

Slough Borough Council

Report To:	Cabinet
Date:	21 st July 2025
Subject:	HRA - Estates Cleaning Services and Window Cleaning Services Re-procurement
Lead Member:	Councillor Robert Stedmond, Lead Member for Housing, Temporary Accommodation & Estate Renewal
Chief Officer:	Pat Hayes, Executive Director Regeneration, Housing and Environment
Contact Officer:	Ian Stone, RMI Asset Programme Manager
Ward(s):	ALL
Key Decision:	YES
Exempt:	NO
Decision Subject to Call In:	YES
Appendices:	Appendix 1 – DRAFT Estates Cleaning Services Specification Appendix 2 – DRAFT Window Cleaning Services Specification Appendix 3 – Letter from Cardo Appendix 4 – Notice of Intention – 27.09.24

1. Summary and Recommendations

1.1 This report is to seek authorisation to proceed with the re-procurement of estates cleaning and window cleaning services which currently form part of the Repairs, Maintenance and Investment (RMI) Contract delivered in partnership with Cardo South Limited.

Recommendations:

Cabinet is recommended to:

- a. Authorise the separation of estates cleaning and window cleaning services from the existing Repairs, Maintenance & Investment (RMI) contract.
- b. Delegate authority to the Executive Director Regeneration, Housing and Environment, in consultation with the Lead Member for Housing, Temporary Accommodation & Estate Renewal, to proceed with the re-procurement of estates cleaning and window cleaning services for its HRA stock, through an Open Procedure in accordance with the Procurement Act 2023. The duration of the new contract will be for an initial period of 3 years plus an option to extend, at the Council's discretion, for a period or periods of up

to 3 years. The total contract value including all extensions will be up to £4.56 million and will be subject to annual adjustments based on the Consumer Price Index (CPI).

- c. Delegate authority to the Executive Director Regeneration, Housing and Environment, in consultation with the Lead Member for Housing, Temporary Accommodation & Estate Renewal, to agree all the necessary arrangements for finalising the specification, the contractual terms and amending the procurement timeline (if required).

To note that a Cabinet Report on the contract award will be submitted to Cabinet for approval at the November 2025 meeting.

Reason: These services currently form part of the RMI contract. The current service provider (Cardo South Limited) has indicated their wish to remove these services from the main contract. Cardo South Limited are not specialists in this field and as such are currently providing a majority of the service through sub-contracted specialists. This provides Slough Borough Council with an opportunity to select an appropriate specialist contractor, retain greater control over the management of the service to meet the needs of our residents, and to have direct control over the associated budgets.

Commissioner Review

This report is outside the scope for pre-publication commissioner review; please check the [Commissioners' instruction 5 to CLT to sign off papers](#) for further details.

2. Report

2.1 Estates cleaning and window cleaning services is a statutory duty under the Landlord and Tenant Act 1985 and the Housing Act 1985. The current service provider, Cardo South Limited (formerly Osborne Property Services), has indicated their wish to withdraw from the provision of these services at the earliest opportunity. It is therefore critical the Council, as the landlord, procure a new service provider, ensuring a seamless transition to the new service provider, whilst adhering to corporate governance processes.

2.2 Provision of these services meet the council's corporate objectives as follows:

- **A Borough for Children and young people to thrive** - having clean and safe environments for children and young people to live, play and exercise in is a key requirement for a child's development.
- **A town where residents can live healthier, safer, and more independent lives** – feeling safe in a well maintained and clean environment encourages people to live healthier and more independent lives.
- **A cleaner, Heathier, and more prosperous Slough** - well-kept homes and environments bring pride to communities.

3. Options Considered

A	Continue as is, with the existing service provided by Cardo Property Services under the terms of the RMI contract.	Not Recommended – Cardo has sought to withdraw from this contract and has no appetite to retain the service.
----------	--	---

