

MEETING**CABINET RESOURCES COMMITTEE****DATE AND TIME****MONDAY 16TH DECEMBER, 2013****AT 7.00 PM****VENUE****HENDON TOWN HALL, THE BURROUGHS, NW4 4BG**

Dear Councillors,

Please find enclosed additional papers relating to the following items for the above mentioned meeting which were not available at the time of collation of the agenda.

Item No	Title of Report	Pages
9.	FUTURE CCTV SERVICE	1 - 10

Kirstin Lambert 020 8359 2177 kirstin.lambert@barnet.gov.uk

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Appendix 4: Response to questions from the Trade Unions in line with the TU Engagement Process for One Barnet Projects

Process:

The Council and the Trade Unions share a common objective in ensuring business efficiency, employee engagement and organisational success.

As part of this engagement process the Council expects Trade Unions to recognise the right of management to plan, organise and manage the business, activities and staffing of the Council according to the objectives set by the Council.

Likewise the Council recognises Trade Union responsibility to represent the interests of their members. Both parties recognise that information share and consultation is an essential part of the change process.

In line with this agreed approach the CCTV project sent a copy of the business case update to the appropriate Trade Unions. This document was 80%+ complete and embargoed until the final document is published. A meeting is held 3 days later for the TU's to clarify their understanding of the document before submitting their top 5 questions to the project prior to the document being submitted.

The purpose of the process is to give the Trade Unions an opportunity to comment on the documents and have these comments considered prior to publication as representatives of their members.

GMB Response to Full Business Case - Recommendations:

1. Reject the recommendation to award a contract:

The recommendation to award a contract to the preferred bidder should be rejected. The service should remain in house with further options for efficiencies explored.

Response:

The Outline Business Case for Future CCTV Service, as approved at CRC on 18 April 2013, contained a full options appraisal which looked at three options including an in-house option.

Based on the appraisal, the recommended option was to procure a fully outsourced service, this was the option approved by CRC. This Full Business Case follows on from the Outline Business Case as approved at CRC in April 2013 and recommends that a contract be awarded to OCS Group UK Ltd to provide the CCTV service for a period of five years beginning April 2014

2. Emergency Telephone Service:

The cost of awarding the Emergency Telephone Service to another provider be accounted for in this report, at present this service is carried out by the CCTV operatives at a zero cost to the council. Additionally details of how the ETS service was awarded should be declared as requested by GMB.

Response:

The procurement of an alternative provider for the Emergency Telephone Service (ETS) is being conducted separately to this procurement of a fully outsourced CCTV Service. To ensure best value two providers were compared on the basis of cost and quality. CSG and the Pan London OOH service, the decision to proceed with PLOOH has been taken as this represents best value to the Council. This is subject to LBB procurement sign off by way of the DPR process

3. Location of the control room:

A commitment is made to maintaining the control room within the borough.

Response:

The Council has not promised to retain services within the borough, and the Outline Business Case, as approved at CRC in April 2013, included within the recommendation of the fully outsourced service that the location of the monitoring centre would be determined by the provider. This Full Business Case indicates that the proposed location for the monitoring centre be in LB Enfield

4. Maintain the 24 hour operation of the control room:

The service should be maintained as a 24 hour manned control room. A thorough assessment of the impact on crime prevention be undertaken before a decision is made to reduce the hours the control room is manned.

Response:

The Full Business Case identifies a recommendation to move to a 16hr active control room, the risk of this change is to be mitigated by live access terminals in both Colindale Police Station and the Hendon Control Centre to facilitate control of the camera estate by the police (and by choosing to operate in the peak times for incidents, over 80% of incidents will still be monitored live). The impact on crime prevention of this change will be regularly assessed by both the Council and the police as part of on-going contract management.

5. Resident Consultation:

Residents should be fully consulted on the proposed changes to delivery of this service.

Response:

In September 2013 the council launched a consultation designed to assess residents' views on existing CCTV camera locations, numbers of cameras across the borough and residents views on the effectiveness of CCTV cameras on reducing crime.

The consultation survey was launched online through the council's engage space website (with paper copies of the survey available on request). In order to gather the greatest range and number of respondents, the survey was publicised through the Police's and Library Service's social media accounts as well as through internal council partnership boards

The consultation period formally closed on Friday 8th November 2013, with 131 completed responses received online.

The CCTV Code of practice is a technical document which describes how CCTV operates in the London Borough of Barnet, this document was shared with potential bidders at the ITT stage of the procurement.

