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<b>Meeting</b>	Cabinet Resources Committee
<b>Date</b>	18 April 2013
<b>Subject</b>	<b>Future CCTV Service</b>
<b>Report of</b>	Cabinet Member for Safety and Resident Engagement
<b>Summary</b>	<p>The Council's CCTV service makes an important contribution towards delivering Barnet's Safer Communities Strategy, by helping the Council and Police to prevent and tackle priority issues such as anti-social behaviour, violence and theft and by making a significant impact on residents' perception of safety. This report recommends a cost effective solution for future management of the monitoring service and technical platform, with the primary aim of improving delivery against the service's community safety objectives.</p>
Officer Contributors	James Mass Family & Well Being Commissioner, Ruth Murphy, Project Manager
Status (public or exempt)	Public
Wards Affected	All
Key Decision	Yes
Reason for urgency / exemption from call-in	N/A
Function of	Executive
Enclosures	<ol style="list-style-type: none"><li>1. Outline Business Case - CCTV</li><li>2. Appendix 1 Equalities Impact Assessment</li></ol>
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## **1. RECOMMENDATIONS**

- 1.1 That the committee approve the Outline Business Case for the future of the CCTV service and authorise the procurement of a fully outsourced service.**
- 1.2 That the committee approve a budget of £247,000 for the implementation of the fully outsourced CCTV service in 1.1, as detailed in 6.3 from the transformation reserve.**
- 1.3 That the Committee approve that a Full Business Case will be reported to the committee with a recommendation on appointment of the successful tenderer in the autumn 2013.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Cabinet, 29 November 2010 (Decision item 6) – approved the One Barnet Framework and the funding strategy for its implementation.**
- 2.2 Cabinet, 14 September 2011 (Decision item 5) – approved the Safer Communities Strategy.**
- 2.3 Cabinet, 20 February 2012 (Decision item 6) – approved the Business Planning Report 2012/13 – 2014/15 which included within the report the five projects to be developed through strategic outline cases.**
- 2.4 Cabinet Resources Committee, 20 June 2012 (Decision item 6) – approved the Strategic Outline Case for the strategic review of Community Safety.**

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 Crime reduction and community safety are top priorities for Barnet residents. One of the new Corporate Plan priorities is “to promote family and community well-being and encourage engaged, cohesive and safe communities”.**
- 3.2 The Council is a provider and commissioner of community safety services but also has a more significant local leadership role. Through chairing the Safer Communities Partnership the Council exerts strategic leadership, holds other agencies working in Barnet to account and is the driving agent of development in the system.**
- 3.3 The recommendations in the outline business cases fit within the corporate change principles. In line with these principles, the refresh of CCTV will deliver:**

### **A new relationship with citizens**

- Citizens will feel safer and there will be less fear of crime as a result of confidence in CCTV to prevent and detect crime.

### **A one public sector approach**

- Reduced crime and anti social behaviour
- Improved crime prevention as CCTV is more effectively deployed and is more of a deterrent.
- Improved technology and a more flexible camera estate which can be used to respond to crime and anti-social behaviour hotspots.

### **Relentless drive for efficiency**

- A more efficient CCTV monitoring service.
- Improved crime prevention as CCTV is more effectively deployed leading to a reduction in economic and social costs of crime.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 Risks associated with the delivery of this project are managed and reported in accordance with corporate risk and project management processes and will also be reported through existing democratic processes.
- 4.2 A risk assessment has been completed as part of the development of the Outline Business Case.

## **5. EQUALITIES AND DIVERSITY ISSUES**

- 5.1 The Council and all other organisations exercising public functions on its behalf are required under the Equality Act 2010, to have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between those with a protected characteristic and those without; promote good relations between those with a protected characteristic and those without. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to eliminating discrimination.
- 5.2 An initial equalities impact assessment for the service is attached as Appendix 2 and will be reviewed at Full Business Case stage.
- 5.2 An equalities impact assessment in relation to the staffing implications from the CCTV service implementation will be completed and reviewed at General Functions Committee at an appropriate stage.

## **6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

### **Finance**

- 6.1 A fully outsourced service, with an upgraded technical platform and Automatic Number Plate Recognition (ANPR), is estimated to deliver £80,930 savings a year. This will support the savings requirement within the Medium Term Financial Strategy (MTFS). It should be noted that annual staff savings of £200,000 are modelled in relation to the service - the low overall savings figure reflects a high cost to invest in the new technical platform.
- 6.2 The below table sets out a summary of the estimated costs and savings for a fully outsourced service over a seven year contract. The assumptions and comparison to alternative options are detailed in Appendix 2.