B	Procure a short-term estates cleaning and window cleaning services contract to run alongside the existing RMI contract.	Not Recommended – a short term contract may not attract sufficient market interest due to high set up costs, limited return on investment, risk of low staff retention, reduced incentive to provide a quality service, and operational disruption.
C	Call off of a short-term contract under a suitable framework agreement.	Not Recommended – this option would incur high mobilisation costs with little incentive for the supplier to provide a quality service due to its short term nature. Suppliers may not wish to risk taking on a short term contract of this nature when the market trend is for longer contracts which they may find more profitable.
D	Take the service back in house (in source, DLO)	<p>Not Recommended – this option has previously been discussed within the Council and due to the lack of in-house expertise and high costs involved of bringing these services back in house there is currently no appetite for this option. This was confirmed by email by the Group Manager, Environmental Services in February 2024 due to the current pressures already being experienced by the Direct Services Organisation.</p> <p>Additional rationale for this decision is as follows:</p> <ul style="list-style-type: none"> • It is likely to be more expensive to operate in the long run and therefore more difficult to sustain over time; • There is no scope for risk transfer; • It reverses years of outsourcing estates cleaning services which means that the Council no longer has the in-house managerial experience or resources to manage the additional complexities involved with a DLO today; • It is unlikely that significant competition will be forthcoming from the market to be able to test the value for money that a DLO will provide when measured against an external provider. • It is less likely to respond to the Council’s long term position on risk acceptance for operational, financial and customer service outcomes; • Without incentives, it is less likely to respond favourably to future budget pressures; • flexibility in changing working practices and cultural approaches to achieve

		<p>improved value for money would be more difficult and complex to introduce;</p> <ul style="list-style-type: none"> • Unlike a formal contractual arrangement with another organisation, it would be difficult, if not impossible, to introduce binding obligations on a DLO.
E	Re-procure the service through a competitive tendering process for a period of 3 (+3) years	Recommended – this option would provide the council with the opportunity to procure a specialist provider, and be able to achieve value for money through market testing and competitive tendering. Leaseholders would be provided with transparent service charges. Additionally, the council is able to update the specifications to reflect current standards, whilst putting in place new performance measures to directly manage the service. This will also provide an opportunity to align the contract with the Council’s objectives.

4. Background

- 4.1 Estates Cleaning and Window Cleaning Services across the borough’s 347 HRA blocks is currently being provided by Cardo South Limited (formerly Osborne Property Services), as part of the Repairs, Maintenance and Investment (RMI) Contract. This contract term commenced on 1st December 2017 for a period of 7(+3) years. Under the contract provisions it has been decided that the existing RMI contract with Cardo South Limited. will run until 31st March 2027. There is also an option to extend for a further period up until 30th November 2027 should this be necessary.
- 4.2 Cardo South Limited. have indicated that they wish to withdraw from the provision of these services as soon as practicable. Cardo South Limited are not specialists in this area and have no appetite to retain these services. Cardo South Limited currently use specialist supply chain partners to provide over 80% of the services.
- 4.3 A Notice of Intention to enter into a Long Term Qualifying Agreement was sent and delivered to 1,820 recipients on 27th September 2024 by the Home Ownership Team (see Appendix 4). No observations were received following this exercise. Following the evaluation of the tender returns, we will issue the second notice in the Section 20 consultation process (the Notice of Landlord's Proposals).
- 4.4 This contract will be subject to annual adjustments based on the Consumer Price Index (CPI).

5. Implications of the Recommendation

5.1 Financial implications

5.1.1 It is recommended that the Housing Revenue Account (HRA) estates cleaning and window cleaning services across 347 HRA blocks be separated from the current RMI contract and re-procured for a period of 3+3 years. The proposal would help procure a cleaning specialist provider, improve current standards, achieve better value for money through market testing and competitive tendering and provide improved transparent service charges for tenant & leaseholders. The service specification schedules at Appendix 1 & 2 provide detailed breakdown of service scope, requirements, and timings.

5.1.2 The total new annual contract costs are estimated to be up to £0.760m, £0.715m for estates cleaning & litter picking and £0.045m for window cleaning for the 347 HRA blocks. This includes staffing costs for seven current operatives TUPE'd to Cardo South Limited, the current provider. These operatives remain subject to TUPE terms and conditions. The total costs over the proposed contract award term of three years plus period or periods of up to 36 months which are estimated to be up to £4.56m. The approved HRA 30yr Business Plan 2025/26 includes sufficient budget provision for the estate and window cleaning service costs which are recoverable from service charges to both tenants and leaseholders.

5.2 Legal implications

The Procurement Act 2023 (PA23) more specifically Chapter 2 of the Act outlines the procedure for the Council to adhere to in respect of the Open Procedure. The Council will be utilising the Open Procedure for this procurement.