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GMB Response to; Full business Case – Future CCTV Service

Recommendations;

- 1. The recommendation to award a contract to the preferred bidder should be rejected. The service should remain in house with further options for efficiencies explored.**
- 2. The cost of awarding the Emergency Telephone Service to another provider should be accounted for in this report, at present this service is carried out by the CCTV operatives at a zero cost to the council. Additionally details of how the ETS service was awarded should be declared as requested by GMB.**
- 3. A commitment is made to maintaining the control room within the borough.**
- 4. The service should be maintained as a 24 hour manned control room. A thorough assessment of the impact on crime prevention be undertaken before a decision is made to reduce the hours the control room is manned.**
- 5. Residents should be fully consulted on the proposed changes to delivery of this service.**

The GMB sets out below its initial concerns relating to the Full Business Case (FBC). This response is limited due to lack of resources and limited time to consult with our members. Our comments as recorded in our response to the Outline Business Case should be considered alongside this report.

Summary

- The proposal recommended will see a significantly reduced service provided with reduced accountability to the Council.
- The control room will be moved out of borough to Enfield and for 8 hours of the day the contractor may be able to use the equipment for commercial purposes which the council would not see the full benefits of.
- The financial benefits outlined in the business case do not appear to add up. There is an increase of almost £1m on expenditure to upgrade the infrastructure than that predicted in the Outline Business Case (OBC). This is also an increase of £1.25m on a quote GMB referred to for an upgrade of the infrastructure in-house, although this option wasn't included in the FBC.
- When the cost of borrowing this additional expenditure and the project costs to implementation are deducted from the predicted savings of £405,728 the approximate saving of this project is around £70k over 5 years. £10k less than the savings the service has been making year on year in-house.
- This does not include the additional cost of paying for the Emergency Telephone Service to be provided.

- The majority of the benefits both financial and non-financial could be achieved through an in-house upgrade of the infrastructure. This could also be achieved by maintaining 24 hour manning of the control room.
- 1. The recommendation to award a contract to the preferred bidder should be rejected. The service should remain in house with further options for efficiencies explored.**

As set out in the GMB response to the OBC all of the proposals set out could be achieved through modernisation of the current in-house service at a cost which would be well below that predicted by the recommended bidder. Alternative ways of making further savings could be worked on with the involvement of the staff. This could involve exploring the move to 16 hour monitoring with a commitment to protecting the jobs of staff in post with any necessary reduction in posts arising from natural wastage or voluntary redundancy. However a proposal to go to a two shift system would leave the control room unmanned for 8 hours a day leaving a potential security risk for the control room and the equipment inside as well as a considerable reduction in service.

Any benefits from the installation of Automatic Number Plate Recognition (ANPR) either financial or in relation to crime prevention can be realised by an in-house service with the same or improved results from that of an outsourced option.

Financial Benefits

The Full business case does not provide evidence to justify a fully outsourced service being recommended. Not including the in-house option in the evaluation cannot enable the council to be certain it is getting value for money. There are a large number of speculative assumptions in relation to the current financial costs of the service.

- The original price estimated in the OBC was £500,000 for all new equipment, (excluding ANPR). GMB referred to a quote we are aware of from a very reputable and well established supplier that is for half that price at around £250,000. However the FBC sets the price for establishing the contract and infrastructure with the preferred bidder as £1.4m. (Paragraph 5.2.3 Capital Budget Implications).
- The overall savings from this proposal, which includes reducing the service to 16 hours per day, would realise a predicted £405,778 over the 5 years of the contract. The quote we aware of, for a refresh of all equipment including control desk, monitors and cameras could save the council £1.15m on upgrading the infrastructure. Further efficiencies could realise increased savings. However this option was not considered in the FBC.
- The cost of borrowing the extra £972k to be invested by the council prior to implementation are not deducted from the predicted saving of £405,728 over 5 years. This could realistically be in the region of £200k+
- The estimated spend to Go Live for the project is likely to be £134,700 in addition to the £118,352 already spent. (7. Financial Appraisal). This section predicts a return on investment over half way through the contract, (excluding the interest on £972k).

- The cost of outsourcing the currently zero cost ETS is not included in the business case.
- The control room has been operating with a number of vacancies for at least a year. Due to the current flexibility and reliability of the operators they have managed to keep the service running effectively. In doing so they have achieved an additional saving of around £80,000. This good will of the staff may well be lost if the service is outsourced.

2.4 Commercial Opportunities

In relation to Commercial Opportunities there is currently plenty of scope for the service to achieve further income from partners and through offering other services. For example a traded service to Barnet Homes and Academy schools. Further opportunities exist for monitoring Libraries and Schools through a traded service.

Insurance companies often request footage in relation to claims. This is something that is currently given free of charge to them but could potentially be charged for.

