



C A B I N E T P R O C U R E M E N T A N D I N S O U R C I N G C O M M I T T E E

Monday 3 July 2023 at 5.00 pm
Council Chamber, Hackney Town Hall,
Mare Street, London E8 1EA

Live stream can be viewed here: <https://youtube.com/live/5anLWpaqbXU>

Back up link: <https://youtube.com/live/7LnqUR-WL-Q>

Members of the Committee:

Councillor Robert Chapman, Cabinet Member for Finance, Insourcing and Customer Service (Chair)

Councillor Christopher Kennedy, Cabinet Member for Health, Adult Social Care, Voluntary Sector and Culture

Councillor Caroline Woodley, Cabinet Member for Families, Parks and Leisure

Councillor Mete Coban MBE, Cabinet Member for Climate Change, Environment and Transport

Ian Williams

Acting Chief Executive

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Cabinet Procurement and Insourcing Committee

Monday 3 July 2023

Order of Business

1 APOLOGIES FOR ABSENCE

2 URGENT BUSINESS

The Chair will consider the admission of any late items of Urgent Business. Late items of Urgent Business will be considered under the agenda item where they appear. New items of unrestricted urgent business will be dealt with under Item 7 below. New items of exempt urgent business will be dealt with at Item 17 below.

3 DECLARATIONS OF INTEREST

Members are invited to consider the guidance which accompanies this agenda and make declarations as appropriate.

4 NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE, ANY REPRESENTATION RECEIVED AND THE RESPONSE TO ANY SUCH REPRESENTATIONS

On occasions part of the Cabinet Procurement Committee meeting will be held in private and will not be open to the public if an item is being considered that is likely to lead to the disclosure of exempt or confidential information. In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 (the "Regulations"), members of the public can make representations about why that part of the meeting should be open to the public.

This agenda contains exempt items as set out at Item 13.

No representations with regard to these have been received.

This is the formal 5 clear day notice under the Regulations to confirm that this Cabinet Procurement Committee meeting will be partly held in private for the reasons set out in this Agenda.

This agenda contains exempt items as set out at Item 14 – 17.

This is the formal 5 clear day notice under the Regulations to confirm that this Cabinet Procurement Committee meeting will be partly held in private for the reasons set out in this Agenda.

5 DEPUTATIONS/PETITIONS/QUESTIONS

No representations with regard to these have been received.

6 UNRESTRICTED MINUTES OF THE PREVIOUS MEETING OF CABINET PROCUREMENT COMMITTEE HELD ON 5 JUNE 2023 (Pages 9 - 14)

To confirm the unrestricted minutes of the meeting of Cabinet Procurement Committee held on 5 June 2023.

7 NEW ITEMS OF UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT

8 AHI S169 Community Drug and Alcohol Treatment Services, Contract Variation, Overview of Grant Funding Streams, and Risk Management (Pages 15 - 36)

9 AHI S222 Lime Tree Court & St Peter's House (Pages 37 - 54)

10 AHI S225 Adult Social Care Transformation Implementation Project - Contract Award Report (Pages 55 - 68)

11 CHE S227 Main Contractor for Social Housing Decarbonisation Fund (SHDF) capital works to Hackney owned homes (DEFERRED)

This report will now be considered by Cabinet on 24 July 2023.

12 DATE OF FUTURE MEETINGS

Meetings will be held at 5.00pm on:

4 September 2023
9 October 2023
6 November 2023
4 December 2023
8 January 2024
5 February 2024
4 March 2024
8 April 2024

13 EXCLUSION OF THE PUBLIC AND PRESS

Note from the Governance Team Leader:

Item 13 allows for the consideration of exempt information in relation to items 14 – 17 respectively.

Proposed resolution:

THAT the press and public be excluded from the proceedings of the Cabinet Procurement Committee during consideration of Exempt items 14 - 17 on the agenda on the grounds that it is likely, in the view of the nature of the business to be transacted, that were members of the public to be present, there would be disclosure of exempt information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972 as amended.

- 14 AHI S169 Community Drug and Alcohol Treatment Services, Contract Variation, Overview of Grant Funding Streams, and Risk Management (Exempt Appendices) (Pages 69 - 74)**
- 15 AHI S222 Lime Tree Court & St Peter's House (Exempt Appendices) (Pages 75 - 82)**
- 16 AHI S225 Adult Social Care Transformation Implementation Project - Contract Award Report (Exempt Appendices) (Pages 83 - 84)**
- 17 NEW ITEMS OF EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT**

Public Attendance

The Town Hall is open. Information on forthcoming Council meetings can be obtained from the Town Hall Reception.

Members of the public and representatives of the press are entitled to attend Council meetings and remain and hear discussions on matters within the public part of the meeting. They are not, however, entitled to participate in any discussions. Council meetings can also be observed via the live-stream facility, the link for which appears on the agenda front sheet of each committee meeting.

On occasions part of the meeting may be held in private and will not be open to the public. This is if an item being considered is likely to lead to the disclosure of exempt or confidential information in accordance with Schedule 12A of the Local Government Act 1972 (as amended). Reasons for exemption will be specified for each respective agenda item.

For further information, including public participation, please visit our website <https://hackney.gov.uk/menu#get-involved-council-decisions> or contact: governance@hackney.gov.uk

Rights of Press and Public to Report on Meetings

The Openness of Local Government Bodies Regulations 2014 give the public the right to film, record audio, take photographs, and use social media and the internet at meetings to report on any meetings that are open to the public.

By attending a public meeting of the Council, Executive, any committee or sub-committee, any Panel or Commission, or any Board you are agreeing to these guidelines as a whole and in particular the stipulations listed below:

- Anyone planning to record meetings of the Council and its public meetings through any audio, visual or written methods they find appropriate can do so providing they do not disturb the conduct of the meeting;
- You are welcome to attend a public meeting to report proceedings, either in 'real time' or after conclusion of the meeting, on a blog, social networking site, news forum or other online media;
- You may use a laptop, tablet device, smartphone or portable camera to record a written or audio transcript of proceedings during the meeting;
- Facilities within the Town Hall and Council Chamber are limited and recording equipment must be of a reasonable size and nature to be easily accommodated.
- You are asked to contact the Officer whose name appears at the beginning of this Agenda if you have any large or complex recording equipment to see whether this can be accommodated within the existing facilities;
- You must not interrupt proceedings and digital equipment must be set to 'silent' mode;
- You should focus any recording equipment on Councillors, officers and the public who are directly involved in the conduct of the meeting. The Chair of

the meeting will ask any members of the public present if they have objections to being visually recorded. Those visually recording a meeting are asked to respect the wishes of those who do not wish to be filmed or photographed. Failure to respect the wishes of those who do not want to be filmed and photographed may result in the Chair instructing you to cease reporting or recording and you may potentially be excluded from the meeting if you fail to comply;

- Any person whose behaviour threatens to disrupt orderly conduct will be asked to leave;
- Be aware that libellous comments against the council, individual Councillors or officers could result in legal action being taken against you;
- The recorded images must not be edited in a way in which there is a clear aim to distort the truth or misrepresent those taking part in the proceedings;
- Personal attacks of any kind or offensive comments that target or disparage any ethnic, racial, age, religion, gender, sexual orientation or disability status could also result in legal action being taken against you.

Failure to comply with the above requirements may result in the support and assistance of the Council in the recording of proceedings being withdrawn. The Council regards violation of any of the points above as a risk to the orderly conduct of a meeting. The Council therefore reserves the right to exclude any person from the current meeting and refuse entry to any further council meetings, where a breach of these requirements occurs. The Chair of the meeting will ensure that the meeting runs in an effective manner and has the power to ensure that the meeting is not disturbed through the use of flash photography, intrusive camera equipment or the person recording the meeting moving around the room.

Advice to Members on Declaring Interests

If you require advice on declarations of interests, this can be obtained from:

- The Monitoring Officer;
- The Deputy Monitoring Officer; or
- The legal adviser to the meeting.

It is recommended that any advice be sought in advance of, rather than at, the meeting.

Disclosable Pecuniary Interests (DPIs)

You will have a Disclosable Pecuniary Interest (*DPI) if it:

- Relates to your employment, sponsorship, contracts as well as wider financial interests and assets including land, property, licenses and corporate tenancies.
- Relates to an interest which you have registered in that part of the Register of Interests form relating to DPIs as being an interest of you, your spouse or civil partner, or anyone living with you as if they were your spouse or civil partner.
- Relates to an interest which should be registered in that part of the Register of Interests form relating to DPIs, but you have not yet done so.

If you are present at any meeting of the Council and you have a DPI relating to any business that will be considered at the meeting, you **must**:

- Not seek to improperly influence decision-making on that matter;
- Make a verbal declaration of the existence and nature of the DPI at or before the consideration of the item of business or as soon as the interest becomes apparent; and
- Leave the room whilst the matter is under consideration

You **must not**:

- Participate in any discussion of the business at the meeting, or if you become aware of your Disclosable Pecuniary Interest during the meeting, participate further in any discussion of the business; or
- Participate in any vote or further vote taken on the matter at the meeting.

If you have obtained a dispensation from the Monitoring Officer or Standards Committee prior to the matter being considered, then you should make a verbal declaration of the existence and nature of the DPI and that you have obtained a dispensation. The dispensation granted will explain the extent to which you are able to participate.

Other Registrable Interests

You will have an 'Other Registrable Interest' (ORI) in a matter if it

- Relates to appointments made by the authority to any outside bodies, membership of: charities, trade unions,, lobbying or campaign groups, voluntary organisations in the borough or governorships at any educational institution within the borough.
- Relates to an interest which you have registered in that part of the Register of Interests form relating to ORIs as being an interest of you, your spouse or civil partner, or anyone living with you as if they were your spouse or civil partner; or
- Relates to an interest which should be registered in that part of the Register of Interests form relating to ORIs, but you have not yet done so.

Where a matter arises at any meeting of the Council which affects a body or organisation you have named in that part of the Register of Interests Form relating to ORIs, **you must** make a verbal declaration of the existence and nature of the DPI at or before the consideration of the item of business or as soon as the interest becomes apparent. **You may** speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

Disclosure of Other Interests

Where a matter arises at any meeting of the Council which **directly relates** to your financial interest or well-being or a financial interest or well-being of a relative or close associate, you **must** disclose the interest. **You may** speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

Where a matter arises at any meeting of the Council which **affects** your financial interest or well-being, or a financial interest or well-being of a relative or close associate to a greater extent than it affects the financial interest or wellbeing of the majority of inhabitants of the ward affected by the decision and a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest, you **must** declare the interest. **You may** only speak on the matter if members of the public are able to speak. Otherwise you must not take part in any discussion or voting on the matter and must not remain in the room unless you have been granted a dispensation.

In all cases, where the Monitoring Officer has agreed that the interest in question is a **sensitive interest**, you do not have to disclose the nature of the interest itself.

MINUTES OF THE MEETING OF THE CABINET PROCUREMENT AND INSOURCING COMMITTEE

MONDAY 5 JUNE 2023

Link to live stream link: <https://youtube.com/live/m4SP0IAfdb8>

Councillors Present: **Councillor Robert Chapman in the Chair**
 Cllr Caroline Woodley
 Cllr Christopher Kennedy

Apologies: **Cllr Mete Coban, MBE**

Also in Attendance: Rotimi Ajilore, Head of Procurement
 Mark Carnall, Street Operations Manager
 Gulgun Chelikhhan, Service Area Manager
 Rabiya Khatun, Governance Officer

Officers in Attendance Divine Ihekwoaba, Procurement Category Lead
Virtually: Leila Gillespie, Procurement Category Lead
 Patrick Rodger, Senior Lawyer

1. APPOINTMENT OF CHAIR FOR THE MUNICIPAL YEAR 2023/24

RESOLVED:

To note the appointment to the position of Chair - Councillor Robert Chapman for the Municipal Year 2023/24, as agreed by Full Council at its Annual Meeting on 17 May 2023.

