

	<p align="center"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p align="center"><b>CABINET</b></p> <p align="center"><b>8 APRIL 2013</b></p>
<p><b>MARKET TESTING OF HOUSING SERVICES - ESTATE SERVICES (LOT 1)</b></p>	
<p><b>Report of the Cabinet Member for Housing – Councillor Andrew Johnson</b></p>	
<p><b>Open Report</b></p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt information relating to the evaluation of the tenders received.</p>	
<p><b>Classification - For Decision</b>  <b>Key Decision: Yes</b></p>	
<p><b>Wards Affected:</b> All Wards</p>	
<p><b>Accountable Executive Director:</b> Melbourne Barrett, Executive Director of Housing and Regeneration</p>	
<p><b>Report Author:</b>          Jo Rowlands Director of Housing Services           Mark Brayford Head of Client Management – Housing Services</p>	<p><b>Contact Details:</b>          Tel: 020 8753 4159          E-mail:          Jo.Rowlands@lbhf.gov.uk          Mark.Brayford@lbhf.gov.uk</p>

**1. EXECUTIVE SUMMARY**

- 1.1 The Housing Revenue Account (HRA) Financial Strategy and Rent Increase 2013/14 report was approved by Cabinet on 11 February 2013. The report noted £6 million savings in management costs between 2008 and 2010. A further HRA Medium Term Financial Strategy (MTFS) transformation programme is underway to achieve ongoing revenue savings of £4m per annum from 2014/15 onwards. Delivery of the transformation savings programme is required to contain the current reliance on asset sales to fund ongoing repairs and maintenance activity and to improve the financial position of the HRA overall, freeing up investment for debt repayment, innovation, estate improvements and service improvement.
- 1.2 The Cabinet report “Housing Revenue Account – Medium Term Financial Strategy Transformation Programme: Housing Services Market Testing and Repairs and Maintenance Re-procurement Exercise” approved on 21 May 2012 gave authority to market test/procure (the provision of) a 10-year Housing Services Contract(s) with an option to extend for a further 5 years. The Housing Services that have been market tested are separated into two procurement lots. Lot 1 relates to Estate Services (caretaking and cleaning services) and Lot 2 Housing Management. Lot 1 is considered in this report, Lot 2 is the subject of a separate report.

- 1.3 The report of 21 May 2012 also provided delegated authority “that the provisions of Contract Standing Orders (Section 3, para 9.2) be waived and authority be delegated to the Cabinet Member for Housing, in conjunction with the Executive Director for Housing and Regeneration, to progress the related procurement processes up to, but not including Contract Award. Subsequent decisions relating to the entering into of contractual arrangements will be the subject of a further report back to Cabinet.”
- 1.4 The market testing procurement exercise for Estate Services has now been completed and this report:-
- Updates Cabinet on the market testing procurement process and in-house proposal for Estate services, it recommends entering into contractual arrangements for the future delivery of the service as set out in section 6 of this report.
  - Sets out the future shape of the Estate service in line with these recommendations.
  - Updates Cabinet on the progress of the housing service in relation to its savings targets under the agreed MTFS programme.

## **2. RECOMMENDATIONS**

- 2.1 That officers’ recommendation that the contract for estate services be awarded to Pinnacle Housing Limited be noted.
- 2.2 That authority be delegated to the Cabinet Member for Housing, in consultation with the Executive Director for Housing and Regeneration, to:
- (i) award the contract for Estate Services to Pinnacle Housing Limited in the initial sum of £2.8M per annum, subject to due regard being taken of the outcome of the section 105 and section 20 consultations described in paragraphs 7.16 to 7.21 of the report.
  - (ii) approve any necessary amendments to the contract in light of responses to the consultation.
- 2.3 That the submission of the in-house proposal described in paragraphs 6.11 to 6.22 be noted and that this proposal be not pursued.
- 2.4 That the TUPE transfer of approximately 92 Council staff to the new contractor be noted and that approval be given to the Council entering into any necessary ancillary agreements as a result of such transfer.

## **3. REASONS FOR DECISION**

- 3.1 The London Borough of Hammersmith and Fulham has established a track record for delivering high quality, value for money public services. Following the return of the management of Council Housing to the Council from H&F Homes Ltd in April 2011 the Council faces two key challenges:-
- i. to bring about a significant improvement in service. Despite some improvements to date in the provision of housing services in recent years there is a recognition, based on benchmark performance data and consistent feedback from tenants and leaseholders, that housing management services need to further improve.

