

Report for: Cabinet – 9 March 2021

Title: Insourcing of Security Services

Report

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Ward(s) Affected: N/A

**Report for Key/
Non-Key Decision** Key

1. Describe the issue under consideration

1.1 This paper reports on work to evaluate the Council's future security provision services and seeks approval for the creation of an inhouse security team in line with the Council's Insourcing Policy.

2. Cabinet Member Introduction

2.1 Haringey's commitment to insourcing is grounded in a belief in public services, in public ownership and control, and that in taking responsibility for direct service delivery we can improve outcomes for our residents.

2.2 A new inhouse security service will allow us to respond to the changing profile of our buildings and how they are used. The Council will also have greater control over the service to improve management and performance in line with related teams within Operational Facilities Management.

2.3 By bringing the security service inhouse, the existing workforce - the majority of whom have worked for Haringey for five years or more - will benefit from significantly improved terms and conditions including better pay, annual leave, sickness and pension entitlement through the Local Government Pension Scheme (LGPS).

2.3 The security workforce employed by the current provider is also overwhelmingly comprised of local staff with over 95% living in the Haringey and the remainder living in neighbouring boroughs.

2.4 Increasing the number of locally employed people with secure jobs who benefit from the Council's excellent terms and conditions is at the heart of Haringey's approach to the way we contact services under the Insourcing Policy.

3. Recommendations

3.1 That Cabinet approves the insourcing of corporate security services from the current provider United Guarding Services (UGS) in accordance with the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations.

4. Reasons for decision:

4.1 In October 2019 Haringey's Cabinet approved and adopted an Insourcing Policy. The Insourcing Policy includes a commitment to a structured approach to support sustained progress on this agenda by:

- making it easier for us to work collaboratively with our communities in the design and delivery of public services which reflect what they need, recognising that service delivery is a core element of our relationship with residents.
- strengthening our organisational sustainability and resilience, by further developing the skills and knowledge of our workforce; and our organisational capacity and infrastructure.
- increasing the numbers of locally employed people who will benefit from the excellent terms and conditions we offer as an employer.
- opening services to increased scrutiny and accountability to drive improved outcomes; and,
- squeezing the maximum financial and social value from each pound spent.

4.2 The Council's Facilities Management (FM) service was the first major insource initiative brought inhouse following the publication of the Insourcing Policy. The initial Cabinet decision to undertake an insource of FM in 2019 noted that 'a review of security services will be conducted in a later phase to identify the most appropriate delivery model'.

4.3 Following completion of the core FM project, a further service review was undertaken by officers to identify the Council's needs in relation to security. This service review was tasked with reviewing a range of options to consider what future security arrangements would be most appropriate for the Council in future. The scope and findings of the review are set out in Appendix 1 of this report.

4.4 In order to meet the needs of staff, visitors, and residents, it is essential to have safe, welcoming, and well-maintained buildings. Security has a crucial role in supporting that objective and by bringing the team and staff inhouse, the Council will have a greater degree of control over the management of this service.

- 4.5 The Council's Asset Management Plan sets out how the Council will approach future decisions about its estate. As we move forward beyond the Covid pandemic, it will be important to continue to ensure we have right buildings to support the delivery of services for our residents.
- 4.6 As part of the service review and following consultation with a number of other local authorities who employ inhouse security or concierge teams, it was clear that a directly employed security service is better placed to respond in a more agile and innovative way to the Council's future property portfolio changes.
- 4.7 A dedicated security team would help to meet the evolving needs of the Council to improve the customer experience and overall management of buildings. As a highly visible team that constitutes the first point of contact for many service users as they enter our buildings, the creation of an inhouse security team will enable the Council to have direct control, performance management and consistency of service in line with our other front-facing services.
- 4.8 Through regular Security Industry Authority (SIA) led training and the promotion of Haringey's corporate values, incoming security staff will be subject to the same standards as current Council staff within the Operational Facilities Management (OFM) service, under the same management team, to create a more coherent and effective service.
- 4.10 Combining functions within a new operating model such as static security guarding with an increased focus on customer-facing or 'way-finding' roles, as well as a greater emphasis on building maintenance checks, will allow incoming security staff to develop a broader range of skills to adapt more flexibly to the way we run our buildings in future.
- 4.11 It is recognised that this more holistic approach to security and facilities management will lead to a new operating model within the OFM service. While a future inhouse team with enhanced roles and responsibilities, and improved terms and conditions, is more financially expensive when compared to maintaining external provision it still represents the best value solution with the added social value, greater flexibility, and improved front line customer service offer.
- 4.12 These social value calculations are set out explicitly within the Enabling Framework contained within the Council's Insourcing Policy. Haringey's approach to Community Wealth Building also puts an emphasis on the Council using all its available levers to build the prosperity of local people and communities economically, through employment, and socially, with an emphasis on those who are working in lower-paid employment.

