



CABINET PROCUREMENT COMMITTEE

Monday, 2nd December, 2019

at 6.00 pm

Council Chamber, Hackney Town Hall, Mare Street, London E8 1EA

Members: Councillor Rebecca Rennison - Chair Cabinet Member for Finance and Housing Needs
Deputy Mayor Anntoinette Bramble Deputy Mayor and Cabinet Member for Education, Young People and Children's Social Care
Cllr Jon Burke Cabinet Member for Energy, Waste, Transport and Public Realm
Cllr Caroline Selman Cabinet Member for Community Safety, Policy and the Voluntary Sector

Substitute Member Mayor Philip Glanville

TIM SHIELDS
Chief Executive

Contact: Clifford Hart
Governance Services Officer
Tel: 020 8356 3597
clifford.hart@hackney.gov.uk

22 November 2019

The press and public are welcome to attend this meeting

AGENDA

Monday, 2nd December, 2019

ORDER OF BUSINESS

1	APOLOGIES FOR ABSENCE	
	Urgent Business	
2	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 9 below. New items of exempt urgent business will be dealt with at Item 15 below.	
	DECLARATIONS OF INTEREST - Members to declare as appropriate	

<p>3</p>	<p>A Member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:</p> <p>(i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.</p> <p>A Member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.</p> <p>Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 8.1-15.2 of Section Two of Part 5 of the Constitution and Appendix A of the Members' Code of Conduct.</p> <p>A Member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:</p> <p>(i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.</p> <p>A Member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.</p> <p>Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 8.1-15.2 of Section Two of Part 5 of the Constitution and Appendix A of the Members' Code of Conduct.</p>	
	<p>NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE, ANY REPRESENTATION RECEIVED AND THE RESPONSE TO ANY SUCH REPRESENTATIONS</p>	

4	<p>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.</p> <p>This agenda contains exempt items as set out at Item 12, 13, and 14 :</p> <p>No representations with regard to these have been received.</p>	
5	DEPUTATIONS/PETITIONS/QUESTIONS	
	UNRESTRICTED MINUTES OF THE PREVIOUS MEETING OF CABINET PROCUREMENT COMMITTEE HELD ON 7 OCTOBER 2019	
6	To confirm the unrestricted minutes of the meeting of Cabinet Procurement Committee held on 7 October 2019.	(Pages 1 - 12)
	CHRISTOPHER ADDISON HOUSE - CORPORATE ESTATE RATIONALISATION (CER) – REFURBISHMENT WORKS - KEY DECISION NO. FCR Q23	
7	This report seeks the Cabinet Procurement Committee's approval for the award of a contract for the development (refurbishment, improvements and adaptations) of the Ground, First, Second & Third floors at Christopher Addison House – 72 Wilton Way, Hackney E8 1BJ.	(Pages 13 - 36)
	Mental Health - Accommodation Based Housing Related Support - KEY DECISION NO. CACH Q29	
8	This report seeks approval of Cabinet Procurement Committee to the awarding of contracts for a Mental Health Accommodation Based Support service in the London Borough of Hackney.	(Pages 37 - 52)
9	ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT	
	DATE OF FUTURE MEETINGS	

10	<p>Meetings will be held at 6.00pm on:</p> <p>13 January 2020 10 February 2020 11 March 2020 6 April 2020 11 May 2020 – new meeting</p>	
EXCLUSION OF THE PUBLIC AND PRESS		
11	<p>Note from the Governance Services Manager</p> <p>Items 12, 13 & 14 allows for the consideration of exempt information in relation to items 6, 7 & 8 respectively.</p> <p>Proposed resolution:</p> <p>THAT the press and public be excluded from the proceedings of the Cabinet Procurement Committee during consideration of Exempt items 12-14 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.</p>	
EXEMPT MINUTES OF THE PREVIOUS MEETING OF CABINET PROCUREMENT COMMITTEE HELD ON 7 OCTOBER 2019		
12	<p>To confirm the exempt minutes of the meeting of Cabinet Procurement Committee held on 7 October 2019.</p>	(Pages 53 - 58)
CHRISTOPHER ADDISON HOUSE - CORPORATE ESTATE RATIONALISATION (CER) – REFURBISHMENT WORKS - KEY DECISION NO. FCR Q23		
13	<p>Item 7 refers</p> <p>Appendices A-D are exempt from publication under para 3, Part 1, Schedule 12a of the Local Government Act 1972 (as amended).</p>	(Pages 59 - 172)
Mental Health - Accommodation Based Housing Related Support - KEY DECISION NO. CACH Q29		
14	<p>Item 8 refers</p> <p>Appendix A is exempt from publication under para 3, Part 1, Schedule 12a of the Local Government Act 1972 (as amended).</p>	(Pages 173 - 186)
15	ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT	

Access and Information

Location

Hackney Town Hall is on Mare Street, bordered by Wilton Way and Reading Lane.