2. APOLOGIES FOR ABSENCE

2.1 Apologies for absence were received from Cllr Coban.

3 TERMS OF REFERENCE OF THE CABINET PROCUREMENT AND INSOURCING COMMITTEE

RESOLVED:

To note the Terms of Reference of the Cabinet Procurement and Insourcing Committee for the Municipal Year 2023/24.

4. URGENT BUSINESS

4.1 There was no urgent business to consider.

5. DECLARATION OF INTEREST - MEMBERS TO DECLARE AS APPROPRIATE

5.1 There were no declarations of interest.

6. NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE, ANY REPRESENTATION RECEIVED AND THE RESPONSE TO ANY SUCH REPRESENTATIONS

6.1 There were no representations to consider.

7. DEPUTATIONS/PETITIONS/QUESTIONS

7.1 The Chair noted that Cllr Binnie Lubbock had a question in relation to Agenda Item 9 - CHE S220 Cycle Hangars - Supply, installation and maintenance.

8. UNRESTRICTED MINUTES OF THE PREVIOUS MEETING OF CABINET PROCUREMENT COMMITTEE HELD ON 7 NOVEMBER 2022

RESOLVED

That the unrestricted minutes of the Cabinet Procurement and Insourcing Committee held on 2 May 2023 be agreed as a true and accurate record of proceedings.

Matters arising

Tracker Ref 1 - 16/01/23 - AHI S162 - Integrated Mental Health Network. Members noted the Integrated Mental Health Network Procurement Lessons Learnt Report circulated prior to the meeting.

9. CHE S220 CYCLE HANGARS - SUPPLY, INSTALLATION AND MAINTENANCE

9.1 Tom Carnall, Street Operations Manager introduced the report seeking approval for the award of a 15 year contract, initially for a 5 year period and up to five extensions of 2 year periods for a supplier to provide cycle hangars, together with the ongoing supply of parts.

9.2 Following the introduction, Members of the Committee asked questions which were responded to as follows:

- In response to a question relating to the purchase and project costs, it was stated that the costs were linked to the industrial indexes as outlined within the report. The costs of the units were not expected to reduce in the future as a result of the impact of the cost of living, rates of inflation, and rising costs of steel and other raw materials. However, due to the long term commitment of the contract and good economy of scale the prices would be locked for the duration of the contract and there would be opportunities to negotiate the prices during the extensions of the contract. In terms of the project costs, the initial investment had been costed and was based on a

model that bought units using capital expenditure and as the rented spaces increased the scheme's income would increase. At the contract break points there would be an opportunity for officers to review elements of the markets, consider the costs and potential benefits of procuring this service before making a decision whether to extend the period after the initial 5 year term. With regard to the maintenance costs, this had been fully costed for the lifetime of the project.

- In response to a question relating to the duration of a cycle hanger, it was explained that the product was expected to last for a minimum of 15 years but the life of the unit could extend to 20 years with regular maintenance. The cycle hanger was made from galvanised steel, which could last for 80 years but the parts had a shorter life span and regular maintenance of those parts could further extend the duration of the product beyond 20 years.
- In response to a question regarding the greater demand for cycle hangars than in the report, it was clarified that the service will be promoting the scheme more to ascertain and understand the true demand for this service which was hidden by the restriction of one registration of interest per customer, meaning families could not apply for a space for all their bikes. The current approach of dealing with those on the waiting list could change in the future and permit one individual to register for their family.

RESOLVED:

To approve the award of contract for the Supply, Installation and Maintenance of Cycle Hangars to Supplier B.

REASONS FOR DECISION

1. Over the last decade Hackney Council has incrementally expanded its cycle hangar scheme, with the speed and scale of expansion driven by the availability of external funding pots (primarily LIP funding from TFL). As a result of this funding setup, procurement of new hangars has historically been reactive, with small-scale tenders for the provision and installation of hangars being carried out on an ad hoc basis. While this arrangement has met the primary objective of ensuring that the funding available was spent within the necessary spend window, the approach has not been as successful in enabling Hackney to meet the enormous demand for hangars from residents, nor has it provided the necessary contract framework to ensure a high standard of after sales support.

2. Furthermore, the in-house management of cycle hangars has enabled a strong understanding of the design requirements necessary to minimise the risk of theft, reduce the level of routine maintenance required, and limit vehicle collisions, all of which have been fed into the updated requirement specification.

10. ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT

10.1 There was no urgent business to consider.

11. DATE OF FUTURE MEETINGS

3 July 2023
4 September 2023
9 October 2023
6 November 2023
4 December 2023
8 January 2024
5 February 2024
4 March 2024
8 April 2024

12. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED

THAT the press and public be excluded from the proceedings of the Cabinet Procurement Committee during consideration of Exempt Appendix at item 13 – Cycle Hangars on the agenda on the grounds that it is likely, in the view of the nature of the business to be transacted, that were members of the public to be present, there would be disclosure of exempt information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972 as amended.

13 CHE S220 CYCLE HANGARS - SUPPLY, INSTALLATION AND MAINTENANCE EXEMPT APPENDICES

13.1 The discussion and decision are set out at item 9.

14. ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT

14.1 There was no urgent business to consider.

Duration of the meeting: 5.00 - 5.25 pm

Councillor Robert Chapman
Chair of the Committee

CABINET PROCUREMENT AND INSOURCING COMMITTEE

ACTIONS TRACKER as at 23/6/23

Ref	Meeting Date	Agenda Item	Action	Assigned to	To be completed by	Status
1	16/1/23	AHI S162 - Integrated Mental Health Network	<p>Senior Public Health Practitioner to share the lessons learned report with Committee Members when available.</p> <p>Update 03/02/23: internal lessons learned session already taken place and report will follow once a session with external stakeholders has been held.</p>	Jennifer Millmore	5 June 2023	Completed
2	13/3/23	CE S174 SEND DPS Transportation Contract Award Approval	Action - Head of SEND : That a report back to a future meeting on the development of performance indicators and processes to ensure compliance with the commitment to the use of low emission vehicles and alternative fuels to reduce the environmental impact.	Joe Wilson	No Specific Date	Pending
3	17/4/23	AHI S150 Adult Social Care Transformation - Business Case	(1) Assistant Director Strategic Commission for Adult Social Care & Public to present proposed contract award to the Committee in July 2023 once the tender process has been completed.	Jenny Murphy	May 2023	Outstanding

			<p>(2) Officers to ensure that the contract award is listed for key decision on the Council's Executive Meetings Key Decision Notice as appropriate.</p> <p>(3) The Assistant Director Strategic Commission for Adult Social Care & Public Health to provide a written response to Cllr Binnie-Lubbock.</p>			
4	17/4/23	General Exception AHI S192 City and Hackney Enhanced Health Visiting Service - Contract Award	<p>(1) Consultant in Public Health to follow up with the provider on support for young parents and capturing the outcomes.</p> <p>(2) To prepare a briefing note in consultation with the Procurement team addressing the sustainability issues.</p>	Carolyn Sharpe	<p>May 2023</p> <p>2 May 2023</p>	<p>Outstanding</p> <p>Completed</p>
5	17/4/23	FCR S180 Procurement of Core Insurance Provision Contract Award (Officer Key Decision) - For Noting	(1) Senior Insurance Officer to provide a briefing note to the Committee that provides further detail on the Council's green ambitions, the KPIs referenced in the report and innovation.	James Whitehouse	May 2023	Outstanding



CABINET PROCUREMENT & INSOURCING COMMITTEE

CONTRACT AWARD REPORT

CONTRACT AWARD REPORT	
Title of Report	Community Drug and Alcohol Treatment Services: Contract Variation, Overview of Grant Funding Streams, and Risk Management
Key Decision No.	AHI S169
CPIC Meeting Date	3 July 2023
Classification	Open with exempt appendix (commercial sensitivity)
Ward(s) Affected	All wards
Cabinet Member	Cllr Christopher Kennedy, Cabinet Member for Health, Adult social care, Voluntary sector and Culture
Key Decision	Yes _____ Significant in terms of its effects on communities living or working in an area comprising two or more wards.
Group Director	Helen Woodland, Group Director for Adults, Health and Integration
Contract value, <u>both</u> Inclusive of VAT and Exclusive of VAT (for the duration of the contract including extensions)	£24,000,000 (without vat) contract value £5,000,000 (without vat) contract variation £29,000,000 (without vat)
Contract duration (including extensions e.g. 2 yrs + 1 yr + 1 yr)	5yrs +1+1+1+1

1. Cabinet Member's Introduction

- 1.1. This paper provides a comprehensive overview of the agility and hard work of the City and Hackney Public Health team in their responsiveness to a change in political will from the Central Government to invest large sums of 1 year grant funding into drug and alcohol community treatment.
- 1.2. The three grant funding streams discussed in this paper each have a slightly different focus, however they coalesce in their aims to reduce drug related deaths, to improve the quality and effectiveness of the pathways into treatment and the quality of treatment itself, and to improve the psychosocial infrastructure which supports sustained drug and alcohol treatment recovery.
- 1.3. The impact sought by Central Government, over an extremely short timeframe of 3 years in total, is ambitious. Each target discussed in the paper requires increasing the capacity of the current commissioned drug and alcohol treatment service in order to progress towards the national targets.
- 1.4. In the last 18 months the number of drug related deaths has notably reduced, 325 individuals experiencing homelessness with a substance use issue have been reached, they have been given harm reduction interventions such as naloxone (an intervention which reverses an overdose), and many have been engaged into treatment. The City and Hackney Recovery Service has given out 1000 naloxone kits, and there has been a 9% increase in numbers in treatment, this is almost half way towards the national target of a 20% increase.
- 1.5. Hence, it is in light of these achievements, in the context of challenging yearly grant funding allocations, that I fully endorse the recommendations in this paper to provide the City and Hackney Recovery Service , with a contract variation of £5,000,000, up until 2025. I also support and appreciate the lengths the City and Hackney Public Health team have gone to engage stakeholders fully, to fund appropriate insourced services, and to identify local organisations to support through grant funding.

2. Group Director's Introduction

- 2.1. Pre-2020, the inevitable consequences of deep financial cuts to public services, and in particular to community substance use treatment services, to welfare, and to supported housing, led to a rise in the number of people sleeping rough, and to a spike in the number of drug related deaths.¹
- 2.2. The Black reviews² successfully argued for the urgent need of increased funding for community treatment systems, recognising that recovery from harmful and dependent substance use (the word 'substance' here is used to

¹ Black, D. C. (n.d.). *Review of Drugs - evidence relating to drug use, supply and effects, including current trends and future risks*. 2020.
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/882953/Review_of_Drugs_Evidence_Pack.pdf

²*Independent review of drugs by Professor Dame Carol Black*. (2020, February 28). GOV.UK.
<https://www.gov.uk/government/collections/independent-review-of-drugs-by-professor-dame-carol-black>

mean drug and/or alcohol), requires investment in wider psychosocial services and infrastructure.

