<input type="checkbox"/>
Which Cabinet Member Portfolio does this relate to? <i>Cabinet Member of Finance & Resources</i>		
Which Scrutiny and Policy Development Committee does this relate to? <i>(Insert name of Committee)</i>		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
<i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i>		

Purpose of Report:

(Outline the decision being sought or proposal being recommended for approval.)

To extend the waiver allowing for the temporary procurement of the Security Services and Reception services for Moorfoot and the out of hours Town Hall until June 2017. The extension will facilitate an option appraisal of the future delivery model for this service and delivery of the chosen option.

Recommendations:

Having regard to the strategic and policy outputs outlined in Section 1 of the report, it is recommended that the Cabinet Member of Finance & Resources agree for an extension of the current temporary arrangements for delivery of Security Services and Reception services for Moorfoot and the Town Hall until June 2017.

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance & Commercial Services: Filip Leonard
		Legal: David Hollis
		Equalities: Michelle Hawley
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	EMT member who approved submission:	<i>Eugene Walker</i>
3	Cabinet Member consulted:	<i>Ben Curran</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>Dave Hempshall</i>	Job Title: <i>Head Of Asset Management</i>
	Date: 28/11/16	

1. PROPOSAL

- 1.1 Temporary arrangements were put in place at the expiry of the Kier KAPS arrangements in June 2016 in the form of a contract to facilitate the existing suppliers to continue to provide a Security service whilst the options for the long term service for Moorfoot and the Town Hall, are completed.

The future service will need to change in order to deliver the benefits set out in the Cabinet Report, therefore flexibility in the arrangements is essential.

The Business Need

The current security arrangements were provided as part of the Property and Facilities Management Contract via Kier KAPS sub-contract to ICS and Cordant. ICS provided static guarding at the Town Hall after 8pm and cover for the Town Hall Attendants throughout the day for sickness and leave. Cordant provided static, reception and patrolling guarding at Moorfoot 24hours per day throughout the year. Since the end of the contract with Kier KAPs the Town Hall attendants service has been brought in-house and the staff have TUPE transferred to the Council.

Due to an issue which prevented contract novation at the end of the Kier KAPS contract the Council has entered into short term contractual arrangements (via a “waiver” of the procurement process) with ICS and Cordant to secure the extension of their services on the same basis to the end of December 2016.

This report seeks to extend that arrangement for a further period of a maximum of 6 months as matters that have come to light mean it is not possible to complete the review and procure a new service provider before the expiry of the current arrangements.

The extension is necessary as whilst the Members objectives/’policy’ requirements for the service are clearly known as:

- Providing quality services, which meet the expectations of customers (both internal customers and the public)
- Maintaining risk (financial, legal, reputational and delivery) within acceptable limits
- Supporting the organisation to transform its services and deliver flexibly and differently
- Paying the Living wage

A detailed investigation into the service provided under the previous contract (within the Kier contract) has identified a number of complexities within the existing employment

arrangements. It is important to understand these complexities fully and whether a transfer under TUPE would prevail (due to the potential transfer of services) to ensure any transfer is undertaken in accordance with legislative requirements.

Whilst these further investigations will take some time, they have already started. Therefore, the request to extend the contract period for a further 6 months should be viewed as a maximum period and a worst case scenario. Ideally (and the current plan) is to agree a new delivery model for implementation at the start of the new financial year on April 1st.

2. HOW DOES THIS DECISION CONTRIBUTE ?

2.1 Public services that meet people's needs

The project aims to increase the coordination and effectiveness of Property and Facilities Management Services to improve the quality of service provision so that these services better meet the needs of their customers.

Work towards Sheffield being a Living Wage city

The project will ensure that all staff working on Property & Facilities Management Services are paid the foundation living wage, whether they are employed by SCC or an external provider.

Make the best use of public money to have the greatest impact for Sheffield

The project will change delivery of the Security service from that delivered within the Property and Facilities Management Contract. To better coordinate delivery and to achieve better value provision

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 Consultation in relation to any proposed transfer of the service has previously taken place with Trade Unions with respect to the changes proposed to the Property and Facilities management Contract. Further consultation specifically with respect to the Security provision will be undertaken in accordance with Council policy and process.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 HR implications

There are no HR implications in respect of the decisions to be taken in this document, ie the request to extend the existing arrangement. However there would be a number of associated HR implications relating to any proposed insourcing of this service should this decision be taken.

4.2 Financial and Commercial Implications

Further investigations is essential to ensure that the potential financial implications on delivering this service are both fully understood and any negative impact minimized.

4.3 Legal Implications

In delivering its services the Council is subject to the best value duty. This requires the Council to 'make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.'

The services are covered by the Public Contract Regulations 2015 and if an outsourced option is preferred any award of a contract above the relevant threshold of £164,176 will need to be via a compliant procurement route.

If the contract is extended then a waiver from the Council's Contract Standing Orders will be needed.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1** The alternatives to an extension of the current arrangements are to move to a "preferred delivery method", which could be
- Fully Insourced Delivery model
 - A new Contractor Delivery model selected by tender
 - A mixture of the above.

However, It is clear there are many significant risks for SCC in deciding on one of the above without further detailed consideration. Immediate implementation (without further investigation) could result in significant additional costs.

- 5.2** Do nothing – this is not an option otherwise the current arrangements would come to an end in December and the required services to allow security and safety at the buildings would not be provided.

6. REASONS FOR RECOMMENDATIONS

Having regarded the strategic and policy outcomes outlined in the report it is recommended that an extension of the current contractual arrangements is agreed to extend the current provision for a maximum of 6 months. Enabling a clear view of the options available, any risks and mitigation and allowing a decision on which option should be delivered.