## **Commissioning and Procurement Executive Committee – 12 November 2024**

Subject:	Handheld Power tools solution		
Corporate Director:	Nicki Jenkins – Growth and City Development		
Executive Member:	Councillor Jay Hayes – Housing and Planning		
Report author and contact details:	Alison Brown, Director of Property (Housing)		
Other colleagues who	Andrew Berry – Finance		
have provided input:	Anthony Heath – Legal		
nave provided inpair	Sue Oliver – Procurement		
	ous silver i resultantin		
Key Decision	∕es No <b>Subject to call-in</b> X Yes No		
	□ Income □ Savings of £750,000 or more □ □ □		
<del></del> ·	e overall impact of the decision		
	pract on communities living or working in two or more		
wards in the City	Yes No		
Type of expenditure:	⊠ Revenue		
Type of experience.	⊠ Revenue □ Capital		
Total value of the decision: (estimated) £1.3m over a 4-year proposed contract term			
Section 151 Officer exp	enditure approval		
Has the spend been approved by the Section 151 Officer?			
Spend Control Board app			
Commissioner Conside			
	red with the Commissioners' Office? X Yes No		
Any comments the Commissioners wish to provide are listed in section 6 below.			
Wards affected: All			
Date of consultation with Executive Member: 19 March 2024			
Relevant Council Plan Key Outcome:			
Green, Clean and Connected Communities			
Keeping Nottingham Wor			
Carbon Neutral by 2028			
Safer Nottingham			
Child-Friendly Nottinghar	<u> </u>		
Living Well in our Communities			
Keeping Nottingham Mov			
Improve the City Centre			
Better Housing			
Serving People Well			
	luding benefits to citizens/service users):		
This paper is to request approval to implement a revised handheld power tools, supply			
maintenance and management solution for housing property services. The solution will be			
provided by an external supplier and managed through internal resources. The scope of the			
proposal is based on feedback from the Health and Safety Executive (HSE), current regulatory			
requirements, and an analysis of existing arrangements. The aim of a revised approach is to			
	enhance operational efficiency, ensure compliance with health and safety regulations, and deliver		
best value for money.	,		
200 value for money.			
Nottingham City Council (NCC) housing property services currently faces challenges with its			
hand-held power tool provision, maintenance and management system, which include			
•	and compliance risks. We were working with non-standardised tools,		
	ctly by the workforce, leading to inconsistencies in approach to quality of		

handheld power tools purchased, frequency of maintenance and safety concerns, particularly regarding Hand-Arm Vibration Syndrome (HAVS) and dust suppression. Our existing approach is not fit for purpose and an interim solution was put in place following a visit from the health and safety executive is not sustainable long term.

Included within our revised approach is a proposal to enter into a contract with external tools supplier specialists for the provision, maintenance and management of hand held power tools. This would provide a range of benefits including access to improve technical capacity and expertise available to the Housing property service and wider NCC colleagues on tools areas including to mitigate expose to vibration and dust.

The proposed specification within the contract will demonstrate that NCC as an employer has robust controls in place that meet responsibilities under the health and Safety at Work act 1974. Specifically, the control of vibration at work regulations 2005 and the control of substances hazardous to health regulations 2001 control of dust. Addressing this issue is a key part of the action plan created in response to the HSE Notice of Contravention dated 27<sup>th</sup> February 2024. The HSE described the contraventions as material. Having appropriate and robust controls in place will protect our workforce and residents from exposure to dust and vibration and reduce the likelihood of financial claims being made against us for failing against our obligations under these H&S regulations.

Implementing a standardised, digitally enhanced handheld power tools solution will significantly enhance NCC's operational efficiency, safety compliance, and cost-effectiveness. The investment in this solution aligns with NCC's strategic objectives of improving service delivery and ensuring the well-being of its workforce.

To fully support the implementation of the proposed changes in a timely manner we will use additional funding of approximately £529k over the proposed contract term from HRA reserves.

Implementing a new approach to the provision, maintenance and management of power tools will generate non cashable efficiency saving of an estimated £638k in year 1 of full implementation.