- 2.3. In response to the Black reviews and the alarming rise in the number of people rough sleeping and in those dying from substance use, the Government published a 10 year, criminal justice focused drug strategy. This was followed by upping the ante on their manifesto commitment to reduce rough sleeping by setting a target year of 2024 by which all rough sleeping is to end.
- 2.4. From November 2020 onwards different Governmental departments from the Office of Health Improvements and Disparities (OHID), to the Department of Levelling Up, Housing and Communities (DLUCH) have requested very quick turnarounds on bids to detail local population need in relation to substance related harms and homelessness in order to be awarded 1 year tranches of grant funding.
- 2.5. Taken individually each grant being awarded is above the percentage increase which would normally be considered permissible by the Public Contracts Regulations 2015 for an existing awarded contract for a commissioned service. Taken together, the combined value of this grant funding and the urgency to mobilise services to achieve impact within short time frames requires greater scrutiny and oversight.
- 2.6. With this in mind, this paper details national targets aligned to the drug strategy which underpin the impact being sought from the grant funding. It will provide an overview of the different grant funding streams, the sums being awarded, and will be inclusive of indicative sums due to the short timescales.
- 2.7. This paper will further outline the rationale for a contract variation to be agreed for the current provider of community drug and alcohol treatment services, Turning Point.
- 2.8. In addition to the above, this paper will also outline the current rapid procurement processes being used to ensure the grant money achieves the impact being sought by Central Government, in order that the Cabinet Procurement and Insourcing Committee are fully sighted on the limited procurement options available.

3. **Recommendations**

3.1 **That Cabinet Procurement & Insourcing Committee is recommended to:**

- **Agree a Contract Variation of £5m for the City and Hackney Integrated Drug and Alcohol Service (existing value £24m) commencing in April 2023 with all additional activity to be delivered by the end of March 2025. The revised maximum contract value including variation will be £29m.**

4. **Related Decisions**

- 4.1. The contract award report for the City and Hackney Integrated Substance Misuse Service was approved by Cabinet Procurement Committee (now Cabinet Procurement and Insourcing Committee) on 9th September 2019, decision number CACH P89 [Link](#).

5. **Reason(s) For Decision / Options Appraisal**

- 5.1. Substance Use and its associated harms have become a significant focus for Central Government over the past two years, in part due to the publication of two reviews of substance use across the UK by Dame Carol Black.
- 5.2. This has led to an increased number of national strategic approaches to tackling drug related harms, including publication of an overarching ten year drug strategy and increases in funding, via grants, to help better meet the needs of local residents using drugs.
- 5.3. The London Borough of Hackney (LBH) has been identified as a specific strategic partner for a number of these funding streams by Central Government, with drug harms across the borough having risen over the last ten years alongside an overall reduction in the capacity and funding of our substance use treatment provision.
- 5.4. In order to reduce levels of unmet need across the borough we have accepted invitations to apply for this grant funding, and have utilised this money to increase treatment capacity and diversity of offer from our core substance use service (delivered by Turning Point). We have also worked to develop our approaches through funding of other services with low or no representation in our substance use treatment system.
- 5.5. Single Tender Actions are being used to procure most of these services due to:
 - The novel nature of the organisations
 - Lower levels of funding requirements
 - Guidance from Central Government
 - Lack of an existing contract between the authority and the services regarding this specific delivery
- 5.6. This report is presented to the Cabinet Procurement and Insourcing Committee to approve a contract variation of £5,000,000 for the delivery of community drug and alcohol treatment
- 5.7. This paper details the necessity of our existing substance misuse service receiving this funding, as well as the steps taken to meet the principles of decision making, best value duty and to flag future risks to service delivery.
- 5.8. What follows is a brief overview of the three relevant grant funding streams LBH have/are to receive and how they align to both local and national strategy.
- 5.9. **The Rough Sleepers Drug and Alcohol Treatment Grant:**

- 5.10. This funding aims to improve substance use treatment and health outcomes for people with substance use issues who are experiencing homelessness, aiming to reduce drug related deaths.
- 5.11. The application period and lead time between approval and delivery for the first phase (Q4 2020/21 and all of 2021/22) was limited. Despite this, stakeholder engagement with partners was conducted (Appendix 1), with ongoing engagement throughout the process of preparing and submitting the bid.
- 5.12. Local Authorities were not informed at the start of the programme that there would be further funding and need for RSDATG delivery. Commissioners were informed of the continuation in March 2022, covering FY 22/23 and 23/24.
- 5.13. Application for funding was opened in June 2022, to be submitted by July 2022.
- 5.14. Further Stakeholder engagement was conducted, with consensus arising regarding access to wider ranges of clinical services, further Adult Social Care input and increased peer support.
- 5.15. The successful application for the second phase meets this by:
- Increasing staff and resources for the core substance use service (delivered by Turning Point)
 - Additional funding to develop and increase staff within the LBH Supporting Transition and Empowering People Service (STEPS)
 - A specialist Social Worker within LBH ASC
 - Grant funding to a wider range of existing local services.
- 5.16. Project ADDER:**
- 5.17. This programme was initiated by the Office of Health Improvement and Disparities (OHID, previously Public Health England) in early 2021 aiming at system wide development work to address drug related harms.
- 5.18. Specific outcomes of the programme are to:
- Reduce drug-related death
 - Reduce drug-related offending
 - Reduce the prevalence of drug use
 - Achieve sustained and major disruption of high-harm criminals and networks involved in middle market drug/firearms supply and importation
- 5.19. The high profile programme acts as a ‘trailblazer’ for Central Government’s [10 year drug strategy](#).³ In line with this the Metropolitan Police team covering Hackney also received significant funding.
- 5.20. Much like RSDATG, funding has also been confirmed and awarded a year at a time, with both short application periods and rapid timescales between approval and delivery.

³ From harm to hope: A 10-year drugs plan to cut crime and save lives. 2021.
<https://www.gov.uk/government/publications/from-harm-to-hope-a-10-year-drugs-plan-to-cut-crime-and-save-lives>

- 5.21. In the first year the City and Hackney Public Health team were awarded £900,000. In the second and final year of the project (2022/23) £1,198,306.00. Due to underspend this funding will also cover an additional quarter of delivery (Q1 23/24).
- 5.22. Stakeholder consultation was undertaken to understand gaps in the treatment system, and to develop solutions to delivering against these gaps.
- 5.23. As part of this a number of smaller, community based, organisations were identified as being good partners in system expansion. Additionally Turning Point were identified as requiring increases in their teams in order to work with a higher number of individuals, better connect to prisons for releases into the community and to undertake increased levels of outreach.
- 5.24. Unlike the RSDATG, only a small amount of grant reprofiling has been necessary in the second year.
- 5.25. **Supplementary Substance Misuse Treatment and Recovery Grant (SSMTR):**
- 5.26. This grant funding is directly aligned to the 10 year drug strategy with the investment seeking to reach ambitious targets by 2025. The funding is significant and is likely to continue for multiple years. Despite this, and again much like RSDATG and ADDER, the turnaround periods from confirmation of funding available through to delivery are short.
- 5.27. 2023/24 funding was confirmed on 16 Feb 2023, and 24/25 funding is currently indicative. We have been awarded £1,490,000 in the first year, with indicative funding at £2,890,000 in the second year.
- 5.28. Application for 23/24 funding started in late Feb, with submissions to be made March 10th. Delivery of some aspects commenced in April 2023. We do not know about the second year's funding, but it is likely that the Central Government delivery mechanism will be similar next year.
- 5.29. As we were asked to prepare for this funding we have re-engaged with partners to understand the current need across the substance use system. Through consultation, including through five themed stakeholder engagement workshops, it has been agreed that in the first year we will continue services started as part of RSDATG and ADDER as well as increase salaries (to aid staff retention) and bring further peer led provision into the borough.
- 5.30. If the Office for Health Improvement and Disparities (OHID) are in agreement with this plan, further funding will be awarded to Turning Point to continue the work they started with earlier grant funded opportunities, as well as to increase salaries.
- 5.31. We have not yet finalised a plan of delivery for the second year, which will be developed jointly through the new multi-agency *Combating Drugs Partnership*, though we believe it is likely we will continue services delivered as part of year one.
- 5.32. The significant increase in the potential figure to be awarded to LBH from 24/25 onwards will be discussed throughout the coming year with partners, as well as

Central Government. It is likely that a significant portion of this funding may need to be awarded to the City and Hackney Recovery Service or distributed through an appropriate procurement process.

5.33. As the SSMTR is part of the vehicle for change aimed at with the ten year drug strategy, we are expecting further funding to continue beyond 23/24 and 24/25, but this is uncertain.

5.34. City and Hackney Recovery Service and increased funding; reasons and options

5.35. As detailed above, all decisions regarding system wide need have been made in consultation with partners. In these consultations consensus has driven our funding applications and consequent service delivery.

5.36. The extremely limited time between confirmation of funding and delivery start date for 23/24 has created severely limited options for procuring services in a timely manner. Additionally, without confirmation of 24/25, we are unable to initiate a procurement process for that year.

5.37. Further to this, a procurement process that results in a new and different provider alongside the existing service would create substantial risks for service clients, due to the resources required to overcome technical limitations; it would also create substantial unnecessary duplication of costs. Examples include:

- Supporting wider partners/clinicians to understand the complexity of having multiple providers would be difficult and introduce risks of inappropriate or delayed referrals risking safety and quality of care.
- New, duplicated infrastructure would be needed for a new provider such as managerial and administrative staff, as well as other costs in service delivery (such as premises, equipment, IT, storage and procurement of consumables etc.)
- Mobilisation would need to be done at a speed incompatible with the single year time frames.
- Data management would be difficult. There would be no shared data management resource, data sharing would be challenging to develop and as a current data controller Turning Point would need to operate within organisational and legal information governance frameworks that make sharing confidential data complex.
- Institutional safeguarding concerns due to increased mobilisation times and data challenges. A more disjointed system would increase the challenges of responding effectively to safeguarding concerns.

5.38. These constraints mean that the existing City and Hackney Recovery Service provider is the only viable main provider of substance use services. A contract variation of £5m will provide the flexibility to provide the additional services required for 23/24 and 24/25.

5.39. Funding forecast breakdown is outlined below. The newly created City and Hackney Combating Drugs Partnership (CDP) has agreed to 23/24 delivery,

with the likelihood agreed services will continue into 24/25. Additional services to be awarded, and the potential need for reprofiling other funds from the grant envelope, will be agreed by the CDP during 23/24. This will be in line with OHID and Central Government timelines.

- 5.40. Value for money and quality have been assured through a thorough benchmarking process, both locally and nationally. Locally, benchmarking has been conducted with neighbouring commissioners and services, and nationally OHID benchmarks all budget templates and only signs off on budgets which meet their value for money and quality thresholds. Further quality assurance is conducted quarterly through contract monitoring with the provider.
- 5.41. The recommended contract variation is an indication of how the grant funding, with the increase in staff, improved pay and conditions, and increased treatment capacity and quality impacts the overall contract value of this commissioned service.
- 5.42. **Additional funding breakdown**
- 5.42.1. Below is a provisional breakdown of the services to be delivered covering the period 23/24 and 24/25.
- 5.42.2. A significant contingency management cost is reflected due to the large increase indicated in funding in 24/25, as well as to enable reprofiling of any underspend across the overall grant envelopes mid-year.