5. Alternative options considered

- 5.1 **Maintain existing service externally** – this option does not deliver in terms of the Council’s wider insourcing policy objectives. Bringing security inhouse will allow the Council to realise additional service benefits by implementing a new operating model that will embed the team within OFM and enhance security officers’ roles and responsibilities in line with improved terms and conditions. Third party provision of security does not provide sufficient levels of control to drive service improvements and ensure that the service is managed in line with other teams within the OFM service. Whilst this option had the potential to deliver greater financial savings, it did not deliver on the social value calculator contained within the Enabling Framework set out in Appendix 1.
- 5.2 **Hybrid Insource** – Various options have been explored in which part of the service was brought in-house, whilst other elements continued to be provided through third party provision. These options are set out in more detail in Appendix 1 and were not progressed because they did not provide sufficient assurances over the cohesive management and control of the service and increased the operational risk by splitting the fixed security element of the service through two providers. A hybrid option would not fully meet the core objectives identified within the Insourcing Policy and would dilute the social value benefits derived from a full insource.
- 5.3 **Concierge Model** – The service review also considered a model staffed by concierge officers without SIA accreditation. This was not considered operationally robust enough to ensure the highest standards of safety for staff and visitors based on existing data regarding security incidents in Haringey over the previous five years. It was noted that this model may be operationally viable under different circumstances where the corporate estate was rationalised to one central building.

6. Background information

- 6.1 The Council has a duty to ensure the safety of its staff, visitors, and buildings. There are two specific legal duties for the Council to consider.
- 6.2 The Health and Safety at Work etc Act 1974 (HSW Act) provides that employers have a legal duty to ensure, so far as it is reasonably practicable, the health, safety, and welfare at work of their employees.
- 6.3 The Management of Health and Safety at Work Regulations 1999 further set out that employers must consider risks to employees, including the risk of reasonably foreseeable violence; decide how significant the risks are; decide what to do to prevent or control the risks; and develop a clear management plan.
- 6.4 Accordingly, any modification, to existing security provision will need to be thoroughly risk assessed to ensure that it meets current operational needs. Specialist security advice will be taken in setting up the new team to support the risk assessment process, the development of operational procedures, and a

resource deployment model, to ensure that security staff are assigned where they are needed.

- 6.5 Over the past five years, UGS have responded to 814 security incidents across the various buildings within their scope in Haringey. These security instances can range from security and fire alarm response, site visits, trespassing, violence and aggression, and injury.
- 6.6 Of the total incident responses, 143 of these involved intervention in aggressive or potentially violent scenarios requiring specialist Security Industry Authority (SIA) skills and training.
- 6.7 This data gives a strong evidence base for the need for all inhouse security guards to be SIA-trained and accredited to deal with incidents of violence and aggression in our public buildings.
- 6.8 It is acknowledged that a future inhouse service model will necessarily require a relationship with an external SIA-accredited security provider to provide contingent and ad hoc support to the future inhouse security team. The commissioning of such services will be completed in accordance with the Council's constitution and has been modelled at £85k per annum to provide essential support to the inhouse team.
- 6.9 The third-party provider will be expected to provide contingency support for all the various security functions required above in both planned and ad-hoc circumstances. The third-party provider shall be subject to regular review and amendment throughout the contract period and will be flexible in implementing such changes.

