

Title of meeting: Environment & Community Safety Decision Meeting

Date of meeting: 11 March 2015

Subject: CCTV Repair and Maintenance Contract

Report by: Head of Health, Safety and Licensing

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report

To agree the future provision of the CCTV repair and maintenance contract

2. Recommendations

- a. The CCTV repair and maintenance contract be provided by an 'in-house' team.
- b. The current provider FCF (acquired by TYCO on the 18th November 2014) is informed prior to the 30th April 2015 that Portsmouth City Council (PCC) will not renew the contract beyond 31st July 2015.
- c. Relevant FCF engineers are transferred to PCC under TUPE legislation or new staff appointed into this role if the engineers do not TUPE across.

3. Background

- 3.1 The CCTV contract expires on 31 July 2015. FCF Ltd has provided the service since April 2012 having bought out the previous provider TM Security. TM Security provided the contract from July 2011 following a full tendering process. The contract per annum (Community Safety and Local Authority Housing CCTV) is worth on average £155,444. Additional expenditure is often incurred with the installation of new equipment. There is therefore the potential for additional savings if the service is delivered in house. The contract was awarded for 3+1+1 years and is currently in the fourth year with an option to extend for a further year.
- 3.2 Throughout the contract the service has been adequate, but at times quality and responsiveness has been patchy at best. This has been exacerbated by all engineers working on the contract being replaced in the past 12 months. Invoicing has been late and inaccurate errors requiring considerable officer time to check, validate and rectify. We have been advised that the current contractor

is not able to provide the prescribed service on the schedule of rates specified in the current contract as they are too low.

- 3.3 Following an extensive review of the service, a financial appraisal has been produced, which indicates financial savings can be made by bringing the contract 'in-house'. See Appendix A - Exempt item.

4. Reasons for recommendations

Proposal

- 4.1 Provide a CCTV repair and maintenance service operated by staff directly employed by Portsmouth City Council.
- 4.2 Currently, there is little incentive for the contractor to work to improve the service despite meetings to encourage them to look for ways of making savings in the current financial climate. FCF have not offered positive solutions and the opposite is true as PCC are currently being quoted high rates for reactive repairs.
- 4.3 With an in-house service there would be more opportunity to examine the work flows and drive out waste to increase capacity and realise efficiencies.
- 4.4 In addition to the predicted budget savings, there are two other advantages of bringing the contract 'in-house'.
- The engineers would be directed to work when and where we choose them to work. Currently engineers have to be scheduled and it can take weeks for repairs to be carried out. PCC can also prioritise and move engineers on a daily basis.
 - There is expected to be additional capacity as the engineers will only be doing PCC work. Therefore it provides PCC with the opportunity to look at outsourcing the engineers for additional income with partners or private companies. In the event that this is not possible then the service would be reviewed to identify further savings through staffing.

4.5 Alternative

There are two possible alternatives:

- Apply to the Procurement Gateway Board for an extension to the current contract. This is not a preferred option due to the performance of the present incumbent and the difficulty they are having working within the current schedule of rates
- Re-tendering the contract is not considered a viable alternative as the service can be provided more economically in-house than the current provider and any new contractor is likely to be more expensive. The

additional contract +1 year would be required to complete this retendering process

5.0 Costs

5.1 The cost of providing the service including the operating base is included in the attached financial appraisal.

5.2 TUPE is likely to apply to the FCF operatives. In the event that they do not transfer there would be recruitment costs in employing the staff necessary to operate the service. FCF has informed PCC that they do not expect their engineers to TUPE across with the change, due to them working on other contracts. PCC are contacting the engineers separately to confirm this matter.

6.6 Time scale

6.1 The contract requires a minimum of three months' notice. Termination therefore needs to be served by the 30th April 2015.

6.2 TUPE information is currently being discussed and human resources are supporting the project team.

6.3 In-house CCTV engineer team to commence on the 1st August 2015

7.0 Risks

7.1 There are risks associated with bringing this service in-house:

- In the event funding was withdrawn in future years the vehicles and equipment would be treated as assets to sell or convert to other uses however, there would be up to four full time staff affected with the possibility of funding redundancies
- Sickness levels of the operatives could be higher than allowed for in the financial appraisal resulting in additional costs for agency staff cover

8.0 Equality impact assessment (EIA)

A preliminary EIA was completed and it does not show a negative impact on any vulnerable groups by bringing the service in-house.

9.0 Head of legal comments

There are no legal comments save that the exempt appendix A will cover commercially sensitive information and as such should be exempt. The proposed plan does have TUPE implications that have been considered within the proposal and whilst it is correct to note them at this point they are risks that have yet to materialise.

10.0 Head of finance's comments

The financial appraisal supports the introduction of an 'in-house' CCTV repairs and maintenance service as it offers significant savings over the period considered. This does not take into account any non-financial factors and is on the basis that all the key assumptions stated in the appraisal are met.

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Signed by Head of Health, Safety and Licensing:

Appendices:

A - EXEMPT: Financial appraisal and budget estimate

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by Cabinet Member for Environment and Community Safety