

**11th August 2020**

**KEY DECISION? YES**

**FUTURE PROVISION OF CCTV SERVICE**

**SUMMARY & RECOMMENDATIONS:**

Following review of the Council's CCTV service and the associated costs required to operate and maintain it, this report outlines the options for and makes recommendations on future CCTV service delivery.

Cabinet are RECOMMENDED to approve: –

- (i) the establishment of a legal agreement for the Council's CCTV control room and monitoring to Runnymede Borough Council as outlined in the below report;
- (ii) the commencement of all necessary technical feasibility and other preliminary works to effect the outsourcing of the service;
- (iii) subject to approval of the above termination of existing shared service agreements with Hart District Council

Cabinet RECOMMENDS to Council -

- (iv) an additional revenue budget of £10,000 to meet the costs of these works in financial year 2020/21;
- (v) a separate capital budget programme of work(s) of £400,000 to upgrade the Councils CCTV camera stock and network to a partially wireless system in preparation for the change
- (vi) £75,000 revenue budget in financial year 2021/22 for the decommissioning of the current CCTV control room

**1. INTRODUCTION**

- 1.1. Against a backdrop of aging CCTV camera stock and equipment, consultant recommendations and research on alternative service provision, this report seeks Cabinet discussion and approval of proposals to outsource the future delivery of the Council's CCTV service.

- 1.2. As outsourcing the service would involve the closure of the Council's CCTV control room, the termination of an existing shared service arrangement with Hart District Council, and a significant capital spend to upgrade the Council's existing CCTV cameras and network to effect the same, this matter is considered a key decision.
- 1.3. This report is the culmination of numerous discussions with the Portfolio Holder and Cabinet on an informal basis, with members supportive of the continuation of the CCTV service.

## 2. BACKGROUND

### CCTV Service Overview

- 2.1. There is no direct statutory duty requiring the provision and management of CCTV by local Councils. However, the Crime & Disorder Act 1998 (CDA98) requires each authority to exercise its functions to prevent crime and disorder; and the Council has, in part fulfilment of this, operated a CCTV service to monitor sites across its town centres since 2002.
- 2.2. First established as a stand-alone service, the Council has subsequently, since 2013, operated a joint CCTV service in conjunction with Hart District Council (HDC). The purpose of the joint service is to ***'help deter and prevent crime and disorder and reduce the fear of crime'*** with the overarching objective to ***'help make Hart and Rushmoor safer areas in which to live'***.
- 2.3. The joint service comprises a dedicated control centre located within the Rushmoor Borough Council Offices. The control room is staffed by six staff (6.38 FTE) and manned between 07:00 and 01:00 Sundays to Wednesdays and between 07:00 and 04:00 Thursdays to Saturdays on a shift rota basis. A number of these posts are currently vacant and covered by other Council staff. Here, a total of 116 mixed analogue and digital cameras are monitored and recorded 365 days per year 24 hours a day.
- 2.4. Save for a hosting charge and the specific camera maintenance and transmission costs of each authority, the overall costs of the joint service are split 55:45 between Rushmoor and Hart respectively. This split was established on the basis of the number of CCTV cameras monitored in each area at the time of its launch and is embedded in a 10-year deed of operation between the two Councils which is subject to 12 months' notice of termination (we are currently in year 6 of this agreement). The costs and work of the shared CCTV service is overseen by a Joint Governance Group (JGG), made up of representatives from Rushmoor and Hart in accordance with this deed.
- 2.5. The current budget for the CCTV service is £298,380 which includes direct service costs and overheads such as support service costs and accounting charges. The service budget also includes a contribution from Hart for the aforementioned hosting of the service. The 2020/21 budget administered by Rushmoor on behalf of Hart is £133,310 not including the £15,310 hosting

charge, and other costs such as transmission of Hart cameras. A breakdown of the current service budget is shown in the table below:

<b>CCTV Service</b>	<b>2020/21 Budget (£)</b>
Employees	129,590
Supplies and Services	69,730
<b>Subtotal</b>	<b>199,320</b>
Less: Contribution	(15,310)
<b>Net Direct Cost</b>	<b>184,010</b>
Shared Costs	133,310
Less: Shared Costs - Contribution	(133,310)
<b>Net Direct Cost (inc Shared costs)</b>	<b>184,010</b>
<b>SSCs and Notional charges</b>	
Pension/Capital Charges	32,570
Support Service Costs	81,800
<b>Net Total Cost</b>	<b>298,380</b>