7. Financial Information

- 7.1 The service review concluded that further investment into the service of £0.178m per annum comprising staff and non-staffing costs was required to deliver a viable in-house model. This additional funding will provide the resources needed to staff the service to meet health and safety statutory requirements.
- 7.2 By increasing the front-facing and facilities management responsibilities within the inhouse security team, as set out in s4.10 above, the service review sought to minimise the additional funding required to staff the service by embedding security more fully within the OFM service through an enhanced operating model.
- 7.3 Non-staff costs, which are covered by the current provider, are comprised of vehicles, communications equipment and IT required to support a fully functioning service.

7.4 Additional service costs are laid out in the Table 2 below:

Table 2: Service Costs for Operational Facilities Management

| Cost £'m | Current Service | Inhouse Model | Variance |
|------------------------------------|------------------------|----------------------|-----------------|
| Staff Costs | 0.000 | 1.260 | 1.260 |
| Third Party Provision | 1.223 | 0.086 | (1.137) |
| Security Vehicles and Equipment | 0.000 | 0.050 | 0.050 |
| Total Service Cost | 1.223 | 1.402 | 0.178 |

7.5 Within the above, £0.698m relates to the provision of security services. In order that the service has the required funding to function at operational capacity, Council agreed at its budget setting meeting of the 1st March 2021 to increase the budget available for the service by £0.178m. This funding will ensure that the inhouse service has the required number of SIA-licensed security guards to manage the fixed element of our security provision. The additional funding will also secure the good quality communications equipment and vehicles that will support the overall service.

7.6 It is envisaged that the £0.178m required will reduce over time as the corporate estate changes to meet the new needs of the organisation. Modernisation of buildings and a greater use of technology will also contribute to a reduction in service costs over time.

8. Contribution to Strategic Outcomes:

8.1 Using the modelling established as part of the review, we can ensure our security spend is consolidated and targeted at the areas where there is an appropriate level of risk.

8.2 Combining a future security review with ongoing strategic reviews such as Accommodation Strategy, New Ways of Working and the Recovery and Renewal programmes will ensure that the way we manage our buildings is more effective and efficient.

8.3 Security is a necessary service to protect the Council's assets, staff and residents and supports several Borough Plan priorities relating to Your Council, People and Place.

- 8.4 Finding better jobs for local people is one of the Council's key Community Wealth Building objectives. Approximately 95% of current security staff who will have TUPE eligibility live within the borough and will benefit from improved terms and conditions as a result of the insource.
- 8.5 Haringey's Borough Plan 2018-2023 contains a number of specific commitments to improve the overall customer experience of staff and residents who engage with our services.
- 8.6 By bringing security inhouse, as a highly visible and front-facing service, we can reinforce clear, consistent customer experience standards that will allow us to provide a consistently high standard service, regardless of the enquiry.

9. Statutory Officers comments

9.1 Finance

- 9.1.1 This report seeks Cabinet approval for the insourcing of Corporate security services, which is currently being provided by UGS in accordance with the TUPE Regulations.
- 9.1.2 The current budget for providing the security services £0.698m. An additional £0.178m growth (as set out above) has been agreed within the MTFs from 2021-22 to provide inhouse security services for all corporate buildings where security is currently provided. The revised security budget of £0.876m contains expenditure of a one-off nature that may not be required in the following financial year (2022/23).

9.2 Procurement

- 9.2.1 Strategic Procurement notes the contents of this report and confirms there are no procurement related reasons that would prevent the Council proceeding with the recommendations in this report.