#### **Exempt information:** None

## Recommendations:

- 1 To approve a request to spend £1.3m of HRA funds over a four year term for the implementation of handhold power tools solution, including dust suppression, and delegate authority to the Director of Property for any further shortfall identified after the conclusion of the procurement exercise to be met as a growth item through the annual budget process for 2025/26 without further recourse to HRA reserves.
- 2 To delegate to the Director of Property to enter into a contract for a handheld power tools, including dust suppression provision, maintenance and management solution for an initial 2 years, with a possible 1+1 extensions, pending performance to make total contact term of up to 4-years following a compliant procurement exercise being completed. This will be with the support of the procurement team to demonstrate value for money and is likely to be through an existing framework however is this does not meet identified need it will be through an open tender.
- To approve the recruitment of a dedicated internal staffing resource to fully implement and manage the handheld power tools solution to ensure it continues to meet statutory and regulatory compliance. Any costs for the remainder of 2024/25 likely to be from November to March will be met from either budget savings or HRA reserves. Ongoing costs for this role will be included as a growth item in the 2025/26 budget round.

- 4 To delegate authority to the Director of Property to instruct procurement colleagues to set up the required CPAs to cover the estimated £1.3m worth of tool solution services to be delivered through the housing property services.
- To set the overall value of the advertised procurement opportunity to be up to a total value of £2.5million across the proposed contract term to allow the flexibility and opportunity for any growth in needs and other services areas in NCC to join the contract at a later date after they have completed the appropriate internal, consideration of risk, spend approval process.
- 6 To note the value of the £638k non-cashable efficiency gains identified through improved efficiency and effectiveness of service delivery.

#### 1. Reasons for recommendations

- 1.1 **Improve Operational Efficiency:** Implement a streamlined process for tool management to reduce time and cost linked to equipment failure.
- 1.2 **Enhance Health and Safety:** Adopt tools and practices that mitigate health risks such as Hand-Arm Vibration Syndrome (HAVS) and dust exposure.
- 1.3 **Ensure Compliance:** Meet regulatory requirements and internal standards.
- 1.4 **Optimise Resource Allocation:** Ensure best value for money through effective resource management.
- 2. Background (including outcomes of consultation)
- 2.1 Nottingham City Council (NCC) housing property services currently faces challenges with its hand-held power tool provision, maintenance and management system, which include inefficiencies, high costs, and compliance risks. We are working with non-standardised tools, which were provided by the workforce, leading to inconsistencies in approach to quality, maintenance and safety concerns, particularly regarding Hand-Arm Vibration Syndrome (HAVS) and dust suppression. Continuing with the current approach would perpetuate existing inefficiencies and health risks. Organisationally we would not be able to fully demonstrate compliance with statutory and regulatory responsibilities for health and safety at work for employees.
- 2.2 We have undertaken a review of existing arrangements to highlight issues with the existing approach and to inform a proposed solution to optimise tool management and improve safety standards. Key issues include;
  - Health and Safety Compliance: There are significant risks related to HAVS and dust exposure, requiring improved tool management and maintenance to meet HSE guidelines.
  - Operational Inefficiency: Ineffective tool tracking and management result in high costs and lost productivity. Inventory checks and tool management are not automated and labour-intensive, resulting in inaccurate data and wasted time.
  - Regulatory Compliance: Ensuring all tools and equipment are safe and fit for purpose is a statutory obligation under the Health and Safety at Work Act.

- 2.3 In the 2024/25 budget rounds a request was made to support growth items to address identified issues in our existing approach to the provisions and management of handheld power tools. Trade colleagues were purchasing their own handheld power tools, and the quality was variable, with some not meeting the required standards, maintenance of the tools was inconsistence and the system for managing using not automated, resource intensive and inconsistently applied. The funding requests at the time were only partially accepted and the approved budget requests were not made recurring as per original requirements which has resulted in insufficient approved budget to meet anticipated provisional costs of the improvements required to our approach and delivery model.
- 2.4 Since the budget request were submitted the Service received a visit from the Health and Safety Executive (HSE) who subsequently confirmed our concerns with the existing arrangements for management off exposure to hand on vibration and dust suppression in a letter to the authority on the 27 February. In response we have identified a number of proposals which will provide greater controls around our statutory and regulatory obligations as an employer. These proposals which include short- and medium-term changes in our approach and delivery model for hand arm vibration, dust suppression and tools management solution. We shared with the HSE our revised approach in a letter dated 12 April (see appendix 1).
- 2.5 Two briefing papers were given to the housing portfolio holder to ensure communication regarding the issues and proposed solutions were open and transparent (see appendix 2 and 3).
- 2.6 To fund the prosed changes to our approach and delivery model we need to seek additional funding of an estimated £529k from HRA reserves which are at around £100m.
- 2.7 This would enable us to enter into a maximum 4-year contract term subject to delivery of agreed performance measures with a supplier of handheld power tools for the provision, maintenance and management of a tool's solution. Provide internal dedicated resources to manage the mobilisation, implementation and ongoing delivery of the solution against the contract terms and ensure internal process remain fit for purpose and any required management actions are taken in a timely manner.
- 2.8 This approach will reduce the likelihood for future legal action to be taken for breach of employer H&S obligations.