- 2.6. Whilst unable to effectively quantify its deterrence effect, the joint service was involved in over 2438 incidents during 2019-20; leading to a known 149 arrests, and 481 ancillary service transactions (e.g. copies and reviews of footage). Incidents included the monitoring of suspicious individuals or groups, road traffic incidents, shoplifters and nighttime economy venues etc. The CCTV Control Room and Police are in direct contact and share intelligence on a daily basis. The CCTV service also acts as the primary reception and co-ordination point for all out of hours calls for both Council's; taking 722 out of hours calls during 2019/20.
- 2.7. For Rushmoor, this breaks down as 1864 incidents, leading to 130 known arrests, 301 ancillary transactions and 486 out of hours calls. For Hart, this breaks down as 559 incidents, leading to a known 22 arrests, 178 ancillary transactions, and 232 out of hours calls.

### **CCTV Service issues and current situation**

- 2.8. Despite the above, and following comprehensive service review, the following issues and risks have been identified with the joint CCTV service provision and arrangements. Whilst some of these issues are circumstantial, are historic and/or arise from when the service was first established, some are interdependent and create a degree of complexity to the considerations now required on the future of the service. These include -
- a) **Partnership with Hart** - Should Hart choose to withdraw from the service at any point, this would have financial implications for Rushmoor who would be liable for additional costs around staffing and maintenance of the control room in order to maintain current levels of service.
  - b) **CCTV Cameras** – Much of the existing CCTV infrastructure and cameras throughout Farnborough and Aldershot is, in many cases

dated, at end of life and/or no longer fit for purpose; requiring review, replacement and upgrade at a significant capital cost. This would sit separately from any decision to outsource the control room and require a full tendering process. This will be managed via a separate workstream.

- c) Compliance with CCTV Standards** – Following audit, the CCTV Service is not fully compliant with the Surveillance Camera Commissioner’s Code of Practice. Issues surrounding privacy impact assessments and auto-redaction of associated privacy zones require both hard and software upgrades and associated configuration(s). Upgrading the control room and cameras to be compliant with these requirements will come with significant capital cost expenditure.
- d) CCTV Maintenance arrangements** - The CCTV Service is currently out of maintenance contract and is on an interim pay as you go maintenance arrangement. Whilst this has not proved more expensive so far, maintenance arrangements require appropriate procurement in accordance with contract standing orders. As equipment becomes older, costs and associated equipment failure risks are also likely to increase.
- e) Control Room infrastructure** – Much of the control room infrastructure is also at end of life and/or experiencing increasing faults and failure. These increasingly have an impact on the costs and delivery of the service; and can affect both Hart and Rushmoor coverage. For example, a recent Network Video Recorder (NVR) failure resulted in a number of a Rushmoor cameras not being recorded for over four weeks with knock on effects for the rest of the system. A spare Network Video Recorder has since been acquired to mitigate future failures.

### **3. PROPOSAL(S)**

#### **Proposal background and context**

- 3.1. In view of these complex and interdependent issues, the Council engaged SGW Consulting in 2018 in order to assess the joint CCTV Service and advise on the costs of refreshing the control room, cameras and related infrastructure. SGW are security consultant specialists with significant experience in advising local authorities on their CCTV requirements and have been in the market since 2003.
- 3.2. Following their commission, SGW subsequently produced a full specification for a new CCTV control room, cameras and infrastructure. This estimates the cost of refitting the current control room at approximately £300,000. This includes reconfiguration of the room to a more appropriate layout, as well as replacement of end of life equipment and a new video management system. The cost of camera replacement and upgrading of the network to a recommended mixed wireless/cabled system is also estimated to be £400,000 (this includes new system installations and control room links at the Princes Hall, Crematorium and technical services depot on Ively

Road). This gives a total capital project cost of £700,000 for both project streams.