- ii. to reduce costs to enable a secure financial base to be built in order to move to a position where repairs and maintenance are wholly funded from rents and service charges without recourse to asset sales and to manage the risk of running an unlawful deficit on HRA reserves. Notwithstanding £6million of savings in management costs delivered by H&F Homes Ltd and further savings through collapsing the ALMO structure based on benchmarking cost data, further savings are required and achievable.
- 3.2 The outcome of the market testing process as set out in this report has highlighted the benefits and opportunities of awarding a contract to a third party provider. If Cabinet agrees to the recommendations set out in this report the Council would expect to see:-
  - An annual service cost reduced from £3.547M to £2.8M, with the winning tender being from Pinnacle Housing at £2.8M giving a significant £747k per annum contribution towards the savings required by the Housing Revenue Account Financial Strategy.
  - Significant improvement in all the cost KPIs together with marked improvements in the quality KPIs benchmark figures.
  - A leaner department that is more effective at delivering good effective performance and contract management.
  - Flexibility within the service enabling it to continuously evolve to meet the needs of the residents.

#### **4. INTRODUCTION AND BACKGROUND**

- 4.1 13,500 properties are in receipt of some form of caretaking and/or domestic cleaning service and the market testing was based on covering all these properties with one contract. Over 11,000 of these properties are on estates and just over 2,500 are dispersed as gap sites. This currently includes a small number of properties managed by Notting Hill Housing Group on 2 sites – Rainville Road and Clem Attlee Estate. The map in Appendix 1 shows the location of the properties.
- 4.2 The estate services contract for the whole borough will encompass the contractor taking over a variety of caretaking and cleaning services currently handled in-house, including cleaning activity to the communal areas and in the surrounds of the Council's housing and commercial stock, including towers, blocks, street properties and sheltered accommodation. This work will include cleaning tasks to both internal and external communal areas and tasks related to maintaining a safe environment such as gritting of estate pathways.
- 4.3 The procurement process for this contract with contract price of £3.5M per annum commenced with a Notice of Intention issued to leaseholders on 16 December 2011 for Estate Services. A Prior Information Notice (PIN) was issued on 3 April 2012 and subsequently published on 7 April 2012 (reference 2012/S 69-114413).
- 4.4 A contract advertisement (ref 2012/S 125-207497) and pre-qualification questionnaire (PQQ) was issued on 29 June 2012 and subsequently the advert was published on 3 July 2012 via the London Tenders Portal with a response deadline of 7 August 2012. Fifty-eight initial expressions of interest were registered on the e-tendering system (London Tenders Portal), for Lots 1 and 2, of which seven submitted completed Pre-Qualification Questionnaires and six organisations were invited to tender for Lot 1.

- 4.5 The invitation to tender for Lot 1 was issued on 25 October 2012 via the London Tenders Portal with a response deadline of 6 December 2012. Two organisations submitted tenders for Lot 1.
- 4.6 A TAP Marking Panel was set up and a process of evaluation and clarification was undertaken on the three submissions received. The TAP Meeting was held on 22 January 2013 where a report was submitted by the TAP marking panel. The TAP meeting agreed with the recommendations of the marking panel, which now form the recommendations of this report.
- 4.7 The Council has ensured that the two core service aims have been achieved through the market testing exercise. The first is to deliver improved value for money and this is demonstrated through the price given by the recommended tenderer. The second aim is quality improvement and this will be achieved by holding the contractor to account against a comprehensive and challenging suite of performance indicators that have been set in agreement with the Local Residents Panel. For example, the Council will expect to see satisfaction with estate services rise from 73% to 80% in year one of the contract. The target for clearance of reported fly tips and graffiti will go from 95% cleared in 24 hours to 100% cleared in 24 hours.
- 4.8 The contract also provides a mechanism to incentivise a number of indicators ensuring that those elements of service that matter most to residents are prioritised and are linked to payment. Details of performance indicators and service standards are provided in Appendix 2.

## **5. PROPOSAL AND ISSUES**

- 5.1 By approving this Cabinet report, Members will be agreeing subject to consultation and necessary consents that the Council will enter into a minimum ten year contractual agreement with Pinnacle Housing Ltd to deliver Estate Services.

