

Report to the Cabinet

Report reference: C-029-2022/23

Date of meeting: 12 December 2022



**Epping Forest
District Council**

Portfolio: Internal Resources – Cllr. S Kane

Subject: Outsourcing of the Concierge Service

Responsible Officer: Christine Ferrigi (01992 564179).

Democratic Services: Adrian Hendry (01992 564246).

Recommendations/Decisions Required:

- (1) That the Concierge Service at the Civic Offices is outsourced.**
- (2) That the contract is awarded to PCS Group for a period of three years.**

Executive Summary:

The Concierge service at the Civic Offices is not a traditional Concierge service, the team have numerous responsibilities including the opening and closing of the building, managing and maintaining our bookable spaces, monitoring the employee car park, issuing security cards, monitoring CCTV and much more. The existing service is structured to be made up of the equivalent of four full time posts (FTE) covering 6:30-22:00 Monday to Friday, with out of hours, on site security being provided by a contractor between 22:00-6:30 on weekdays and across the whole weekend.

Due to various operational and resource challenges, the Senior Leadership Team (SLT) agreed to explore the outsourcing of the Concierge Service at the Civic Offices, by formally going out to tender, to then review bids and make a decision as to whether the Council proceeds to the formal stages of outsourcing.

Out of four contractors that showed an interest, only one of them, PCS Group, put forward a bid. The bid was a strong, tailored and detailed response, scoring 96.5/100 during the evaluation process.

Based on a three year contract, the costs for year 1 and 2 are lower than our current operating costs and year 3 is higher. The savings made in the first 2 years offset the increase in the third year. If the service remains in house, it is likely that by year 3 it would be more costly than outsourcing, as salaries and existing contracts will increase year on year. Appendix A gives a more detailed break down of the costs.

Reasons for Proposed Decision:

The decision to outsource the Concierge Service is a solution to some operational challenges that the Council has been facing for the past year, particularly around resourcing the service.

The benefits to outsourcing the service are
DS/AH (November 2020)

- Increased resilience as we will be working with a company that can be scalable to our needs and ensure we always have appropriately trained staff available to cover the shift requirements.
- The Council has an opportunity to work with a service provider and shape what we want the service to look like, which will improve customer service. This will be measured against feedback that we regularly, informally receive.
- The Council will have SIA Security trained Concierge on site at all times to support the Welcome Desk Team and the Incident Manager should the need arise.
- This option provides consistent, stable costs during uncertain times and removes the risk of unforeseen, avoidable, additional costs to the Council.
- Other miscellaneous costs of running a service in house are removed, such as recruitment costs.

Other Options for Action:

An alternative option would be to work with the People Team and Trade Unions to change the terms of employment for the current team, to include evening and weekend working as mandatory. The Council could upskill the existing team to secure their SIA Security Licences. We could attempt to recruit to the open role(s) by working with the People Team on a new recruitment campaign. This option has been discounted due to the challenges already faced recruiting to those roles. Additionally, whilst the role(s) remain vacant the Council would continue to pay a premium to a contractor for covering those shifts and we could end up back in the same position of being unable to fill those roles.

Another option is to go back out to tender ourselves, instead of using Everything FM, in the hope to reach alternative contractors. This option has also been discounted as Everything FM are specialists in this field, so it is doubtful that the Council would achieve a different result in terms of bids received and we would have only elongated the appointment process, costing ourselves more for a contractor to cover this interim period.

Report:

1. The Concierge service at the Civic Offices is not a traditional Concierge service, the team have numerous responsibilities including the opening and closing of the building, managing and maintaining our bookable spaces, monitoring the employee car park, issuing security cards, monitoring CCTV and much more. The existing service is structured to be made up of the equivalent of four full time posts (FTE) covering 6:30-22:00 Monday to Friday, with out of hours, on site security being provided by a contractor between 22:00-6:30 on weekdays and across the whole weekend.
2. In May 2022 the Senior Leadership Team (SLT) were updated on the position of the service and some of the operational and resource challenges that the team were facing. A decision was taken by SLT to explore the outsourcing of the Concierge Service at the Civic Offices, by formally going out to tender, to then review bids and make a decision as to whether the Council proceeds to the formal stages of outsourcing.

