

<b>DECISION MAKER</b> Director of Housing & Safer Communities	<b>DATE</b> 10 December 2019
<b>TITLE</b> Contract Award for the Use of 3rd Party Enforcement in support of Safer Spaces	<b>WARD (S)</b> All
<b>CHIEF OFFICER</b> Director of Housing & Safer Communities	<b>CABINET MEMBER</b> Children Services and Community Safety
<b>DECISION CLASSIFICATION</b> <ul style="list-style-type: none"> <li>- Key</li> <li>- Exempt appendix A by virtue of paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended): e.g. Information relating to the financial or business affairs of any particular person including the authority holding that information</li> </ul>	<b>FINAL DECISION</b> To be made on the recommendations within this report.

#### **I. Decision required**

This report makes the following recommendations to the decision-maker:

- To agree the award of a contract to LA Support Ltd to support the delivery of the 3rd party enforcement support to Safer Spaces. This is for a time limited proof of concept. The estimated contract value being £383,000 (excluding VAT) is for a maximum 18 months exercise, considering delivery of both front facing enforcement and back office services being evaluated.
- Exempt appendix A by virtue of paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended): e.g. Information relating to the financial or business affairs of any particular person including the authority holding that information

- To note the financial arrangements associated with the contract in terms of:
  - a) front facing enforcement being provided at no cost to the Royal Borough. Income received through 3<sup>rd</sup> party enforcement will meet the costs of the service provided with any surplus shared on a 50/50 basis with the Local Authority.
  - b) back office support being provided to the Royal Borough on a 'cost per ticket' basis for every fixed penalty issued by, and processed on behalf of, the Local Authority. The cost of this service will be met through the fixed penalty income generated and increased payment rates.

### **Agreed/Not Agreed**

Signed: Jamie Carswell, Director of Housing & Safer Communities

Dated:

## **2. Links to the Royal Greenwich high level objectives**

- 2.1 This report primarily relates to the Council's agreed high-level objectives as follows:
  - A Safer Greenwich
  - A Cleaner, Greener Greenwich

The use of a 3rd party enforcement service reinforces the high level objectives of the Royal Borough. The aim of 'Safer Greenwich' and a 'Cleaner, Greener Greenwich' is to tackle issues that cause harm within the community and improve the quality of life for residents by creating and sustaining safer public spaces and reducing anti-social behaviour.

### 3. **Purpose of Report and Executive Summary**

3.1 The purpose of this report is to:

- Set out the options for the delivery of a 3rd party enforcement pilot
- Record compliance with the necessary procurement and finance procedures
- Set out the reasons for the preferred provider including ensuring value for money

### 4. **Introduction and Background**

A review of the current Warden and CCTV services earlier in 2019 identified a number of operating, performance and cultural challenges. A new operating model is therefore being put in place to transform the service whilst maintaining and building on the service offer, including enviro-crime & ASB enforcement. The new service will be built on three domains – problem solving (i.e. understanding and addressing causation), enforcement and trauma-informed practice (understanding the individual stories of offenders/victims involved).

In support of the new operating model which will be built on a smaller but more productive and skilled in-house team, there will be real benefit from using external 3<sup>rd</sup> party enforcement support. By securing the support of an external provider, this will enable low level ASB and enviro-crime enforcement to be delivered, whilst releasing in-house capacity to focus on wider community safety concerns where fixed penalty issue would not always be appropriate, relevant or effective. Such an approach will also enable the in-house Safer Spaces team to operate outside more regularly outside the main demand generator of Woolwich Town Centre and therefore in support of other town centres (e.g. Eltham, Greenwich and Plumstead) and across the whole Borough subject to tasking and prioritisation.

Royal Greenwich (RBG) will test the use of a 3<sup>rd</sup> party managed enforcement services to enhance the Council's approach to tackling

Envirocrime and Anti-Social Behaviour. The Proof of Concept will initially be for 12-months with the option to extend for another 6 months to enable further testing or to maintain continuity of service pending award of a more substantial contract.

Unless otherwise requested and authorised to do so, the selected provider will, on behalf of the Council, only issue Fixed Penalty Notices (FPN) for offences relating to:

- *Section 87 Environmental Protection Act, 1990 under powers provided by Section 88, to include the dropping of litter, chewing gum, cigarette butts, urination and spitting.*
- *Anti-Social Behaviour crime and Policing Act 2014 s67 (public spaces protection orders) dogs and alcohol related offences.*
- *Unless otherwise requested and authorised to do so, the selected provider will only deploy in certain designated areas.*

This service will align with the councils integrated enforcement approach as it would increase vigilance and generation of community intelligence, for example drugs misuse, ASB, HMOs, fly-tipping etc.

