

## **Report to the Cabinet**

**Report reference: C-040-2013/14**  
**Date of meeting: 21 October 2013**



**Portfolio: Housing**  
**Asset Management and Economic Development**

**Subject: Out of Hours Call Handling Service**

**Responsible Officer: Alan Hall (01992 564004)**  
**Mike Tipping (01992 564280)**

**Democratic Services Officer: Gary Woodhall (01992 564470)**

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### **Recommendations:**

(1) That the provision of the Council's Out of Hours Call Handling Service, including the receipt of emergency calls for all Council services and the provision of a service for Council tenants to report any non-emergency repairs out of hours forms part of the current Repairs Management Contract with Mears Limited as a "Key Deliverable", with effect from 1 April 2014, and delivered through Mears Ltd's subsidiary, Mears 24/7;

(2) That the negotiated cost of £35,729 per annum, plus any additional costs as a result of any staff transferring under the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations, to be increased annually by the Consumer Prices Index (CPI) for the month immediately preceding the anniversary of the introduction of service, be noted;

(3) That Contract Standing Orders C1 and C5 be waived to allow the inclusion of the non-housing elements of the Out of Hours Service within the Repairs Management Contract, without undertaking a competitive exercise, due to the fact that only Mears Ltd can provide the required non-emergency repairs reporting facility and the monetary value of the non-housing elements does not make it cost effective to procure a separate contract solely for these elements;

(4) That the comments received from three of the Council's four Standby Officers (attached as an Appendix), and the GMB and Unison trade unions, on the proposals and recommendations within this report, in response to the formal staff consultation exercise, be noted;

(5) That the cost of the Out of Hours Service provided by Mears Ltd be allocated to the HRA and General Fund each year based on actual usage;

(6) That, following individual consultation with the staff concerned, the Council's Standby Officers either be transferred to Mears Ltd (or Mears 24/7) under the TUPE Regulations or be placed "at risk" of redundancy, depending on their circumstances;

(7) That staff placed "at risk" be sought to be re-deployed through the ring fencing of vacant posts, but that if re-deployment is not successful, they be made redundant with effect from 1 April 2014;

**(8) That any redundancies and other one-off costs be funded from the District Development Fund (for General Fund costs) and HRA Balances (for HRA costs), and that appropriate provision be made within the District Development Fund accordingly;**

**(9) That the Implementation Mitigation Plan prepared by the Asst. Director (Facilities Management and Emergency Planning) and reported later in the Cabinet Agenda - identifying the effects of no longer having on-site Standby staff at the Civic Offices out of hours from 1 April 2014 and proposing options for mitigation and assessing the associated costs - be noted; and**

**(10) That responsibility for the provision of the Out of Hours Call Handling Service through the contract be transferred from the Corporate Support Services Directorate to the new Directorate responsible for the Housing Service with effect from 1<sup>st</sup> April 2014.**

#### **Executive Summary:**

The Council's current in-house arrangement for handling calls out of hours through the Council's Standby Service has been in place for many years. The Standby Team generally provides a good service, but is hampered by insufficient technology to meet current needs and, due to it being a small team, the Service is vulnerable to the effects of staff shortages. On several occasions over recent years, the Service has been non-operational at short notice due to staffing difficulties, which is considered unacceptable for such an important emergency Council service.

The Housing Directorate also wants to improve the Repairs Service for tenants by providing a facility for tenants to report non-emergency repairs and make repairs appointments out of hours, which is not possible with the existing in-house Standby Service.

Discussions have therefore been held with Mears Ltd, the Council's Repairs Management Contractor, about the possibility of Mears providing an Out of Hours Call Handling Service as a "Key Deliverable" for the 3-6 remaining years of the existing Repairs Management Contract from 1<sup>st</sup> April 2014, which has led to a formal proposal from Mears. Under the proposal, Mears would handle all housing repair calls (emergency and non-emergency) and all emergency calls for other Council services received out of hours, using the same IT System as now used by the Housing Repairs Service, obviating the need for the in-house Standby Service.

Under the proposal, not only would the proposed approach provide an enhanced and more resilient service, the cost of delivering the service would result in savings of around £76,000 per annum compared to the current in-house service (excluding the costs of the associated Mitigation Action Plan). With a potential remaining contract period of 6 years, this could generate savings of around £456,000 (£192,000 General Fund; £264,000 HRA), over the potential remaining life of the Repairs Management Contract.