3.3. Given the high capital expenditure required for this project, alternative delivery models including outsourcing of the control room and monitoring arrangements were also explored. Whilst a capital expenditure of £400,000 for camera and network upgrades would still be required (which would be treated as a separate work stream), outsourcing of the control room would provide the following identified benefits; namely -

- a) Decommissioning of the current control room, allowing the office space to be re-purposed;
- b) Saving on capital spend on refitting the current control room;
- c) Saving on any future upgrades of the control room, which would be the responsibility of any outsourced provider; and
- d) No costs of providing a new control room and associated office space should the Council move premises in the future.

3.4. Accordingly, a number of public and private sector companies were consulted on a 'soft market testing' basis regarding alternatives for provision of a CCTV control room and monitoring services. As an exemption from full EU Procurement rules it is open to the Council to enter into arrangements with another local authority in the provision of public services to achieve common objectives in the public interest. In light of this more detailed exploration of potential costs was subsequently explored with interested local authorities. Of those, Runnymede Borough Council proffered an enhanced service provision with the most significant cost saving opportunities as outlined below.

### **Preferred Option**

In provision of outsourced control room and monitoring services, Runnymede quote projected costs of approximately £98,000 per annum. Costs associated with CCTV equipment maintenance, data transmissions and support service costs are estimated at £177,510 giving a Total Net costs of the preferred option of £275,510.

The table below shows a comparison between 3 broad options:

- Option 1 – Current service provision costs (shared with Hart)
- Option 2 – In-house service costs (not shared with Hart)
- Option 3 – Contracted-out service

<b>Comparison of Costs</b>	<b>Option 1 - Current</b>	<b>Option 2 - In-house</b>	<b>Option 3 - Contracted out</b>
Employees	129,590	129,590	0
Supplies and Services	69,730	65,080	193,710
<b>Subtotal</b>	<b>199,320</b>	<b>194,670</b>	<b>193,710</b>
Less: Contribution	(15,310)	0	0
<b>Net Direct Cost</b>	<b>184,010</b>	<b>194,670</b>	<b>193,710</b>
Shared Costs	133,310	111,010	0
Less: Shared Costs - Contribution	(133,310)	0	0
<b>Net Direct Cost (inc Shared costs)</b>	<b>184,010</b>	<b>305,680</b>	<b>193,710</b>
<b>SSCs and Notional charges</b>			
Pension/Capital Charges	32,570	32,570	0
Support Service Costs	81,800	81,800	81,800
<b>Net Total Cost</b>	<b>298,380</b>	<b>420,050</b>	<b>275,510</b>

- 3.5. Runnymede offer a modern, up to date and compliant service, with monitoring 24 hours a day – an enhancement on our current monitoring. There are opportunities to further modernise working practices, with Runnymede able to provide remote access to footage to both Rushmoor and Police colleagues – negating any impact from the control room being based out of borough. Runnymede also provide a Careline service for their local area and have confirmed they will cover out of hours calls within the costs quoted.
- 3.6. Should Hart and Rushmoor choose to continue in the current or an amended shared service agreement, there are financial benefits to the outsourcing of the control room for both Councils, including the saving of capital expenditure for upgrade of the control room and associated infrastructure. Should Hart or Rushmoor choose to terminate the current shared service, it would present even greater savings.
- 3.7. Additional indirect contract monitoring and management costs will likely arise in provision of any outsourced service. However, whilst these are unquantifiable at this stage, it is anticipated that these can be borne by existing budgets. Accordingly, given the enhanced service offered and the financial benefits outlined above, it is proposed that Rushmoor outsource its control room and monitoring services to Runnymede Borough Council.

#### **4. ALTERNATIVE OPTIONS**

- 4.1. The alternative options outlined below have also been considered, and are presented for information and discussion, with some commentary thereon.

##### **(a) Continue to operate service in-house**

- 4.2. The Council could continue to operate the service in-house. In addition to ongoing running costs, this would result in an additional capital spend of

£300,000 on refitting the Control Room, and a further £400,000 spend on cameras and related network infrastructure.

### **(b) Leasing**

- 4.3. As part of their remit, SGW also advised on the potential for the leasing of new control room equipment and cameras. Quotes were obtained for an upfront purchase of certain equipment against a quote for leasing of the same equipment for a period of 5 years. The results are shown in the table below.

