
REPORT OF STRATEGIC DIRECTOR PLACE
TO
THE BRIEFING OF THE STATUTORY DEPUTY CITY MAYOR AND
LEAD MEMBER FOR HOUSING
ON
19th January 2021

TITLE: Security and concierge services in Pendleton.

RECOMMENDATIONS

That Lead Member note the proposals detailed below on the recommended changes to security and concierge services in Pendleton as set out in the body of this report and in further detail set out in an accompanying Part 2 report for approval elsewhere on the agenda.

1. The termination of the current agreement with Salix Homes.
 2. The transfer of services to the council's Community Safety Team.
 3. The changes in the service delivery and improved accountability included in the revised Service Level Agreement.
 4. The instruction of ICT Services to take the necessary steps to transfer the network back to the civic centre.
 5. HR to work with Salix Homes to confirm the required TUPE implications.
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EXECUTIVE SUMMARY:

The City Council, through a Service Level Agreement (SLA) with Salix Homes, provide remote and on-site concierge services, CCTV monitoring and mobile patrols to nine council owned tower blocks in Pendleton.

Following changes to the concierge services, resident dissatisfaction with the service and concern over the high cost of provision of security services, the council was asked to review and investigate options for changing the service. The council has worked with residents, Pendleton Together and the council's Community Safety Team to propose a revised service for Pendleton.

The review suggests that bringing the security service back to the council and operating it from the council's CCTV Control room offers better value for money for residents. This option best responded to resident and stakeholder consultation and offers a consistent service and charging to all residents. The benefit from a single team providing the service to residents reduces costs. The revised service is also

able to improve responsiveness and offer improved CCTV and ASB management, as well as advantages of a concierge service sitting beside the council's service and linkages to GM Police.

BACKGROUND DOCUMENTS:

KEY DECISION: NO

DETAILS:

1.0 Background

Security and concierge services were introduced onto the council blocks in Pendleton following investment in door entry, CCTV and controlled access systems during the late 1980s and 1990s. The main aims of this investment and introduction of the service was to improve the safety and security of residents living on the blocks by controlling access to the blocks, help manage ASB in the surrounding area with the addition of CCTV monitoring, improve the sustainability of the apartments and reduce void levels.

As the concierge systems developed over time, to reflect the available technology and investment, changes were also made to how the services are delivered that has resulted in a two-tier system in operation across the council blocks in Pendleton. Thorn and Spruce Court have traditional 'guard lodges' in the foyer of each block where staff operate the door entry and CCTV systems whilst the other seven council owned blocks are remotely operated from a separate control centre. Residents pay a different level of service charge to reflect the two services in operation, with staffed security significantly more expensive than the remote monitoring system.

Salix Homes, formerly the council's Arm's Length Management Organisation, operate the current service on behalf of the council. They deliver a service to both council and Salix Homes stock and recent changes made to their service has looked to improve the quality and value for money of the service by linking it to their Customer Services Team. For seven of the Pendleton blocks the changes to the services generated savings that have been passed onto tenants who benefited from a small reduction in their service charge.

However, the concierge at Thorn and Spruce Court has higher running costs associated with the staff provision required to run individual guard lodges on the two blocks. These costs have continued to increase in line with wage costs and the introduction of the Living Wage in the city. Salix Homes have also made changes to the service and no longer provide staff cover during periods of leave and absence. This reduction in service has not led to a reduction in costs as Salix Homes previously covered these costs and did not pass the cost onto resident's service charges.

2.0 Dissatisfaction with security service

Residents have expressed dissatisfaction with the service in several ways.

Initially dissatisfaction was mainly registered by residents in Thorn and Spruce who were unhappy at the reduction in service that was not reflected in a reduction in costs. An exercise was carried out to review and compare the cost of the service against similar organisations and this found that the costs provided by Salix Homes were comparable. Efforts to temporarily re-instate the additional cover have failed, in part due to the high cost associated with the service and with Salix unwilling to do this.

Pendleton has well-established Tenant and Resident involvement and governance structures. A resident Security Subgroup meets monthly with contractors to regularly scrutinise and improve performance. Complaints are raised monthly and investigated including the dissatisfaction outlined below.