Intervention	Total forecast spend for Turning Point FY 23/24-24/25	Funding Stream
Senior Recovery Worker	£55,125.00	SSMTRG
Non Medical Prescriber	£135,198.00	SSMTRG
Additional recovery workers	£462,462.80	SSMTRG
Through the Gate Workers	£167,727.00	SSMTRG
Clinical Psychologist	£63,245.00	SSMTRG
Addictions Psychiatrist	£194,040.00	SSMTRG
Peer Mentoring Programme	£26,201.00	SSMTRG
Naloxone increases	£33,708.00	SSMTRG
Increased Dispensing Costs	£106,090.08	SSMTRG
pay increases	£457,400.16	SSMTRG
Dual Diagnosis Strategic Manager	£228,456.00	RSDATG
Dual Diagnosis Outreach Worker	£450,000.00	RSDATG

Trauma Aware Pathway navigator	£160,512.00	RSDATG
Data Coordinator	£64,174.00	RSDATG
Business Support Officer	£56,967.60	RSDATG
Nurse	£109,480.00	RSDATG
Alcohol Nurse	£109,480.00	RSDATG
General Practitioner	£20,000.00	RSDATG
Women's Healthcare Assistant	£44,804.40	RSDATG
Senior MH Practitioner / CBT Therapist	£52,962.40	RSDATG
Clinical supervisions	£11,040.00	RSDATG
Dual diagnosis training	£35,992.00	RSDATG
Contingency Management	£14,000.00	RSDATG
ADHD assessments	£16,000.00	RSDATG
Fibroscanner Lease	£42,000.00	RSDATG
NMP Nurse	£123,308.00	RSDATG
Contingency	£1,759,626.56	SSMTRG
Total	£5,000,000.00	

6. Alternative Options (Considered and Rejected)

6.1. The table below lists the alternative options to the suggested contract variation:

Alternative Options	Risks	Reasons for Rejecting
Complete a full procurement process for each new allocation of grant funding	Completing a full procurement process takes a minimum of 6 months and if a new provider was appointed a further 6 month mobilisation period would be required, leaving little time to demonstrate impact.	<p>Unable to demonstrate impact within the timeframe.</p> <p>Risks not meeting the grant agreement, and money being withdrawn.</p> <p>Risks any new service experiencing teething problems in mobilisation and establishing clear joint working protocols, jeopardising safety of individuals accessing</p>

		service.
Insourcing	<p>Wherever possible existing insourced services have been awarded grant funding: STEPs, Young Hackney Substance Use Service and Adult Social Care.</p> <p>The adult community drug and alcohol service is a hugely complex service, requiring a clinical team, a consultant psychiatrist and at present 90 Recovery Workers, it is therefore too complex to insource, and especially in such short timeframes.</p>	<p>Insourcing has been achieved wherever possible.</p> <p>The adult service is too complex for insourcing and other technical reasons stand in the way of bringing an additional provider of services into the authority area.</p>
Do nothing, and do not accept the grant funding	Given the dire need for funding this option would leave a desperately underfunded community treatment system unable to respond to the increase in drug related deaths and poor treatment outcomes.	Risks the very health and wellbeing of residents and fails to demonstrate the very real difference this money can and is making.

7. Project Progress

7.1. Developments since the Business Case approval

7.1.1. As outlined above, multiple funding streams from Central Government have become available in the years since the business case for the original service. Confirmation of the grants on a year by year basis, and the need to demonstrate rapid impacts, has resulted in the need to vary the existing contract.

7.2. Whole Life Costing/Budgets

7.3. The below tables outline the total grant awards LBH has received, or is likely to receive. As we do not know about funding beyond 2025 these figures are not contained in the below tables, but we assume that values will remain broadly the same or increase.

Grant Title	23/24 confirmed grant award	24/25 Indicative grant award	Total Grant value
RSDATG	£1,106,329	£1,106,329	£2,212,658
SSMTR	£1,490,000	£2,890,000	£4,380,000
Total	£2,596,329	£3,996,329	£6,592,658

7.4. The below table outlines how the confirmed and indicative grant funding relates to the funding to be made available to Turning Point to cover the additional costs outlined in table 5.42

Funding Allocated to TP	2023/24 Forecast Grant Usage	2024/25 Indicative Grant Usage	Total
RSDATG	£769,588	£769,588	£1,539,176
SSMTR	£777,899	£2,682,925	£3,460,824
Total	£1,547,487	£3,452,513	£5,000,000

7.5. As the level of funding available for 24/25 is currently indicative any contract variation provided to Turning point will reflect that further funding being made available is dependent on both:

7.5.1. OHID funding award

7.5.2. agreement of the Combating Drugs Partnership concerning interventions necessitated by the available funds

7.6. Risk Assessment/Management

Risk	Likelihood	Impact	Overall	Action to avoid/mitigate risk
Reputational risk of failing to fully utilise available grant	Medium ▾	Medium ▾	Medium ▾	Contract variation with existing provider would provide the flexibility to commission additional and new services to take full advantage of all grant streams
Inability to recruit to specialist posts promptly	High ▾	Medium ▾	Medium ▾	Agreed salary uplift so posts remain competitive in pay

Poor coordination between partner agencies in short timeframes guaranteed by government	Low ▾	Medium ▾	Medium ▾	Established Combating Drugs Partnership, a multi-agency forum tasked with oversight of the sector and ensuring delivery on local and national priorities
Risk of future years grants being withheld if LBH fails to delivery adequately	Low ▾	High ▾	Low ▾	We have already established a track record of effective working through the core service and the ADDER program
	Select ▾	Select ▾	Select ▾	

8. **Savings**

N/A

9. **Sustainability Issues and Opportunities, Social Value Benefits**

9.1. **Procuring Green**

9.1.1. Turning Point is contracted to provide a needle syringe exchange programme which will promote the safe disposal of injecting equipment, in addition to the service ensuring appropriate disposal of medication. Funding from the SSMTR grant has been set aside to support a peer based needle exchange program through the London Joint Working Group to further support this aim.

9.1.2. Turning Point committed in their original tender to:

- Regular environmental impact audits completed within the service
- Monthly 'Community Cleanups' (i.e. litter pickups) in areas where littering is a persistent problem
- Development of a Hackney and City specific Environmental Action Plan
- Commitment to becoming a listed organisation on the Hackney Zero Waste Initiative
- Other initiatives such as banning single use plastics within the service, ensuring energy efficiency, minimising unnecessary travel for staff and reducing the use of paper.

9.2. **Procuring For A Better Society**

9.2.1. Specialist drug and alcohol treatment is strongly evidenced to have a good return on investment by reducing A&E attendances and/or criminal behaviour. Turning Point have previously committed to:

- Offering 3 apprenticeship opportunities per year
- Working with Volunteer Centre Hackney and their 350+ partners across the borough to create and identify volunteering opportunities
- Delivering education, training and employment programmes to support service users into work.

9.3. **Procuring Fair Delivery**

9.3.1. The City and Hackney Recovery Service is obliged to reach out to people in the borough with the highest complex needs in terms of substance misuse, and support local communities and people. The service KPIs aim to increase treatment engagement in underrepresented groups which includes women, the LGBTQ community and individuals from ethnically diverse communities. Equalities data indicates that both women and underrepresented ethnic groups are increasing in numbers within the service, and that referrals into the organisation for individuals presenting as members of these demographics are also increasing.

9.3.2. In recognition of the impacts of the cost of living crisis and the importance of substance use worker roles, public health has supported a salary uplift to ensure the provider achieves pay parity with similar services around the country. The payment of the London Living Wage for all staff employed to deliver the service was a requirement of the original contract and will also apply to the proposed variation.

10. **Equality Impact Assessment and Equality Issues**

10.1. The activities proposed in this report will actively contribute to reducing health and economic inequalities in our population that arise as a result of substance use, as the impacts of substance use disproportionately affect some communities and ethnicities. SWIM, a Hackney based charity working with older Black African men who have experience of the Criminal Justice System has been central to the delivery and success of project ADDER locally.

10.2. Equalities data indicates that both women and underrepresented ethnic groups are increasing in numbers within the service, and that referrals into the organisation for individuals presenting as members of these demographics are also increasing. This indicates a good level of partnership work across the borough from the organisation, and that other professional agencies accept that the service is offering a good service to individuals in need of support to remain safe from drug use harms.

11. **Social Value Benefits**

11.1. Investment in the prevention of drug and alcohol harms is known to provide multiple social benefits to individuals, families and communities as well as

representing a significant societal cost saving⁴. Around 20% of children in need are affected by drug misuse and around 18% by alcohol misuse; safeguarding is core to the function of drug and alcohol treatment services alongside major benefits for parents and children. The Office for Health Improvement and Disparities cites social cost savings of £4 for every £1 invested in drug treatment, through tackling lost productivity, crime and policing, and demands on the NHS.

12. **Tender Evaluation**

NA

13. **Recommendation**

NA

14. **Contract Management Arrangements**

14.1. **Resources and Project Management (Roles and Responsibilities):**

14.1.1. Quarterly Contract Monitoring Meetings have been held since Turning Point became the provider in 2020. These meetings require Turning Point to prepare both a KPI monitoring form and a narrative report. The grant funding streams derive their outcomes from the existing Central Government approved National Drug Treatment Monitoring System.

14.2. **Current Performance Summary:**

Refer to Exempt Appendix 3.

14.3. **Key Performance Indicators**

14.3.1. Core service KPIs are as follows:

- increase the number of individuals receiving treatment in the borough
- decrease the number of individuals leaving before treatment finished
- increase the number/proportion of individuals accessing treatment from underrepresented ethnic groups
- increase the number/proportion of women accessing treatment
- increase the distribution of Naloxone to individuals
- increase in the number of individuals with a mental health support need accessing support for this
- increase the number of individuals with a housing support need/rough sleeping accessing safe accommodation and housing related support

⁴<https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest/alcohol-and-drug-prevention-treatment-and-recovery-why-invest>

- 14.3.2. Alongside these, the grant funded programmes will be working indirectly to improve a number of other measures relating to preventable non communicable diseases.
- 14.3.3. The National Drug Treatment Monitoring System captures new presentations, treatment retention, housing and employment outcomes, estimates of unmet need, unplanned exits, time in treatment, numbers prescribed opiate substitute therapy, Blood Born Viruses, Liver Screening, HIV screening, naloxone distribution, deaths in treatment, number of parents in treatment and status of childcare, mental health need and tobacco use.
- 14.3.4. It is anticipated that additional data will also be required to better capture improvements in the quality of treatment received, and steps taken to develop the workforce.
- 14.3.5. Taken together these KPIs support the Mayor in increasing equality of access to good quality health services, and that these services are delivered to be culturally sensitive. They further support the pledge for a healthier Hackney, and one where the more vulnerable residents are given the best integrated treatment to achieve sustained change and an improved quality of life which includes access to training and employment, greater independence, and control over their lives.

15. **Comments Of Group Director Of Finance And Corporate Resources**

- 15.1 The purpose of this report is to seek approval from the Cabinet Procurement and Insourcing Committee for a contract variation.
In respect of City and Hackney Integrated Drug and Alcohol Service. This contract variation aims to enhance the City and Hackney Integrated Drug and Alcohol Service, which currently operates under an existing contract valued at £24m. The proposed variation seeks to deliver £5m of additional activity over the next two years, starting in April 2023, thereby increasing the maximum contract value to £29m.
- 15.2 The cost to deliver the additional activities of £5m will be funded from central government grants, as outlined in section 7.2. These grants have been awarded to enhance the support of drug and alcohol community treatment across the borough. Given the reliance on central government grants, it is crucial the service closely monitors the contract and funding. This will ensure a clear understanding of any budgetary gaps and allow for timely adjustments. It is essential to promptly identify and address any changes to the availability of funds to ensure that the expenditure remains within the allocated funding for the service.
- 15.3 As the grant amount for 2024/25 is still indicative and subject to confirmation, it is imperative to maintain ongoing monitoring and adaptability to align expenditure with the funding available.