#### 3. Other options considered in making recommendations

- 3.1 We have engaged with a number of national tools providers as part of informal market engagement exercise to provide feedback on possible solutions to our issue and to help inform a proposed scope and specification and delivery model which will be used as part of the procurement exercise. Discussion topics length of contract, and options within the tender such as supply and maintenance and supply only.
- 3.2 Advice was sought from external providers and from discussions with staff on what equipment would best meet our needs such as vibration-damped tools, dust extraction systems, and effective ventilation solutions, tools tracking.

- 3.3 We have established a cross-housing service division working group to oversee the timely implementation of the improvement actions proposed to the HSE.
- 3.4 We have contributed to the NCC corporate health and safety group to consider existing arrangements that exist across the NCC for provision of handheld power tools, maintenance and management. This was to identify if we could adopt any existing practices already in place across NCC. However, it was agreed we had different needs and system used still required manual input form colleagues which if not used correctly under mines the data insight gained. All require some form of manual intervention in terms of action to be taken if for example trigger times were exceeded.
- 3.5 The volume of staff in property services would also impact of the cost of implementing system and the volume and frequency of activities being undertaken requires a robust maintenance solution for equipment and tools. We have entered into a temporary leasing of tools for an identified list of work colleagues using existing contracts and provided additional dust suppression equipment.
- 3.6 Based internal discussions and other feedback from external agencies the existing management arrangements used in other parts of NCC still require manual intervention between the system used and the trade colleagues so potential data insight benefits could be impacted if not used correctly. We will still need to have some form of user input system to record tool usage and trigger times. These trigger times are recoded by trade colleagues and are then monitored weekly by managers. Where required action is then being taken to move staff off activities to reduce trigger times. As part of the specification, we will include whether this element of monitoring can be automated but with reduced reliance from user input.

#### 4. Consideration of Risk

#### 4.1 Vibration at Work:

- 4.1.1 Hand-Arm Vibration Syndrome (HAVS): Prolonged exposure to hand-arm vibration can cause HAVS, which includes symptoms like numbness, tingling, and loss of grip strength. It can become a permanent condition, affecting the ability to work and perform daily activities.
- 4.1.2 **Vibration White Finger (VWF):** A specific type of HAVS affecting blood vessels in the fingers, leading to blanching, pain, and potential disability.
- 4.1.3 **Musculoskeletal Disorders:** Long-term exposure can lead to musculoskeletal issues, impacting the arms, shoulders, and neck. We have annual health surveillance questionnaires which trigger whether further medical questioning is required and if trade colleagues need to be put on alternative activities not requiring the use of power tools.

#### 4.2 Dust - including wood, silica general

4.2.1 **Respiratory Issues:** Inhalation of dust can cause respiratory problems such as asthma, chronic bronchitis, and other lung diseases.

- 4.2.2 Cancer Risk: Certain dusts, particularly from concrete, hardwoods, are classified as carcinogenic and can increase the risk of nasal and lung cancer.
- 4.2.3 **Skin Irritation:** Contact with dust can cause dermatitis and other skin conditions.
- 4.2.4 To mitigate we are completing annual health questionnaires that can trigger further investigations and referrals to health specialists. We are asking questions as part of the recruitment process to identify if any known pre-existing conditions. Providing staff with toolbox talks on preventative actions, included information on HAVS and dust suppression in internal staff newsletters and on the intranet. We have reviewed risk assessment for activities linked to vibration and dust occurrence. We have provided face fitting testing for new staff and provided dust hoods for trade colleagues with facial hair, we have developed a list of tools that meet required levels and removed tools from vehicles that do not meet required performance standards. We have provided additional equipment for staff to use for dust suppression.

