

Report for: Cabinet Member Decision

Title: Increase in value of the Council's security contract with United Guarding Services Ltd.

Report authorised by: Barry Francis, Director of Environment & Resident Experience

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Ward(s) affected: All

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

1. Describe the issue under consideration.

- 1.1 The Council awarded a security contract to United Guarding Services Ltd (UGS) in May 2021 for 5 years with a contract value of £7m. This contract provided security guarding services on request and as and when required for Homes for Haringey but also enabled supplementary resources to be called upon for Council-related security services.
- 1.2 When Homes for Haringey was insourced in June 2022, Strategic Procurement novated the contract and changed the named contract owner to Haringey Council. The contract has continued to be called upon since then for the Housing Service and to meet the supplemental needs identified by Operational Facilities Management.
- 1.3 Since the commencement of the contract, a higher level of externally provided security service has been required than originally foreseen – across both housing and other operational buildings. This increased demand for external support has accelerated the spend rate on the contract.

2. Cabinet Member Introduction

N/A

3. Recommendations

The Cabinet Member for Finance and Corporate Services is asked, pursuant to Contract Standing Order 16.01, to approve.

- 3.1 An uplift in the current value of the security contract with United Guarding Services by 50% (representing an increase of £3.5m) in accordance with Regulation 72(1)(c) of the Public Contract Regulations 2015.

4. Reasons for decision

- 4.1 The 50% increase in contract value is the maximum permissible under Regulation 72(1)(c) will allow continuity of the current contract for an estimated further 18 months' security provision between July 2024 and December 2025.

- 4.2 That 18-month period will allow a full review of the future levels of security required, identifying the extent to which the current level of in-house security provision can be increased, and a full procurement exercise undertaken to reflect the conclusions of that review. It is worth recognising, though, that there will nonetheless be a continuing need to call on some supplemental external security to support Operational Facilities Management in responding to ad hoc variable work requests from other services, undeliverable even from an expanded inhouse security team.
- 4.3 Not increasing the current contract value would mean that Operational Facilities Management would have to stand down all contracted security with immediate effect and not be able to provide a robust security service to ensure Council staff, residents and buildings are kept safe.

5. Alternative options considered

- 5.1 **Do not increase the contract value.** This is not an option as the Council needs a security contractor to provide security services to Council services/ directorates to ensure staff, residents and buildings are kept safe.
- 5.2 **Uplift contract value by 40% (i.e., £2.8m).** This uplift would provide an estimated 13 months' security provision between July 2024 and August 2025. This would allow a shorter period for conducting a review of future security provision, thereby constraining detailed exploration of future service delivery options. In addition, this would also limit the ability of the existing contract to respond to any significant increase in demand for external security resource.
- 5.3 **Uplift contract value by 30% (i.e., £2.1m).** Whilst this uplift would provide an estimated 11 months' security provision between July 2024 and June 2025, it would severely constrain the extent of the aforementioned review and mean a challenging timeframe for any associated procurement.

6. Background information

- 6.1 A Cabinet report on 9th March 2021 set out the case for establishing an in-house security service within Operational Facilities Management (OFM). The basis of this was the 814 security-related cases in the preceding 5 years covering a range of fire alarm responses, site visits, trespassing, violence and aggression, and injury. A fixed level of internal resource was identified as being a viable alternative to the existing external security arrangement so insourcing from United Guarding Services via the TUPE Regulations proceeded. The new Security Team was in place for and operational from Saturday 1st May 2021.
- 6.2 That Cabinet report also acknowledged that any future inhouse service model would necessarily require a relationship with an external Security Industry Authority (SIA)-accredited security provider to provide both planned and ad hoc support to the future inhouse security team. A competitive tendering exercise was undertaken in 2021 by Homes for Haringey and a contract awarded for security services to United Guarding Services Ltd in May 2021 for 5 years with a contract value of £7m. This contract provided security guarding services on

request and as and when required for Homes for Haringey but also enabled supplementary resources to be called upon for Council-related security services.

- 6.3 When Homes for Haringey was insourced in June 2022, Strategic Procurement novated the contract and changed the named contract owner to Haringey Council. The contract has continued to be called upon since then for the Housing Service and to meet the supplemental needs identified by Operational Facilities Management (OFM).
- 6.4 Since the commencement of the contract, a higher level of externally provided security service has been required than originally foreseen – across both housing and other operational buildings. As well as requiring significant levels of ad-hoc support at Full Council, Cabinet, Overview and Scrutiny, and Scrutiny Panel meetings (at which there has been a significant number of protestors against the low traffic neighbourhoods and the conflict in the Middle East as two examples), extra support has been needed for elections, homeless services buildings and for various other Council services. This increased demand for external support has accelerated the spend rate on the contract.
- 6.5 The way in which contract value was drawn down when the contract was initially created on the procurement system and purchase orders created has meant that any underspend on the purchase orders has not been added back to the residual contract value. Despite staff in Finance and Strategic Procurement attempting to correct this problem (which amounts to around £400k), it has not been possible to reverse this. This has reduced the period of time for which the contract may currently run without contractual value change.

Breakdown of security provision for the 2023/24 financial year.