16. **VAT Implications On Land & Property Transactions**

N/A

17. **Comments Of The Director, Legal, Democratic & Electoral Services**

- 17.1. The proposed variation of contract is permitted under Regulation 71(1)(b) of the Public Contracts Regulations 2015 which allows the inclusion of additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor; (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, and (ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority. This is subject to the provision that any increase in price does not exceed 50% of the value of the original contract. The reasons why a change of operator cannot be made, and the impact on costs for the Council, are set out in paragraphs 5.35 - 5.42 of this Report. The proposed value of the variation to the contract is also below 50% of the original contract value.
- 17.2. The award of contract for the Adult Integrated Drug and Alcohol Service was approved by Cabinet Procurement Committee (now Cabinet Procurement and Insourcing Committee) on 9th September 2019. Under paragraph 3.3.17 of the Constitution Cabinet Procurement and Insourcing Committee is responsible for reviewing contract variations as set out in Contract Standing Orders.

18. **Comments Of The Procurement Category Lead**

- 18.1. This report relates to a variation of the existing contract for the delivery of the City and Hackney Integrated Drug and Alcohol service. The variation is proposed to facilitate approximately £5m of additional activity to be delivered over the next two years, commencing on 1st April 2023.
- 18.2. The value of the contract variation sought is above the delegated authority of the Group Director and the total cost of the contract, inclusive of the proposed variation is greater than £2M, therefore under the Council's Contract Standing Orders approval must be sought from Cabinet Procurement and Insourcing Committee via a written report.
- 18.3. The value of the service is also above the relevant public procurement threshold (Public Contract Regulations 2015, Social and Other Specific Services 'light touch' regime). Therefore there is some risk of challenge to varying the contracts without competition. However, the short timescales available to make use of the various grant funding pots combined with the technical and operational challenges to delivering the activity outside of the established Drug and Alcohol service, provide a justification for this course of action when compared with the alternative options considered.
- 18.4. Suitable KPI are in place for the extension period and sustainability deliverables are noted.

- 18.5. The requested variations cover the period up to the end of March 2025, modification notices must be published as required in accordance with the regulations for transparency purposes.

Appendices (Public)

[Appendix 1- Summary of Stakeholder Engagement](#)

Exempt Appendix

Appendix 2 - Turning Point Current Performance

By Virtue of Paragraph(s) 3 Part 1 of schedule 12A of the Local Government Act 1972 this report and/or appendix is exempt because it contains Information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Background Documents

None

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Comments of the Procurement Category Lead	Name Timothy Lee _____ Title Procurement Category Lead for Health and Social Care _____ Email timothy.lee@hackney.gov.uk _____ Tel
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Appendix 1- Summary of Stakeholder Engagement

1. Initial consultation

- a. Initial consultation with partners regarding the development and expansion of services in response to the Central Government drug strategy was undertaken in July of 2022
- b. A series of six stakeholder workshops were organised, each focussed on a particularly prominent strategic area for development
- c. The six workshops focussed on:
 - i. Women and Families
 - ii. Criminal Justice and Community Safety
 - iii. Holistic Care: Mental Health and Physical Health Pathways
 - iv. End of Life Care
 - v. Inreach, Outreach and peer led approaches to work
 - vi. Young people
- d. In each workshop the Agenda followed a the same series of stakeholder questions:
 - i. “What do you think our vision for community drug and alcohol treatment should be?”
 - ii. “Where are the gaps? Who are we not reaching?”
 - iii. “What should we prioritise to move ourselves closer to our vision”
- e. In each workshop a mapping exercise was undertaken by the group to aid in identification of gaps.
- f. Each workshop was two hours long and was allowed to focus on broad conversation regarding treatment need.
- g. Stakeholder representation at these workshops included:
 - i. LBH Public Health
 - ii. Turning Point
 - iii. LBH Community Safety
 - iv. Central East Borough Command Unit (Met Police)
 - v. LBH Adult Social Care
 - vi. East London Foundation Trust
 - vii. London Probation
 - viii. LBH Housing
 - ix. St Mungo’s
 - x. City and Hackney CCG
 - xi. City of London Housing
 - xii. City of London Community Safety
 - xiii. The London Joint Working Group for the Elimination of Hepatitis C

- xiv. Support When it Matters
 - xv. Young Hackney
 - xvi. Homerton Hospital
- h. Many organisations listed included multiple attendees with different perspectives and strategic focusses, particularly health colleagues focussing on different health related workstreams (Mental Health, Physical Health etc.)

2. Further Development

- a. The findings of the workshops were presented to a number of ongoing working, delivery and strategic groups aimed at the improvement of the substance use support system, including:
 - i. ADDER Strategy and Delivery groups
 - ii. Death in Treatment panel
 - iii. Combating Drugs Partnership (initial meeting)
 - iv. Rough Sleeper Drug and Alcohol Treatment Grant implementation meeting
 - v. Public Health Senior Management Team
- b. Each of these meetings includes a wide range of partners, both internal to LBH and external.
- c. Key stakeholders in each of these meetings were invited to reflect on these findings.
- d. Through continued discussion and engagement a suggested list of developments for bid submission was created.
- e. Included in the list of developments was continued increased capacity for the incumbent treatment provider in order to deliver more treatment outcomes, both pharmacological and psychosocial.

3. OHID and Combating Drugs Partnership Strategy Group

- a. Throughout the entire process of local stakeholder engagement, OHID and wider central government agencies were engaged in discussion regarding the needs of the authority area.
- b. During monthly OHID meetings the findings of stakeholder engagement and the development of service need were discussed.
- c. A priority partnership meeting with senior OHID London leaders was held on 6th Feb 2023.
- d. In this meeting OHID reflected on initial submission ideas for funding and delivery of drug strategy aims.

- e. Following this meeting the submission for funding was presented to the London Borough of Hackney Combating Drugs Partnership Strategy Group for a ratification of the increase in service provision and funding.
- f. The CDPSG agreed the approach.
- g. Following this a final submission for funding was made, with formal agreement from OHID for the funding to be awarded against the specified service developments in late March.

4. Financial year 24/25

- a. As the funding for 24/25 is currently indicative it is difficult to know what further service delivery will be needed for that financial year.
- b. Despite this it is likely we will continue the additional service provision agreed for 23/24 as this has been agreed by stakeholders.
- c. Further stakeholder engagement will take place throughout this financial year in order to decide what further services should be brought into the treatment system with increased funding.
- d. All further submissions must be signed off by the CDPSG before they are made to OHID/central government.

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CABINET PROCUREMENT & INSOURCING COMMITTEE

CONTRACT AWARD REPORT

Contract Award Report	
Title of Report	Lime Tree Court & St Peter's House
Key Decision No.	AHI S222
CPIC Meeting Date	3 July 2023
Classification	Open with exempt appendices
Ward(s) Affected	All wards
Cabinet Member	Cllr Christopher Kennedy, Cabinet Member for Health, Adult Social Care, Voluntary Sector and Culture
Key Decision	Yes Significant in terms of its effects on communities living or working in an area comprising two or more wards.
Group Director	Helen Woodland, Adults, Health & Integration
Contract value, <u>both</u> Inclusive of VAT and Exclusive of VAT (for the duration of the contract including extensions)	£3,126,340 Exc VAT £3,751,608 Inc VAT <i>Based on full length of contract</i>
Contract duration (including extensions e.g. 2 yrs + 1 yr + 1 yr)	2 yrs (+1 yr +1 yr)

1. Cabinet Member's Introduction

- 1.1. Housing with Care (HwC) is designed with the needs of frailer older people in mind, who require varying levels of 24 hour care and support available on site. People who live in HwC have their own self contained homes, their own front doors and a legal right to occupy the property. This type of provision means that people can retain their independence for longer, delaying and often completely avoiding the need for residential

care. This model promotes the Council's vision to promote independence and ensure that people are valued members of their community.

- 1.2. Limetree Court and St Peter's House are two purpose built buildings of a high specification, demonstrating the Council's commitment to Hackney residents having options to plan ahead for their future care needs in high quality surroundings, that will be their homes for as long as they need them.
- 1.3. The preferred supplier detailed in this report will provide Housing with Care (HwC) services at Lime Tree Court and St. Peter's House which meets the needs of all Hackney residents that require 24 hour on site care and support.
- 1.4. Care and support will be delivered at both HwC schemes in a manner that meets the planned and unplanned care needs of all tenants and promotes community integration.

2. Group Director's Introduction

- 2.1. This report seeks approval for the award of a contract to **Supplier A** who will support independent living and provide on site personal care and wellbeing services to all tenants of Limetree Court and St. Peter's House HwC schemes.
- 2.2. The contract is due to commence in November 2023, and will be let for two years, with the option to extend for up to a further two years (one plus one options).
- 2.3. The proposed service delivery model allows for an agile workforce delivering the planned and unplanned care elements, as well as the potential to pool the planned and unplanned care hours. This demonstrates the Council's commitment to supporting residents for as long as possible while also achieving best value by avoiding higher cost placements in residential care.

3. Recommendations

- 3.1. **Cabinet, Procurement and Insourcing Committee is recommended to award the contract for the delivery of Care and support at Limetree Court & St Peters House to Supplier A for a period of up to four years in total (2+1+1) commencing in November 2023 at a maximum cost of £3,126,339.**

4. Related Decisions

- 4.1. The Business Case for the Housing With Care Support Service for Limetree Court & St Peter's House was taken to Hackney's Cabinet Procurement & Insourcing Committee in October 2022. Link to [LTC SPH Business Case October 2022](#)

5. Reason(s) For Decision / Options Appraisal

See Business Case above.

- 5.1. This report asks CPIC to approve the award of contract for the delivery of Care and support at Limetree Court & St Peters House to **Supplier A**.
- 5.2. Local Authorities, under the Care Act 2014, have a duty to promote wellbeing. The Act highlights the importance of preventing or delaying the development of needs for care and support and the importance of reducing needs that already exist. This service is designed to reduce the need for individuals to go into residential or nursing care homes wherever possible and to promote independence and self care.
- 5.3. The contract will deliver care and support at both HwC schemes to meet the local need.

5.4. Alternative Options (Considered and Rejected)

- 5.5. The following 4 options were appraised for the future of the provision in the borough:

- Option 1: Insourced provision of care
- **Option 2: Commissioned 24 hour scheme (preferred)**
- Option 3: Commissioned Non-24 hour scheme
- Option 4: Commissioned rebranded sheltered scheme

- 5.6. Option 2 was agreed as the preferred option by the Cabinet Procurement and Insourcing Committee in October 2022. Options 3 and 4 were considered as potential routes to savings but were not considered practical at this time (see section 5.9 of the Business Case Report).
- 5.7. Insourcing was considered as an option, however at present this is not a viable option as the capacity to insource is currently interdependent upon the completion of the Council's HwC review and redesign. Until the review and the outcome of the CQC inspection is favourable the continuation of commissioned provision for care and support is considered to be the best option in order to ensure and maintain service stability and value for money.

6. Project Progress

6.1 Developments since the Business Case approval

There have been no unforeseen changes or developments since the business case approval.

6.2 Whole Life Costing/Budgets

The budget for the service is held by Care Support Commissioning service within Adult Social Care, for which funding will be available for the whole life of the contract, including any extensions.

Any changes to the funding available will be managed in collaboration with the successful provider to ensure that the service continues to deliver on the key outcomes.