	<b>Upfront</b>	<b>Leasing</b>
<b>Equipment</b>	£240,000	£420,000
<b>Maintenance</b>	£60,000	-
<b>Non-leasable/other costs</b>	£300,000	£300,000
<b>Total</b>	<b>£600,000</b>	<b>£720,000</b>

- 4.4. Upfront cost of purchase and maintenance over 5 years would come to £240,000 and £60,000 respectively, a total of £300,000.
- 4.5. Leasing of control room equipment and cameras would cost £7,000 per month, or a total of £420,000 over a 5-year period. This means that whilst a leasing arrangement is feasible, this will cost 40% more over a 5-year period and there will be no longer term asset for the Council. Any equipment purchased by the Council would also be expected to last for longer than the initial 5-year period.
- 4.6. Significantly, these figures do not include the £300,000 costs quoted for the refit of the control room such as a new server room, new furniture and the rearrangement of the existing layout.
- 4.7. Whilst it would be feasible to combine equipment leasing with other options (e.g. for Rushmoor to outsource the control room monitoring to Runnymede, whilst leasing cameras only), analysis shows that this is again likely to cost more over any extended time period.

### **(c) Cease CCTV Service provision**

- 4.8. The Council is under no statutory obligation to provide a public space surveillance service and could choose to cease provision entirely. This would result in a saving of approximately £184,000 on direct service costs.
- 4.9. Whilst providing for some savings, it should be noted that support costs and other charges would need to be redirected to other cost centres. There would also be additional one-off costs of decommissioning the control room, cameras and associated infrastructure; totalling approximately £75,000. Following SGW survey, it should also be noted that the service remains popular with the public, Members and police alike and there would be a significant impact on the work of the Police locally.

#### **(d) Seeking of external contributions to service**

- 4.10. Given the positive impact that service provision has on local Policing, an approach was made to the Office of the Police and Crime Commissioner and Chief Constable to enquire as to whether a contribution to service costs would be possible. Both have confirmed that due to current and ongoing financial constraints this would not be possible.

### **5. CONSULTATION ON PROPOSALS**

#### **Joint Governance Group**

- 5.1. The Joint Governance Group (JGG) responsible for overseeing the shared service on behalf of Hart and Rushmoor have been informed of the outcome of this review and the existence of this Cabinet paper and that in principle, outsourcing of the service to Runnymede would be Rushmoors preferred option. This option would also be financially advantageous to Hart and they have been provided a cost of Runnymede monitoring and operating their cameras.

#### **Member consultation**

- 5.2. A number of Members have been involved in progress of the project so far, including the Leader and Portfolio Holder for Operational Services. Both are supportive of the preferred approach. The outcome of the review has also been discussed with the Shadow Portfolio Holder for Operational Services.

#### **CCTV staff and operatives**

- 5.3. There are currently 4 full time members of staff within the Service who would be affected by outsourcing of the Control Room and monitoring services. Consultation on the proposals will be carried out with staff affected once Cabinet have approved their preferred way forward.

### **6. IMPLICATIONS**

#### **Legal Implications**

- 6.1. The Council is under no statutory obligation to provide a public space surveillance system, although, following survey work undertaken by SGW, it remains popular with the public, Members and Police alike in furthering the duty to prevent crime and disorder in the borough.
- 6.2. However, to ensure compliance with Data Protection legislation and the Surveillance Camera Commissioner's code of practice, upgrades to the Control Room are required to facilitate privacy impact assessment and redaction of identified privacy impact zones. Should the Council fail to carry out these upgrades, there is risk of breaching legislation and associated codes.



- 6.3. Whilst separate quotes for provision of an outsourced service have been provided to both Hart & Rushmoor and outsourcing can be pursued separately as necessary, this has obvious implications for the existing shared service agreement (under deed) which will need to be terminated if outsourcing is to be progressed.
- 6.4. Should Cabinet approve this process the Council will enter into an appropriate agreement with Runnymede Borough Council, and also start a procurement process for the camera and network project stream.

## **Financial and Resource Implications**

### **(a) Capital spend**

- 6.5. As highlighted in paragraphs 4.8 and 6.1 of this report, there is no statutory obligation for the Council to provide a CCTV service. The Council has not made any capital budget provision for either the replacement of the CCTV cameras or the refurbishment of the Control Room.
- 6.6. Given the impact of Covid-19 on the Council's finances, it is important that members consider the revenue implications of any additional capital expenditure.
- 6.7. Should the Council choose to retain the CCTV service in-house the necessary upgrade of the Control Room will require approximately £300,000 capital expenditure, and a further £400,000 capital expenditure on cameras and associated network infrastructure. By outsourcing the control room, a large portion of this capital spend can be negated, with only camera and network replacement costs required, along with some decommissioning costs of the old Control Room.