## **6. OPTIONS AND ANALYSIS OF OPTIONS**

- 6.1 All areas of housing management have undergone a full appraisal to establish the best way forward on performance and value for money.
- 6.2 The main option considered as part of the market testing process was to determine whether a third party provider could deliver Estate Services for the Council's Housing stock, while at the same time providing improved value for money against the cost of delivering the service in-house and if the provider could also deliver an improved quality of service to council residents.
- 6.3 The alternative option, should the market testing conclude that a third party could not deliver these cost and performance improvements, would be for the service to remain in-house and be delivered in line with the detailed Estate Services specification prepared for the tender process.
- 6.4 To support this, it was agreed that if an in-house proposal was submitted by 6 December 2012, the Council would consider its contents after the evaluation of Lot 1 ITT submissions.
- 6.5 The tenders were assessed against a detailed specification, with 60% of the final score being based on cost and 40% on quality. Each tender was evaluated by a marking panel, a separate panel for quality and for cost.

- 6.6 The Qualitative ITT Marking Panel was tasked with evaluating the Tenders for lot 1, through a consensus score.
- 6.7 The Price ITT Marking Panel consisted of the Head of Client Management, the Head of Finance for Housing and Regeneration and the Principal Accountant for Housing who calculated the costs, MTFS savings, and Price Scores for each of the tenders and subsequently performed the Further Financial Assessment.
- 6.8 Expert advice from specialist officers in Legal and HR was also sought for the evaluation. External legal advisers, Sharpe Pritchard, provided specialist input into both procurement processes from the ITT submission date.
- 6.9 For financial robustness, the highest ranked applicant was subjected to a further financial assessment to demonstrate there was no significant change in the financial position since the Creditsafe analysis performed at PQQ.
- 6.10 Scoring and Evaluation - The scoring was based on a 60/40 split, with 60% of the final score weighted to the cost element of the tenders responses and 40% on the quality of the tender responses. This was set out in the 21<sup>st</sup> May 2012 Cabinet report.

### **Estate Services in-house proposal**

- 6.11 It was agreed that if an in-house proposal was submitted by 6 December 2012, the Council would consider its contents after the evaluation of Lot 1 ITT submissions.
- 6.12 The stated aim of the in-house proposal was to restructure the current estate services model in order to meet savings requirements while at the same time providing a more effective service to residents.
- 6.13 The in-house proposal gave a detailed overview of a proposed new staffing structure that would achieve significant annual savings of £557k. The report began by giving a description of how savings would be delivered through an internal reorganisation and deletion of both filled and vacant management posts as well as vacant staff posts. A new intermediate tier of supervisory posts would be created that would deliver career progression and further reduce management overheads. A smaller amount of savings would also be achieved through lowering the cost of equipment and chemicals through contract renegotiation and increased efficiency.
- 6.14 The report was staffing rather than service focussed and followed the format of an internal service reorganisation. A number of commitments to improve service delivery were made; however the proposal was not as detailed as the external submissions on how service requirements would be met or how service improvements would be delivered. The quality specification and method statement was not followed in the same way as the tenderers' tenders, therefore a direct comparison is not possible for anything other than cost.
- 6.15 The report referred to the comprehensive existing in-house training programmes and confirmed that existing Council procedures would be adhered to in relation to health and safety requirements. The report also proposed a "lessons learned" folder to detail outcomes from complaints, avoiding reoccurrence.
- 6.16 A positive statement within the in-house proposal document was that a "majority" of staff supported the restructuring proposal.

### **In-house proposal - Price**

- 6.17 The report proposed savings of £557k or approx 16% of budget. This was caveated by one-off costs for redundancy, which would reduce year one savings by approximately

£135k. The report suggested that the cost of redundancy could be met from the savings made against procurement costs; however these costs are largely front loaded so would not be deliverable. Therefore the total saving envelope would in reality be lower than reported in the proposal and lower than the highest external tender. In addition the maximum saving reported would not come into place until 2014/15.

#### **In-house proposal - Added value**

6.18 Added value was not as obvious as the proposals presented in the tenders. However the in-house proposal did reflect a number of opportunities such as the recruitment of tenant champions to be put in place where TRA's do not currently exist. Other positive initiatives were:-

- Use of social media
- Meet the team days
- Local garden schemes
- BIC's training

6.19 The report referred to local opportunities but did not provide information on number of training opportunities, work placements or apprentices.

6.20 The proposal for resident engagement was largely the same as that which already exists with the addition of the tenant champions and the items listed above. In the tenders submitted as part of the market testing procurement process this was an area where innovative items were put forward on engagement and involvement of residents.