One of the proposals is to reduce the manning hours of the control room. If this option is taken this will reduce significantly the commercial attractiveness of the service. The number of companies willing to pay to have their premises monitored by operators when they are told that it will not be monitored 24 hours a day is likely to reduce.

2.6 Non Financial Benefits

Section 5.1 of the FBC discusses non financial benefits. In relation to a new relationship with citizens the benefits highlighted here already exist and can be developed further in-house. There is a risk however that pursuing commercial activity could water down the ability of operators to fight crime in trouble hot spots. With a private sector company who has commercial interests the focus could shift to those who pay more and pressure may be put on operators to prioritise these areas over others.

While the hours for monitoring the publicly installed cameras paid for by the residents of Barnet will only be monitored by the operators for 16 hours there is nothing to stop the preferred bidder from using the infrastructure for the remaining 8 hours for its own commercial activity. Monitoring of this needs to be very robust to ensure that should the police wish to access the cameras the equipment is not being utilised to watch a Jewellery shop.

A One Public Sector Approach could be undermined by externalising this service. There is a very good existing relationship between CCTV and the Police. This could be put at risk as the Police may have reservations about sharing intelligence with a non government organisation.

The ability to respond to emergency situations will be reduced due to removing the Emergency Telephone Service (ETS) from the control room. Currently the control room is

a back up emergency control room due to the telephone being there. Removal of the ETS will reduce the function of the control room as an emergency centre.

2. The cost of awarding the Emergency Telephone Service to another provided be accounted for in this report, at present this service is carried out by the CCTV operatives at a zero cost to the council. Additionally details of how the ETS service was awarded should be declared as requested by GMB.

As suggested above the control room acts as a back up emergency control centre as the ETS is based there. This enables it to act as a contact point coordinating council services, CCTV and Police during an emergency situation should the power fail at NLBP.

The telephone also acts as the “ears“ of the service as it enable operators to respond quickly to get footage of an emergency in areas where they have cameras. This can help them to assist the police and emergency services to respond.

The Emergency Telephone Service has been run for free by this service for a number of years. It has taken thousands of calls on all forms of business and emergencies, during this period there have been only a handful of minor complaints.

CSG are not to take on this service contrary to what was assumed in the OBC and FBC. A decision to outsource this will no doubt have a considerable cost attached to it and will remove the ability of the control room to act swiftly to incidents. This financial element is not accounted for in the Financial Benefits section therefore the predicted savings are inaccurate.

GMB have requested this costing and also who and how the tender was awarded for ETS.

3. A commitment is made to maintaining the control room within the borough.

The intention is for the preferred bidder to move the Control Room to Enfield. This takes away the local knowledge and ownership of the borough that operators currently have. It also means that the preferred bidder will have a captive service should the contract fail or when it is up for re-tender. Who will pay for re-location should they default on the contract? Who will pay to relocate should another provider be successful in 5 or 7 years time? What happens if the preferred bidder loses the Enfield contract and no longer have the control room there?

The ownership that the preferred bidder will have over the control room will give it an advantage in any future bid and could potentially enable them to demand a higher price. This could therefore reduce any savings beyond the length of the contract and may result in higher long term costs.

4. The service should be maintained as a 24 hour manned control room. A thorough assessment of the impact on crime prevention be undertaken before a decision is made to reduce the hours the control room is manned.

The option to close the control room from 4am till 12pm will cause an amnesty period for criminals and anti social behaviour. It will not be long before local trouble makers discover there is no one manning the cameras in the early hours of the morning. Although the footage may be recorded someone committing a crime wearing a hood and a scarf will unlikely be recognisable if there is no one to zoom in for a close up. Viewing the footage after

the event will be next to useless while constantly manned cameras mean that the police can be informed as soon as an incident starts and send a patrol car to investigate.

The proposal to enable Enfield control room to access the cameras in an emergency situation or to enable the Police live access would not give the same Crime prevention ability as is currently available. Ability to respond to such incidents as the London Riots would be severely affected. The work of the CCTV control room helped to contain the outbreaks of violence that occurred in Barnet during the Tottenham riots.

5. Residents should be fully consulted on the proposed changes to delivery of this service.

Residents have not been consulted on this project. They should be made aware that the service provision is being reviewed. There are implications about data capturing by a private company that the public may be concerned about, for example the storage of footage and how compliance with the council CCTV protocol will be monitored.

Conclusion

The Full Business Case fails to provide evidence of why the preferred option is better than an in-house service. There has not been enough research into the cost of upgrading the control room as an in-house service . Therefore in order to ensure best value and utilise the knowledge of the staff who work in this service a full business should be worked up in collaboration with operators to compare like for like with an in-source model.

The awarding of this contract to the preferred bidder shows no financial or non-financial benefits.

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