A formal 'invitation to tender' and evaluation has been conducted to identify the preferred supplier for the 3<sup>rd</sup> Party enforcement service – LA Support Ltd. (Please see 6.3 Selection of the provider). From their assessment of the pilot area (Woolwich Town Centre) LA Support anticipates they will be able to issue 5,000 fixed penalty notices within the initial deployment area alone over 12 months which would generate around £20k income for RBG over the same period. LA Support are proposing an initial team of 1 team leader and 4 enforcement officers in order to implement this proof of concept.

If the proof of concept is deemed successful, this may result in a substantive service contract being awarded to the provider over a longer period and the expansion of the proof of concept to test a borough wide 3<sup>rd</sup> party enforcement approach on a cost neutral basis.

Initially the proof of concept will concentrate on the defined area of Woolwich Town Centre to quality assure initial delivery and troubleshoot any issues identified. The enforcement team will be integrated with RBG staff as part of the Safer Spaces portfolio which further enables closer monitoring and integration of service delivery.

## 5. **Available Options**

### 5.1 **Option 1 - Do nothing**

This option would see the Safer Spaces team receive no additional support to address levels of Envirocrime and ASB. In turn, this would limit the success of a new operating model and its ability to deliver real positive change in support of a safer and cleaner Greenwich.

### 5.2 **Option 2 – Award of contract on proof of concept basis**

This approach is the recommended option and would enable the Royal Borough to in essence test whether external 3rd party support could deliver additional enforcement, increased revenue generation/recovery, and to enable in-house enforcement teams to focus on more complex community safety problems and concerns.

5.3 A potential option to award a longer-term contract without an initial proof of concept was discounted prior to scoping on the basis of potential (albeit minimal) risks and uncertainties inherent with such an approach.

## 6. **Preferred Option**

6.1 Option 2 is the preferred option on the basis that doing nothing (option 1) would not address the issues raised earlier or realise the aforementioned benefits anticipated.

### 6.2 Overview of the Invitation to Tender

The key features of the Invitation to Tender are:

- A 12 months exercise extendable to 18 months with notice.
- A dedicated team of 3rd party enforcement staff co-located with Safer Spaces Enforcement Staff, with supporting, senior account and contract management arrangements.
- Front-line enforcement provided by the provider on a costed, 50/50% revenue share model. This approach places financial risk solely on the provider (e.g. no cost to RBG), provides greater level of transparency, and may provide revenue for reinvestment

for RBG, particularly in support of safer and cleaner places within the Royal Borough<sup>1</sup>.

- Initially focused on Woolwich Town Centre but with option to extend scope, in terms of geographic coverage and enforceable legislation, to best test future opportunities and benefits.
- Back-office support in terms of processing any additional tickets issued by RBG officers, penalty payment/recovery, and casefile preparation up until point of prosecution (undertaken by RBG legal team). The proof of concept will see Safer Spaces also test the mobile devices and ICT systems used by the preferred provider as part of an integrated approach. A nominal cost per RBG issued ticket will be payable to the provider for the above service and would come from the overall penalty issued and recovered.
- Key performance indicators which will be closely monitored as part of the contract arrangements are as follows. These will be formally reported and reviewed monthly at a senior level, with day to day liaison achieved through an integrated, co-located approach and nominated operational, supervisory leads from both parties.

Number of total deployment hours
Number of FPNs issued
Number of representations and appeals received/upheld
Number of FPNs paid in full
Number of unpaid FPNs chased and escalated for consideration of prosecution
Timeliness of 'enforcement to disposal' processes
Number of complaints received
Number of complaints upheld at any stage
Volume of intelligence passed

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<sup>1</sup> This model would see the provider retaining any fixed penalty income they generate to meet the quoted costs for providing the service (c.£186k per annum). Any surplus revenue generated from 3<sup>rd</sup> party enforcement would then be shared on a 50/50 basis between the provider and the Royal Borough. The latter being reinvested in the Safer Spaces service.

Number of incidents/referrals made to RBG/partners via provider's operatives
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- A maximum 2-month notice period for termination of the contract in addition to other termination clauses specifically included.