9.3 Legal

- 9.3.1 This report seeks Cabinet approval for the insourcing of Corporate Security Services, which is currently being provided by UGS.
- 9.3.2 The Head of Legal and Governance has been consulted in the preparation of this report. The legal implications of the Corporate Security Service being brought back in-house to the Council is that this would constitute a Service Provision Change under the TUPE Regulations [Transfer of Undertakings (Protection of Employment) Regulation 2006 as amended in 2014].
- 9.3.3 The effect of which would be that staff that are assigned to the Haringey Corporate Security Service contract will automatically transfer to the employment of Haringey Council and all rights, responsibilities and liabilities will also be transferred with the staff.

9.4 Equality

9.4.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advance equality of opportunity between people who share those protected characteristics and people who do not.
- Foster good relations between people who share those characteristics and people who do not.

9.4.2 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex, and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.

9.4.3 The proposed decision is to approve the insourcing of corporate security services from the current provider UGS following the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations. The objective of the proposed decision is to create an improved inhouse service more closely aligned to Borough Plan priorities and to support the objectives of the Councils Insourcing Policy.

9.4.4 The primary group affected by the proposed decision will be Corporate Security Services employees, among whom men and Black and Asian minority are overrepresented in the workforce. It is expected that this proposal will lead to better-paid secure employment with Haringey and access improved terms and conditions including better wage and entry to the Local Government Pension Scheme for those affected. As Black Asian and Minority ethnic Britons have been 50% more likely to lose their jobs during the Covid-19 lockdown, as such the decision represents a measure to mitigate the extent to which the Covid-19 crisis may exacerbate existing inequalities for protected groups.

9.4.5 An Equalities Impact Assessment has been completed for the proposed decision. The EqIA raises no negative equalities concerns and their expected impact on protected characteristic groups is either neutral or positive. Appropriate equalities monitoring and consultation arrangements will be in place following formal notification of the decision to our current provider, and proportionate measures will be taken to address any inequalities that may arise.

10. Use of Appendices

10.1 The report contains one appendix which summarises the various options considered as part of the service review into security.

10.2 These options are rated and scored against the Enabling Framework published alongside the Council's Insourcing Policy published at Cabinet in March 2020.

11. Local Government (Access to Information) Act 1985

Appendix 1 – Service review of Security Provision

1. Service review of Security Provision

- 1.1 The service review of the Council's security needs began in February 2020 and continued until December 2020 when the process of assessing all options concluded.
- 1.2 The review included financial modelling on a range of different outcomes, engagement with other local authorities and security providers, and consultation with Members on a variety of future service options in the context of existing Council policies.
- 1.3 The service review afforded officers time to consider a variety of service models in an innovative way and to develop different operating models and staffing structures.
- 1.4 The various options for the future service are listed below in table 1 with the underpinning rationale for rejection or consideration of each operating model.

2. The Enabling Framework

- 2.1 Decision making as to how services across the Council are potentially brought back inhouse is underpinned through the use of an Enabling Framework published alongside the Insourcing Policy at Cabinet in March 2020. The Enabling Framework provides context and clearly defined criterion to determine the appropriate delivery model for those services.
- 2.2 When undertaking the service review of security in early 2020, officers used the Enabling Framework approach to consider a range of future delivery options that could potentially meet the Council's security needs.
- 2.3 The review included options such as in-house provision, a hybrid of in-house and 3rd party, working with other public sector organisations, as well as third party providers to identify the right service delivery model that meets our criteria, affordability and service quality requirements.
- 2.4 By structuring the service review into security within the parameters set out in the Enabling Framework, the focus of decision-making on future service models not only considered factors such as affordability and risk, but also broader outcomes such as social value and community wealth building (CWB).
- 2.5 The Enabling Framework allowed the service review to apply a consistent methodology to all potential service options to come to a rationale conclusion that establishes best value using an evidence-based approach.