3. There are numerous difficulties within the service, such as the team having an open vacancy for 12 months, which we have failed to recruit to on various occasions. There are also some employee relations issues that are likely to result in further vacancies.
4. The lack of flexibility within the work force makes resourcing the unpredictable requirements of the service difficult and this is particularly concerning as we are partnering with Regus to market and advertise our bookable spaces. To assist with this, an internal 'Casual Concierge' recruitment campaign was run and only one application was received.
5. Colleagues are unable to cover the full Concierge role in an emergency as anyone working in that role must be trained on various things such as the fire panel, first aid, manual handling and configuring the Conference Suite doors. Total Security Services (TSS) who we often use to cover absences have proved unreliable and frequently send people unfamiliar with the building, which results in H&S issues.
6. There is little resilience within the structure and much reliance is placed on a few colleagues which exposes the Council to single points of failure and causes issues during planned and unplanned absences.
7. Following SLT approval, Business Support worked with stakeholders to capture business requirements and worked with Everything FM, an organisation that supports Public Sector organisations to procure facilities management services, to carry out a formal tender process.
8. Four contractors showed an interest and attended a tour of the Civic Offices, where Business Support colleagues gave a brief on our requirements. Out of those four, one contractor made a formal bid for the contract, which reaffirms our current position of finding it a challenge to fill those roles.
9. PCS Group, who also hold our current cleaning contract across our office sites provided a strong, tailored and detailed response, scoring 96.5/100 during the evaluation process. They provide various other services, such as Facilities Management, and some of their clients include the Natural History Museum, Gucci, McDonalds Head Office and Harlow College.
10. As only one contractor made a bid it was not possible to assess value for money during the evaluation process, so we have compared their hourly rate with two of our existing providers who chose not to bid, and PCS Group were the most competitive.
11. Whilst capturing business requirements we included security for sites such as North Weald Airfield and the Museum to see if it would bring economies of scale. We reviewed the bid with the service areas responsible for those sites and chose not to pursue those areas as existing contracts are at a lower cost or alternative security quotes have been obtained, again at a lower cost.
12. PCS Group have reviewed all of the requirements for the Civic Offices and have proposed three 8 hour shifts over 24 hours, with one Concierge on shift at a time, 7 days a week. The Concierge on the out of hours shift would satisfy our insurance provider by having a presence in the building and monitoring our CCTV periodically whilst the building is closed. That same Concierge could pick up any admin tasks that were not completed during the day, such as responding to booking or email queries and managing security

passes. This Concierge would also be able to set up and configure meeting rooms for the following day whilst the building is quiet, meaning the day time Concierge can focus on our customers.

13. Based on a three year contract, the costs for year 1 and 2 are lower than our current operating costs and year 3 is higher. The savings made in the first 2 years offset the increase in the third year. If the service remains in house, it is likely that by year 3 it would be more costly than outsourcing, as salaries and existing contracts will increase year on year. Appendix A gives a more detailed break down of the costs.
14. If PCS Group were to restructure the service post TUPE and any redundancies were to happen, EFDC would be responsible for covering those costs.
15. PCS Group have included a clause allowing them to renegotiate with us should their pension liability exceed the figure they have budgeted for.

Scrutiny Comments

The report was presented for scrutiny at November's Stronger Council Select Committee meeting. Committee Members put forward comments about what the new level of resource would mean, by having one Concierge on shift at a time and how that would work. There were also concerns about not having continuity of resources and different employees arriving that did not know the building or what to do in certain scenarios such as a fire evacuation.

Resource Implications:

Employees would TUPE across to PCS Group.

Legal and Governance Implications:

None. Employees T&Cs remain the same as per TUPE.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

A formal consultation is not required at this stage. Employees have been kept informed throughout the process and they have not raised any objections or concerns. Employees will be consulted at the appropriate stage.