## **Legal and Regulatory Risks**

#### 4.3 Non-Compliance Penalties

- 4.3.1 Fines and Prosecutions: Failure to comply with the Control of Vibration at Work Regulations 2005 and the Control of Substances Hazardous to Health (COSHH) Regulations 2002 can lead to significant fines and legal action by regulatory bodies such as the Health and Safety Executive (HSE). Plymouth City Council under Section 2(1) of the Health and Safety at Work etc. Act 1974 was prosecuted in 2024 for failure to protect its workers from the effects of hand-arm vibration and carpal tunnel syndrome resulted in a £200,000 fine and £25,000 costs. HSE have advised this still may be an option. Failure to act could also lead to individual claims being brough against us by former and existing staff members.
- 4.3.2 **Enforcement Notices:** The HSE can issue improvement or prohibition notices, requiring immediate action to address non-compliance. We are proposing a solution to prevent further escalation of HSE intervention.

## 4.4 Insurance and Liability:

- **4.4.1 Increased Insurance Premiums**: Non-compliance can result in higher insurance premiums due to the increased risk.
- **4.4.2 Compensation Claims**: Employees suffering from work-related health issues may file compensation claims, leading to financial liabilities and reputational damage.

#### 4.5 Operational and Financial Risks

**Productivity Loss** 

- 4.5.1 **Reduced Workforce Efficiency:** Health issues from exposure to vibration and dust can lead to increased absenteeism, reduced productivity, and higher staff turnover.
- 4.5.2 **Training Costs:** Addressing the impacts of health issues may require additional training for replacement staff or to retrain affected employees for different roles.

## 4.6 Equipment and Maintenance

- 4.6.1 **Damaged Equipment:** Poor handling of equipment due to vibration exposure can lead to increased wear and tear, necessitating more frequent repairs and replacements so automated monitoring with alerts will raise this remotely to managers.
- 4.6.2 **Increased Maintenance Costs**: Ensuring compliance may require significant investment in equipment maintenance and upgrades to minimise vibration and dust exposure.

## 4.7 Reputation and Ethical Risks

## **Reputational Damage:**

- 4.7.1 **Public Perception**: Non-compliance and related health issues can damage the NCC's reputation, affecting public perception and stakeholder trust. It would be a factor the Housing Regulator may consider to identify if further investigation is required.t
- 4.7.2 **Employee Morale**: Failing to protect employees' health can lead to decreased morale and a negative workplace culture, affecting overall service performance. Already approximately 43% of staff absences within the service are do with stress and wellbeing.

#### **Ethical Obligations:**

- 4.7.3 **Duty of Care:** NCC as an employer has a moral obligation to provide a safe working environment. Ignoring health risks from vibration and dust exposure can undermine the employer's ethical standing and commitment to employee well-being.
- 4.8 Time taken for decision making: We need to demonstrate to the HSE that we have addressed their concerns and implemented a longer term solution to dust and vibration within a reasonable timescale. Any delays in governance and procurement approvals will add to the timescales and put pressure on resources to maintain the interim delivery and management arrangements.

#### 5. Best Value Considerations

5.1 The Housing Property service plan 2024 includes an action to improve its approach to management solution for tools. This paper supports the delivery of this action in a timely manner and demonstrates our intention to improve the way as an authority we do things and avoid continuing in a direction where failings are evident. As property service have used new members and existing staff members to constructively challenge our approach and delivery model to identify areas for improvement.

- 5.2 The findings and recommendations from the HSE were accepted in full and shared internally and with the housing Portfolio holder to demonstrate openness and willingness to be externally challenged and we acted swiftly to explore potential solutions both short and longer term.
- 5.3 Consideration of economy, efficiency and effectiveness were used to develop an appropriate solution. The estimated cost of £1.3m for the contract term is based on feedback from national tools providers but is an indicative figure which will be confirmed on completion of a compliant procurement exercise. We have provisionally identified an initial year one efficiency saving of £638,074k due to improved efficiency see (fig1).