3. Enabling Framework – Methodology

- 3.1 A two-tiered appraisal methodology has been established within the Enabling Framework to analyse future service options objectively against criteria that reflect the Council's duty to ensure value for money, its strategic priorities, and the preferred outcomes and objectives of the service.
- 3.2 Each option is first assessed against the 'baseline/minimum line' criteria. A minimum qualitative 'Go/No Go' criteria has to be met as part of the initial assessment phase. The adoption of a Go/No Go criteria assists in determining which options migrate to a detailed model.
- 3.3 Affordability and value for money are key criterion at this initial stage but other factors such as risk and social value are also considered. Options that do not meet key criterion are not taken forward for detailed modelling.
- 3.4 Options that are taken forward for detailed modelling are assessed quantitatively against key criteria and other factors. The following criterion are employed, as a minimum, in making decisions about whether an initiative should be considered in more detail:
 1. Affordability and value for money
 2. Performance and service quality
 3. Capability
 4. Organisational Capacity
 5. Social and Environmental Values
 6. Timing
 7. Market conditions
 8. Risk
- 3.5 Options considered for detailed assessment are then weighted to reflect the relative level of importance of each criterion, linked to the Service Outcomes. Each criterion is then scored on a scale from low to high (i.e. 0 (low) to 4 (high)), for each option considered viable.
- 3.6 All qualifying options are then scored against the assessment criteria before being multiplied by the appropriate weighting to produce a weighted total score to enable the ranking of each of these options.
- 3.7 Options considered, but rejected at the initial assessment phase, and options taken forward for detailed modelling are shown in Tables 1 and 2 respectively below

Table 1 - Options Considered:

| Option | Go / No Go | Rationale | Conclusion | Scoring based on Enabling Framework |
|---|---------------------|---|---|-------------------------------------|
| <p>A – External Provision</p> | <p>Go</p> | <p>Met minimum qualitative data on affordability and value for money.</p> <p>This option merited further detailed consideration as set out in the Enabling Framework.</p> | <p>External provision does not provide assurances of operational control, oversight, and influence over the service.</p> <p>This option does not offer any potential to increase organisational capacity and capability to enable innovation and expertise in response to a future change to corporate estate.</p> <p>Whilst external provision offers value for money, the Enabling Framework also puts an emphasis on social value impact – this option does not deliver on the underpinning ambitions of the Insourcing Policy or the Council’s approach to CWB.</p> | <p>66%</p> |
| <p>B – Bring service inhouse ‘as is’</p> | <p>No Go</p> | <p>Rejected at initial assessment phase.</p> <p>Did not meet minimum qualitative ‘Go/No Go’ criteria regarding affordability.</p> | <p>Service costs c80% more than external provision largely due to additional on-costs for transferring staff.</p> <p>A service transfer ‘as is’ does not meet the key affordability and value for money criteria established within the Enabling Framework and could not be considered.</p> | |

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| C – Hybrid Model 1: Insource Mon – Fri security provision | No Go | <p>Rejected at initial assessment phase.</p> <p>Did not meet minimum qualitative 'Go/No Go' criteria regarding affordability and risk.</p> | <p>Did not fully meet insourcing policy agenda.</p> <p>Operationally more complex with two providers delivering the Council's fixed security needs thereby creating additional service risk.</p> <p>The Enabling Framework emphasises that due consideration must be given to having sufficient capability to deliver services effectively for staff and residents alike.</p> <p>This option created a different service standard on weekends at the expense of library users primarily.</p> <p>The Enabling Framework notes that the Council owning all, or aspects of the associated risks, may be a preferred option to provide greater control in managing risks.</p> | |
| D – Insource security provision at corporate hubs | No Go | <p>Rejected at initial assessment phase.</p> <p>Did not meet minimum qualitative 'Go/No Go' criteria regarding affordability and risk.</p> | <p>Did not fully meet the Insourcing Policy agenda.</p> <p>Operationally more complex with two providers delivering the Council's fixed security needs thereby creating additional service risk.</p> | |