Some staff may wish to transfer to Mears under the TUPE Regulations, for which there will be an additional cost to the Council. If they do not, the proposal may result in redundancies, although efforts would be made to keep these to a minimum through redeployment. The *maximum* one-off cost of redundancies and the cost to the Council of the associated "strain on the Pension Fund" (if all staff were made redundant) would be around £50,000, which would be re-couped from the ongoing savings within around eight months.

There are a number of issues that would need to be addressed as a result of no longer having on-site staff at the Civic Offices out of hours, which results in some additional costs. These are identified in the report from the Asst. Director (Facilities Management and Emergency Planning) and reported later in the Cabinet Agenda, which identifies the effects of no longer

having on-site Standby staff at the Civic Offices out of hours from 1st April 2014 and proposes options for mitigation and assesses the associated costs of the options.

### **Reasons for Proposed Decision:**

The proposed decision would result in a more resilient out of hours call handling service, with an enhanced repairs reporting service for tenants to report non-emergency repairs out of hours, all at a significantly lower cost than the current in-house service.

### **Other Options for Action:**

The main alternative options are:

(a) Continue with the current arrangement – but this would not realise the identified benefits of the proposed approach.

(b) Procure a separate contract for the out of hours service from another provider – However, this would not enable the enhanced reporting service for tenants to be provided (since it requires Mears' own IT System, which the Council uses) and is unlikely to generate the same level of savings. There would also be time and cost involved with specifying and undertaking a separate tender exercise.

### **Report:**

#### Background to the current Out of Hours Call Handling Service

1. The current structure and method of service provision for the Council's Out of Hours Call Handling Service (known as the "Standby Service") has not changed since the service transferred from the Greater London Council around 1978. The service is managed by the Corporate Support Services Directorate and usually comprises 5 part-time Standby Duty Officers, each working 26.5 hours per week spread over a five week cycle to accommodate shift and weekend working patterns. However, there is currently one vacant post, which is being covered by the other four staff on an overtime basis. The service operates at all times the Civic Offices are closed, i.e. evenings, overnight, weekends and bank holidays.

2. There is normally one officer on duty per shift. Cover for annual leave, sickness, bank holidays and other days when the Civic Offices are shut (i.e. Christmas/New Year shutdown) is provided from within the team on an overtime basis.

3. The Standby Service receives around 2,500 actionable calls per annum (i.e. those calls resulting in an incident report being generated). Although it varies from year to year, generally, around:

- 65% are Housing-related;
- 33% are related to various elements in Environment and Street Scene; and
- 2% relate to other Council services (e.g. building control, leisure management, facilities management).

4. In addition, there are many other calls not resulting in incident reports, whereby the Standby Duty Officer gives general basic advice or refers the caller onto another agency. At times when a corporate emergency response is required out of hours (e.g. severe weather, serious incidents etc), the Standby Service is the first point of contact for all callers. On such

occasions, if necessary, off-duty members of the Standby Team are called in to provide additional staff resources if they are able to.

5. The Standby Team generally provides a good service, but is hampered by insufficient technology to meet current needs and, due to it being a small team, the Service is vulnerable to the effects of staff shortages. Indeed, there have been a number of occasions over recent years when the service has been non-operational, at very short notice (on the day), because of lack of staff cover.

6. It is not considered acceptable for such an important emergency Council service to be non-operational at any time, especially considering the potential dangers related to the types of calls received out of hours. Service Directorates have expressed concern when the Standby Service has been non-operational in the past, and have asked for arrangements to be put in place to ensure that they do not occur in future.

#### Out of Hours Reporting of Repairs for Council Tenants

7. Although Council tenants can report emergency repairs to the Standby Service out of hours, currently, they can only report non-emergency repairs (and make appointments) during normal office hours (i.e. weekdays between 9am and 5.15pm). In today's modern world, this is not considered to be an acceptable level of service for tenants, many of whom work during normal office hours and have difficulty reporting non-emergency repairs. Indeed, it is apparent that many tenants mis-report non-emergency repairs out of hours as emergency repairs for this reason – which increases the cost of undertaking the repair, and/or results in the tenant having to be recharged.