Background Papers:

Appendix A for costs.

Risk Management:

The Council's Insurance Specialist does not have any comments at this stage and will be engaged by the Legal team at the appropriate time.

Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, ie have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. All **Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA**. An EqIA should also be completed/reviewed at key stages of projects.
8. To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:
 - Factsheet 1: Equality Profile of the Epping Forest District
 - Factsheet 2: Sources of information about equality protected characteristics
 - Factsheet 3: Glossary of equality related terms
 - Factsheet 4: Common misunderstandings about the Equality Duty
 - Factsheet 5: Frequently asked questions
 - Factsheet 6: Reporting equality analysis to a committee or other decision making body

Section 1: Identifying details
Your function, service area and team: Corporate Services, Business Support, the Concierge Service
If you are submitting this EqIA on behalf of another function, service area or team, specify the originating function, service area or team:
Title of policy or decision: Outsourcing of the Concierge Service at the Civic Offices
Officer completing the EqIA: Tel: 01992 56 4179 Email: cferrigi@eppingforestdc.gov.uk
Date of completing the assessment: 25/10/2022

Section 2: Policy to be analysed	
2.1	Is this a new policy (or decision) or a change to an existing policy, practice or project? New decision
2.2	<p>Describe the main aims, objectives and purpose of the policy (or decision): To provide a resilient, customer focused service.</p> <p>What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)?</p> <ul style="list-style-type: none"> Increased resilience as we will be working with a company that can be scalable to our needs and ensure we always have appropriately trained staff available to cover the shift requirements. We have an opportunity to work with a service provider and shape what we want the service to look like, which will improve customer service. This will be measured against feedback that we regularly, informally receive. We will have SIA Security trained Concierge on site to support the Welcome Desk Team and the Incident Manager should the need arise. This option provides consistent, stable costs during uncertain times and removes the risk of unforeseen, avoidable, additional costs to the Council. Other miscellaneous costs of running a service in house are removed, such as recruitment costs.
2.3	<p>Does or will the policy or decision affect:</p> <ul style="list-style-type: none"> service users employees the wider community or groups of people, particularly where there are areas of known inequalities? <p>Service users and employees.</p> <p>Will the policy or decision influence how organisations operate? No.</p>
2.4	Will the policy or decision involve substantial changes in resources?

	There will be a reduction in roles, however, as there is an open vacancy in the team, all existing employees will TUPE across to the contractor that is appointed.
2.5	Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes? No.

Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	What does the information tell you about those groups identified?
3.2	<p>Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision?</p> <p>A formal consultation is not required at this stage. Employees have been kept informed throughout the process and have not provided any views or feedback, although they have been given the opportunity to.</p>
3.3	<p>If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary:</p> <p>All appropriate HR processes will be followed at the appropriate times.</p>

Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	Neutral, as TUPE will apply	L
Disability	Neutral, as TUPE will apply	L
Gender	Neutral, as TUPE will apply	L
Gender reassignment	Neutral, as TUPE will apply	L
Marriage/civil partnership	Neutral, as TUPE will apply	L
Pregnancy/maternity	Neutral, as TUPE will apply	L
Race	Neutral, as TUPE will apply	L
Religion/belief	Neutral, as TUPE will apply	L
Sexual orientation	Neutral, as TUPE will apply	L

Section 5: Conclusion

		Tick Yes/No as appropriate	
5.1	Does the EqIA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No <input checked="" type="checkbox"/>	
		Yes <input type="checkbox"/>	If 'YES', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 6: Action plan to address and monitor adverse impacts

What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.

Section 7: Sign off

**I confirm that this initial analysis has been completed appropriately.
(A typed signature is sufficient.)**

Signature of Head of Service: C.Ferrigi

Date: 25/10/2022

Signature of person completing the EqIA: C.Ferrigi

Date: 25/10/2022

Advice

Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqIA you undertake to the director responsible for the service area. Retain a copy of this EqIA for your records. If this EqIA relates to a continuing project, ensure this document is kept under review and updated, eg after a consultation has been undertaken.