- 6.6 Below is a proportional breakdown for contact spend with United Guarding Services Ltd. The highest spend is variable works and this is where OFM is requested by services to provide security to them at short notice or on a planned basis (e.g., this would be to support Council meetings, Councillor surgeries, homeless service, temporary cover for project works at corporate buildings, vacant buildings etc).

a) Summary by cost categories

This is broken down into four categories to show spend against each.

Cost Category	%	Amount
Baseline	7	£ 161,541.50
Inhouse training, sickness, & annual leave.	5	£ 118,077.71
Variable works (rechargeable to services)	63	£ 1,422,451.90
Housing	25	£ 563,715.07
	100	£ 2,265,786.18

b) Summary by nature of security provision

Nature of Security Provision	%	Amount
Adhoc Requirements - Haringey Staff /Vacancy Cover	9	£ 209,511.45
Adhoc Security (Short terms)	46	£ 1,033,732.44
ASB Patrols	6	£ 127,017.98
Call Outs/Lockup & Unlocks	4	£ 101,314.08
Cllr Surgeries and Meeting Security	1	£ 11,521.07
Night Security (Permanent)	25	£ 573,567.67
Vacant Properties / Project Security	9	£ 209,121.49
	100	£ 2,265,786.18

c) Summary by Types of Security Provision

Types of Security Provision	%	Amount
Enhanced SIA security officer	7	£ 159,954.91
Mobile security officers	13	£ 286,014.22
SIA security officer with van	1	£ 1,061.32
Static SIA security officer	79	£ 1,818,755.73
	100	£ 2,265,786.18

Interim Contract Management Measures

- 6.7 Whilst it would be imprudent to stop the provision of security measures drawn down from the existing security contract with United Guarding Services, tight controls do need to be introduced as the rate of spend cannot realistically continue at its current rate into the future – either under this or any future replacement contract.
- 6.8 Officers in Operational Facilities Management and Finance will more fully assess which services are utilising the contract, the basis on which security requests are made, the process that has hitherto been deployed to sign off those requests, which budgets have been used for recharging costs to and the extent to which those requesting services have reported the scale and rates of spend on security as a whole. This will provide some insight that will feed into the re-design of the service before the projected contract expiry in December 2025, pursuant to an increase in contract value being approved.
- 6.9 Notwithstanding this assessment of historical arrangements, a spending control panel will be introduced for this contract so that only essential spend is agreed. The membership of that panel will be determined by the Director of Finance and, given that the Operational Facilities Management service currently sits

within the Environment and Resident Experience Directorate, a senior officer therefrom.

7. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes?

- 7.1 A review of the positioning of the currently externally provided component of the security service is consistent with the Resident experience, participation and collaboration theme, High Level Outcome 5: Insourcing that clarifies that *“Services will be delivered directly when doing so is beneficial for our workforce and our residents”*.

8. Carbon and Climate Change

- 8.1 There are no carbon or climate change considerations associated with this report.

9. Statutory Officers’ comments

9.1 Finance

- 9.1.1 The recommendation of this report is to approve an uplift in the current value of the security contract with United Guarding Services by 50% (representing an increase of £3.5m from £7m to £10.5m) in accordance with Regulation 72(1)(c) of the Public Contract Regulations 2015. The reasons for the uplift in contract value are set out in the report. The increase in the contract value does not in and of itself lead to expenditure as expenditure will only be incurred when services areas require security. If there is any expenditure this will be funded from cost recharges to services which are utilising the contract.

9.2 Procurement

- 9.2.1 Strategic Procurement was consulted in the preparation of this report.
- 9.2.2 CSO 10.02.1b) permits the Cabinet to vary a contract where the value is £500,000 or more. CSO 16.02 permits that the Leader may also allocate any decision whether urgent or not to the Cabinet Member having the relevant portfolio responsibility.
- 9.2.3 The recommendation in section 3 of this report to vary the contract value only, there is no request to extend the duration of the contract.
- 9.2.4 Strategic Procurement supports the recommendations in section 3 of the report to vary the contract.

9.3 Assistant Director for Legal & Governance

- 9.3.1 The Assistant Director for Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.

- 9.3.2 Pursuant to Contract Standing Order 16.01 and Regulation 72(1)(c) of the Public Contracts Regulations 2015 the Cabinet Member has authority to approve the recommendations in the report.
- 9.3.3 The Assistant Director for Legal and Governance (Monitoring Officer) sees no legal reasons preventing the Cabinet Member for Finance and Corporate Services from approving the recommendations in the report.

Equality

- 9.4 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.
- 9.5 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 9.6 The report seeks approval for the uplift the value of the existing Security Contract with United Guarding Security Ltd by 50%
- 9.7 While the proposed uplift of the value of this contract has no direct equality implications, it is notable that in the operation of this service, the supplier will be required to have due regard to the need to achieve the three aims of the Public Sector Equality Duty noted above. Haringey Council will monitor this service for any disproportionate impact on any individuals or groups with protected characteristics and take appropriate mitigating measures if undue negative impact is identified.

10. Use of Appendices

None.

11. Background papers

Cabinet Report of 9th March 2021 entitled 'Insourcing of Security Services'.