

10 March 2021	ITEM: 16 Decision: 110562
Cabinet	
Housing Re-Procurement of Concierge Contract	
Wards and communities affected: Grays, Grays Riverside, Chadwell St Mary	Key Decision: Key
Report of: Councillor Barry Johnson Portfolio Holder of Housing	
Accountable Assistant Director: Carol Hinvest, Assistant Director of Housing	
Accountable Director: Roger Harris, Corporate Director of Adults, Housing & Health	
This report is Public	

Executive Summary

This report sets out the proposal for the re-procurement of the Housing concierge contract under delegated authority to the Corporate Director of Adults, Housing and Health in conjunction with Portfolio Holder of Housing to award this contract for 2 years with an extension of 1 year, subject to performance and funding.

The current contract has been extended up to a maximum end date of 31 August 2021 and a new contract will be put in place with a start date on or after 1 September 2021.

The current service operates at Chadwell St Mary High Rise blocks in Godman Road, Chadwell St Mary and Piggs Corner, Sheltered Housing Scheme, Southend Road, Grays. Funding for this service is recovered from tenant and leaseholder service charges in the Housing Revenue Account.

The Housing concierge contract provides the following services to residents to live in a safe and secure environment.

- 24/7 controlled entry monitoring all visitors to the building,
- Closed circuit video surveillance in and around the blocks,
- Reporting incidents of anti-social behaviour, repairs and fire safety to the relevant authorities.

A further council site is now being added onto the Housing Concierge contract. This is Brook House, Brook Road, Grays Riverside. Funding for this service is contained

within the General Fund Account. This site has come into the Council's ownership since the original contract was let.

Housing tenants and leaseholders living at the High Rise tenanted blocks have been consulted of how to improve the service. 64.8% respondents to the December 2020 concierge survey wanted the service to continue and improve its value for money. The proposed new contract has a revised specification to reflect those priorities including Social Value for the local community and current objectives with financial penalties for non-compliance. This delivers better resident services and excellent customer care.

1. Recommendation(s):

1.1 Cabinet is recommended to note the available options as set out in section 3 of the report.

1.2 Agree the re-procurement of the Housing concierge contract for a period of up to 3 years [2 years plus 1 year extension subject to performance and funding].

1.3 Approve delegation to award the contract to the Corporate Director, Adults, Housing and Health in consultation with the Portfolio Holder for Housing in order to ensure service continuity.

2. Introduction and Background

2.1 The Council delivers a commissioned concierge service to the high rise tower blocks in Chadwell St Mary and at the Extra Care Facility at Piggs Corner. This covers a total of 362 properties through a service contract with Kingdom Security.

2.2 The concierge contract provides residents a 24 hour controlled entry, mobile estate patrols, CCTV monitoring, reception and information desk and anti-social behaviour and crime and repair reporting.

2.3 This service has been in place for the last 5 years. The original term of the existing contract completed on 30 June 2019 and was extended twice, subject to performance and has just been extended for re-procurement to 1 September 2021.

2.4 Spend on the current concierge contract is £294k per annum. Funding for this service was contained in the Housing Revenue Account and forms a service charge to tenants and leaseholders of the affected blocks.

2.5 Brook House, Grays Riverside, is a temporary accommodation hostel that caters for priority homeless households providing a total number of 10 self-contained rooms. Temporary Accommodation Officers provide support to households and there is a requirement for a concierge service to monitor and

control access, and deal with contractors, incidents and emergencies outside of office hours. Spend on the current contract is £70k per annum. This is budgeted for within the General Fund and collected as a tenant service charge.

- 2.6 The re-procurement of the housing concierge contract provides an opportunity to improve our contract specification and expand the service to keep vulnerable residents safe.
- 2.7 As of the December 2020 concierge survey, 64.8% of respondents wanted to continue with a concierge service and 33.6% of respondents believed the service offered value for money. The contract specification and Key Performance Indicators [KPI] were revised to refocus the service on resident priorities, with the purpose of delivering higher value for money and service quality satisfaction levels going forward. Where there are failures in meeting any KPI and the contractor fails to rectify this, a financial penalty will be awarded for noncompliance.

3. Options

3.1 Re-procure the contract

- 3.1.1 The housing service will benefit from an updated concierge contract to reflect current service objectives to residents such as fire safety inspections to ensure areas are free of rubbish, parcel delivery, update notice boards, disseminate information about emergency works, and assist vulnerable residents and mobile patrols.
- 3.1.2 The resident consultation survey identified some of the aforementioned areas for continuing the service. They did not favour housing to reduce or stop the service altogether. The survey asked this question to understand appetite to reshape the service going forward.
- 3.1.3 A competitive re-procurement exercise will provide current market rates of the housing concierge service and may offer financial savings to the council.

3.2 Extend the current contract

- 3.2.1 There was provision to extend the current contract but this extension ends on 31 August 2021. Therefore our current contract cannot roll forward beyond 1 September 2021.
- 3.2.2 The decision to procure cannot be deferred.

3.3 In house management of concierge staff

- 3.3.1 An in house concierge team gives greater control to shape the service. However, this concierge model would be expensive for tenants and leaseholders who receive a service.