#### **In-house proposal - Conclusion**

6.21 The marking panel was impressed by the quality of the report and acknowledged the hard work and thought that had gone into the submission. However in the light of the strength of the Pinnacle ITT submission which, as set out in this TAP report, will deliver £747k of annual savings from 2014/15 onwards against the current in-house cost of service provision and will deliver a number of added value service improvements such as apprenticeship training, a 24 hour call centre and provision for vocational training as described earlier in this report, it is recommended that awarding a contract to Pinnacle Housing Ltd would be the preferred option moving forward.

6.22 The panel has every confidence that transfer of key staff to a new contractor will help to ensure a customer focused service of an excellent standard.

#### **Proposed option**

6.23 On the basis of the option analysis it is recommended that the option to enter into a contract with Pinnacle Housing Ltd to deliver housing Estate Services for the borough be pursued.

6.24 As stated earlier all services have been reviewed to look at improved performance and value for money, and if the recommendations of this report are agreed by Cabinet it will lead to a significant change in how estate services will be structured and delivered in the borough as a third party provider will be responsible for delivery of the majority of estate services across the borough.

6.25 In addition, as part of the MTFs saving targets, a number of mini reorganisations have taken place to retained services such as the Estate Support and Security Service (conciierge). Set out below is a summary of these changes:-

- Internal restructure of conciierge service into 'Estate Support and Security Service'.
- Establishment of 'technical client team' to client the outsourced services (grounds maintenance and household waste where they impact on housing and caretaking).
- Reorganisation of the existing in-house team to manage the work areas retained by the Council – Estate support and security service, meter reading, housing improvement fund projects.

Appendix 3 contains a structure chart setting out how the housing services department would deliver the full range of estate services.

## 7. CONSULTATION

7.1 Resident consultation - Our Resident Involvement approach starts from an acknowledgement that if the Council is to achieve successful neighbourhoods and communities particularly in the more deprived areas of the borough the Council needs to be more responsive to the changing expectations and demands of all tenants and leaseholders. Only in this way does the Council believe it will meet their aspirations and increase levels of satisfaction across the borough.

7.2 The HRA MTFs Transformation Programme Board is committed to close resident involvement in taking forward the Programme. To this end, the project teams responsible for the Housing Services transformation have developed plans for close liaison with residents in line with the Council's agreed Resident Involvement strategy. Summarised below is the consultation that has been undertaken.

- Annual Tenants Conference – on 14 July 2012 a presentation was given on the market testing process along with a question and answer session.
- Area Forums - officers have attended and updated every area forum that has been held in the borough since the decision was made by Cabinet to market test in May 2012.
- Area forum dates were:-
  - **Fulham North:** 12 June 2012, 4 September 2012, 11 December 2012 & 12 March 2013
  - **Sands Fulham:** 12 June 2012, 19 September 2012, 19 December 2012 & 20 March 2013
  - **Hammersmith North:** 18 June 2012, 4 September 2012, 4 December 2012 & 5 March 2013
  - **South Hammersmith:** 11 June 2012, 17 September 2012, 3 December 2012 & 11 March 2013
- Borough Forum - officers have attended and updated every area forum that has been held in the borough since the decision was made by Cabinet to market test in May. The dates of these meetings were 22 May 2012, 25 September 2012, 6 November 2012, 29 January 2013 & 30 April 2013.
- Local Residents' Panel - officers have attended every panel meeting that has been held since the decision was made by Cabinet to market test in May 2012. The

dates of these meetings are set out in Appendix 4. The service standards used for both the estate services and housing management lots were developed and agreed with the panel and discussions were held on key KPIs that would be incentivised as parts of the proposed contracts. All panel members signed confidentiality agreements so that in depth updates could be given throughout the procurement process. It has already been agreed that the Local Residents Panel will play a key role in future service reviews of the services and this was set out within the Invitation to Tender documents and method statements that were sent to tenderers.

- Local Residents' Panel, Caretaking Working Group – residents and officers met on 13 March 2012, 24 April 2012, 24 May 2012, 13 June 2012, 18 July 2012 to agree the scope of works and the standards of caretaking service to be provided.
- Annual Leaseholders Conference - officers attended the annual leaseholders conference on Saturday 26 January 2013 and a presentation was given on the current position around market testing of housing services.
- In addition residents of the borough have been informed in 'Your Home' magazine about the market testing proposal in the September 2012 issue and role of local resident panel in the December 2012 issue.