In early 2019 the Assembly also carried out a scrutiny exercise of the security service in Pendleton and produced a report detailing its findings and a series of recommendations. The report was critical of services delivered by the council, Pendleton Together (the council's PFI contractor responsible for investment and maintenance of the physical system) and Salix Homes responsible for the operation of the concierge, mobile patrols and CCTV monitoring services.

In summary the report highlighted issues with:

- Delays in the concierge responding to access was sometimes several minutes;
- Clarity of speech to concierge is inconsistent;
- Operators did not call flats to verify the visitor and had varying degrees of helpfulness from the staff;
- Times of no response at all due to the system being down, gates left open for long periods;
- Changes in staff cover at Thorn and Spruce has reduced the level of service and increasingly leaves the block with remote access only;
- Inadequate and inconsistent Block Patrols;
- Poor quality or inadequate CCTV coverage, with allegations that a full-time watch is no longer maintained;
- Allegations that the SLA is not fit for purpose to tackle ASB and is holding up legal case.
- Critical of the equipment, the PFI investment and performance of the repairs contract.

The Scrutiny report concluded that:

- (1) Salix Homes should provide continual CCTV monitoring
- (2) Ownership of the physical system needs clarifying
- (3) Agree new scope of service for Pendleton tenants with PPP (Resident Assembly)
- (4) Allow all parties to tender

Whilst the Security Subgroup continued to work with both contractors to improve the current service the council committed to working with residents to review the scope of services and investigate alternative options that were equitable, affordable and better meet the needs of all residents.

3.0 Consultation to date; working with partners

In November 2019 the Pendleton and the Community Safety teams met with the resident assembly to get initial feedback on the priorities for residents for a revised Scope of Service.

The assembly feedback mirrored that of the Scrutiny report. Residents liked the knowledge that there was some form of security system on the blocks, making them feel safer and they felt that some form of controlled access is good. However, they were dissatisfied with the current service and felt the value for money is poor. There were negative comments about the two-tier system being delivered across the blocks.

The assembly strongly felt mobile patrols served little purpose and they would like to see increased CCTV coverage and improved monitoring, including monitoring of the public realm outside the curtilage of the blocks and the ability to track ASB from the blocks onto the Broadwalk.

The Community Safety team provided information on the council's CCTV and alarm monitoring system and advantages of a concierge service sitting beside the council's service and linkages to GM Police.

Residents viewed complete removal of the controlled system a risk as unauthorised access may increase. However, they were more open to the removal the manned guards on Thorn and Spruce Court, if improvements to ASB response and CCTV monitoring could be made.

Tenant survey

In March 2020 a survey, about the existing security service, was sent to all tenants who live in the nine high rise blocks. The survey was completed by 128 tenants representing just under 20% of all tenants receiving the service.

The main conclusions that can be taken from the responses to the questionnaire are there are high levels of dissatisfaction with the current service. Many of the comments received mention slow response times from the remote concierge; unauthorised access into the blocks and that the service is poor value for money. These comments reflected those raised by the Scrutiny Panel report.

The report demonstrated that there was a clear preference for increasing levels of CCTV coverage to include car parks and roads surrounding the blocks. This again concurred with the comments from tenants who attended the security workshop in November 2019. There was also, through the questionnaire, a preference for shorter response times as opposed to a daily block patrol that currently takes place. All these preferences can be reflected in the revised specification of the future service.

The questionnaire did not show that there was a clear preference for the type of security service required at Spruce and Thorn Court. The responses in favour of a 12 hour or a 24-hour concierge matched those in favour of a remote concierge.

4.0 Revised Scope of service

To develop the new service in Pendleton the council has engaged with the various Pendleton resident groups and panels; Pendleton Together; the council's Community Safety team and external technical advisors. The key features of the new service comprise of elements that have been highlighted as being important in the scrutiny report, the Assembly feedback and the resident survey, including service improvements and value for money.

The main change proposed is that the service is brought back to the council and be delivered by the Community Safety team from its CCTV control room based at Swinton Civic Centre. This was shown to have several advantages that improved the quality of the service.