**Table 3: Summary of costs and savings for a fully outsourced service:**

Average Cost Per Year (£)	755,630
Current Service Budget (£)	836,560
Average Annual Saving compared to current service budget (£)	(80,930)
Total Savings over 7 years (£)	(566,510)

- 6.3 The anticipated costs to implement a fully managed CCTV service are £247,000 which it is recommended are met through the One Barnet Transformation Reserve. The detailed cost breakdown and assumptions are in Appendix 2. There is a £477,000 Capital Budget allocated to CCTV. It is proposed this Capital Budget is used to contribute to the provider's investment costs in the first year. This will result in larger savings to the service's revenue budget in the first year which would be used to refund the implementation costs.
- 6.4 Detailed financial modelling has been completed for three broad options:
- (1) A fully outsourced service
  - (2) An outsourced technical platform with in-house service
  - (3) An in-house service and technical platform.

**Table 4: Costs and savings for each option:**

	Option 1 (£)	Option 2 (£)	Option 3 (£)
Transition Costs	215,250	215,250	322,875
Contingency	-	-	346,385
Income	(350,661)	(304,060)	(304,060)
Expenditure	6,577,821	6,881,390	6,552,547
<b>TOTAL</b>	<b>6,442,410</b>	<b>6,792,580</b>	<b>6,917,747</b>
<b>CURRENT COSTS</b>	<b>7,255,920</b>	<b>7,255,920</b>	<b>7,255,920</b>
Implementation costs	247,000	220,000	234,000
<b>NET (BENEFIT)/COST</b>	<b>(566,510)</b>	<b>(243,340)</b>	<b>(104,173)</b>

- 6.5 A lower cost of investment is modelled for option 1 and 2 as it is assumed that the outsource contractor would be able to make better use of economies of scale and would have more expertise than the council in selecting and procuring the solution. It is assumed that a fully outsourced operation of the service would be able to better exploit the commercial opportunities to receive additional revenue than the other options where the service is run by the council. An outsourced service also potentially has greater economies of scale since some basic infrastructure will be able to be shared across multiple contracts reducing their unit cost of monitoring, storage, power etc. It is assumed that in Option 1 the annual staff costs of monitoring the service would be reduced over time.
- 6.6 With an in-house solution, the council maintains most of the risk for implementation and running of the service and the technical expertise does not exist in house – therefore the council would be reliant on consultants to help design the solution, whereas a provider is likely to have this expertise in house. The council would also need to manage the transition of the implementation of the new facilities to minimise disruption to the current service and would be responsible for these transition costs. With a fully outsourced service, the infrastructure could be implemented within a year with lower transition costs than for an in-house option. The in house option also has higher contingency risk than the others due to the Council owning the risks associated with the procurement of the technical platform.

#### Staffing

- 6.7 The procurement of a fully managed CCTV service will result in a TUPE transfer of the existing CCTV team to the new provider. The Council will not make any redundancies within the service relating to the transfer.
- 6.8 Where there is a service provision transfer then The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) will operate to transfer in scope employees to a new provider. All of the Council's rights, powers, duties, and liabilities (except criminal liabilities) under or in connection with the contracts of employment of the relevant staff will transfer
- 6.9 The FTE in scope is 1 FTE Supervisor, 2 FTE Team Leaders and 14.6 FTE Operators. The service also makes use of a number of casual workers to cover sickness and other staff shortfalls.
- 6.10 Where any change results in a TUPE transfer the Council will meet all of its statutory obligations provided by TUPE, and under the TUPE Transfer Commitments which the Council implemented in the summer of 2011. Under TUPE, existing contractual terms and conditions are protected on transfer and, under the TUPE Transfer Commitments which the Council implemented in the summer of 2011, all terms and conditions are protected for at least a year and in addition a new provider would be required to become an admitted body to the Local Government Pension Scheme.
- 6.11 The Council will continue to meet all of its statutory or contractual obligations with regard to change and its impact upon the Council's staff. In addition the Council has implemented a Relocation Protocol which we would expect a new employer to adhere to if they do not have a similar way of working.

## **7. LEGAL ISSUES**

- 7.1 Under s.6 of the Crime & Disorder Act 1998, the Council with other partner authorities (chief of police, fire & rescue authority, probation service, PCT and Local Health Board) has a duty to formulate and implement a strategy for the reduction of crime and disorder in its area (including anti-social behaviour adversely affecting the local environment), a strategy for combating the misuse of drugs, alcohol and other substances in the area and a strategy for the reduction of re-offending in the area. Under s.17 of the above Act, it is also a duty of the Council (and other partner agencies, including police, fire & rescue, Greater London Authority, Transport for London) when exercising its functions to have due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder (including anti-social behaviour), misuse of drugs, alcohol and other substances and re-offending.
- 7.2 The outline business cases will support the Council's strategy to reduce crime and disorder and anti-social behaviour and to reduce re-offending.
- 7.3 The Council will need to ensure compliance with Data Protection Act 1998 in relation to Information sharing.
- 7.4 The Council will also need to consider and comply with its Contract Procedure Rules.