### **Staff consultation**

- 7.3 Staff received an initial briefing session from the Executive Director of Housing and Regeneration when the HRA MTFS Transformation Programme commenced in November 2011. This outlined the key objectives, scope of the programme and commitments to staff engagement, throughout the period of change. Following this initial briefing, key messages were reinforced through regular up-date briefings from the Executive Director and Directors, team briefings from Heads of Service and monthly staff newsletters.
- 7.4 A dedicated Frequently Asked Questions, "Ask Me!", intranet link has been created to provide staff with the opportunity to pose questions directly to the Executive Director. In addition, suggestion boxes have been placed in all offices to encourage staff to put forward suggestions and raise any queries, anonymously.
- 7.5 These measures have been designed to engage and involve staff to ensure as smooth a transition as possible, whilst maintaining the current service. As the Transformation Programme progresses and detailed proposals are formulated, normal consultation processes with trade unions will be followed.
- 7.6 A series of meetings with estate services staff have been held on 18 June 2012, 29 June 2012, 10 July 2012, 11 July 2012, 18 July 2012, 19 July 2012 at which staff were updated about the market testing process and given an opportunity to pose questions relating specifically to Estate Services.

### **TUPE Process**

- 7.7 The Transfer of Undertakings (Protection of Employment) Regulations 2006 is the main piece of legislation and is designed to protect the rights of employees in a transfer situation enabling them to enjoy the same terms and conditions with continuity of employment. The TUPE Regulations will be adhered to throughout the process.



- 7.8 TUPE requires that employees who are affected by the transfer should be consulted. The obligation to consult in law is where measures might be taken in relation to any of the affected employees.
- 7.9 This includes:-
- Employees who are affected
  - Who may be affected
  - Whose jobs are in jeopardy
  - Job applicants
- There is no obligation to consult with the whole workforce or everyone in the workforce who might apply for a job in the affected areas.
- 7.10 Representatives of trade unions recognised by the Council are recognised as 'appropriate representatives' for consultation purposes under the Act. A consultation and communication process regarding TUPE is ongoing.
- 7.11 On commencement of the Estate Services contract the contractor will be apportioned with a notional share of pension fund assets as calculated by the actuary to be sufficient to match the pension liabilities. The contractor will not inherit any pension fund deficit and it will be a requirement of the contractor to ensure that all contributions have been regularly made as advised by the actuary.
- 7.12 The contribution rate may vary during the course of the contract in accordance with clause 8 of the Admission Agreement. Any variation in the rate of contribution will be at the contractor's risk.
- 7.13 Any funding deficit which accrues during the contract term in relation to deferred and pensioner liabilities will be the responsibility of Hammersmith and Fulham Council on exit.
- 7.14 Although the employer contribution rate has been set and will be reviewed by the actuary with the aim of maintaining full funding in respect of the active membership, any deficit which does arise in respect of the active membership will be the responsibility of the contractor and will be charged to the contractor on exit. This excludes any contributions due under Clause 6.5 of the Admission Agreement which arise because of early and ill health retirements, where the capital cost of the retirement will be charged as a capital sum.
- 7.15 In accordance with clause 9 of the Admissions Agreement, the contractor will be required to maintain an indemnity bond to meet the level of risk exposure arising on premature termination of the contract. The value of the indemnity bond shall be assessed by the Scheme Employer as arising as a result of the matters mentioned in regulation 6(5) of the Administration Regulations, to the satisfaction of the Administering Authority.

## **Statutory Consultation**

### **Section 105 Consultation with secure tenants**

- 7.16 In addition to the informal consultation outlined above; the Council, as a landlord, is required to carry out formal consultation under section 105 of the Housing Act with secure tenants as it is considered that tenants are likely to be substantially affected by the proposal. This consultation will commence following the call in and standstill periods as outlined in Appendix 5.

- 7.17 As with any consultation exercise there is a requirement to inform tenants of the proposal and to give them the opportunity to make comments within a specified period. The Council is required to consider these comments before making a decision to enter into the Agreement.
- 7.18 It is proposed that the Cabinet Member for Housing, in consultation with the Executive Director of Housing and Regeneration, be given delegated authority to consider any comments received before final contract award.

### **Leaseholder Consultation – Section 20 of the Landlord and Tenant Act 1985**

- 7.19 The Council is required to consult with leaseholders before it enters into the proposed contract. The initial Notice of Intention was served on leaseholders on 16 December 2011 and expired on 16 January 2012. A total of fifty-six observations were received all of which were responded to within the statutory timescale.
- 7.20 The statutory consultation process now requires the Council to issue a Notice of Proposal to all affected leaseholders, notifying them of the intention to appoint the successful tenderer and inviting observations. Leaseholders will have 30 days to submit observations. The Council must have regard to any observations made by the due date and must respond to all of these observations within 21 days of receipt.
- 7.21 Again it is proposed that the Cabinet Member for Housing, in consultation with Executive Director of Housing and Regeneration, be given delegated authority to consider the outcome of the consultation before final contract award.