The issue of slow response times, when calling concierge to try and enter a building, will be addressed through increasing the number of staff dedicated to a Pendleton desk during daytime hours. Currently there is only one officer and workstation assigned to the Pendleton blocks. Under the new system this will look to increase to two dedicated officers during daytime hours. There is also the ability to provide cover from similar council teams who operate from the CCTV Control room, e.g. when cover is required for breaks. This will enable shorter waiting times for visitors and greater flexibility of staff to monitor CCTV and address anti-social behaviour and tenancy issues across the blocks.

The new service will remove the daily guard patrol. This was not seen as being important or value for money by residents. Instead of a daily patrol, that currently occurs every evening, there will be more focus on improving the monitoring of the estate through the CCTV system, including regular remote patrols.

For tenants of Spruce and Thorn Court the main change to the service is that they will no longer receive a concierge service run from the blocks. All blocks will receive a 24-hour service delivered remotely by the council's Community Safety team. Again, the new system is designed to improve responsiveness to visitors and monitoring of the estate. The service responsibilities of the council's control centre reflected those of a service delivered from the concierge rooms on the blocks, but at a reduced cost offering greater value for money for residents. The proposed revised service also offers a consistent service across all blocks.

5.0 Cost of service and options considered

The council considered a number of options for the service and compared the cost and impact on residents of the proposed services. The council and its sub-contractors are obliged to pay the Living Wage to the guards and adhere to the terms of the Green Book allowance. All estimated costs for the different services have

been calculated in this way and were also used to give residents a rough guide as to the potential cost of each service option during consultation.

No.	Option description	Thorn & Spruce Court	Other Blocks
	Current Salix Service	£18.17	£8.11
1	Service stays the same but delivered by the council	£17.67	£8.16
2	Thorn and Spruce receive 24h concierge, other blocks remotely from the council's CCTV Control Room	£21.28	£8.16
3	A daytime only service for Spruce & Thorn	£12.07	£5.07
4	Service delivered out of Thorn and Spruce concierge rooms for all blocks	£16.21	£5.07
5	Service delivered to all blocks from the council's CCTV Control Room	£6.95	£6.95
6	Concierge Service is removed, and visitors access the blocks through an electronic door entry system	£2.46	£2.46

1. Service stays the same but delivered by the council

The council explored whether their delivery of the current two-tier service without 24-hour cover would offer any improvements. Keeping the same structure and service delivery as the current provider was discounted due to the high cost and poor level of service able to be provided, as well as not meeting residents' expectations.

2. Thorn and Spruce receive 24h concierge, other blocks remotely from the CCTV Control room A daytime only service for Spruce and Thorn

Whilst there was some resident support to return the service at Thorn and Spruce to a full cover 24-hour service, there was also support for reducing this service to daytime only and changing the service to remote monitoring. This option was discounted as the cost of delivering a full 24-hour service was prohibitive whilst not offering any clear advantage over a service delivered remotely. The two-tier service was also viewed as unfair by some residents.

3. A daytime only service for Spruce & Thorn

This option was discounted as, whilst reducing the costs of the service to Thorn and Spruce residents, the cost remained high compared to a remote service whilst not offering any clear advantage over a service delivered remotely. The two-tier service was also viewed as unfair by some residents.

4. Service delivered out of Thorn and Spruce concierge rooms for all blocks.

This option was discounted as the service delivered from Thorn and Spruce for all blocks still resulted in a high cost two tier system. It was felt that residents on the other seven blocks, whilst ostensibly receiving the same level of service as Thorn and Spruce residents, could not be charged the same as those on Thorn and Spruce who had staff based within their curtilage. The price differential is therefore based on staff resource dedicated to the blocks. There were also some physical constraints to the available rooms to deliver this service.

5. Service delivered to all blocks from the council’s CCTV Control Room.

This was viewed as the option which best responded to resident and stakeholder consultation. It offers a consistent service and charging to all residents. The costs benefit from economies of scale in a single team providing the service to residents and reduces costs. The service was also able to improve responsiveness and offer improved CCTV and ASB management.

6. Concierge Service is removed, and visitors access the blocks through an electronic door entry system.

Other providers are looking at removal of the concierge altogether with visitors contacting the tenant directly for access. This was considered in Pendleton but the feedback, from the various groups and the resident survey, was that tenants still valued the layer of security that the remote concierge would provide. A system with no remote concierge operated in the past but was replaced with the current concierge to tackle issues of ASB and empty properties. Complete removal was not an option put forward by residents.