Fig 1

	YR 1
Non cashable efficiency savings	Estimates
Reduction of 50% of time spent cleaning dust	£173,328
Reduction of time and resources need for weekly	
tool vehicle checks	£95,092
Costs for not aborting jobs due to tools issues	£148,840
Improvement due to tool efficiency	£134,329
Reduced time for trade colleagues managing	
equipment issues	£67,165
Reduced management time on equipment issues	£19,320
Estimated total	£638,074

- 5.4 The time currently lost for aborting jobs for tools issues equate for 18,840 jobs or customers who would need a further appointment for works at their homes to be completed. Improving the efficiency and effectiveness of the delivery model would help reduce this waste and improve service experience to customers. Further cashable savings could be realised if we move fully away from the provision of a tool allowance for trade colleagues which is a provision under the red book agreement of which is currently £169,560k/annum based on 314 trade colleagues only. All of the above will be developed further as part of the procurement, implementation and delivery of the solutions.
- 5.5 We need to source the handheld power tools (HHPT) from an external supplier as this is not something, we can manufacture ourselves and we do not have internal expertise or capacity to conduct robust planned maintenance regimes of any tools used. By considering a lease arrangement option it will reduce the need for large capital expenditures on tool replacements. Tool performance drops over time. A leasing arrangement gives access to the most up to date HHP tools designed to mitigate risks associated with HAVS and exposure to dust, ensuring compliance with HSE guidelines across the whole of any secured contract term. Real-time tracking and management of HHP tools, reduces downtime of trade colleagues and contributes to increasing productivity. We are continuing to review work schedules and evaluating tool usage levels of trade colleagues to improve data and provide insight into how power tools are being used which is being used inform which HHP tools will be provided individually and which will be managed for collective use this is to reduce overall costs.
- 5.6 The specification will include provision for a standardised tool pack for different trades linked to activities undertaken to ensure we are only providing tool we need.

The adoption of a single brand and battery platform will reduce complexity of maintenance and costs. Tools listed will have agreed built-in safety features to minimise HAVS and dust exposure. Trade colleagues become more familiar with tool capabilities contributing to improved productivity and efficiency.

- 5.7 To consider best use of resources we considered a joint procurement with other service areas within NCC but they were not in a position to enter into the procurement process at this moment in time. We have explored the use of existing contracts within NCC but these do not have sufficient value on the contract to include Housing property volumes of spend and the scope of existing contracts do not meet the Property service needs. We have looked at contract arrangements at Derby City Homes as a local neighbour for HHPT however they only do a contract for hire and maintenance which is not an effective solution for us.
- 5.8 We need to provide a HHPT solution due to statutory responsibilities as an employer and failure to comply would result in financial prosecution of the authority. We are not able to maintain our existing approach as the HSE have advised us we need to change to demonstrate compliance with legislative and regulatory guidance. An interim solution for tool provision was put in place this needs to be developed to include maintenance regime and tracking systems to reduce time and resources to administer a solution long term. A resource is required to ensure appropriate action are being taken when for example agreed trigger time are breached and to ensure appropriate dust suppression equipment is used on jobs with activities where dust could be created.
- 5.9 The proposal to seek a one stop solution with automated tools management offers innovation in the sector but in a context of understanding risks. A one stop solution can demonstrate economic best value by providing a comprehensive package that includes tool provision, maintenance, and management, reducing hidden costs and improving overall efficiency. A commercial model with predictable monthly costs would help in budgeting and financial planning.

#### 6. Commissioner comments

6.1 The Commissioners are content with this report. (31/10/2024)

# 7. Finance colleague comments (including implications and value for money/VAT)

7.1 No financial concerns. Proposal supported and agreed with after discussion with Director of Property Services. This is a requirement from the HSE visit and failure to comply presents a further financial risk to NCC.