The budget for this service was set at £3.2m across 4 years (2 years + 1 year + 1 year) or £800,000 per year, which bidders were made aware of throughout the procurement process. This budget was based upon the provision of a core 24-hour service plus the specific care needs of the existing service users. Changes in the care needs of service users will have an impact on the total cost of the service.

As part of the pricing schedule, bidders were asked to prepare costs should there be an increase in the number of care hours required for any new or existing service users whose individual care needs had changed. Several safeguards and mitigations have been built into the contract such as contract breaks at the end of years 2 and 3 and the requirement to remain within the agreed estimated budget.

Bidders were required to provide a cost for the main 24-hour core service and separately a cost based on the additional care hours of existing service users over and above the core service based on their needs. The two parts formed the total cost submitted by providers.

Inflationary pressures have been evaluated, such as the need to pay London Living Wage, and taken into account in the costing submitted by providers.

6.3 Risk Assessment/Management

Risk	Likelihood	Impact	Overall	Action to avoid/mitigate risk
TUPE implications cause a delay in timetable for	Low	Medium	Medium	The provider has detailed a robust mobilisation plan as part of their tender response - detailing engagement with existing staff at the earliest

implementation of any new contract				opportunity to ensure a full staff quota.
Cost of service exceeds available budget	Medium ▾	Low ▾	Low ▾	Expenditure against budget provision will be monitored regularly by the Quality Assurance and Compliance Officer.

7. **Savings**

No savings were required from this procurement. **Supplier A** has forecast that the contract can be delivered as required with a budget of £3,126,339 Excl VAT (*Based on full length of contract*)

8. **Sustainability Issues and Opportunities, Social Value Benefits**

Bidders were asked as part of the SQ section to submit their Carbon Reduction plans as well as their Modern Slavery statements. These were scored on a pass / fail basis to ensure that they align with the Council's ethos.

Bidders were also asked as part of the Method Statement questions within the tender response, to demonstrate how they would meet the Council's Sustainable Procurement Strategy deliverables across the three key themes.

The Commissioning and Procurement team have utilised the Council's Sustainable Benefits Tracker to identify what **Supplier A** could deliver based on the question asked within the tender document.

8.1. **Procuring Green**

There were no adverse environmental impacts highlighted within the PRIMAS document undertaken before the business case approval.

Supplier A stated that they would meet the objective for "Procuring Green" by:

- Invest in Green Programs: Invest in carbon sequestration projects, such as reforestation or soil carbon management, to enable the organisation to reduce its overall carbon footprint.
- Promote Company Awareness: Raise employee awareness and engagement in carbon reduction efforts through education and outreach programs.
- Employing local staff who can either walk or cycle to work

- Delivering services in an environmentally responsible way by using sustainable materials, reducing waste, encouraging staff and residents to recycle and using handheld technology to minimise the use of paper

8.2. **Procuring For A Better Society**

Supplier A detailed in their bid response the work that they would do to engage the local community throughout the contract life including:

- Encouraging staff to volunteer and support local community initiatives.
- Identifying opportunities for volunteering and providing staff with the necessary time and resources to support these.
- Developing volunteers within the workforce, enhancing their skills and encouraging them to gain valuable work experience.
- Offering a robust training and development offer to staff.
- Creating a diverse and inclusive workforce, reflecting the local community.
- Working with local organisations to provide job opportunities and training for vulnerable members of the community (those with disabilities or long term health conditions) and also the long term unemployed.

8.3. **Procuring Fair Delivery**

As part of the tender process, **Supplier A** submitted a robust Modern Slavery policy, with clear reporting measures, accountable officers and an in-depth training plan for staff.

Supplier A has committed to paying LLW as a minimum to all staff delivering this service.

8.4 **Equality Impact Assessment and Equality Issues**

A full Equalities Impact Assessment was undertaken, and the findings did not present any major issues. No major issues were identified.

8.5 **Social Value Benefits**

Please see section 8: Sustainability Issues and Opportunities, Social Value Benefits.

9. **Tender Evaluation**

- 9.1. The procurement followed a two stage tender process, under the Light Touch Regime. This meant that bidders were required to complete a Selection Questionnaire (SQ), and pass on specific criterion at this stage, before proceeding to the Invite to Tender (ITT) stage.

A full specification was made available with the tender advert, following the Public Contracts Regulations 2015. A Find a Tender notice was placed via the ProContract system, along with an advert on the Council's website. A survey was also sent out to prospective bidders who took part in the consultation stage for the service, through our ProContract system. The project sought expressions of interest from August to mid September 2022.

We engaged with Experts by Experience (service users) across both sites to devise a question they wanted to be included within the Method Statement, which formed part of the bidder presentation stage.

33 expressions of interest (EOIs) were received, 10 opted not to apply resulting in 23 SQ submissions, 14 of which went on to complete an ITT response. This complete list can be found in Exempt Appendix 1.

A total of 23 SQ submissions were received. Each SQ was assessed on technical capability, financial standing and insurance criteria. There were 5 additional project specific questions, which bidders were required to pass in order to proceed to the next stage. Bidders were required to confirm they had no less than 2 CQC ratings of 'Good' or 'Above', paid LLW, adhere to Unison Ethical Care Charter and required to submit policies relating to their Modern Slavery Policy, Health & Safety Policy, Carbon reduction plan, and Audited accounts; these were marked to check that they are robust and fit for purpose. 9 bidders were disqualified from this stage of the tender, due to not having the relevant experience and/or CQC accreditations that were below the requirement for the tender.

- 9.2. At the ITT stage, a total of 14 bid responses were received. 4 opted out & 5 disqualified suppliers were excluded at ITT stage, due to not submitting the full/correct tender documents. The remaining 5 bids were considered in full by the tender panel.

Scoring:

There were 4 members of a core tender panel, with various areas of expertise, and oversight given from the Adults Social Care Strategic Commissioning Manager. Below is a list of panel members and their respective organisations:

Role	Organisation
Strategic Commissioner - Older People & Long Term Conditions	LB Hackney
Commissioning Officer - Older People & Long Term Conditions	LB Hackney

Project Manager ASC	LB Hackney
Principle Therapy Lead, OT & Sensory Service	LB Hackney

The tender was evaluated on the criteria in the table below. The requirements for scoring were clearly explained within the ITT document and written into the method statement document.

Scoring Criteria	Score
Quality	80%
Service Delivery	40%
Service Quality & Outcomes	15%
Mobilisation & Transition	8%
Sustainability & Social Value	5%
Partnership Working	7%
Presentation Question	5%
Price	20%

The total percentage of the Quality aspect was marked out of 80% of the final score, with the pricing making up the additional 20%.

- 9.3. Bidders were asked to give a 20 minute presentation based on a question released with the method statement questions. A specific question was asked and scored by the core panel, including four Experts by Experience.

10. Recommendation

- 10.1. The tender panel recommends that **Supplier A** is awarded the contract for the service. **Supplier A** demonstrated that they could meet the full requirements of the specification, they have been established since 1988, they have qualified nurses on site, they have robust plans in place, all their CQC ratings are good and they have a current CQC rating of 'Outstanding' on Well-led. They have a staff retention rate of 94% which is maintained by value added perks, incentivised payments to staff and recognition and awards for hard work. Their financial submission was within the budget set, to include the 2 yrs (+1+1) of the contract.

Supplier A was the highest scoring overall in terms of quality and price. In comparison to other bidders, they demonstrated a good knowledge of addressing inequalities in the borough and produced a plan along with strong measurable outcomes.

- 10.2. The final scores are outlined in the table below:

Tender Results			
	Quality	Price	Total Score
Supplier A	60	20%	80%
Supplier B	53.4	19.54%	72.94%
Supplier C	42.4	18.94%	61.34%
Supplier D	42	19.73%	61.73%
Supplier E	42	19.62%	61.62%

10.3. **Lots:**

This procurement was not split into lots, to support an integrated service delivery model. This model was proposed, outlined and approved in the business case.

10.4. **TUPE:**

There are a number of staff eligible for TUPE through the change in service providers. This has been factored into the pricing schedule. The service has a four month mobilisation period in order to facilitate TUPE arrangements. This also means that the successful provider is able to recruit and embed staff where there are vacant posts.

10.5. **London Living Wage:**

Bidders were asked through the SQ and ITT stages whether they commit to paying London Living Wage to all employees working specifically on the contract. All bidders confirmed that they pay their employees the London Living Wage.

11. **Contract Management Arrangements**

The contract will be managed within the Adults Social Care Commissioning Team, with a named Quality Assurance Officer and Compliance Officer.

Implementation of the contract will be overseen by the service Commissioner, with regular meetings and communication with the successful provider. This will include reviewing the implementation plan provided by the successful provider in their bid.

Contract performance meetings will be held each quarter with monthly meetings within the first 2 months of the contract to ensure that mobilisation is successfully embedded. This is in addition to the 3 month pre-planned mobilisation phase set by the provider. The Adults Social

Care Commissioning Team have systems for performance monitoring and reporting as well as invoicing and this will be set up for the service as standard.

11.1. **Key Performance Indicators**

The KPIs will be monitored quarterly, with these being submitted to the Council in line with the other contractual arrangements. This duty will remain with the provider and be assured by the Council, who will validate data.

The Adults Social Care Commissioning team will also request comprehensive data collection that illustrates the activity and outcomes across all areas of service provision.

A full list of the Key Performance Indicators can be found in Open Appendix 5 - Key Performance Indicators.

Alongside the service outcomes and KPIs, we have utilised the Council's Sustainability and Social Value tracker which enables us to set targets around outcomes detailed in the successful providers bid response. These will be confirmed during the mobilisation stage of the process so that we can ensure that these are viable for the provider to deliver.

11.2. **Comments Of Group Director Of Finance And Corporate Resources**

11.3. The recommendation of this report is to approve the contract award for the provision of care at the Limetree Court and St Peter's House 24 hours Care schemes for up to 4 years (2 years + 1 year + 1 year) commencing in November 2023.

11.4. The contract value is built from two parts: a planned care element where care packages are built around individuals' scheduled daily needs (and so a variable element) and an unplanned care element where permanent on-site staff respond to care calls (at a fixed annual cost). The unplanned care and planned care costs were estimated at £800k per year or £3.2m across the life of the contract. The recommended provider has bid £3.126m which is within the £3.2m budget for the service. The provider has bid a cost that increases year on year but remains within the total estimated budget of £3.2m.

11.5. The planned care element of the contract will continue to be funded from the existing home care budget within Adult Social Care. The unplanned care element of the contract will be funded by one-off resources within Adult Social Care.

11.6. Commissioning will need to consider how both elements of the contract will be managed within the existing resources of Adult Social Care. The new contract will require active management by the service and careful

monitoring to ensure the right level of care is delivered in a sustainable manner.

- 11.7. This will include ensuring that variations in the cost of the contract from the £3.126m are a result of genuine assessed increases in the care needs of the service users. This will be tracked in monthly budget monitoring as discussed with service leads.

12. **VAT Implications On Land & Property Transactions**

- 12.1. Not applicable

13. **Comments Of The Director, Legal, Democratic & Electoral Services**

- 13.1. The services in this Report were assessed as High Risk by the Council and on 3rd October 2022 Cabinet Procurement and Insourcing Committee agreed a Business Case in respect of the procurement of such services. Pursuant to paragraph 2.7.10 of Contract Standing Orders the approval to award a contract will be with Cabinet Procurement and Insourcing Committee.
- 13.2. Details of the procurement process undertaken by officers for the appointment of a provider for the delivery of Care and support at Limetree Court & St Peters House are set out in this Report.

