

Item No.	Classification: Open	Date: 16 March 2022	Meeting Name: Cabinet Member for Council Homes and Homelessness
Report title:		Gateway 2 - Contract Award Approval: Waking Watch Services on the Ledbury Estate	
Ward(s) or groups affected:		Old Kent Road Ward	
From:		Strategic Director of Housing and Modernisation	

RECOMMENDATION

1. That the Cabinet Member for Council Homes and Homelessness approves the award of services to Bloom Procurement Services Ltd. through the North East Procurement Organisation's NEPRO3 framework (as further detailed in paragraph 17) for the provision of waking watch services to the tower blocks on the Ledbury Estate; the total estimated cost of the contract to September 2024 is £3.13m. The contract commences 24 April 2022 (with a break clause allowing a review at one year, 18 months, and 24 months) for an estimated annual cost of £1.23m for the first full year. One block will be demolished during the term (planned for September 2022).

BACKGROUND INFORMATION

2. Following various surveys which established issues with the structure of the four multi-storey blocks on the Ledbury Estate it was decided that a waking watch fire warden service was required to ensure the safety of the residents whilst a long-term solution to the issues discovered was put in place. There will be a continuing need for this service as long as there are residents living in the tower blocks.
3. The waking watch service provides patrols in the tower blocks to prevent fire, provide a fire response and to alert residents to evacuate.
4. Kier Facilities Services Limited provided the initial service through their facilities management services contract. When their contract ceased their sub-contractor, 1st ACE Security Limited, (1st ACE) was directly contracted to provide the service.
5. There are nine wardens on the day shift and ten wardens on the night shift on the Ledbury Estate, for 365 days per year. This number will reduce when Bromyard House is handed over to the regeneration contractor.

6. Details of commercial discussions are set out in the closed version of this report. The service is currently being directly provided under emergency powers of the Strategic Director of Housing and Modernisation.
7. Considerable effort has been made by the Ledbury Estate Director and his team to ensure that the waking watch service is fit for purpose with regular refresher training and regular meetings with residents and the local London Fire Brigade representative. Residents have developed trust in the service provided by 1st ACE.
8. The Ledbury Estate residents voted at the end of March 2021 for the demolition and redevelopment of the four tower block sites to provide new homes. The new homes will not be built all at once, but in phases and each phase will take around two years to build. The present plan is for Bromyard House to be decanted and the site handed over to the works contractor in September 2022, reducing the number of operatives required for the waking watch service. The remaining three tower blocks will be occupied until the residents are decanted and the buildings handed over to the works contractor, currently scheduled for September 2024.
9. Whilst the waking watch service is normally provided by companies that provide security services, it is not a service that the Security Industry Authority (SIA) regulates, though it has provided a guide which describes services that may be required as part of a waking watch service in a particular building that do require a SIA licence.
10. Guidance on the provision of a waking watch service has been issued by the National Fire Chiefs Council, which the council is following.
11. The housing asset management team (AM) is planning to put in place a framework agreement for waking watch services. Therefore break clauses have been included in this contract so that reviews can be carried out at key points. After one-year consideration can be given to appointing a firm from the AM framework, if that is more cost-effective. A further break, six months later, is to give flexibility in case the framework procurement is delayed. As the final programme for the redevelopment won't be completed until after the works contractor is appointed further flexibility is prudent, hence another break opportunity at 24 months.

Procurement project plan (Key Decision)

12.

Activity	Completed by/Complete by:
Forward Plan for Gateway 2 decision	07/07/2021
Briefed relevant cabinet member (over £100k) on GW1	01/12/2021

Activity	Completed by/Complete by:
Approval of Gateway 1: Procurement Strategy Report	20/01/2022
DCRB Review Gateway 2:	07/03/2022
CCRB Review Gateway 2:	10/03/2022
Briefing relevant cabinet member on GW2	16/02/2022
Notification of forthcoming decision – Five clear working days	17/03/2022
Approval of Gateway 2: Contract Award Report	25/03/2022
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	04/04/2022
Contract award	07/04/2022
Add to Contract Register	20/04/2022
Contract start	24/04/2022
Publication of award notice on Contracts Finder	20/04/2022
Contract completion date	30/09/2024

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

13. Provision of the waking watch service to protect the residents of the tower blocks on the Ledbury Estate, by a compliant route, which provides for social value outcomes of benefit to local residents.

Key/Non-Key decision

14. This report deals with a key decision.

Policy framework implications

15. As a landlord, the council have an obligation to ensure that residents are safe in their home, and this contract for a waking watch ensures that the Ledbury Towers are safe for residents to reside in, pending the regeneration works.
16. Bloom and its Service Provider, 1st ACE, are both SME and via contractual requirements will comply with relevant sections of the council's Fairer Futures Procurement [Framework](#), as set out below in paragraphs 23 to 34.