Andrew Berry, Assistant Director Finance Housing Services - 19.09.24

#### 8. Legal colleague comments

- 8.1 This report seeks approval to use £529,000 to meet a budget shortfall to implement a handheld power tools solution and to delegate the decision regarding any further financial shortfalls identified after the conclusion of the procurement exercise.
- 8.2 The report seeks approval for a delegated officer to enter into a contract for the provisions, maintenance and management of dust suppression hand-tools, following a compliant procurement exercise being undertaken, for a

maximum of 4 years. Any potential extension of a contract should be explicitly subject to the Supplier having met, or exceeded, stated key performance indicators during the initial term of the proposed contract.

- 8.3 On 27 February 2024, the Council received a Notice of Contravention from the Health and Safety Executive. That Notice set out what the contraventions were, what was required and sought confirmation that the Council had acted on these matters by 12 April 2024. The Health and Safety Executive confirmed that, in their view, the breaches were material.
- 8.4 A key element of the Council's response of 11 April 2024 was for the Council to undertake a procurement exercise to create an arrangement for the procurement, management and maintenance of such hand-tools; it is this procurement exercise that is referenced in the report.
- 8.5 The Council continues to monitor its progress in respect of the actions identified in the letter of 11 April 2024. This should allow the Council to meet the requirements of the Health and Safety Executive, as stated in the Notice of Contravention, and continue to meet the health and safety obligations the Council has towards staff.
- 8.6 The report notes the potential risk of legal claims against the Council, in addition to any further action that the Health and Safety Executive may take. The Council should endeavour to take actions that do not invalidate insurance cover that the Council may be able to avail itself of should such legal claims be threatened or made.
- 8.7 In undertaking a compliant route to market, Legal Services can support in the production of a suitable contract either in-house or using an external law firm depending on the precise requirements and other relevant circumstances including the availability of in-house resource. Should support from an external law firm be required, the Council should note the costs that will be incurred.

Tony Heath, Head of Legal Services / Deputy Monitoring Officer – 19.08.24

#### 9. Procurement comments

- 9.1 There are no procurement concerns with the recommendations set out within the report. The procurement team will work with clients across all departments to ensure that all procurement activity is fit for service needs and in accordance with Public Procurement Regulations whether that is the existing 2015 version or those that come into force in October 2024.
- 9.2 Once awarded, all future Framework call-offs that do not come through to the central procurement team need to be in accordance with the call-off terms set out within the Framework Agreement.
- 9.3 The Framework Agreement itself does not commit the council to any spend.
- 9.4 Whilst some savings have been identified and set out in the report, the true cost of the services offered will not been known until tenders are received.
  - Sue Oliver, Places Category Manager 09/08/2024

#### 10. Crime and Disorder Implications (If Applicable)

10.1 Having digitally trackable handheld power tools will aid recovery if stolen.

#### 11. Social value considerations

- 11.1 The solution will create economic value through job opportunities within the city for the provision and maintenance of handheld power tools.
- 11.2 By operating a lease solution with a maintenance programme, it will contribute to help extend the life cycle of power tools and create behaviours that are linked to repair rather than dispose when not working and replace.
- 11.3 By using battery-based tools rather than petrol can contribute to lowering Co2 levels. Having a common battery platform means we can rum more tools from the same battery reducing the volume of batteries we need to provide.

#### 12. Regard to the NHS Constitution (If Applicable)

12.1 Not applicable.

## 13. Equality Impact Assessment (EIA)

- 13.1 An EIA will be developed as part of the contract specification to ensure no discrimination in tool allocation and usage. Training programs to be inclusive and accessible to all staff.
- 13.2 The proposed solution will have a positive impact by ensuring all staff have access to safe and effective tools, reducing health risks and improving working conditions. Any specific needs of vulnerable staff will be addressed through tailored training and support.

## 14. Data Protection Impact Assessment (DPIA)

14.1 A DPIA is not required at this stage but will form part of the procurement specification and any developed process and procedures. Consideration will be given to existing NCC wide policies on compliance with GDPR in managing personal data related to any tool tracking and staff usage ensuring privacy and security.

#### 15. Carbon Impact Assessment (CIA)

- 15.1 A CIA is not required at this stage but will form part of the procurement process due regard will be given to any implications identified in it.
- 16. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)
- 16.1 HSE Notice of Contravention letter 27 February 2024;
- 16.2 Response to HSE NoC letter 12 April 2024.

#### 17. Published documents referred to in this report

17.1 None.