Trains – Hackney Central Station (London Overground) – Turn right on leaving the station, turn right again at the traffic lights into Mare Street, walk 200 metres and look for the Hackney Town Hall, almost next to The Empire immediately after Wilton Way.

Buses 30, 48, 55, 106, 236, 254, 277, 394, D6 and W15.

Facilities

There are public toilets available, with wheelchair access, on the ground floor of the Town Hall.

Induction loop facilities are available in the Assembly Halls, rooms 101, 102 & 103 and the Council Chamber.

Access for people with mobility difficulties can be obtained through the ramp on the side to the main Town Hall entrance.

Copies of the Agenda

The Hackney website contains a full database of meeting agendas, reports and minutes. Log on at: www.hackney.gov.uk

Paper copies are also available from Governance Services whose contact details are shown on the front of the agenda.

Council & Democracy- www.hackney.gov.uk

The Council & Democracy section of the Hackney Council website contains details about the democratic process at Hackney, including:

- Mayor of Hackney
- Your Councillors
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- Speaker
- MPs, MEPs and GLA
- Committee Reports
- Council Meetings
- Executive Meetings & Key Decisions Notice
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DEMOCRATIC PROCESS

Rights of Press and Public to Report on Meetings

Where a meeting of the Council and its committees are open to the public, the press and public are welcome to report on meetings of the Council and its committees, through any audio, visual or written methods and may use digital and social media providing they do not disturb the conduct of the meeting and providing that the person reporting or providing the commentary is present at the meeting.

Those wishing to film, photograph or audio record a meeting are asked to notify the Council's Monitoring Officer by noon on the day of the meeting, if possible, or any time prior to the start of the meeting or notify the Chair at the start of the meeting.

The Monitoring Officer, or the Chair of the meeting, may designate a set area from which all recording must take place at a meeting.

The Council will endeavour to provide reasonable space and seating to view, hear and record the meeting. If those intending to record a meeting require any other reasonable facilities, notice should be given to the Monitoring Officer in advance of the meeting and will only be provided if practicable to do so.

The Chair shall have discretion to regulate the behaviour of all those present recording a meeting in the interests of the efficient conduct of the meeting. Anyone acting in a disruptive manner may be required by the Chair to cease recording or may be excluded from the meeting. Disruptive behaviour may include: moving from any designated recording area; causing excessive noise; intrusive lighting; interrupting the meeting; or filming members of the public who have asked not to be filmed.

All those visually recording a meeting are requested to only focus on recording 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 by someone recording a meeting to respect the wishes of those who do not wish to be filmed and photographed may result in the Chair instructing them to cease recording or in their exclusion from the meeting.

If a meeting passes a motion to exclude the press and public then in order to consider confidential or exempt information, all recording must cease and all recording equipment must be removed from the meeting room. The press and public are not permitted to use any means which might enable them to see or hear the proceedings whilst they are excluded from a meeting and confidential or exempt information is under consideration.

Providing oral commentary during a meeting is not permitted.

Representation

Contact details for all Councillors are available on the website or by calling 020 8356 3207.

Ward Councillors may be contacted at their surgeries or at the Town Hall (020 8356 3207).

You may also write to any Councillor or a member of the Cabinet c/o Hackney Town Hall, Mare Street, London E8 1EA.

Scrutiny Procedures

Details are listed in Part 4 of the Council's constitution, see the website for more details or contact Overview and Scrutiny on 020 8356 3029

Executive Meetings and Key Decisions Notice

The procedure for taking Key Decisions is listed in Part 4 of the Council's Constitution, available on the website (www.hackney.gov.uk).

The Executive Meetings and Key Decisions Notice showing Key Decisions to be taken is available on the Council's website. If you would like to receive a paper copy please contact Governance Services (Tel: 020 8356 3597). Or email: governance@hackney.gov.uk

Emergency Procedures

In case of fire or any other emergency the Head of Governance Services or his/her nominated officer will ensure orderly evacuation of all those present in the meeting room. All Members Officers and members of the public should proceed without delay to the assembly meeting point near the car park at the back of the Town Hall where the nominated officer will conduct a count of all who have been evacuated to ensure that all are safe.