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|--|---------------------|--|---|--|
| | | | <p>The Enabling Framework notes that regenerating capacity in terms of organisational infrastructure and assets may be challenging and needs to be undertaken in a controlled and managed way.</p> <p>However, to bring services inhouse in a meaningful way, there needs to be sufficient capacity within that service to allow for a successful transition.</p> <p>The corporate hub hybrid model did not provide sufficient internal resource to staff a significant security service and relied too heavily on an external provider.</p> <p>The Enabling Framework notes that the Council owning all, or aspects of the associated risks, may be a preferred option to provide greater control in managing risks.</p> | |
| <p>E – Insource security provision at corporate hub and libraries</p> | <p>No Go</p> | <p>Rejected at initial assessment phase.</p> <p>Did not meet minimum qualitative 'Go/No Go' criteria regarding affordability and risk.</p> | <p>This option covered 90% of the security services outlined in Option B and was marginally less expensive as a result.</p> <p>It does not meet the key affordability and value for money criteria established within the Enabling Framework and could not be considered as a viable option.</p> | |

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|---|-------|---|--|------------|
| | | | <p>Did not fully meet insourcing policy agenda.</p> <p>Costs were c70% higher than external provision.</p> <p>Operationally more complex with two providers delivering the Council's fixed security needs.</p> | |
| F – Enter into a security agreement with another local authority | No Go | <p>Rejected at initial assessment phase.</p> <p>Did not meet minimum qualitative 'Go/No Go' criteria regarding market conditions.</p> | <p>Neighbouring authorities satisfied with existing security arrangements.</p> <p>The Enabling Framework sets out preferred market conditions for provision of services with particular emphasis on other public sector providers.</p> <p>While this option was worthy of consideration and discussion with other boroughs, timeframes and other boroughs' satisfaction with current provision did not allow for any detailed partnership discussions.</p> | |
| G – Concierge model | Go | <p>Potential for future service model but did not full meet the requirements of our current estate.</p> | <p>Met minimum qualitative data and merited further detailed consideration.</p> <p>Viable service model where estate is rationalised in a central building. The Enabling Framework sets out that insource opportunities need to be</p> | 58% |

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|---|-----------|--|--|------------|
| | | | <p>considered in terms of the existing organisational infrastructure and assets.</p> <p>Concierge officers need additional SIA security support at specific Haringey locations and we currently do not have the internal capability to manage a concierge team based on the levels of risk identified in the security data.</p> <p>Could have been considered at a future point but did not meet current requirements of the Enabling Framework in terms risk, capacity, and capability.</p> | |
| H – Inhouse Facilities and Concierge Model | Go | <p>Greater use of existing staff within OFM supplement security provision and minimise on-costs.</p> | <p>Met minimum qualitative data and merited further detailed consideration.</p> <p>Meets insource objectives at best value.</p> <p>Greater social value in conjunction with Enabling Framework criteria and CWB approach.</p> <p>Provides stronger capacity for service control and performance management.</p> <p>Improves overall customer experience and standardisation of services within OFM.</p> <p>Greater capacity for future innovation and agile response to Council's changing estate.</p> | 85% |

Table 2 - Scoring of Qualifying Options vs Enabling Framework Criterion:

| Enabling Framework Criteria | Weighting | External Provision (0 – 4) | Concierge Model Scoring (0 – 4) | Inhouse Model Scoring (0 – 4) |
|------------------------------------|------------------|---------------------------------------|--|--|
| Affordability and value for money | 2 | 4 | 2 | 2 |
| Performance and service quality | 2 | 3 | 2 | 4 |
| Capability | 1 | 3 | 2 | 3 |
| Organisational Capacity | 1 | 1 | 2 | 4 |
| Social and Environmental Values | 2 | 1 | 4 | 4 |
| Timing | 1 | 4 | 2 | 3 |
| Market conditions | 1 | 2 | 2 | 3 |
| Risk | 2 | 3 | 2 | 4 |
| Total Score | | 32/48 | 28/48 | 41/48 |
| Percentage | | 66% | 58% | 85% |