### 6.3 Selection of the Provider

A formal procurement process was used to invite 3rd party enforcement providers to bid for the proposed proof of concept. An initial market engagement event was held with interested providers to help shape a suitable specification that the market providers could accommodate.

A formal invitation to tender was subsequently advertised with two companies submitting bids; this included LA Support Ltd.

The bids submitted by both providers were assessed by an internal officer panel against advertised evaluation criteria. There was a 20/80% weighting in regards to cost and quality – the latter being more important on the basis any model would at least be cost neutral to the Royal Borough.

The evaluation questions/criteria and scoring were as follows:

<b>Criteria/Supplier - Quality Questions (80% Overall Weighting)</b>	<b>LA SUPPORT Ltd</b>	<b>SUPPLIER 2</b>
How is your company best placed to work with the Royal Borough of Greenwich to successfully deliver the proposed proof of concept? (20%)	<b>4</b>	<b>3</b>
Over the 12-month pilot period, what is the realistic level of enforcement you anticipate generating and how have you come to this conclusion? (30%)	<b>2.5</b>	<b>4</b>
How would you ensure your service is resilient enough to maintain service delivery, for example in terms of staff sickness or annual leave? (20%)	<b>5</b>	<b>1</b>

What would be your corporate social responsibility offer and how would this support the Royal Borough in 'doing things better (One of our values)? (10%)	5	2.5
How would you approach complement the Council in delivering a more integrated approach to enforcement across Council departments and with external enforcement partner? (20%)	5	3.5
<b>Total Before Weighting</b>	<b>21.5</b>	<b>14</b>
<b>Total After Weighting</b>	<b>40.5</b>	<b>29.5</b>
<b>Cost Score out of 5 (20% Overall Weighting)</b>	<b>5</b>	<b>3.5</b>

As the higher scoring (in all bar one area), the evaluation panel unanimously selected LA Support as their preferred provider to deliver the proof of concept, subject to authority to proceed being granted. LA Support were also the less expensive of the two tenders submitted.

Both companies independently anticipated their staff issuing in the region of 5,000 tickets during the proof of concept based on the initial period of 12-months and given geographical area.

#### 6.4 Additional Supporting Information – LA Support Ltd

LA Support are a subsidiary of Kingdom Group. They currently have 33 live enforcement contracts with Local Authorities nationally, of which 8 are in London. Part of the evaluation process also recognised that LA Support's presence within London and neighbouring boroughs/counties provided additional resilience and information sharing opportunities (e.g. transient offenders) than the other company who tendered could provide.

Out of the 33 councils that LA Support Ltd work with, 27 of their existing contracts have been renewed at least once, with several councils (including Enfield within London) having renewed twice or even thrice. In some areas, Councils have worked collectively to contract LA Support to provide enforcement services.

LA Support Ltd were asked about their complaint performance as part of the tendering process. Complaints in this case related to any allegations of poor conduct by their staff rather than representations made or payments

extensions sought regarding tickets that had been issued. During 2019, only 57 such complaints were received, of which only 4 were upheld. This is against a backdrop of over 92,500 tickets having been issued.

Recognising concerns raised regarding possible perverse incentives offered to 3<sup>rd</sup> party staff, LA Support have confirmed that all their Environmental Enforcement Officers (EEO) are all salaried and in receipt of an hourly rate exceeding the Living Wage and London Living Wage. They operate a system known as Quality Procedural Allowance (QPA) which is discretionary and is linked to several performance indicators, including absence, time keeping, appearance, performance and casework.

LA Support Ltd do not award any allowance, incentive or bonus linked directly nor solely to the number of FPN's issued per officer or per team. The aim of the allowance is based on quality and the overall performance of the individual officers can result in them receiving a small allowance with their salary. They point to the low number of conduct complaints as a further indicator that the QPA works and achieves a proportional enforcement capacity.

Over the last two years LA Support Ltd have introduced additional 'Checks and Balances'. This includes spot checks, unannounced senior management visits and closer and more frequent contact client visits. This also includes dip sampling the footage of Body worn camera footage and FPN data to assess performance and proportionality of enforcement. Contract managers will have 24/7 unfettered access to our back-office administration process and all camera footage from offender interactions to provide complete transparency of process.

It is worthy of note that the company work in partnership with Clean Up Britain Org who are major anti-litter campaigners. They have also aligned their service to embrace EFTA Guidelines and are currently helping to develop industry quality standards in term of a BSI (10600) accreditation.