Tender process

17. The procurement route followed was to use the North East Procurement Organisation's professional services framework - NEPRO. NEPRO is a

managed service solution that provides a route compliant with the Public Contracts Regulations 2015 for the procurement of professional services. The single supplier on this framework, Bloom Procurement Services Ltd. (Bloom), is a procurement specialist, which managed a procurement process to sub-contract through a direct award. The direct award process allowed 1st ACE, who are currently providing the services, to be added to Bloom's framework. A direct award will be made by Bloom to 1st ACE, as soon as Bloom are instructed to provide the service, thereby ensuring continuity of service with the same supplier.

Tender evaluation

18. Bloom asked 1st ACE to submit a proposal which was evaluated. The proposal from 1st ACE to Bloom was evaluated on price and social value. 1st ACE have a track record in providing a quality service for the Ledbury Towers.

Plans for the transition from the old to the new contract

19. As the incumbent 1st ACE, will continue to provide the service. There will be no visible change in service to residents. The management of the service will be slightly different as Bloom will attend monthly meetings with their sub-contractor (1st ACE) and the council.

Plans for monitoring and management of the contract

20. The council's contract register publishes the details of all contracts over £5,000 in value to meet the obligations of the Local Government Transparency Code. The report author must ensure that all appropriate details of this procurement are added to the contract register via the eProcurement System.
21. The contract requires weekly operational meetings (as now) to continue, with a more formal, monthly contract meeting. Performance Reviews will be carried out and a report submitted annually after the first six months of operation in accordance with contract standing orders 9.3.

Identified risks for the new contract

22. The table below identifies risks associated with the new contract and controls to mitigate the risks.

Risk No.	Risk Identified	Risk Level	Mitigation
R1	Risk of Challenge	Low	The framework route proposed has been let in accordance with the Public Contracts Regulations 2015. NEPRO provides guidance on how to carry out a call-off and the

			majority of the documents necessary.
R2	The successful supplier or subcontractor ceases trading or goes into administration/liquidation.	Low	Credit checks have been conducted of both the supplier and subcontractor with the following result Bloom – Stable and 1 st ACE - Secure. If Bloom ceases trading or goes into administration/liquidation during the course of the contract then the council could use emergency powers to appoint 1 st ACE to a temporary contract. The Housing department is putting in place a framework/call-off contract and if that is in place that may be utilised to provide an alternative supplier if the sub-contractor were to cease trading or go into administration/liquidation.
R3	COVID or other pandemic	Low	The service has been continuously provided since before the pandemic to the current day. Planning for COVID is now a requirement under H&S Executive Guidance.

Community, equalities (including socio-economic) and health impacts

Community impact statement

23. No part of the community will be adversely impacted by this contract. The residents of the tower blocks on the Ledbury Estate will continue to be protected by the waking watch patrols and alerted to a fire, should one arise, in the block in which they live.

Equalities (including socio-economic) impact statement

24. No part of the community will be adversely impacted by this procurement, which is designed to protect all residents of the tower blocks on the Ledbury Estate.

Health impact statement

25. The purpose of this contract is to ensure that the health of the residents of the Ledbury Estate tower blocks are not adversely affected in the event of a fire in the block in which they live.

Climate change implications

26. Bloom is based in north-east England. Staff work from home and are encouraged to use public transport, if there is a need to visit client's premises or their offices. They have a wellbeing policy supporting staff to cycle to work when possible.
27. As one of their Social Value targets the sub-contractor, 1st ACE, was asked to provide their first climate change strategy for their organisation. The achievement of the targets will be monitored as part of the social value monitoring.

Social Value considerations

28. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well-being of the local area can be secured. The social value commitments to be delivered under the contract considerations (as outlined in the Gateway 1 report) are set out in the following paragraphs.
29. Bloom has in place a staff member dedicated to social value, who champions social value within the company and works with their supply chain to increase their knowledge of and ability to provide social value. They are:
 - embedding social accountability into all decision making via the introduction of operating processes accredited under the Social Value Certificate, having achieved Phase 2 Accreditation.
 - promoting the good physical and mental health of their staff via a wellbeing programme.
 - creating Social Value via an engagement programme to contribute to good causes, both local and national, through volunteering and fundraising initiatives.
 - supporting Third Sector organisations, to become more sustainable by increasing their financial stability through commercial activity. This is via incorporation into Bloom's Supply Chain and Resource Pool, alongside training, networking events and on-boarding support.

Economic considerations

30. The subcontractor, 1st ACE will be required to provide opportunities for residents throughout the term of the contract by advertising vacancies in local press, encouraged to engage with Southwark Works to support unemployed residents and to engage with apprenticeship schemes. 1st ACE have been encouraged to employ local residents since the service was first provided. The achievement of these social value commitments will now be monitored via the Social Value Portal.

31. There is no apprenticeship scheme for waking watch or SIA accreditation. As a result, the apprentice is likely to study qualifications in other parts of the business, e.g. relating to electronic security engineering.

Social considerations

32. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. It is expected that payment of the LLW by the successful contractor for this contract will result in quality improvements for the council. These should include continuity of service provision resulting from reduced turnover of staff and will provide best value for the council.
33. 1st ACE currently pay their staff at least the LLW. They will continue to pay their operatives at least the LLW and this will be monitored via the Social Value Portal. Bloom are not based in London and pay their staff at least the UK Real Living Wage appropriate for their area.