Advice To Members And Officers On Handling Exempt Papers

- Do not photocopy
- Store securely for as long as you hold it
- All papers can be given to Governance Services Officers who will dispose of them appropriately and arrange for them to be recycled
- Note that copies of all exempt papers are held by Governance Services staff.

Public Involvement

The public have the right to ask questions or submit petitions or deputations to Cabinet Procurement Committee meetings.

Contact Clifford Hart Governance Services (Tel: 020 8356 3597) for further information on how this can be arranged. Or email: governance@hackney.gov.uk

Further information can also be found within Part 4 of the Council's Constitution (which can be seen on the website www.hackney.gov.uk at this link) –

<http://mginternet.hackney.gov.uk/documents/s36746/4.4%20->

ADVICE TO MEMBERS ON DECLARING INTERESTS

Hackney Council's Code of Conduct applies to **all** Members of the Council, the Mayor and co-opted Members.

This note is intended to provide general guidance for Members on declaring interests. However, you may need to obtain specific advice on whether you have an interest in a particular matter. If you need advice, you can contact:

- The Interim Director of Legal;
- The Legal Adviser to the committee; or
- Governance Services.

If at all possible, you should try to identify any potential interest you may have before the meeting so that you and the person you ask for advice can fully consider all the circumstances before reaching a conclusion on what action you should take.

1. Do you have a disclosable pecuniary interest in any matter on the agenda or which is being considered at the meeting?

You will have a disclosable pecuniary interest in a matter if it:

- relates to an interest that you have already registered in Parts A and C of the Register of Pecuniary Interests of you or your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner;
- relates to an interest that should be registered in Parts A and C of the Register of Pecuniary Interests of your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner, but you have not yet done so; or
- affects your well-being or financial position or that of your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner.

2. If you have a disclosable pecuniary interest in an item on the agenda you must:

- Declare the existence and nature of the interest (in relation to the relevant agenda item) as soon as it becomes apparent to you (subject to the rules regarding sensitive interests).
- You must leave the room when the item in which you have an interest is being discussed. You cannot stay in the meeting room or public gallery whilst discussion of the item takes place and you cannot vote on the matter. In addition, you must not seek to improperly influence the decision.
- If you have, however, obtained dispensation from the Monitoring Officer or Standards Committee you may remain in the room and participate in the meeting. If dispensation has been granted it will stipulate the extent of your involvement, such as whether you can only be present to make representations, provide evidence or whether you are able to fully participate and vote on the matter in which you have a pecuniary interest.

3. Do you have any other non-pecuniary interest on any matter on the agenda which is being considered at the meeting?

You will have 'other non-pecuniary interest' in a matter if:

- i. It relates to an external body that you have been appointed to as a Member or in another capacity; or
- ii. It relates to an organisation or individual which you have actively engaged in supporting.

4. If you have other non-pecuniary interest in an item on the agenda you must:

- i. Declare the existence and nature of the interest (in relation to the relevant agenda item) as soon as it becomes apparent to you.
- ii. You may remain in the room, participate in any discussion or vote provided that contractual, financial, consent, permission or licence matters are not under consideration relating to the item in which you have an interest.
- iii. If you have an interest in a contractual, financial, consent, permission or licence matter under consideration, you must leave the room unless you have obtained a dispensation from the Monitoring Officer or Standards Committee. You cannot stay in the room or public gallery whilst discussion of the item takes place and you cannot vote on the matter. In addition, you must not seek to improperly influence the decision. Where members of the public are allowed to make representations, or to give evidence or answer questions about the matter you may, with the permission of the meeting, speak on a matter then leave the room. Once you have finished making your representation, you must leave the room whilst the matter is being discussed.
- iv. If you have been granted dispensation, in accordance with the Council's dispensation procedure you may remain in the room. If dispensation has been granted it will stipulate the extent of your involvement, such as whether you can only be present to make representations, provide evidence or whether you are able to fully participate and vote on the matter in which you have a non pecuniary interest.