## **8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)**

- 8.1 The council's constitution, in Part 3, Responsibility for Functions, paragraph 3.6 states the terms of reference of the Cabinet Resources Committee including "approval of schemes not in performance management plans but not outside the council's budget or policy framework".
- 8.2 Corporate Procurement Rules section 5 state that authorisation is required before quotations or tenders for suppliers or services or works may be sought in accordance with 3.2 and table 5.1. Contracts of £500,000 and above need approval from Cabinet Resources Committee.

## **9. BACKGROUND INFORMATION**

- 9.1 The Safer Communities Strategy was ratified by the Safer Communities Partnership Board (SCPB) in September and Council in November 2011 covering a three year period until 2014
- 9.2 The Council's CCTV service makes an important contribution towards delivering Barnet's Safer Communities Strategy, by helping the Council and Police to prevent and tackle priority issues such as anti-social behaviour, violence and theft and by making a significant impact on residents' perception of safety.

9.3 However, the CCTV system in Barnet is out of date, expensive relative to more modern systems, and will very quickly no longer be fit for purpose. In light of significant saving pressures across the Council, the Outline Business Case (OBC) proposes a cost effective solution for future management of the monitoring service and technical platform, with the primary aim of improving delivery against the service's community safety objectives.

9.4 The outcomes Barnet wishes to achieve in part through CCTV are:

- A reduction in crime / ASB.
- An increase in successful prosecutions for crime / ASB.
- A reduction in fear of crime / ASB.
- More effective response to emergencies and business continuity issues.

9.5 The levels of crime vary significantly between the current CCTV sites. A detailed review is required in conjunction with the police to determine which sites in the Borough would most benefit from CCTV. There would also be significant benefit in a more flexible technology that allowed some of the cameras to be cheaply relocated to respond to changing crime patterns or emerging events.

9.6 The cameras are currently monitored 24 hours per day. It is proposed that the service specification would include a core 16 hours of operation. Over 80% of incidents would still be picked up within this core period and the service cost could be reduced by around £200,000 per year. With the improvements in remote monitoring technology now offered by the market, a new solution should enable the police to access live footage when the service is not operating (62% incidents are police-driven). This would mitigate the risk of a delay in obtaining urgent images.

9.7 It is proposed that the procurement of new CCTV technology includes an option to include Automatic Number Plate Recognition to assist the police with detection of crime, in particular burglary and vehicle crime. A more detailed business case is currently being developed for this with the police to ensure any additional investment will be effectively utilised by the police.

9.8 There are potential opportunities for the Council from the commercialisation of the service based on a traded service model. This would include selling CCTV services to private and public sector organisations to further deliver the core Community Safety aspirations in lower priority areas and to enhance security on private property. Clear principles as to whom the service would be offered to and how it would be operated will need to be agreed as part of the specification development. Assumptions about income based on comparator services were used within the options appraisal.

9.9 The recommended service model for CCTV is a fully outsourced service delivered by a private sector partner. The key advantages of this option, relative to an outsource of the technical platform only or in-house management of the technical platform are:

- The fully outsourced option is likely to deliver more savings over a seven year contract period.

- Responsibility for improving the monitoring service lies with the contractor and these savings will be built into the contract.
  - It is possible to define the service outcomes required by the council and leave the transmission and technology issues to the contractor.
  - A faster pace of transformation could be achieved.
  - The contractor is likely to be more successful than the council in commercialising some parts of the service and maximising income from these streams
  - Greater flexibility in the council's accommodation strategy can be achieved in relation to the options for Colinhurst House.
- 9.10 It is recommended that a restricted procedure procurement route is used, conducted under lean procurement rules.
- 9.11 The intended length of the contract will be seven years (with a break clause after five years). The length of the contract is deemed necessary to allow the provider a sufficient return on investment (due to the large upfront costs expected to provide new technology).
- 9.12 The Council has a Code of Practice (2011) to govern the operation of Closed Circuit Television in Barnet, including ensuring compliance with the Human Rights Act 1998, Data Protection Act 1998 and Regulation of Investigatory Powers Act 2000.

## **10. LIST OF BACKGROUND PAPERS**

- 10.1 Appendix 1 - Outline Business Case for CCTV
- 10.2 Appendix 2 – CCTV Equalities Impact Assessment

<b>Cleared by Finance (Officer's initials)</b>	<b>MC/JH</b>
<b>Cleared by Legal (Officer's initials)</b>	<b>SW</b>