Capital spend required for the camera and network upgrade is not currently included in the approved capital programme and will require additional resources of £400,000 in the current financial year.

- 6.8. There will be further budget requirement for progressing this work, regardless of outcome chosen. This will include staff time and additional £10,000 consultancy fees. There may be further considerations that Cabinet wish to take into account around wider finance constraints and limitations due to Covid-19.
- 6.9. For the purposes of this report, it is assumed that further borrowing would be undertaken to finance the capital expenditure, which in turn incurs an annual revenue cost.
- 6.10. Indicative figures are based on the Council borrowing from the PWLB over a 10-year period. The revenue cost of servicing the debt is estimated at £36,000 on a spend of £300,000 for the control room upgrade, and £48,000 on a spend of £400,000 on the camera and network upgrade.

- 6.11. The Council could utilise other sources of capital finance to fund the capital expenditure but given the limited resources available at the time of writing this report it is prudent to assume additional borrowing would need to be undertaken.

#### **(b) Termination of shared service agreement**

- 6.12. There are additional financial risks associated with terminating the current shared service agreement with Hart. These include a clause stating equipment purchased for the benefit of the shared service shall belong to Rushmoor, subject to payment to Hart of a sum equal to their contribution, having regard to the current estimated value. Should the agreement be terminated by mutual agreement then this may be able to be negated. The 10-year agreement is scheduled to run till 2024, having commenced in 2014.

Conversely, should Hart choose to leave the shared service and Rushmoor continue to operate the service in-house, this would result in a need for £121,670 additional budget as outlined above.

#### **(c) Redundancy / TUPE costs**

- 6.13. Should current staff be made redundant, there are potential redundancy costs of nearly £25,000. Should any staff be able to TUPE to Runnymede, Rushmoor would agree to meet those costs on behalf of Runnymede although these are currently unknown. Any costs are not envisioned to be significant, and likely limited to the costs of drafting and finalising any TUPE agreements. HR have confirmed that these are likely to be minimal.

#### **(d) Decommissioning of control room equipment**

- 6.14. If Rushmoor choose to cease the current service altogether or outsource to Runnymede there will be costs associated with the decommissioning of current control room equipment and returning the room to normal office space. These costs are estimated to be £75,000.

#### **Equalities Impact Implications**

- 6.15. There are no known equalities impact implications arising from the proposed recommendations.

#### **Crime and Disorder Implications**

- 6.16. Should the Council choose to continue the service as it currently is whether in-house or outsourced, there should be no implications and the service should be able to continue to help deter and prevent crime and disorder.
- 6.17. Should the Council choose to cease the service altogether, there may be significant implications impacting the Police, their ability to resolve incidents that would have otherwise been evidenced by our existing CCTV arrangements and subsequent arrests. There would be significant impacts

to intelligence gathered and shared across the Borough. The impact on Policing locally cannot be underestimated should the service cease altogether.

## **7. CONCLUSIONS**

- 7.1. The Council's CCTV Control Room needs refurbishment and replacement. This will require a significant capital spend of £300,000. In order to mitigate some of this and other issues, several future service delivery options have been analysed and considered. In consequence of this, it is recommended that the control room and monitoring services be outsourced to Runnymede Borough Council. This will save much of the capital expenditure as well as create a reduction in future revenue budget required, whilst providing for an enhanced service. Any saving would be reported by the Head of Service during future budget monitoring once service alterations had been carried out.
- 7.2. The current CCTV service is a joint service run under a 10-year deed in conjunction with Hart District Council. Any outsourcing will necessitate the termination of the existing shared service agreement.
- 7.3. The Council's CCTV camera and transmission network also requires upgrading at a capital cost of £400,000, and this cost cannot be mitigated further. Collectively, this capital spend is not currently in the capital programme and requires additional approval.
- 7.4. The preferred option will reduce the level of capital expenditure required to provide the CCTV service.

### **BACKGROUND DOCUMENTS:**

List

### **CONTACT DETAILS:**

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