6.0 Other factors taken into account

No other social housing blocks in Salford have a staffed guard concierge

Currently Spruce and Thorn Court are the only social housing blocks in Salford that operate an on-site concierge service. Salix Homes used to provide on site concierge services in the past but now operate a remote concierge across all their blocks. Fitzwarren Court, in Pendleton was one of the last Salix blocks to switch to a remote concierge service. Salix have stated that there have not been any increases to crime and ASB experienced at the block since the change was made.

The current system is becoming unaffordable

The rent at Spruce and Thorn is more expensive than at other blocks.

Table 2 Rent and service charges on other Pendleton blocks

Block	Rent (2 bed)	Security charge	Other service charges	Total Service Charge	Local Housing Allowance	Total
Thorn & Spruce	£88.24	£18.17	£10.81	£28.98	£138.08	£117.22

Recent studies have identified the cost of housing as a major impact on a resident's health and well-being and that increasingly parts of the city's housing market are becoming unobtainable, including some affordable rented stock. The Sustainable Housing & Urban Studies Unit at Salford University (SHUSU) report on 'Living Rents and renting in Salford' (May 2019) found that, through interviews with housing providers, there were growing numbers of people receiving benefit who have no disposable income after their rents are paid. The report recommended maximising affordable housing delivery, capping rent increases and further investigation into the true meaning of housing affordability, in Salford based on the experience of tenants.

Rents at Thorn and Spruce are the highest of the council blocks and have increased substantially in recent years. A significant part of the total rent is the security charge. This remains high due to the need for staff to provide the service in its current format and it is therefore affected by increases to the Living Wage that form most of the security charge. These trends are likely to continue. The rents are also approaching the Local Housing Allowance (£138.08 for 1 bed) and this may in the future impact on resident's ability to access Housing Benefit.

With the economic impact of Coronavirus hitting a lot of people through loss of jobs, and reductions in incomes, this may make the block unaffordable for people considering living there and may affect sustainability and rental income.

7.0 Works required to transfer the system from Salix Homes to the Civic Centre.

ICT services have a network presence on a number of Salford blocks and this network presence provides the opportunity for the CCTV and concierge data feeds for the nine council blocks to be fed into the council network and transmitted to CCTV Control Room. Investigations by ICT services and their sub-contractor have now provided an estimated cost of transferring the system back to the civic centre and improving the connections to reduce faults. The design proposals submitted both reduce the latency, improving the quality and speed of connection to the blocks and introducing diverse routing which would reduce the likelihood of the network going down

There is also work required to create a new dedicated workstation for the Pendleton team within the councils existing control centre.

8.0 Cost of providing the security service

The current cost of the security service in 2020/21 is £506k and for 2021/22 the estimate is £524k.

Under the new arrangement, with the service being brought in house, the overall cost of the service for 2021/22 is estimated at £ 287,321. This figure includes the capital cost of the transfer of equipment spread over a three-year period.

The weekly service charge for tenants of Thorn and Spruce court will therefore reduce from £18.77 (2021/22) to £7.19. The service charge for all other blocks will reduce from £8.27 (2021/22) to £7.19.

9.0 Conclusion

The review suggests that bringing the security service back to the council and operating it from the council's CCTV Control room offers better value for money for residents. This option best responded to resident and stakeholder consultation. It offers a consistent service and charging to all residents. The costs benefit from economies of scale in a single team providing the service to residents and reduces costs. The service was also able to improve responsiveness and offer improved CCTV and ASB management, as well as advantages of a concierge service sitting beside the council's service and linkages to GM Police.

KEY COUNCIL POLICIES: Salford Community Safety Strategy
Salford Housing Strategy

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

A Community Impact Assessment screening form has been completed and approved by Magda Sachs in the Equalities Team. This will need reviewing when the TUPE terms, for staff transferring from Salix to SCC Crime & Community Safety Team, are known.

ASSESSMENT OF RISK: Medium. Investigations show that the system can be transferred back to the council and a mobilisation plan is being developed to ensure the service remains operational during this period.