Further Information

Advice can be obtained from Suki Binjal, Director of Legal & Governance on 020 8356 6234 or email: suki.binjal@hackney.gov.uk



FS 566728

Cabinet Procurement Committee

2 DECEMBER 2019

**UNRESTRICTED MINUTES
OF THE
CABINET PROCUREMENT
COMMITTEE**

HELD ON 7 OCTOBER 2019

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**UNRESTRICTED MINUTES OF A MEETING OF THE
CABINET PROCUREMENT COMMITTEE**

MONDAY, 7TH OCTOBER, 2019

Chair	Councillor Rebecca Rennison in the Chair
Councillors Present:	Councillors Deputy Mayor Anntoinette Bramble, Cllr Jon Burke and Cllr Caroline Selman
Apologies:	Nil
Officers in Attendance	Mr Rotimi Ajilore – Head of Procurement Ms Zainab Jalal – Category Lead Social Care Ms Susan Carran - Category Lead (Corporate Services), Finance & Corporate Resources Ms Karen Tait-Lane - Category Lead (Construction & Environment) Mr Sean Eratt – Senior Lawyer – Procurement Mr Gareth Wall – Head of Commissioning – Children, Adults & Community Health (CA&CH) Ms Beverley Gachette - Senior Commissioner – (CA&CH) Mr Ross Tuckley – Business Development and Support Manager (CA&CH) Ms Abisola Ifasawo – Business Manager (CA&CH) Ms Maria Zazovskaya - Resource Manager Children and Families Placement Management Unit (CA&CH) Mr Robert Koglek - Interim Head of Service, Children, Adults and Community Health Ms Pauline Adams - Principal Head of Early Help & Prevention (CA&CH) Ms Dawn Cafferty - Strategic Procurement Manager, Finance & Corporate Resources Mr Clifford Hart – Governance Services Officer

1 Apologies for absence

At 19.00hrs, in the absence of the Chair (Councillor Rennison) the Clerk to the proceedings sought a nomination for the Chair of the meeting for either the duration of the proceedings or until the Chair arrived.

Councillor Burke nominated Councillor Bramble .

There being no other nominations Councillor Bramble took the Chair nemine contradicente.

NOTED

COUNCILLOR BRAMBLE IN THE CHAIR

There were apologies for lateness from Councillor Rennison and Selman.

NOTED

2 Urgent Business

There were no items of urgent business.

NOTED

3 Declarations of Interest - Members to declare as appropriate

There were no declarations of interests at the commencement of the meeting.

Clerk's note

Upon arrival and during consideration of Item 7 the Chair (Cllr Rennison) declared a non prejudicial interest.

NOTED

4 Notice of intention to conduct business in private, any representation received and the response to any such representations

There were no representations received.

NOTED

5 Deputations/Petitions/Questions

There were no Deputations/Petitions/Questions.

NOTED

6 Unrestricted minutes of the previous meeting of Cabinet Procurement Committee held on 9 September 2019

RESOLVED

That the unrestricted minutes of the Cabinet Procurement Committee held on 9 September 2019 be confirmed as an accurate record of the proceedings.

At this point in the proceedings (6.07pm) the Chair MOVED an adjournment of the meeting for a period of ten minutes or until the arrival of the sitting Chair – Councillor Rennison – whichever was the earlier.

The MOTION was carried nemine contradicente.

The Committee adjourned at 6.08pm.

Councillors Rennison and Selman arrived at 6.10pm, and the Committee reconvened.

7 Housing First Contract Award Report - Key Decision No. CACH Q11

The Chair asked for a brief introduction of the report.

The Head of Commissioning for Adult Services – Mr Wall advised the Committee that the report before it sought approval to award a contract for an integrated housing-related support service in the London Borough of Hackney and City of London. The service delivered support to people with multiple and complex needs associated with entrenched street homelessness (rough sleeping), including mental ill health, offending behaviour, substance misuse and personality disorders. The procurement process had ensured that the service would be innovative, efficient and fit for the future, promoting independence, increasing quality of life and helping people re-engage in their local communities.

Mr Wall commented that the contract was due to commence in January 2020 and would be delivered for one year with the option to extend for one plus one years.

Following the introduction of the report Councillor Bramble relinquished and Councillor Rennison took the Chair.

COUNCILLOR RENNISON IN THE CHAIR

The Chair asked if there were any points of clarification from members.

In response to questions from Members, Ms Gachette - Senior Commissioner – Adult Services advised that tender selection process had involved a six core members panel who had evaluated all of the questions (excluding the financial scoring) from City & Hackney CCG, LBH commissioning, LBH adult services and City of London commissioning. Following assessment/evaluation the tender panel recommended that Provider A be awarded the contract for Housing First. It was the case that Provider A demonstrated that they would be able to meet the full requirements of the specification and that they understood the model.