## **7. Reasons for Recommendations**

- 7.1 The recommendation to award the contract to LA Support Ltd is based on the formal evaluation of the suppliers who responded to the invitation to tender. LA Support Ltd were the highest scoring of the two providers and who can meet the requirements of the proof of concept exercise.

## 8. **Consultation Results**

8.1 This proposal has been discussed with the following stakeholders at various forums over the last 6 months or so:

1. *Integrated Enforcement Project & Corporate Boards*
2. *Integrated Enforcement Visionary Board*
3. *Safer Spaces (Warden) management, staff and their unions*
4. *Cabinet Member for Children Services & Community Safety*
5. *Other Cabinet Members*
6. *The Senior Leadership Team – Metropolitan Police – SE BCU*

On balance, the proposal has received positive support and agreement, albeit generating some questions, concerns and areas to be considered from some quarters. This and a previous cabinet report (authorising the change of service) tries to answer and/or reassure those issues raised. Some concerns will be further mitigated once the contract is awarded through the design of joint operating protocols and further stakeholder engagement as required.

## 9. **Next Steps: Communication and Implementation of the Decision**

9.1 Should the decision be to accept the recommendations as listed, a formal project will be initiated to progress, deliver and evaluate the proof of concept. This will be led by Safer Spaces but working in partnership working with the selected provider (LA Support), internal enablers (e.g. Legal, Procurement) and with external partners (e.g. police).

9.2 A lead in time of up to three months from award of contract will ensure there is sufficient time to communicate the decision and associated information to identified stakeholder(s)/groups. Safer Spaces will work with LAS Support and the Royal Borough's Media Team to produce an effective communications plan and positive, key messaging.

## 10. **Cross-Cutting Issues and Implications**

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Legal</b> including Human Rights Act	This report is seeking the approval of the Director to (I) award a contract to LA Support Ltd to support the delivery of the 3rd party enforcement support to Safer Spaces. The estimated contract	Nimi Amaso Planning & Procurement Lawyer Dated 28/11/19

value is £383,000 for an initial period of 12 months with the option to extend for an additional 6 months and

(2) agree to treat the information presented in Appendix A as confidential and as exempt under the provisions of the Local Government Act 1872, Schedule 12A and as such is not subsequently released to the press or public.

The procurement process was carried out in accordance with the Public Contract Regulation 2015, as the value of the contract was above the Relevant Threshold (£181,302) for a services contract.

Following a review of the tenders received, LA Support Ltd, offered the tender with the lowest price.

In accordance with point 2 of the Council's Standing Order 23.2 the Director may award the contract to LA Supply Ltd.

The award of this contract has no Legal or Human Rights Act implications.

All contracts exceeding £50,000 must be made under seal or signed by two officers nominated by the Chief Legal Officer.

Where the contract value is £25,000 or above, the Council must comply with the provisions of Regulations

	<p>112 of Public Contracts Regulations 2015 and within a reasonable time publish on contract finder, the name of the successful contractor, the date and value of the contract, and whether the contractor is a SME (small- or medium-sized enterprise) or VCSE (voluntary, community and social enterprise).</p> <p>Chief Officers must keep a register of all contracts awarded and record the matters set out in the schedule.</p> <p>Under Schedule 12A, Local Government Act 1972 paragraph 3, information may be exempt if it relates to the financial or business affairs of any particular person (other than the authority).</p> <p>The report author should consult with the Legal Department regarding the drafting and execution of the contract.</p>	
<p><b>Finance</b> and other resources including procurement implications</p>	<p>The Director of Housing and Safer Communities is requested to agree to the award of a contract to LA Support Ltd to support the delivery of the 3<sup>rd</sup> party enforcement to Safer Spaces. This is for a time limited proof of concept. The estimated contract value is £383,000 for a maximum of 18 months.</p> <p>The contract is being delivered on a cost neutral basis and would see the provider retaining any fixed penalty income they generate to meet the contracted costs for providing the service. Any surplus revenue</p>	<p>Akosua Boachie Accountancy Business Change Manager</p> <p>27.11.2019</p>