8. Moreover, the Standby Service is not able to input details of the repairs onto the Repairs IT System, so a manual record has to be created, which then has to be input on to IT System the following day – resulting in duplication of effort

9. Therefore, for many years, the Housing Directorate has been wanting to find a cost-effective and efficient way to enable Council tenants to report non-emergency repairs, and arrange appointments, any time of the day or night at tenants' convenience.

10. Now that the Council has entered into a successful partnership with Mears for the Housing Repairs Service, through the Repairs Management Contract, this has not only become possible, but can also result in significant long-term savings to both the General Fund and HRA.

#### The Proposed Approach

11. Following an EU procurement exercise, in May 2011, the Council entered into an initial 3-year Repairs Management Contract with Mears Ltd to manage the Council's Repairs Service, through an innovative "in-sourcing" approach. Under this arrangement the service is delivered by the Council's own staff, with Mears providing the overall management and all the required support functions (e.g. health and safety and IT). The purpose of the approach has been to utilise the commercial expertise of a private contractor to support the Housing Directorate to achieve a culture-change within the Repairs Service, following its transfer from the former Works Unit, and a step-change in performance and customer service.

12. The Cabinet will be aware of the success of this approach within its first two years of operation, including:

- The introduction of appointments for all repairs
- The introduction of mobile technology for the workforce

- A step-change in repair response times – the following summarised the repairs performance for Quarter 4 of 2012/13, compared to 2010/11:
  - 100% of emergency repairs completed *within 4 hours*, compared to 98% *within 24 hours* in 2010/11
  - All other repairs completed within an average of 6.4 days (compared to just 69% of urgent repairs completed within 5 days and 92% of routine repairs completed within 6 weeks)
- 100% tenant satisfaction with the Repairs Service

13. The key to this success has been the introduction and use of Mears' own Repairs IT System, which now enables repairs to be scheduled for a convenient appointment at the time the tenant reports the repair and for the repair request to be transmitted wirelessly direct to the tradesmen. The system will also interface with the IT system of the Council's new repairs materials supplier, once the new materials supply system is fully operational.

14. When, in accordance with EU-procurement requirements, the Council originally advertised its intention to appoint a Repairs Management Contractor in the Official Journal of the European Union (OJEU), reference was included to the provision of an out of hours service for repairs. The subsequent contract with Mears includes a requirement for the Council and Mears to agree "Key Deliverables" (i.e. improvements to the service) at the commencement of the contract and if/when the contract is extended.

15. At its last meeting, the Cabinet agreed to extend the Repairs Management Contract with Mears for a further three years from 1 April 2014, with the ability to extend the contract by another three years, for one further time in 2017, in accordance with the original OJEU advert.

16. Since Mears has its own 24/7 contact centre, based in Welwyn Garden City, which provides an out of hours call handling service for tenants of other local authorities where Mears provides the repairs service, the extension of the contract in April 2014 presents a timely opportunity for the provision of an out of hours call handling service for tenants – for both emergency and non-emergency repairs - to be included as a "Key Deliverable" within the services for the extended contract. Mears also has an alternate call centre in London, to which calls can be easily diverted when required to provide business continuity, providing an even greater resilience arrangement than the Council currently has in place.

17. It should be noted that, since the Housing Repairs Service uses Mears' IT System, such an arrangement would only be possible through a partnership with Mears, and could not be procured through another contractor.

18. The benefits of this approach for the Housing Directorate and tenants can be summarised as follows:

- Tenants would be able to report both emergency and non-emergency repairs any time of the day or night, 7 days a week – significantly enhancing the service provided
- The Council already uses Mears' Housing IT System – there would therefore be no IT/interface problems that would arise with another provider;
- Mears would be able to take, record on the IT System and action all emergency housing repair calls received at the time of receipt;
- Housing staff would not have to manually record on the IT System, the following day, details of the repairs calls made – and action taken – from the previous evening/night as at

present, since the details will have been input direct by Mears staff at the time of taking the call. This would free-up officer time in a very busy office;

- Mears would also take and record on the IT system *non-emergency* repairs calls out of hours, achieving the Council's long-held ambition to provide a 24/7 non-emergency housing repairs reporting facility. Again this would free-up officer time within the Housing Repairs Service, which is currently stretched during office hours due to the demands of operating the greatly-enhanced repairs service as a result of using Mears' IT system;