In response to further points of clarification Ms Gachette further advised that whilst there had only been one bidder, the panel scored the quality bid and the panel acknowledged that this was a reflection of the challenges in procuring suitable accommodation. It was a fact that the bidder demonstrated high levels of awareness of the needs of a Housing First client, highlighting their experience of delivering the model in other London boroughs, and showcasing the success they had achieved in supporting clients to obtain positive outcomes and sustain tenancies.

Ms Gachette also commented that the preferred provider submitted a bid that included suitable independent accommodation which was crucial to successful delivery of the model, but also a challenge in London where there was a current severe housing shortage. The bidder had also presented a detailed and relevant mobilisation plan alongside a realistic risk assessment with moderations, giving the commissioners reassurance that this provider would be able to manage the significant service model and their obligations to the proposed contract.

In respect of local employment opportunities Ms Gachette advised that the provider was committed to provide opportunities in the area, and in line with the London living wage.

With regard to future funding Ms Gachette commented that in terms of identifying sources it was the case that the Government had signalled the need to tackle and address the issue of homelessness and officers were therefore confident that further funding sources would be identified.

There being no further questions, on a **MOTION** by the Chair it was:

RESOLVED

That approval be given to the awarding the contract for the City & Hackney Housing First Service to Provider A, as detailed in the exempt appendix to the report, and that the total cost of the provision to be £214,338 for a period of one (1) year with an option to extend for a further two (2) years (1 + 1 + 1 years), representing a whole contract value of £656,544.

RELATED DECISIONS

Cabinet Procurement Committee agreed to the procurement of this service on 12th September 2018. A reference to the Business Case can be found at the link:

Re-tendering of Housing Related Support Contracts - Key Decision No. CACH P9
<http://mginternet.hackney.gov.uk/mgAi.aspx?ID=32105>

REASONS FOR DECISION/OPTIONS APPRAISAL

The purpose of the service described in this report is to deliver intensive, wraparound, person-centred, housing-related support to 20 entrenched rough sleepers enabling them to move away from marginalised and chaotic lifestyles. By providing access to stable, independent housing to a cohort traditionally excluded from this type of accommodation, service users will have the opportunity to address their support needs, thus reducing pressure on the Council's homeless services.

Traditional homeless hostels deliver support that is transactional; using a support plan that is jointly agreed with their support worker, service users move towards stability and independence by engaging with interventions that help them achieve their personal goals. This model delivers successful outcomes for the majority of service users, who eventually move into their own home after completing their support journey. There is, however, a cohort for whom this approach is unsuccessful. Housing First inverts the journey from street homeless to stably housed by delivering accommodation before support needs have been addressed.

Housing First provides self-contained, independent housing with access to high levels of person-centred housing related support as required. Placing an emphasis on tenancy sustainment, service users will experience a support journey that is self-directed, enabling them to address their support issues at their own pace, without fear of being penalised for not following a prescribed support journey.

A relatively new model, this service is an alternative for those with a history of entrenched rough sleeping/homelessness and complex needs, those who typically 'revolve' through services without achieving positive outcomes.

City & Hackney Housing First also represents real collaboration between City & Hackney CCG, London Borough of Hackney and the City of London, demonstrating the partner's commitment to integrating Health and Local Authority services.

An evaluation of existing Housing First services in the UK has found that they deliver better outcomes than other support options and are more cost effective than special hostels or general needs shared accommodation¹. The model also has the potential to deliver significant savings to health and other public services.

1

https://hfe.homeless.org.uk/sites/default/files/attachments/Evaluation%20of%20nine%20services%20in%20England_0.pdf

8 Re-Tender of Adults Learning Disabilities Supported Living Scheme at Homer And Wick Roads - Key Decision NO. CACH Q21

The Chair asked for an introduction of the report.

The Head of Commissioning for Adult Services – Mr Wall advised the Committee that the report before it proposed the award of contract to a single organisation for the continued provision of Adults Learning Disabilities Supported Living Schemes at Homer and Wick Roads. As the Committee may recall the report was brought back to Cabinet Procurement Committee in December 2018 following further consideration and comment in relation to bringing the contract back ‘in house’.

Mr Wall highlighted that the proposal would provide services for a group of vulnerable residents with complex needs in the London Borough of Hackney, helping them to maintain independent living arrangements, and avoiding the use of residential placements outside of the borough. It would also provide the appropriate level of social support and care to improve the quality of life for residents and assist them to maintain their own tenancies as part of the scheme, and furthermore people would also be able to develop their independent living skills; work towards fulfilling personal goals; and make connections within their communities, preventing isolation and social exclusion.