Under the PA23 the prescribed procedure and mandatory requirements for procuring under the Open Procedure are summarised below:

I. Advertising Requirements:

- a. Under the Procurement Act 2023, Contracting Authorities must publish a Tender Notice on the enhanced Find a Tender service, providing transparency and ensuring that opportunities are available to all potential suppliers.
- b. The Council may, as an optional requirement, publish a Planned Procurement Notice 40 days before the procurement is to commence.
- c. The Council must publish a Contract Award Notice after contract award.

II. PA23 Principles:

- a. In accordance with Section 12 of the PA23, the Council must, amongst other duties contained in Section 12, have regard to the importance of:
 - i. delivering value for money;
 - ii. maximising public benefit;
 - iii. sharing information for the purpose of allowing suppliers and others to understand the authority's procurement policies and decisions;

iv. acting, and being seen to act, with integrity.

III. Time Limits for Supplier Responses:

- a. The Council must allow a 25 day minimum tendering period where tenders are submitted electronically and all of the associated tender documents are provided at the same time as the tender notice.
- b. The Council may wish to extend the minimum period to take into account various factors such as the markets ability to respond to the tender and to maximise bids that are received.

TUPE:

The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) may apply to this re-procurement if it meets the criteria of a service provision change under the regulations. For this to occur the following conditions must be met;

- a) the activities that are being carried out, on the Council's behalf, under the current arrangements are sufficiently similar to the activities that will be carried out, on the Council's behalf, under the new arrangements; and
- b) the current provider has an organised team of employees whose main purpose is to perform the work on behalf of the Council.

The effect of the regulations is that the employees of the existing provider will transfer to the new provider, on the same terms and conditions and with their employment rights preserved unless those employees object to the transfer of their employment. The Council will comply with its obligations under TUPE.

It is imperative that legal advice is sought on TUPE before the Tender Notice is published and that all relevant information is issued as part of the tendering documents.

5.3 Risk management implications

Risk	Description	Impact	Likelihood	Mitigation
Procurement delays	Internal approvals, document preparation, or legal review delay the process.	Service continuity risk; possible contract expiry without new provider.	Medium	Start planning early; set a clear project timeline; assign a dedicated procurement lead
Lack of Market Interest	Bidders find the opportunity unattractive (e.g., short-term, low value, high risk).	Limited competition; higher costs or poor-quality bids.	Medium	Engage market early; consider longer contract terms and TUPE clarity.

TUPE Issues	Incomplete or late employee liability information; pension issues.	Legal disputes, service disruption.	Medium -High	Work closely with HR, legal, and incumbent provider; follow TUPE process; notify bidders early of pension position.
Higher contract costs	Inflation, salary increases (e.g., Real Living Wage), or fewer bidders push up price.	Budget pressure; potential need for service cuts elsewhere.	High	Benchmark costs; budget realistically.
Mobilisation issues	New provider struggles to mobilise on time (staffing, equipment).	Service delivery failure or reputational damage.	Medium	<p>Require detailed mobilisation plan at tender stage; hold regular mobilisation meetings; retain contingency options with outgoing provider.</p> <p>Noted a mobilisation period of 3 months will be factored into the new contract.</p> <p>There will be no loss of service provision during this period, as Cardo will continue to provide the service up until the service transfer date.</p>
Leaseholder Consultation	Lack of proper consultation	<p>Council will only be able to recover up to £250 and will be at significant risk of financial loss.</p> <p>Additionally, lack of proper consultation could lead to legal challenge and reputational damage, and a potential delay in the procurement process if this is not factored into the timetable.</p>	High	<p>Council to:</p> <ul style="list-style-type: none"> - Issue Notice of Intention - Issue Notice of Proposal (following award of tender) - Issue Notice of Award (if not lowest tenderer) - Engage Leaseholders to provide scope and details of the service in order to manage expectations