## **8. EQUALITY IMPLICATIONS**

- 8.1 Initial EIA assessments have been prepared in consultation with the Equalities Manager (available upon request). The proposal to review the procurement strategy does not involve any changes to service delivery or operational policies. Therefore if an award of contract was agreed by Cabinet the contractor would be undertaking decisions based on policies that have already been approved by Cabinet and for which EIA considerations have already been made.

## **9. LEGAL IMPLICATIONS**

- 9.1 As set out in the report the Council has a statutory duty to consult with Tenants and Leaseholders and to have regard to the outcome of these consultations before making a decision to enter into the agreement.
- 9.2 Legal services has advised the client department on the procurement process and has been represented on the TAP. The procurement has been carried out in accordance with the Council's contract standing orders and EU procurement rules.
- 9.3 Implications verified/completed by: (Janette Mullins, Head of Litigation x2744 and Catherine Irvine, Principal Contracts Lawyer x2774).

## **10. FINANCIAL AND RESOURCES IMPLICATIONS**

- 10.1 Evaluation of the tenders confirms that Pinnacle Housing Ltd achieves the highest price mark. Both the proposals from Pinnacle Housing Ltd and from Carillion Energy

Services Ltd plan to deliver the required annual Medium Term Financial Strategy savings in the Housing Revenue Account.

10.2 Further comments are in the separate report on the exempt Cabinet agenda.

10.3 Implications verified/completed by: (Kathleen Corbett, Director of Finance & Resources, HRD x3031).

## **11. RISK MANAGEMENT**

11.1 A Programme Board has been established to oversee the full HRD MTFS Transformation Programme. The Board is chaired by the Executive Director of Housing and Regeneration, supported by the Directors of Finance and Resources, Housing Services and Asset Management and Property Services and senior Project Managers and representatives from Procurement, Legal, Organisation Development & Transformation and Human Resources.

11.2 Project Teams have been established for Housing Services, headed by the Director of Housing Services and supported by all Service Heads. The Programme Board has delegated authority to the project teams to manage the day to day delivery of the individual project streams, with the project team reporting monthly to the Programme Board.

11.3 The principal risks of pursuing the proposed strategy have been considered (and where necessary are being monitored) as a part of developing the strategy. These risks, along with mitigating actions, are identified in Appendix 6.

11.4 Project control documentation has been developed and implemented and is reviewed regularly by both the project teams and Programme Board. This includes the review of project level and programme level risk.

11.5 The report content is self-explanatory and highlights the opportunities from the procurement and could be summarised briefly as Pinnacle Housing Ltd's offer as set out below:-

- 100 day plan will engage with every residents face to face or by phone
- Pinnacle direct 24/7 365 call service for residents/ lone workers
- 21% saving on cost
- 3 apprenticeships a year for life of contract
- 40 training opportunities for local residents each year
- 80 vocational work experience placements each year

11.6 Management of risk is an active process, managed from business case to mobilisation and ongoing performance of the successful contractor. Risks have been managed as part of the procurement project and have been identified and managed throughout the procurement to enable the optimum chance of full benefit realisation.

11.7 A project risk register exists and is updated as necessary. Where specific risks have been identified as significant they are escalated. Mitigated risk is proportionate to the exposure and cost of control. The Project is noted on the department's overall risk register and has been discussed with the HRD Risk Manager.

## 12 PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 12.1 The Director for Procurement and IT Strategy has supported this procurement, has been represented at TAP meetings, and been consulted on the report. It is noted that the lowest tender submitted is competitive and incorporates a number of significant supplementary benefits.
- 12.2 The Director confirms that the procurement has been carried out in accordance with the Public Contracts Regulations 2006 (as amended) and the Council's Contract Standing Orders have been complied with. Consequently the Director supports the recommendations.
- 12.3 Implications verified/completed by: (Robert Hillman, Procurement Consultant x1538).

### LOCAL GOVERNMENT ACT 2000 LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
	None		

#### LIST OF APPENDICES:

Appendix 1 – Map of Estate Services Area

Appendix 2 – KPI & Service Standards

Appendix 3 – Structure chart of services

Appendix 4 – Local Resident Panel meetings

Appendix 5 – Consultation timeline

Appendix 6 – Risk Management