With regard to the length of the contract Mr Wall advised that it was the intention for the new contract to commence in January 2020, and that it was anticipated that a three month mobilisation period would be required. The contract length was for five years with the option to extend for a further two years. The new total contract value would be £7.63m, with an annual contract value of £1.09m.

Concerning the tender submission and evaluation Mr Wall informed the meeting that twelve submissions were received in total and following a full assessment of the SQ, six had passed all of the related questions, including an experience-based question relating to the delivery of a supported living scheme to adults with profound and multiple learning disabilities (PMLD). Mr Wall advised that that the tender assessment process consisted a tender panel evaluation comprising core members from the Adults Commissioning team, plus an expert by experience, a finance panel for scoring the pricing element, and an additional panel that scored a 15 minute presentation made by each bidder.

Mr Wall reported that during the clarification period set aside for questions, a large number of enquiries were received regarding TUPE. Due to the number of TUPE clarification questions and the delayed response that resulted from requests to the existing provider, made by organisations wishing to tender, it there had been an extension to the closing date from 4 June to 17 June 2018 (an extension of 9 working days).

In conclusion Mr Wall advised that it was recommended that Provider D as detailed in the exempt appendix be awarded the contract for the Supported Living Services at Homer and Wick Roads. Provider D had demonstrated that it would be able to meet the full requirements of the specification and understood the needs of this service as evidenced through experience in delivering similar contracts elsewhere in London.

The Chair, in welcoming the report, and in asking if there were any questions from members, sought clarification as regards local employment opportunities.

In response Mr Wall advised that as detailed in the report some of the commitments made by the successful bidder included advertising locally to generate sustainable employment opportunities (paying LLW at minimum) for Hackney Residents, together with supporting local community through purchasing goods and services from local suppliers, promoting work experience opportunities with schools, colleges and initiatives i.e ‘Hackney 100, and providing Health and Social Care apprenticeships for local people.

There being no further questions from the Committee, on a **MOTION** by the Chair it was:

RESOLVED

That approval be given to the awarding of a contract for the Adults Learning Disabilities Supported Living Service at Homer and Wick Roads to Provider D as detailed in the exempt appendix to the report, and that the total cost of the provision will be £5.45m for a period of five (5) years with an option to extend for a further 2 years at a total cost of £7.63m (5 + 1 + 1 years).

RELATED DECISIONS

Cabinet Procurement Committee agreed to the procurement of this service at its meeting on 10 December 2018. A reference to the business case and the minutes of that meeting can be found at the link below:

- Business Case: Adults Learning Disabilities Supported Living Scheme at Homer and Wick Roads (Key Decision No CACH P46):
<http://lbhmgovapp01/documents/s63242/101218%20CPC%20FINALHomerWick.pdf>

REASONS FOR DECISION

This report proposes that the Adults Learning Disabilities (LD) Supported Living Services for Homer and Wick Roads will deliver the following key benefits to the Council:

- Supporting service users to access community services and become engaged citizens of the local community (Bridging the gap).
- Working with Hackney People First to support individuals to develop self-advocacy skills.

The current contract for provision of care and support at these schemes was due to end on 31 December 2018, however there was a six month option to extend until 30 June 2019, which has been invoked along with an additional extension to 31 December 2019. Therefore a new contract for care and support needs to be tendered.

Homer Road and Wick Road are two supported living properties for potentially 18 tenants with learning disabilities. Currently there are 17 tenants (one who is placed from out-of-borough), plus one void. The landlord for these properties is Peabody Housing.

The tenants in both of these schemes are primarily those with profound and multiple learning disabilities. They have long term high needs and significant communication difficulties. Some have significant health needs and challenging behaviour; some come under Continuing Health Care provision, which is funded by the NHS.

The service users at this scheme require long-term and often specialist support. Many are unable to communicate their needs, and have reduced mental capacity to make decisions around their care and support. Advocacy has been provided to ensure users are actively engaged in shaping the support service they need. Also, several of the service users are becoming older people and as such the needs of this user group are likely to increase.

9 Delegated Authority report Information Item residential contract award

The Chair advised the Committee that the item was for information as the delegated authority had been taken, and the purpose of the report was to advise the Committee of this action. The Chair asked for an introduction of the report.

Monday, 7th October, 2019

The Resource Manager for Children & Families Placement Management Unit – Ms Zazovskaya advised the Committee that the overall proposal as set out in the report detailed an exciting opportunity to join with seven London Boroughs to jointly commission local residential provision for Looked after Children. This initiative would make a significant difference in the way that children and young people experienced residential care. Currently most children who, because of their needs, required a placement within a specialist provision such as a residential children's home, were placed at a considerable distance from home.