Environmental/Sustainability considerations

34. The waking watch operatives are encouraged to take public transport, walk or cycle to and from work on the Ledbury Estate.

Market considerations

35. There are many small and medium-sized security firms providing waking watch services to local authorities, housing associations and private owners of tower blocks across London. However, with the creation of a framework by the South East Consortium on which there are three large firms, and two SME these are less likely to get the waking watch work as local authorities and housing associations prefer the efficiencies of accessing a framework procurement route. Firms like 1st ACE which only works in south London and the southern counties, are not on that framework and are therefore, excluded for its four years duration may get further work opportunities by being on the Bloom marketplace.

Staffing implications

36. There are no additional staffing requirements relating to the appointment of Bloom (1st ACE) to this contract. The current contract management staff will receive awareness training of how the Social Value Portal works to enable the commitments to be monitored successfully.

Financial implications

37. The bid price is £3.13m excluding VAT, which will be charged to the Housing Revenue Account, further details of which are set out in the closed version of this report.

Legal implications

38. Please see concurrent from the Director of Law and Governance.

Consultation

39. No additional consultation.

Other implications or issues

40. None.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance

41. The Strategic Director of Finance and Governance notes the contract award for the provision of waking watch services to the tower blocks on the Ledbury Estate to Bloom Procurement Services from April 2022 to September 2024 at an estimated cost of £3.13m, with break clauses available at one year, 18 months and 24 months.
42. The provision and costs will need to be reviewed in line with these break clauses as a more cost effective option may be available. These costs will be contained within the housing revenue account.

Head of Procurement

43. This report seeks approval from the Cabinet Member for Council Homes and Homelessness approves the award of services to Bloom Procurement Services Ltd. via the NEPRO3 framework for the provision of waking watch services to the tower blocks on the Ledbury Estate for a total £3.13m, commencing 24 April. The Cabinet Member for Council Homes and Homelessness notes that use of framework is allowable under the Public Contract Regulations 2015 and the council's contract standing orders.
44. The Cabinet Member for Council Homes and Homelessness also notes that details of the tender process are detailed in paragraphs 17 to 18, the management and monitoring is detailed in paragraphs 20 to 21, the risks are detailed in paragraph 22, the impact on equalities, health and climate change are detailed in paragraphs 24 to 27, social value will be reported on by the social value portal team as detailed in paragraph 30 and confirmation of the payment of LLW is detailed in paragraph 32.

Director of Law and Governance

45. This report seeks the approval of the Cabinet Member for Council Homes and Homelessness to the award of services to Bloom via the North East Procurement Organisation NEPRO3 framework, in order for 1st ACE to be

appointed as their sub-contractor to provide waking watch services on the Ledbury Estate, as further detailed in paragraph 1.

46. The value and nature of the services to be provided means that this procurement is subject to the light touch tendering requirements of the Public Contract Regulations 2015 (PCR 15). As noted in paragraph 17, the NEPRO 3 framework has been established through an EU compliant tendering process and is established to allow local authorities to use for their own requirements. The tendering requirements of the PCR 15 are therefore satisfied. The council will enter into a contract with Bloom, who will then sub-contract these services to 1st ACE (as permitted under the framework arrangements). The council will also have the benefit of a collateral warranty with 1st ACE to be able to enforce the contract provisions directly, if required.
47. The Cabinet Member's attention is drawn to the Public Sector Equality duty (PSED General Duty) under the Equality Act 2010, which requires public bodies to have regard, when making decisions, to the need to eliminate discrimination, advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. The Cabinet Member is specifically referred to the community, equalities (including socio-economic) and health impacts at paragraphs 23-27 setting out the consideration that has been given to equalities issues which should be considered when approving this award.
48. Contract Standing order 2.3 requires that no steps are taken to award a contract unless the expenditure involved has been included in approved estimates, or is otherwise approved by the council. Paragraph 37 confirms the financial implications of this award.

Director of Exchequer

49. In July 2017, the Cabinet Member for Housing and Strategic Director of Housing and Modernisation made a decision not to recharge leaseholders for the costs for the waking watch on the Ledbury Estate and so the procurement of this contract has no leasehold implication with regard to charges or statutory consultation. The service charge loss to the HRA will be approximately £0.57m.

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Ledbury Newsletters (Publicly available)	www.southwark.gov.uk	Mike Tyrrell Mike.Tyrrell@southwark.gov.uk
Link: https://www.southwark.gov.uk/housing/safety-in-the-home/ledbury-estate?chapter=7		
GW1 Waking Watch Services on the Ledbury Estate	www.southwark.gov.uk	Linda Campling Linda.Campling@southwark.gov.uk
Link: https://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=7549		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Officer	Mike Tyrrell, Director, Ledbury Estate	
Report Author	Linda Campling, CFM Corporate Procurement Manager (Interim)	
Version	Final	
Dated	16 March 2022	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Governance	Yes	Yes
Director of Exchequer	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	16 March 2022	