- There would be significant financial savings on an ongoing basis (see below); and

- In addition to handling call out of hours, Mears would also be able to take and record repairs during normal working hours when required for business continuity purposes if any business continuity issues arise. This would also allow Housing Repairs staff to have team meetings etc, which is currently not possible as staff have to be available to answer calls

19. Discussions have therefore been held with Mears about the possibility of them introducing such an arrangement for the Repairs Service, which has resulted in Mears submitting a formal proposal for consideration. Since this approach would take away the current bulk (around 65%) of all emergency calls received by the Council's own Standby Service, Mears have offered to also provide an Out of Hours Call Handling Service for the non-housing calls as well, which is included within the proposal. Since this service is provided by Mears 24/7, which is a subsidiary of Mears Ltd, it would be necessary for the Council to allow Mears Ltd (i.e. the legal entity which has contracted with the Council for the Repairs Management Contract) to sub-contract with Mears 24/7 to provide the service.

20. Senior officers from both the Housing and Corporate Support Services Directorates have visited Mears' Contact Centre at Welwyn Garden City, and were very impressed with the facility and its operation.

21. The benefits to the Corporate Support Services Directorate of Mears also handling all non-housing calls out of hours can be summarised as follows:

- Far greater staffing resources would be available within a large multi-provision contact centre, which would overcome the current difficulties with providing guaranteed staff cover;

- Guaranteed service provision would be provided, unlike at present;

- There would be improved resilience for business continuity for all emergency calls, through Mears having its alternate call centre in London;

- There would be a time saving on staff management issues;

- The General Fund would benefit from significant financial savings on an ongoing basis (see below);

- Mears would be able to provide comprehensive, regular and far-better management reports and statistical analysis on numbers and performance for the Out of Hours Service;

- Mears are known to already be providing an excellent, cost-efficient and customer-focussed service for the Housing Directorate;

- In the event of a catastrophic business continuity issue at the Civic Offices, it would be possible to re-route all telephone calls to the Civic Offices to Mears during the day, for a basic answering service to be given.

22. Although not currently covered by the Repairs Management Contract, since it is estimated that non-housing calls would only account for around 20% of all calls received by Mears out of hours, and the associated cost is relatively small (see below), it is considered that the addition of this non-housing element to the contract would not be material in relation to the overall scope of the contract.

23. However, it would be necessary for the Cabinet to waive Contract Standing Orders C1 and C5 to allow the inclusion of the non-housing elements of the Out of Hours Service within the Repairs Management Contract, without undertaking a competitive exercise. This is because only Mears can provide the required non-emergency repairs reporting facility and it would not be cost effective to procure a separate contract solely for the non-housing elements.

24. Since the extended Repairs Management Contract with Mears Ltd will commence from 1 April 2014, it is suggested that the proposed approach be implemented with effect from this date. This should provide sufficient time for the Corporate Support Services Directorate, supported by the other Directorates, to prepare for the transfer of the service by this date.

25. Since it is also the Chief Executive's intention to introduce a new Staffing Structure with effect from 1 April 2014, and bearing in mind that around 80% of the proposed Out of Hours Service is expected to be housing-related, and that the Housing Directorate is also responsible for the Repairs Management Contract, it is suggested that responsibility for the provision of the Out of Hours Service (for both housing-related and non-housing-related calls) through the Contract be transferred from the Corporate Support Services Directorate to the new Directorate responsible for the Housing Service with effect from 1 April 2014.

#### Staffing Issues

26. There are currently four Council staff providing the Standby Service, including the provision of cover for the vacant post. Clearly, if the whole Out of Hours Call Handling Service is provided by Mears, as proposed, the in-house Standby Service and the associated staff would no longer be required.

27. The staff affected by the proposal have been formally consulted on the proposals, as required by employment law and the Council's policies. The GMB and Unison trade unions have also been formally consulted. Further information on this process, the responses received and Management's response is provided within the "Consultation" Section towards the end of this report.

28. If the Service is provided by Mears, it is likely that the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations would apply, which means that the four Council staff would have the right to transfer their employment to Mears 24/7. However, it is considered that most of the staff, if not all, would not wish to transfer to Mears 24/7, since they would be expected to commute to its Contact Centre at Welwyn Garden City.