14. **Comments Of The Procurement Category Lead**

- 14.1. The proposed contract is valued at a maximum of £3,126,339 which is above the relevant UK public procurement threshold (Social and Other Specific Services “Light Touch” regime). The Council’s Contract Standing Orders require that the award of a contract of this value be approved by Cabinet Procurement and Insourcing Committee.
- 14.2. A competitive tender process has been carried out in compliance with Contract Standing Orders and the recommendation is to award to the provider offering the most economically advantageous tender assessed against the published criteria.
- 14.3. Relevant KPIs and performance measures are proposed and the preferred supplier will be required to meet appropriate commitments in relation to environmental sustainability and social value, including payment of the London Living Wage to all staff employed to deliver this contract. Appropriate controls have been put in place to manage the risk of additional financial pressures on the service.

Appendices

Exempt Appendix 1 - List of Suppliers at SQ Stage

Exempt Appendix 2 - List of Shortlisted Suppliers

Exempt Appendix 3 - Breakdown of Quality and Price Scores

Exempt Appendix 4 - Price Comparison

Open Appendix 5 - Key Performance Indicators

Exempt

By Virtue of Paragraph(s) 3 Part 1 of schedule 12A of the Local Government Act 1972 this report and/or appendices are exempt because it contains information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Background Documents

None.

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Open Appendix 5

6.4 Key Performance Indicators

6.4.1 The Provider shall be expected to meet all the criteria set through the Commissioner for Social Care Inspection or the Care Quality Commission.

6.4.2 In addition, the Provider will be expected to complete and submit qualitative and quantitative information every month to the Councils Contract Monitoring Officer achieve agreed satisfaction levels – which will vary during the course of the Contract – on the following Key Performance Indicators;

	Key Performance Indicator	Indicator	Target	Frequency
KPI 1	Responsiveness	The length of time taken for a Tenant to move into their flat from the point of the referral	100% of Tenants to be moved into their home within the agreed time frame as set by LBH, and be in receipt of a care and support plan	Monthly
KPI 2	Visits to Tenants are carried out on time and as planned	The percentage of visits which started outside 15 minutes of the stated time of arrival on the Care & Support Plan The percentage of homecare visits where the visit duration met the time stated on the care and support plan	95% of visits to be carried out on time	Monthly
KPI 3	Outcomes	Percentage of service users who have achieved their defined outcomes as recorded on their care and support plan	80%	Monthly
KPI 4	Service Failure	Percentage of homecare visits that were missed,	95% of visits to be carried	Monthly

		with care and support not being delivered as planned	out as planned	
KPI 5	All residents have an up to date care and support plan with appropriate risk assessments in place	The number of care and support plans that have been reviewed and meets the Tenants identified needs	100%	Monthly
KPI 6	Consistency of care	Tenants receive the same care workers Always / nearly always	90%	Monthly
KPI 7	Staff supervision	The Provider must evidence that they have effective systems in place to ensure the safety and protection of Tenants	100% of staff receive regular supervision	Monthly
KPI 8	Care workers are competent to undertake tasks	All mandatory staff training is up-to-date	The staff training matrix evidences that 100% of staff meet the agreed compliance rate	Monthly
KPI 9	Complaints shall be minimised and resolved within the agreed time frame	Number of complaints received The length of time taken to resolve the complaint	100% of complaints are resolved in line with the agreed time frames of the Providers or Council's Complaints Policy	Monthly
KPI 10	Reducing Social Isolation	The number of activities that the Provider has made available to Tenants The type of activities made available to	70% of Tenants have engaged with activities that have involved third parties	Monthly

		Tenants which involve external organisations and services or take place outside the scheme		
KPI 11	Community Engagement	Scheme events are facilitated or held collaboratively with organisations, services or groups that raise awareness and increase access to local opportunities	4 events to be held within each scheme	Annually
KPI 12	Care workers adhere to the respect and dignity of the Tenant	Tenants feel that they are being treated with dignity and respect from their care workers	100% positive response to satisfaction survey	Monthly
KPI 13	Care workers are responsive in emergencies	Satisfaction survey findings demonstrate that Tenants feel their emergencies are being responded to in a timely manner Unplanned care reporting data will evidence all emergencies and how they were managed	90% positive response to satisfaction survey	Monthly
KPI 14	Excellent care workers	Satisfaction survey findings demonstrate that Tenants are happy with their care workers	95% positive response to satisfaction survey	Monthly
KPI 15	Overall satisfaction of service provision	Satisfaction survey report findings demonstrate that Tenants are extremely satisfied with the overall service they receive from You	95% positive response to satisfaction survey	Annual

6.4.3 The key performance indicators will be subject to further adjustment by the Commissioning Officer or an Authorised Officer.



CABINET PROCUREMENT & INSOURCING COMMITTEE

CONTRACT AWARD REPORT

Contract Award Report	
Title of Report	Adult Social Care Transformation Implementation Project - Contract Award Report
Key Decision No.	AHI S225
CPIC Meeting Date	3 July 2023
Classification	Open with exempt appendix
Ward(s) Affected	All wards
Cabinet Member	Cllr Christopher Kennedy, Cabinet Member for Health, Adult social care, Voluntary Sector and Culture
Key Decision	<p>Yes</p> <hr/> <p>Significant in terms of its effects on communities living or working in an area comprising two or more wards.</p>
Group Director	Helen Woodland, Adults, Health & Integration
Contract value, <u>both</u> Inclusive of VAT and Exclusive of VAT (for the duration of the contract including extensions)	£4,982,000 excluding VAT
Contract duration (including extensions e.g. 2 yrs + 1 yr + 1 yr)	3 years

1. Cabinet Member's Introduction

- 1.1. Cabinet Insourcing Procurement Committee (CPIC) is recommended to award the contract for a transformation delivery partner to **Provider A** for three years at a maximum value of £4,982,000.
- 1.2. Process has been followed as set out in the April report to CPIC which requested permission to go out to tender for this service. The contract shall be awarded under the terms of the CCS Management Consultancy Framework Three (MCF 3) Lot 3 to support the design and implementation phases of the Adults, Health and Integration transformation programme.
- 1.3. This programme of work is expected to realise savings for the Council as set out in the report, as well as improving outcomes for a potential 4,000 Hackney residents.
- 1.4. The recommendations propose a different approach to contracting in that a risk and reward approach will be implemented, ensuring payments to the provider are released when KPIs are considered to be on track and can be clawed back if the savings proposals are not met.
- 1.5. The transformation programme aims to tackle head on the resourcing challenges that Adult Social Care faces and will be a vital piece of work as we approach a new CQC inspection regime, the implementation of Liberty Protection Safeguards and impending ASC charging reforms.

2. Group Director's Introduction

- 2.1. Demand for Adult Social Care services in Hackney is increasing at a time of reduced overall funding for local governments and additional financial pressures related to Covid-19 and the recovery from the cyber-attack.
- 2.2. In early 2022, the Council ran a competitive tender to appoint a strategic partner to support the diagnostic phase of an end-to-end transformation programme covering the assessment to identify opportunities, the detailed design and full implementation of those opportunities.
- 2.3. In Spring/Summer 2022, following the outcome of the tender process, the council appointed Newton Europe Limited to deliver a diagnostic assessment which identified opportunities to improve outcomes for residents through redesigning how care is delivered across the borough, helping people to stay independent, resilient and supported. These opportunities represent over £32m in benefit to the council over the next 5 – 6 years.
- 2.4. In April 2023 CPIC approved the recommendation to go out to tender for the next phases of the transformation project. Due process was followed and the recommended provider is **Provider A**.

- 2.5. The fee for the implementation work will be taken from efficiencies achieved and is based on a contingent fee model. 100% of the fee is at the provider's risk if the anticipated level of financial savings are not achieved. This includes changes to current practice to enable efficiencies, embedding this through different layers of staffing and an 18 month period of ongoing support following implementation of savings to ensure this is embedded into the Councils 'business as usual' practices. This work will also support in readiness for the reinstatement of CQC inspections of the Council's adult social care provision.
- 2.6. This report is seeking approval to award the contract and begin work on improving outcomes and efficiencies in adult social care.

3. **Recommendations**

- 3.1. **To award the contract for the delivery of the Adults Social Care Transformation Project to Provider A for a period of up to 3 years at a maximum cost of £4,982,000.**

4. **Related Decisions**

- 4.1. The Business Case for the Adult Social Care Transformation Project was taken to Hackney's Cabinet Procurement & Insourcing Committee in April 2023.

[CPIC Business Case Report - Adult Social Care Transformation](#)

5. **Reason(s) For Decision / Options Appraisal**

- 5.1. The diagnostic identified a number of areas that would benefit from a redesign of how care is delivered to residents, helping people to stay independent, resilient and supported across long term care, learning disabilities and commissioning.
- 5.2. The programme of work is expected to improve outcomes for a potential 4,000 Hackney residents. These opportunities represent an anticipated benefit to the council of up to £32m over the next 5 – 6 years.
- 5.3. This transformation programme is in the main about demand management and cost avoidance. There would not therefore be money to reinvest in public services but it will ensure more costs are avoided that would impact upon spend elsewhere in the council.
- 5.4. Bids were invited via the CCS Management Consultancy 3, Lot 3 framework. Evaluation was completed by a team of relevant officers who have recommended contract award to **Provider A**. The process was

compliant with the descriptors set out in the invitation to further competition documents.

5.5. The milestone objectives and payment schedules will be agreed with **Provider A** following contract award. This work will be overseen by a governance group whose membership will include senior officers from ASC transformation, operations, commissioning and finance and where required, legal. This group will also track progress of **Provider A** in achieving the outcomes sought.

5.6. **Alternative Options (Considered and Rejected)**

5.7. The following 3 options were appraised for the future of the provision in the borough:

- Insourcing
- Direct Award
- Do Nothing

5.8. Cabinet Procurement & Insourcing Committee approved the business case for the preferred procurement option in April 2023.

6. **Project Progress**

6.1 **Developments since the Business Case approval**

There have been no unforeseen changes or developments since the business case approval.

6.2 **Whole Life Costing/Budgets**

The work will be funded from earmarked workforce funds in the short term and funded thereafter through savings realised in the Adult Social Care budgets.

6.3 **Risk Assessment/Management**

Risk	Likelihood	Impact	Overall	Action to avoid/mitigate risk
Lead provider failure	Low ▾	Medium ▾	Medium ▾	Contingencies written into the contract. Quality assurance and compliance measures will be put in place to monitor the contract throughout its life.
Ineffective recording and tracking operational and financial metrics	Low ▾	High ▾	Low ▾	Using mosaic data to set baselines and working closely with finance colleagues to verify
Non engagement of ASC staff	Low ▾	High ▾	Low ▾	No reason to expect this as engagement at the diagnostic stage was strong. Continued comms around the work and intended outcomes

7. **Savings**

Provider A has forecast that the contract can be delivered as required as savings are achieved with fees contingent on outcomes achieved.

The diagnostic work identified opportunities worth £8.9m p.a. but depending on external factors, this could range between £7.6 – 11.6m p.a. The directorate may choose to put these savings towards meeting demand pressures, or reinvesting elsewhere in the service.

Efficiencies will be tracked and payment made to the provider on a risk / reward basis.

As well as efficiencies, the project is expected to improve outcomes for people accessing Adult Social Care in Hackney, improve current systems and processes and ways of working for staff across the Adults Health and Integration Directorate.