Ms Zazovskaya commented that Children's homes were able to provide support and care for some of Hackney's most vulnerable children and young people. The Council wanted each child in its care to be provided with the right placement at the right time, and for residential care to be a positive and beneficial choice for children and young people. By working together with other Local Authorities there was an opportunity to deliver significant improvements to the outcomes for children in residential care. By improving availability in the North East London footprint, it would ensure that children were kept closer to home and their communities, and were supported by highly skilled staff and experience culturally appropriate placements.

Ms Zazovskaya advised that Hackney would work closely with partner Local Authorities and providers to focus on valuing Hackney's young people's heritage, promoting family and sibling contact and community ties and therefore making the transition back home, or supporting young people onto independence in the local community, easier. There was a legal obligation under the Children Act 1989 to provide suitable accommodation for Looked after Children and fulfil the corporate parenting duty. It was the collective responsibility of the Council, elected members, employees and partner agencies to provide the best possible care and safeguarding for the children who are looked after by London Borough of Hackney.

Ms Zazovskaya further commented that the contract recommended would deliver 35 residential children home placements in the North East London footprint that would offer better outcomes for children and young people and best value for Local Authorities through achieving economies of scale through a block contract. As well as strong contract management arrangements there would be a strong process in place to avoid or minimise voids. 5 of these places were for Hackney.

Ms Zazovskaya went to state that the proposed long term outcomes of the project included increasing the sufficiency of suitable placements, piloting sub regional commissioning arrangements with the view of expanding this to other Local Authorities in the future and, increasing value for money for Local Authorities. This would ultimately, partly address some of the cost pressure on the service. The service would also support young people's rehabilitation back to a family environment if appropriate, support young people to develop independent living skills, meet demand for emergency placements, ensure placements are more stable and deliver better outcomes for children and young people. The proposed scheme would in part address the lack of suitable provision in North East London, and address the commissioning difficulties all the partner Local Authorities had faced when sourcing residential children's homes. Hackney would ensure the focus remained on education by supporting children and young people to maintain their school places and peer networks.

Ms Zazovskaya concluded that the Contextual Safeguarding Team based in Hackney continued to be a valuable resource by supporting to keep children safe in their communities.

Monday, 7th October, 2019

By keeping children and young people closer to Hackney it would ensure that there was continuity in the services offered to young people such as clinical services, ensuring that young people struggling with their mental health get the support that they would need. By creating more service provision in East London there would also be the creation of job opportunities for local people.

The Chair thanked Ms Zazovskaya for her detailed and informative introduction, and asked if there were any specific points from members.

Councillor Bramble placed on record her thanks to officers and their efforts in becoming part of the partnership and the very detailed and considerable work that had been embarked upon to achieve the aims of the project.

In response to clarifications from Councillor Burke Ms Zazovskaya responded that in terms of ensuring health and wellbeing, and full access to the school environs, and accessing of benefits, as this was a new project all aspects of had been looked into. The project was being managed by an expert provider in the field – Woodford Homes, in Redbridge, every aspect of the proposed offer had been evaluated and tested and assessed. The process had included focus groups with service users where their views and concerns had been noted, and discussed.

There being no further questions the Chair asked that the report be noted.

RESOLVED

That the delegated authority in respect of the residential contract award for the joint commissioning of residential children's homes for looked after children across north east London be noted.

- 10 Any other Unrestricted Business the Chair considers to be urgent

There were no items of unrestricted urgent business.

NOTED

- 11 Date of future meetings

NOTED

The remaining meetings of the Cabinet Procurement Committee for the Municipal Year 2019/20 will be held at 5.00pm on:

4 November 2019
2 December 2019
13 January 2020
10 February 2020
11 March 2020
6 April 2020
11 May 2020 – new meeting

- 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 items 13-17 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.

SUMMARY OF EXEMPT/CONFIDENTIAL PROCEEDINGS

- 13 Exempt Minutes of the previous meeting of Cabinet Procurement Committee held on 9 September 2019

AGREED – the EXEMPT minutes of the Cabinet Procurement Committee held on 9 September 2019.

- 14 Housing First Contract Award Report - key Decision No. CACH Q11

AGREED – the exempt Appendix A in relation to agenda item 7 in the unrestricted part of the agenda.

- 15 Re-Tender of Adults Learning Disabilities Supported Living Scheme at Homer And Wick Roads - Key Decision NO. CACH Q21

AGREED – the exempt Appendix 2 in relation to agenda item 8 in the unrestricted part of the agenda.