29. It is accepted that it would be unreasonable to expect the staff to relocate. Therefore, any affected staff who do not wish to transfer would be placed "at risk" of redundancy. In the first instance, arrangements would be made to seek to redeploy them to suitable alternative posts within the Council, through the ring-fencing of vacant posts. This approach proved successful when staffing levels within the Council's Information Service had to be reduced earlier in the year.

30. However, if it is not possible to redeploy all the staff to alternative posts, regrettably, it would be necessary for the staff who cannot be redeployed to be made redundant, with them receiving redundancy payments in accordance with the Council's Redundancy Policy.

31. The individual members of staff will be consulted on their views of transferring to Mears and, if necessary, redeployment opportunities, once a decision on the future of the Council's Out of Hours Service has been determined.

### Financial Issues

32. The employee-related expenses in providing the current in-house Standby Service in 2013/14 is £112,000. The annual costs to the HRA and General Fund (based on average usage) are as follows:

- £73,000 p/a (65%) to the HRA;
- £39,000 p/a (35%) to the General Fund

33. Following negotiations, Mears has offered to provide the whole Out of Hours Call Handling Service, **including** the non-emergency repairs reporting facility for tenants (i.e. a much enhanced service than currently provided), for a total annual fee of £35,729 - a saving of around £76,000 per annum compared to the current cost. This would be increased annually by the Consumer Prices Index.

34. Over the potential 6-year remaining period of the Repairs Management Contract, this arrangement would result in an overall saving to the Council of around £456,000 on the Call Handling Service.

35. However, it should be noted that this fee is on the basis that no staff are transferred under the TUPE Regulations. In the event that some staff want to transfer under the TUPE Regulations, understandably, Mears has indicated that it would expect the Council to meet its resultant costs. However, such costs can only be assessed once detailed discussions have been held between the Council, Mears and the staff concerned. However, it should be noted that any agreed additional costs would be offset by the reduced cost to the Council of redundancy payments.

36. The allocation of costs between the General Fund and the HRA would be based on actual usage. Since Mears would be taking more calls from tenants than are currently taken by the Standby Service (due to taking non-emergency housing calls), it is estimated that the costs to the General Fund and the HRA would be as follows:

- Around £29,000 p/a (80%) to the HRA – a saving of around £44,000 per annum compared to the current cost (which does not include non-emergency repairs reporting);
- Around £7,000 p/a (20%) to the General Fund – a saving of around £32,000 per annum compared to the current cost.

37. If it is necessary for redundancies to be made, it is estimated that the maximum (one-off) cost would be around £27,000. In addition, the Council would have to meet the associated "strain on the Pension Fund" for any staff who would retire early as a result, which is estimated to be a maximum (one-off) cost of £23,000. Therefore, even if the combined maximum one-off cost of £50,000 applies, the "payback period" of introducing the proposed arrangements would only be around 8 months.



38. The Cabinet's attention is drawn to the separate report from the Asst. Director (Facilities Management and Emergency Planning) in Part 2 of the Cabinet's Agenda, which identifies the effects of no longer having on-site Standby staff at the Civic Offices out of hours from 1st April 2014 and proposes options for mitigation and assesses the associated costs of the options. Three options are proposed, which range in cost from one option with a one-off cost of £22,500 and an ongoing cost of £4,200 per annum, to another option with an ongoing cost of £50,000.

39. The following table summarises the overall costs and savings of the proposal based on both the lowest-cost mitigation option and the highest-cost mitigation option. As can be seen, the pay-back period for the one-off costs range from 1-2 years, with annual savings of between £26,200 and £72,000 per annum thereafter (i.e. total savings of between £107,200 and £360,00 over the potential six-year period of the contract).