8. **Sustainability Issues and Opportunities, Social Value Benefits**

Bidders were asked as part of the Method Statement questions within the tender response, to demonstrate how they would meet the Council's Sustainable Procurement Strategy deliverables across the three key themes.

8.1. **Procuring Green**

In support of Hackney's commitment to achieve net zero by 2040, the successful bidder has committed to delivering this programme in line with environmental best practice, applying their ISO14001 standards by monitoring programme environmental impact, sharing best practice with Hackney, tracking environmental programme KPIs if appropriate, and reporting performance to their internal N-Vironment steering group. Examples of commitments included in the bid include

- Encourage and support staff to utilise low carbon options
- Encourage the team to use options that allows staff to calculate their personal carbon footprint
- Further possibilities were included on the bid that the bidder would be happy to explore with us.

8.2. **Procuring For A Better Society**

The central outcome of the joint transformation programme will be delivering a step change in the service quality, experience, and outcomes for the people of Hackney, whilst improving the working lives of our staff. This will result in fewer people living in residential care and more people living more independent lives in the community, thereby delivering significant social benefits to residents in Hackney, and promoting community integration.

Examples were provided where they have successfully delivered such improvements in over 40 other authorities.

8.3. **Procuring Fair Delivery**

The successful bidder stated that they share Hackney's commitment to fair and equitable working with all our suppliers, with particular consideration to treatment of SMEs.

Aligned to our own Sustainable Procurement Strategy, provider A adheres to the Prompt Payment Code administered by the Chartered Institute for Credit Management, committing them to fair, equitable, transparent standards in line with agreed terms. Provider A encourages good practice by requesting that lead suppliers encourage adoption of the code throughout their own supply chains. They pay all their staff above the Living Wage/London Living Wage, and have Robust Modern Slavery and Human Trafficking commitments and policies in place, which have been offered to be shared on request.

8.4 **Equality Impact Assessment and Equality Issues**

A full Equalities Impact Assessment was undertaken. No adverse effects on equalities were identified.

8.5 **Social Value Benefits**

Beyond the core scope of the programme, the provider has also committed to exploring other ways in which they can generate additional social benefits for Hackney. They propose to explore initiatives which support local employment and skills, particularly amongst young people, those from a disadvantaged background, and/or working age adults with disabilities.

Further initiatives might include:

- Collaborating with local organisations such as the Hackney Supported Employment Service to offer sessions such as careers talks, mock interviews and CV clinics.
- Encourage and enable applications from Hackney-based students to their Academy programme, during which participants spend time learning core skills from both consultants of Provider A and external trainers and are given the opportunity to apply learnings to a real consultancy project with one of their charity partners.
- Exploring opportunities to partner with charities to deliver additional value and support our communities.

9. **Tender Evaluation**

9.1. The procurement followed a mini-competition process, utilising the CCS Management Consultancy 3 Framework (Lot 3). This meant that bidders were invited to respond to an Expression of Interest (EOI) in order to receive the tender documentation required to complete a bid response for the mini competition.

A full specification was made available to bidders who expressed an interest, in line with the guidelines of the Framework.

There were 30 suppliers on the lot 3 and 7 expressions of interest (EOIs) were received, resulting in 1 submission. This complete list can be found in Exempt Appendix 1.

Each submission was assessed on technical capability and financial standing criteria. There were additional 6 project specific questions, which bidders responded around their experience, commercial approach, project delivery and continuous improvement.

Scoring:

There were 4 members of a core tender panel, with various areas of expertise, and oversight given from the Corporate Procurement Lead. Below is a list of panel members and their respective organisations:

Role	Organisation
Jenny Murphy, Assistant Director Strategic Commissioning Development	LB Hackney

Georgina Diba, Director Adult Social Care Operations	LB Hackney
Kat Buckley, Deputy Head of Transformation	LB Hackney
John Holden, Financial Advisor	LB Hackney

The tender was evaluated on the criteria in the table below. The requirements for scoring were clearly explained within the ITT document and written into the method statement document.

Scoring Criteria	Score
Quality	70%
Delivery Methodology	15%
Partnership Working Approach	15%
Project Delivery Team	10%
Approach to Continuous Improvement	10%
Proposed Commercial Approach	10%
Sustainability / Social Value	10%
Price	30%

9.2. The total percentage of the Quality aspect was marked out of 70% of the final score, with the pricing making up the additional 30%.

10. **Recommendation**

10.1. The tender panel recommends that **Provider A** is awarded the contract for the service. Provider A demonstrated that they could meet the full requirements of the specification,

They demonstrated a good knowledge of addressing inequalities in the borough and demonstrated experience of delivering strong measurable outcomes which they demonstrated how they would deliver in Hackney.

10.2. The final scores are outlined in the table below:

Tender Results			
	Quality	Price	Total Score
Provider A	53%	30%	83%

10.3. **Lots:**

This procurement was not split into lots as this is a standalone requirement.

- 10.4. **TUPE:**
TUPE is not eligible for this tendering process as the project is new.
- 10.5. **London Living Wage:**
London Living Wage is paid to all employees working specifically on the contract according to the RM6187 contract agreement from the Crown Commercial services framework.

11. **Contract Management Arrangements**

The contract will be managed by the Adults Social Care Transformation Board.

Implementation of the contract will be overseen by the Transformation Board, with regular meetings and communication with the successful provider.

Contract performance meetings will be held monthly within the first 3 months of the contract to ensure that mobilisation is successfully embedded.

11.1. **Key Performance Indicators**

The KPIs will be monitored quarterly, with these being submitted to the Council in line with the other contractual arrangements. This duty will remain with the provider and be assured by the Council, who will validate data.

The Adults Social Care Commissioning team will also request comprehensive data collection that illustrates the activity and outcomes across all areas of service provision.

Alongside the service outcomes and KPIs, we have utilised the Council's Sustainability and Social Value tracker which enables us to set targets around outcomes detailed in the successful providers bid response. These will be confirmed during the mobilisation stage of the process so that we can ensure that these are viable for the provider to deliver.

12. **Comments Of Group Director Of Finance And Corporate Resources**

12.1. The report seeks approval from the Cabinet Procurement and Insourcing Committee to award a contract for a delivery partner to support the design and implementation phases of a transformation programme within Adult Social Care over a period of three years.

12.2. The transformation programme aims to improve outcomes for residents and reduce the overall cost of care through transformed decision making and practice. The expected outcome of this process is that the care costs

of individual residents are lower under the transformed process than they would have been under existing processes. These outcomes will be tracked via a series of key performance indicators (KPIs) to be agreed with the successful partner.

- 12.3. The contract value ceiling is £4.982m in total with payments only due to be made following successful evidencing of these avoided care costs. The total of contract payments will not exceed this value but could be lower.
- 12.4. An initial period of planning may require cash flow to the provider for an agreed period with any balance paid also being placed at risk of successful achievement of targets.
- 12.5. The savings modelled within the diagnostic review associated with this programme are mainly related to cost avoidance - i.e. the prevention of something happening that would have cost more than the actual outcome (e.g. for new service users who may currently have been referred to residential settings, people are instead referred into Housing with Care or homecare with lower costs associated).
- 12.6. The costs are avoided as a result of different decisions being taken around the care to be provided for people compared with current decision making. This may rely upon a different approach to managing the risks associated with people being cared for in the community as opposed to being cared for within a residential setting. The success of the programme will depend upon the chosen provider's ability to work with the social care professionals involved in the decision making process to safely address the balance of risk. Informal discussion with other local authorities that have undertaken similar service transformations in adult social care have been completed to inform the Council's strategy in this approach. It is noted that any savings in this space have largely focused on cost avoidance and not in reductions to existing service cost pressures.
- 12.7. Payments are linked to the improvements demonstrated by the KPIs and funding is released when KPIs are achieved and evidenced. Payments will be capped by the ceiling fixed price submitted. In this way, the cost of the contract can never exceed the value of efficiencies delivered. If no evidenced efficiencies are delivered, then there is no subsequent cost to the council. Therefore, the risk sits with the successful provider.
- 12.8. The budget for this programme is contained within the Care Support Commissioning expenditure budgets in Adult Social Care. The diagnostic review of current care costs estimated efficiencies of between £7.6m and £11.6m could be realised per year. The argument is that without this programme, these costs would be incurred and be funded from the Care Support Commissioning budgets. Efficiencies achieved via the programme are shared proportionately between the council as cost avoidance and as payments to the partner.

- 12.9. There are two key financial risks within this proposal that will need to be managed carefully. The first is that of ensuring a causal link can be demonstrated between the improved/redesigned process and the decision making that resulted in the outcome being claimed. i.e. that the outcome was a result of work undertaken and not for other interventions.
- 12.10. The second is that the process to demonstrate and calculate the KPI is robust and transparent. The cyber attack on the council's IT systems has meant that historic data records of care costs are not as robust as they were prior to the attack. Claims for fees by the partner will rely on historic trends of care and care costs projected forward.
- 12.11. In addition to the governance around delivery of this programme, the Group Director (Finance & Corporate Resources) is reinforcing budget monitoring and tracking arrangements in Hackney to ensure plans are kept on track and for respective services to report on delivery of agreed savings and other cost reduction measures.
- 12.12. There are significant savings required in future years detailed within the medium term financial plan. (As at March 23 the mid-case estimate of the budget gap is £22.2m in 2024/25, £39.7m in 2025/26 and £57.6m in 2026/27). Savings achieved via this programme will be able to contribute towards closing these budget gaps. Adult Social Care is consuming a growing proportion of the council's budgets for growth on a relatively low base of people. So it is key that measures are taken to control and contain the demand pressures that result in increasing costs. Children's Social Care is facing similar pressures.

13. **VAT Implications On Land & Property Transactions**

- 13.1. Not applicable

14. **Comments Of The Director, Legal, Democratic & Electoral Services**

- 14.1. The services in this report were assessed as High Risk by the Council and on 17th April 2023 Cabinet Procurement and Insourcing Committee agreed a Business Case in respect of the procurement of consultancy services for the Adult Social Care Transformation project. Therefore in accordance with paragraph 2.7.10 of Contract Standing Orders this Contract Award Report is being presented to Cabinet Procurement and Insourcing Committee for approval.
- 14.2. Details of the procurement process undertaken by the Council using the CCS Crown Commercial Service (CCS) Management Consultancy Framework 3, Lot 3 (Complex and Transformation) are set out in this Report.

15. **Comments Of The Procurement Category Lead**

- 15.1. This report provides the Cabinet Procurement and Insourcing Committee with the outcome of the procurement exercise undertaken to secure a consultant for Adult social Care Transformation Implementation. Officers have deployed a selection approach which has ensured that the successful supplier will not only effectively deliver the core service, but will also work with the Council to deliver wider community benefits for the people of Hackney as per their Social Value commitments.

- 15.2. The Crown Commercial Services agreement RN6187 - Management Consultancy Framework Three (MCF3) expires on 23/08/2025 and contains 9 lots. We ran a further competition from LOT 3 Complex & Transformation and 7 suppliers expressed interest but only 1 placed a bid.

- 15.3. The proposed award is supported on the basis that the recommended Bidder has provided a response that demonstrates a clear understanding of the proposed delivery outcomes and proven experience in delivering savings for other local authorities.

Appendices

Appendix 1- Expression of Interest List, scoring criteria and price (**Exempt**)

Exempt

By Virtue of Paragraph 3, Part 1 of schedule 12A of the Local Government Act 1972 this report and/or appendix is exempt because it contains information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Background Documents

None.

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