	<p>generated would then be shared on a 50/50 basis between the provider and the Royal Borough of Greenwich (RBG), the latter being reinvested in the Safer Spaces service to assist with delivering a safer borough.</p> <p>In addition, back office support will be provided to RBG on a 'cost per ticket' basis for every fixed penalty issued by and processed on behalf of the Local Authority. The cost of this service will be met through the fixed penalty income generated and increased payment rates.</p> <p>This is a key decision and will not impact on any other budgets or resources.</p>	
<b>Equalities</b>	<p>There are no significant equalities implications associated with this proposal. RBG will work with LA Support to monitor and mitigate any potential disproportionality.</p>	<p>Sean McDermid Assistant Director – Community Safety &amp; Enviro-Health 14/11/19</p>
<b>Staffing establishment</b>	<p>This proposal does not impact on the current staffing establishment within Safer Spaces or wider RBG.</p> <p>TUPE would also not apply in these circumstances. This is because the proof of concept is time defined and designed to assess longer-term feasibility and benefit realisation. The services undertaken by the 3rd party provider during the proof of concept would be in addition to those the in-house team would still undertake alongside a wider, more flexible operational brief.</p>	<p>David Fanawopo HR Manager 14/11/19</p>

<p><b>Risk management</b></p>	<p>If agreed, the proof of concept will be subject to project management and governance. A risk register will be produced, and appropriate control measures put in place, along with those within the contract (penalties/break clauses) to ensure the required level of performance and professional standards are delivered.</p> <p>The main risks associated with the proof of concept currently would be the failure to deliver reasonable levels of appropriate and proportionate enforcement, and an increase in complaints adversely impacting on community confidence and perception. Both risks would be monitored and mitigated through preparatory work, regular liaison with the selected provider, and appropriate contract / performance management arrangements.</p>	<p>Sean McDermid Assistant Director – Community Safety &amp; Enviro-Health 14/11/19</p>
<p><b>Environment and sustainability</b></p>	<p>Additional, proportionate on-street enforcement will help to address environmental crime such as littering and dog fouling. ASB enforcement and enabling the in-house enforcement team to focus on more complex issues, will also benefit the environment.</p> <p>In addition to the above, as part of the contract arrangements, the recommended supplier has made a corporate social responsibility offer. This includes the delivery of enviro-crime prevention and awareness</p>	<p>Sean McDermid Assistant Director – Community Safety &amp; Enviro-Health 14/11/19</p>

	<p>campaigns (e.g. good behaviour lottery), release of staff for volunteering, and in addition to the recruitment of local staff/apprentices (subject to risk assessment/contract timings).</p>	
<p><b>Community safety</b></p>	<p><b>Section 17, Crime and Disorder Act 1998</b></p> <p>“17(1) Without prejudice to any other obligation imposed on it, it shall be the duty of each authority to which this section applies to exercise its various functions with 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 in its area.”</p> <p>This proposal, presented by Community Safety, fully supports the Royal Borough’s S.17 responsibilities. Not only would the proof of concept and 3rd party support help to tackle enviro-crime and ASB in identified hotspots, it would also increase the visibility and deterrent effect of uniform enforcement staff in regards to wider criminality.</p> <p>As part of Integrated Enforcement, the selected provider would also become a trusted partner, enhancing the joint delivery of activity contributing to Love Your Place, MOPAC and wider Council priorities.</p>	<p>Sean McDermid Assistant Director – Community Safety &amp; Enviro-Health 14/11/19</p>

<p><b>Health and Safety</b></p>	<p>There are no significant issues/implications for RBG or RBG staff. The Health &amp; Safety for 3rd party enforcement staff is primarily responsibility of their employer. All 3rd party staff deployed should be appropriate trained, equipped and providing with appropriate methods of communications. Appropriate on-boarding and building familiarisations will be provided for 3rd party staff working from RBG buildings. Joint operating protocols between RBG and 3rd party staff will be developed to avoid any conflicts or vulnerabilities.</p>	<p>Sean McDermid Assistant Director – Community Safety &amp; Enviro-Health 14/11/19</p>
<p><b>Health and wellbeing</b></p>	<p>Securing the support of 3rd party enforcement will reduce pressure on the Safer Spaces team, not only stretched in light of demand and resource, but also undergoing significant transformational change. By providing such support, it is likely to help maintain the health &amp; wellbeing of in-house staff involved.</p> <p>Enhanced enforcement of enviro-crime and ASB, impacting on the quality of life for local people, should also improve the health &amp; wellbeing of communities within the Royal Borough.</p>	<p>Sean McDermid Assistant Director – Community Safety &amp; Enviro-Health 14/11/19</p>

## 11. **Report Appendices**

11.1 The following documents are to be published with and form part of the report:

- Exempt – Appendix A – Evaluation Scoring – CONFIDENTIAL – Not for publication

## 12. **Background Papers**

- None

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