	One-off Costs	Annual Costs (Savings)	Payback period
Current Cost of Standby Service	Nil	£112,000	
Call Handling Contract with Mears	Nil	£35,800	
Redundancies and Strain of Pension Fund (Max)	£50,000	Nil	
<b>Mitigation Plan Costs:</b>			
<i>Minimum</i>	£22,500	£4,200	
<i>Maximum</i>	Nil	£50,000	
<b>Overall Costs/(Savings):</b>			
<i>Minimum</i>	£72,500	(£72,000)	1 Year
<i>Maximum</i>	£50,000	(£26,200)	2 Years

#### Other Implementation Issues

40. It should be noted that there are a number of issues that need to be resolved, undertaken and co-ordinated by the Corporate Support Services Directorate in the lead-up to the proposed new arrangement. These include the following:

- The Council's Standby Officers are all long-serving members of staff and, as such, have a good knowledge of Council procedures and "who does what". However, very little of that knowledge is currently written down.
- For the new Out of Hours Service, each Directorate will need to provide Mears with "scripts" and actions to be followed for the different types of call received out of hours. This would cover all the types of calls received by the Standby Service now (e.g. noise complaints, emergency housing repairs, emergency planning issues and dangerous structures), and would include rotas of EFDC staff to be contacted, and their contact details, together with the contact details of senior officers.
- Arrangements will need to be made to configure the Council's telephony service to automatically route telephone calls made to the Civic Offices out of hours to Mears from 1 April 2014.
- In order to safeguard the Council's interests, the specification of the Out of Hours Call Handling Service needs to be carefully prescribed in a legal form
- It is proposed that Cameron Consulting and/or their solicitors (both of whom procured the original Repairs Management Contract and produced the accompanying Services Agreement respectively) draft the documentation for the Key Deliverable.

41. A real challenge for the existing Standby Service will be to continue to provide a reliable and effective out of hours service leading up to the date that Mears take over the service, since this will be at a time when some of the Standby Officers will be seeking to make alternative employment arrangements and there could be staffing shortages arising as a result. If this occurs, it would be dealt with by offering overtime to existing staff and/or appointing additional temporary staff to cover shifts. The use of the required pre-prepared scripts should assist with this process.

#### **Resource Implications:**

(a) Ongoing revenue savings of around £76,000 per annum – potentially £456,000 over the remaining 6-year period of the Repairs Management Contract – less any costs of TUPE, allocated as follows:

HRA - £44,000 per annum (£264,000 over the contract period)  
General Fund - £32,000 per annum (£192,000 over the contract period)

(b) Potential one-off costs of redundancies and early retirements (due to the “strain on the Pension Fund), or increased contract fee due to TUPE – estimated maximum of £50,000.

(c) One-off Mitigation Action Plan costs of between Nil and £22,500; ongoing Mitigation Action Plan costs of between £4,200 and £50,000 per annum.

(d) Legal advice for the drawing-up of the terms of the Key Deliverable – estimated at around £10,000.

#### **Legal and Governance Implications:**

The housing-related services would be provided as a Key Deliverable through the Repairs Management Contract. The non-housing-related services would be incorporated within this Key Deliverable.

External procurement and legal advice has been sought on the potential risk of challenge under EU procurement regulations, in relation to the changes possibly being considered by a potential challenger as a material change to the original contract. The issues relate to the inclusion of the non-housing elements within the contract, the required sub-contracting of the contract by Mears Ltd to Mears 24/7 (being a different entity to the one providing the main contract) and the economic balance of the value of the proposed change on the overall value of the contract.

The advice has been reviewed by the Solicitor to the Council who has concluded that, although there is a theoretical risk that a disgruntled would-be tenderer for the original Repairs Management Contract could challenge the proposal as a material change to the original Repairs Management Contract, she considers this to be extremely unlikely, since the benefit to any challenger would be insufficient to make the challenge cost effective and that, in any event, the risk of challenge is far outweighed by the overall savings to the Council. She is therefore of the view that, on balance, the proposed approach can be supported and that, in any event, a number of valid defences to such a challenge are available.

It is necessary for the Cabinet to waive Contract Standing Orders C1 and C5 to allow the inclusion of the non-housing elements of the Out of Hours Service within the Repairs Management Contract, without undertaking a competitive exercise. This is because only Mears can provide the required non-emergency repairs reporting facility and it would not be cost effective to procure a separate contract solely for the non-housing elements.

## **Safer, Cleaner and Greener Implications:**

The proposed approach should result in a more reliable and robust Out of Hours Call Handling Service for the Environment and Street Scene

## **Consultation Undertaken:**

The Assistant Director (Facilities Management and Emergency Planning) has undertaken a formal consultation on the contents and recommendations of this report with the staff affected by the proposals and the GMB and Unison trade unions. All parties were sent consultation letters on 8 July 2013, giving them until the 9 August 2013 to provide any comments.