- 3.3.2 Affected tenants and leaseholders paying a concierge service charge will incur higher costs each year for the council to recover the cost of reintegrating the service, consisting of staff costs and pension contributions of TUPE'd staff.
- 3.3.3 This is recoverable from tenants and leaseholders of the affected blocks to pay a service charge for the relevant period.
- 3.3.4 The council is responsible to recover the costs of services provided to each property, block or estate every year.

3.4 Analysis of Options

- 3.4.1 The December resident consultation survey 2020 supported the housing concierge service to continue with changes to the contract specification.
- 3.4.2 The preferred option is re-procurement of the housing concierge contract that includes financial penalties for noncompliance.
- 3.4.3 The council has to comply with contract regulations and be transparent with its procurement and so a full, open procedure procurement will be carried out.

4. Reasons for Recommendation

- 4.1 This report is submitted to Cabinet in accordance with the Council's Contract Procedure rules to seek approval to proceed to tender for a contract with a whole life cost valued above £750K.
- 4.2 The total estimated value for this contract over 3 years period is c.£1.2m based on historical spend plus the additional requirement for Brook House.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 Sheltered Housing residents will continue to receive a 24/7 concierge service, so the resident consultation which sought in part to understand views on a different service was not extended to them. In addition no complaints are received about the service at Piggs Corner, this is not the case for Chadwell so the focus of the consultation was there.
- 5.2 Housing residents in Chadwell St Mary were consulted about the current concierge service quality and shaping the future of the service.
- 5.3 A total of 134 respondents took part in the council's telephone and online survey between November and December 2020. The results showed 64.8% respondents wanted the service to continue. A revised contract specification and KPIs will refocus on the role of value for money and service quality in customer satisfaction

Table 1

Measure	CSAT Rate
Polite	82.5%
Friendly	79.8%
Helpful	59.7%
Overall Satisfaction With Current Concierge Service	40.9%
Satisfaction With Value For Money Of Service	33.6%
Future Preferences - Continue Service	64.8%
Future Preferences - Reduce Service	7.2%
Future Preferences - Stop Service	28.0%

6. Timetable for Procurement and Award

KEY EVENT	ESTIMATED TIMELINE
ITT Publication	1 st April 2021
Deadline for clarification requests	23 rd April 2021
Closing date for Tender submissions	30 th April 2021
Notification of result of evaluation	21 st May 2021
Standstill period	10 days
Leaseholder Consultation (Section 20)	35 days
Expected date of award of Contract	23 July 2021
Contract Commencement	1 st September 2021
Contract End	31 st August 2023

7. Impact on corporate policies, priorities, performance and community impact

7.1 The concierge contract and its partnership work will support Housing and the Police to manage and tackle crime and disorder on estates and improve the health and well-being of residents to live in a safe and secure environment.

8. Implications

8.1 Financial

Implications verified by: **Mike Jones**
Strategic Lead – Corporate Finance

The current concierge contract ends on 31 August 2021 and is budgeted for within the Housing Revenue Account and General Fund 2021/22.

The cost of the service is recoverable from tenants and leaseholders in receipt of the service, through service charges under the terms of their tenancy agreement/licence/lease conditions respectively.

A competitive re-procurement exercise will aim to secure enhanced performance delivery outcomes, including maximising social value to the local community and value for money for residents in awarding a contract.

8.2 Legal

Implications verified by: **Courage Emovon**
Principal Lawyer/ Manager – Contracts & Procurement Team

This report sets out proposal for the re-procurement of the Housing Concierge contract and any re-procurement must comply with the provisions of the Public Contract Regulations 2015 and the Council's Contract Procedure Rules.

The costs of the building security and concierge service may be recoverable from leaseholders and tenants by the way of a service charge. The Council must also undertake consultation with the tenants with regards to the Service charge.

However the council must take into account relevant cost in determining the amount of a service charge payable for a period only to the extent that they are reasonably incurred and where incurred in the provision of services, the services are of a reasonable standard as provided by Section 19 of the Landlord and Tenant Act 1985.

Demands for service charges to tenants as Landlord by the Council must comply with the obligations under Section 47 & 48 of the Landlord & Tenant Act 1987 including limitation of service charges and time limit for making demands as provided by Section 20B of the Landlord and Tenant Act 1985.

Legal Services will be on hand to advise on any issue arising from the re-procurement of the Housing concierge contract.

8.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
Community Engagement & Project Monitoring Officer

The re-procurement of the Housing Concierge contract does not involve any changes to service delivery of operational practices.

The service remains front line aimed at enhancing the quality of life on estates which will benefit all equality and diversity groups and particularly address those who may feel vulnerable in their home and environment.

The procurement process will establish a suitable list of tenderers who can evidence their commitment to the council's social value priorities and demonstrate excellent practice in employment including equal opportunity, recruitment, training and staff terms and conditions.

8.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder, and Impact on Looked After Children)

The contract is a tool to reduce anti-social behaviour in the High Rise tenanted blocks with an effective concierge security solution and support housing residents to live in a safe and secure environment. Therefore, the concierge service aims to have a positive impact on communities with more residents reporting satisfaction with their neighbourhood and the housing services provided by the council.

There are no direct staffing implications for the council arising from this report although there is potential for TUPE between concierge contractors.

9. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Re- procurement of the Housing Concierge Contract, 9 December 2015, Cabinet Report

10. Appendices to the report

- Housing Concierge Contract Key Performance Indicators

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