LEGAL IMPLICATIONS Supplied by: Tony Hatton – Manchester Legal

The report sets out the Council's intention to bring back in-house the security and concierge services to Council-owned tower blocks in Pendleton. A Service Level Agreement (SLA) with Salix Homes for them to provide remote and on-site concierge services, CCTV monitoring and mobile patrols to the blocks is currently in place, but it is not clear in the report when that **"Either party may terminate the provision of the Services by Salix under this Appendix by giving not less than six (6) months' written notice to the other party"**, so the arrangement may be terminated by the Council serving 6 months' notice to terminate on Salix, without financial compensation becoming due. Salix are also obliged to continue to provide the services during the notice period, and to cooperate with the Council when the services are transferred to a new provider - the Council.

The Council is under a duty to provide "Best Value", and hence reserves the right to provide the services through whatever resources will provide that best value, which gives the Council flexibility to consider in-house provision without going out to the wider market.

The Council has carried out consultation exercises with tenants, residents, and partners and made a robust analysis and assessment of the service provision,

concluding that bringing the service in-house will deliver best value for residents and the Council.

There are likely to be TUPE implications with the proposal, and no doubt HROD and Employment Legal Teams can provide more advice as the project develops. Whilst it is not clear how many employees may be in scope for TUPE, there is an obligation on both transferor and transferee (Salix Homes and the Council) to inform and consult with employees/unions, “long enough before the transfer” to enable consultation to take place, including any measures to be taken following transfer.

The Council will undertake an exercise to obtain Employee Liability Information (information about employees who are in scope to transfer with the service which Salix must provide to the Council at least 28 days before any transfer) as part of its due diligence exercise to enable the Council to form a reasonably accurate assessment of liabilities, costs etc of the staff transfer.

For information, if not already done as part of the assessment and options appraisal undertaken so far, as part of the due diligence exercise the Council should ascertain whether there are any; commercial agreements/contracts associated with the service which will need to come over and novated to SCC?; business assets which will need to be transferred to the Council; property, licence or lease issues, assignments or transfers to the Council may be required; and early engagement with ICT to ensure systems are transferrable/compatible with Council systems to maintain the service upon transfer.

FINANCIAL IMPLICATIONS Supplied by: Paul Hutchings, Strategic Finance Manager x2574

The provision of security services is currently provided by Salix Homes and is invoiced to Salford City Council. This expenditure is then passed on to tenants as a line item within the service charge as per HRA policy, leaving a nil variance financially to the HRA.

As set out in the report, the recommendation is to provide the security function in-house within our current CCTV function. The costs of the CCTV function will be categorised as either solely serving the HRA estate or as having a wider benefit to area and costs will be apportioned accordingly. Where expenditure is identified as servicing the HRA estate it will be charged to the HRA and, as with the previous arrangement, service charges will be adjusted to reflect the actual costs incurred to the HRA. That being said, any saving highlighted within the report, and made as a result of providing these services internally will be passed directly on to tenants by way of a reduced service charge. The security recharge and subsequent service charge line will be agreed annually as part of the rent and service charge setting process.

Any expenditure identified as serving a purpose other than for the HRA estate will be charged to general fund and a budget will need to be identified.

PROCUREMENT IMPLICATIONS Supplied by: Deborah Derbyshire

The advice provided is that this is a service that will be brought back in house with the potential of TUPE. Procurement recommend that a variation to the current contract in relation to the termination clause to be reduced from 6 months to 3 months.

HR IMPLICATIONS Supplied by: Steve Hulme Strategic HR & OD Manager

The Salix employees that are employed directly on the security contract will be eligible to TUPE transfer to the Council. The employees would transfer on existing terms and conditions of employment (Salix contracts). It is understood that there are currently 7 security guards employed who would be in scope of transfer.

Salix will be required to carry out a full formal consultation with the employees affected as part of the TUPE process and provide comprehensive details of the existing terms & conditions of employment to the Council it is not known at this stage whether there would be any requirement for measures (changes to contracts) to be introduced at the point of transfer.

The formal Employee liability information must be provided by Salix no later than 28 days prior to the transfer of the undertaking, it would be expected that Salix would work closely with the council HR & OD department on the implications of the transfer and provision of meaningful employee data prior to the 28 days to enable a smooth transition of employer/service provider and to enable the council to determine if any measures need to be introduced and consulted on.

OTHER DIRECTORATES CONSULTED: N/A

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WARDS TO WHICH REPORT RELATES: Langworthy