The GMB has confirmed that it has no observations or issues to raise in respect of the proposals contained in this report. No response was received from UNISON.

Three of the four Standby Duty Officers affected by the proposals have submitted a collective response, which is reproduced in full as an Appendix.

All of the issues raised by the affected staff appear to relate to their physical presence in the building currently, and the impact the proposals will have on the operational management of the Civic Offices if there is no longer a manned presence on site. There is no doubt that these are all valid points. However, all of these issues have already been identified by the Assistant Director (Facilities Management and Emergency Planning) as requiring consideration, and the formulation of an appropriate response, as part of the proposed Implementation Mitigation Plan referred to in the report, which will be the subject of a further report to the Asset Management Portfolio Holder (or, if necessary, the Cabinet) in due course.

Management would disagree with some of the assertions made by the Standby Duty Officers. Firstly, in relation to the reasons why, on occasions, the service has been non-operational (Point 1. in the Appendix), the service has had to be suspended on at least *four* occasions in the last two years – albeit, in some cases, for only a short duration (i.e. a single shift or part of a shift).

This was mainly caused by having one member of staff on long term sick leave with other staff either being on leave or not available to provide the required cover. Because of the nature of the job and hours of work, it proved extremely difficult to find suitable temporary staff. One person was brought in from an agency, but proved to be unsuitable and left after a short period.

Secondly, in relation to security and alarm monitoring (Point 4 in the Appendix), it is accepted that the comments made are partially true. There has never been, nor will there be, direct alarm reporting to the police, so the issue of “false calls” to the police does not arise. The issue of window alarms activating in windy weather was resolved with the installation of new windows in the Condor building.

Thirdly, with reference to Superintendents’ overtime (point 8 in the Appendix), the standing arrangement is that the Superintendent on duty in the evening must remain on the premises until meetings have finished and everyone has left the building. This does incur overtime after 10.30pm. Whilst the comments made are therefore correct, this situation is *already* occurring, so there will be no difference if the Out of Hours Call Handling Service transfers to Mears.

## **Background Papers:**

Proposal from Mears dated February 2012.

Procurement Risk Appraisal from Cameron Consulting – including Counsel’s Opinion (restricted by virtue of commercial sensitivity and legal professional privilege)

## **Impact Assessments:**

### Risk Management

The main identified risks are as follows:

*(a) Poor performance by Mears*

This will be mitigated by clear service requirements being set out within the terms of the Key Deliverable. The Council's procurement consultant and solicitors who acted for the Council for the procurement of the original Repairs Management Contract would specify the terms.

If Mears does not perform to an acceptable standard, it would have implications for the Repairs Management Contract itself. Early discussions would be held with Mears to seek to overcome the issues. However, ultimately, the Out of Hours Call Handling Service could be discontinued and either another contractor would need to be sought to provide the service or the service could be brought back in house – although this would take some time to achieve. In this event, a report would be presented to members on the issues and associated costs.

It should be noted, however, that this risk applies to the majority of contracts entered into by the Council with contractors (e.g. the waste service, leisure management, gas servicing etc).

*(b) Mears goes into administration*

Again, this would have implications for the Repairs Management Contract itself. As with (a), it would be necessary for either another contractor to be appointed to provide the service, or the service to be brought in house. However, the greater difficulty would be dealing with such a scenario at very short notice, which is often the case. Again, this risk applies to the majority of contracts entered into by the Council with contractors.

*(c) Problems arise as a result of no longer having staff on-site out of hours*

This will be mitigated by the plan to be prepared and implemented by the Director of Corporate Support Services, which would be validated by Management Board and considered and approved by the Asset Management and Economic Development Portfolio Holder, prior to the new arrangement commencing. Even if the plan needs amending in the light of actual experience, and alternative arrangements need to be introduced to overcome any unforeseen problems post-contact, it is inconceivable that the costs of such alternative arrangements would be greater than the overall savings achieved from Mears providing the Out of Hours Service.

*(d) A disgruntled would-be tenderer for the original Repairs Management Contract challenges the proposal as a material change to the original Contract*

This is covered in the Legal and Governance Implications Section above.