Resident Engagement	Lack of resident engagement leads to dissatisfaction and reputational damage	Lack of transparency of service provision will lead to higher complaints and unrealistic customer expectations	High	Council to ensure resident consultation is factored into procurement timetable and service standards are made available to residents to manage expectations
Staff dissatisfaction	Transferring staff feel insecure or unhappy with new provider.	Absenteeism, poor morale, drop in quality of service.	Medium	Ensure TUPE rights are protected; communicate early with affected staff; encourage bidder commitments on terms and conditions.
Pension liability exposure	LGPS participation risks not fully understood or funded.	Long-term cost to council if provider defaults or exits early.	Medium-High	Engage with Berkshire Pension Service early; seek actuarial advice; ensure bonds/guarantees in place for admitted body status.
Contract management	New contract requires more intensive monitoring and management	Impact on existing resource; service quality issues not managed effectively.	Medium	Build in contract management capacity; use robust KPIs and reporting; include regular performance reviews
Legal or challenge risk	Unsuccessful bidder challenges process or award.	Delay to contract award/start; legal costs.	Low-Medium	Follow Procurement Regulations and Governance Framework; maintain clear audit trail; ensure transparent and fair evaluation process.
Environmental/social return on investment targets missed	New contract fails to deliver on sustainability or social value commitments.	Missed council policy goals; reputational impact.	Medium	Include clear, measurable social value and sustainability requirements in tender; monitor delivery.

5.4 Environmental implications

5.4.1 Re-procurement provides a valuable opportunity to reassess the environmental implications of this element of the RMI contract. A new contract will stipulate a general duty on the use of more sustainable products, waste reduction initiatives, reduced water consumption, use of energy efficient machinery and reduced carbon footprint through the use of efficient route planning and low-emission vehicles.

5.5 Equality implications

5.5.1 Under the Equality Act 2010, we must have due regard to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations

5.5.2 Re-procurement of these services will have equality implications in terms of TUPE, terms and conditions and access to pensions.

5.5.3 As part of the re-procurement process we will carry out an Equality Impact Assessment (EqIA). This will include a requirement for bidders to demonstrate how they will meet their equality duties through a robust evaluation scoring criteria, setting out requirements for social value, training opportunities, recruitment practices and equality practices. This will be monitored as part of ongoing contract management.

5.6 Procurement implications

5.6.1 The intention is to undertake an Open Procedure (OP) under the Procurement Act 2023 (PA23) regulations to procure the services of contractors to undertake the cleaning services, that was originally part of the Repairs Maintenance and Investment (RMI) contract, and on the conclusion of the tender exercise award contracts for the cleaning services.

5.6.2 The Open Procedure is a single stage transparent procurement process where any interested supplier can respond to the contract notice.

5.6.3 Contract Terms and Conditions provisions are to be drafted by Legal Services for inclusion in the tender suite of documents to be published.

5.6.4 The tender will be conducted via the Council's e-Sourcing portal – Intend and will be advertised on Find a Tender Service.

5.6.5 Procurement Timetable

Event	Date
Prepare Cabinet Report by	2 May 2025
Cabinet approval	21 July 2025
Call in period ends	29 July 2025
Issue Tender Notice on FTS	30 July June 2025
Deadline for receipt of clarifications	18 August 2025
Target date for responses to clarifications	22 August 2025
Deadline for receipt of tenders	1 September 2025 – 12 noon

Compliance Checks	1 –3 August 2025
Evaluation of tenders	4 – 18 September 2025
Moderation Meetings	22 & 23 September 2025
Tender Evaluation Report - PRB	6 October 2025
Cabinet approval to award	17 November 2025
Call in period ends	24 November 2025
Contract Award Notice & issue Assessment Summaries	25 November 2025
Standstill	25 November – 5 December 2025
Confirm contract award via portal	8 December 2025
Issue Contract Details Notice	30 days after entering into a contract
Start of mobilisation period	December 2025 – January 2026 (approx 6 weeks)
Target service commencement date	2 February 2026

5.7 Workforce implications

- 5.7.1 Cardo South Limited currently have 7 directly employed operatives who were previously TUPE'd from Slough Borough Council. These operatives remain subject to TUPE terms and conditions. There may be further TUPE implications from Cardo's long term supply chain partner.
- 5.7.2 The Council will need to notify bidders of pension obligations and engage at the earliest opportunity with the local pension authority.
- 5.7.3 The new service provider will need to contact the Pension Service to set up access, formalise legal agreements and make payroll arrangements for its employees.
- 5.7.4 Cardo South Limited. will be required to provide pension data for all transferring staff as part of the TUPE disclosure process.

6. Background Papers

None.