- 16 Delegated Authority report Information Item residential contract award

AGREED – to note the exempt Appendix 1A in relation to agenda item 9 in the unrestricted part of the agenda.

- 17 Information Item - briefing on Hackney Young Carers Project (HYCP)

AGREED – to note the briefing.

- 18 Any other Exempt Business the Chair considers to be urgent

Nil

Duration of the meeting: 18:00HRS – 18.32HRS

Contact:
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<p>CHRISTOPHER ADDISON HOUSE – 72 Wilton Way, London E8 1BJ CORPORATE ESTATE RATIONALISATION (CER) – CAPACITY & UTILISATION</p> <p>CONTRACT APPROVAL</p> <p>Key Decision No. FCR Q23</p>	
<p>CPC MEETING DATE (2019)</p> <p>2 December 2019</p>	<p>CLASSIFICATION:</p> <p>OPEN with EXEMPT APENDICES A-D</p> <p>By Virtue of Paragraph(s) 3, Part 1 of schedule 12A of the Local Government Act 1972 appendices A – D are exempt because they contain 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.</p>
<p>WARD(S) AFFECTED</p> <p>Hackney Central</p>	
<p>CABINET MEMBER</p> <p>Mayor Glanville</p>	
<p>KEY DECISION</p> <p>Yes</p> <p>REASON</p> <p>Spending or Savings</p>	

GROUP DIRECTOR

Ian Williams - Group Director of Finance and Corporate Resources

1. CABINET MEMBER'S INTRODUCTION

- 1.1 The Council's estate represents a significant and important asset. As well as providing for our current accommodation needs, the management of the estate must take place within the context of a long-term plan which takes account not only of changing accommodation needs but also of the need for the Council to use the estate as an asset. This is especially important when externally provided resources for local government are being progressively reduced.
- 1.2 This report outlines the objectives and principles behind refurbishing Christopher Addison House (CAH) as well as how the tendering process meets our priorities in other areas – providing employment and training opportunities for local residents, and tackle the climate emergency which we declared in June 2019.
- 1.3 The current CAH building has not seen significant refurbishment or infrastructure investment since it was first built in 1993. The current layout, mechanical and electrical services, as well as fabric, have out-seen their useful working life and are in a state of disrepair, and staff based in the building were decanted. Refurbishing and re-organising CAH, while also fitting it with mechanical and electrical facilities fit for the modern working environment, would create space for circa 420 council staff. Many of these staff members are currently situated in the Annexe building, meaning this building would be freed to generate revenue for the Council of £650K – £700K. This helps meet our savings target while also contributing to our Inclusive Economy Strategy – to think about how we can use our assets to provide local, inclusive economic benefits.
- 1.4 At the same time, this report makes clear how the Tenderer will meet our ambitious opportunities programmes, working with the Council's Employment & Skills teams through Hackney Works, providing apprenticeship programmes and work experience, while also meeting our London Living Wage commitments. The procurement process also makes clear the need to prefer local subcontractors if required to meet our Sustainable Procurement Strategy.
- 1.5 The refurbishment also gives us a chance to bring CAH up to modern standards of environmental efficiency. In June this year we declared a climate emergency in Hackney, promising to tell the truth about the climate crisis and do everything in our power to decarbonise our services. We have an ambitious target to ensure no Council property is below an EPC rating of C by 2030, and this refurbishment will see CAH jump from a band D to band B. We will also look to reduce the carbon footprint of the building as well as build its resilience to global warming

by installing environmentally friendly LED lights, water efficient toilets and showers, contemporary ventilation and cooling systems, and installing new lockers to encourage staff to cycle or take other modes of sustainable transport to work.

1.6 I commend this report to Cabinet Procurement Committee.

2. GROUP DIRECTOR'S INTRODUCTION

2.1 Hackney Council continues to adapt under a sustained period of significant and evolving changes, with the Corporate Estate being rationalised to deliver more effective, efficient working environments for its staff under the LBH Corporate Estate Rationalisation (CER) programme. The programme consists of the need to consolidate the Council's buildings to make better use of the space we have particularly when externally provided resources for local government are being progressively reduced at increasing pace, the CER programme has proven to offer a sustainable opportunity to generate commercial income, develop and regenerate Hackney Central and move towards the savings we must achieve.

2.2 This key directive of the Corporate Estate Rationalisation (CER) Programme consists of the need to consolidate the Council's buildings to make better use of the space we have, which means office moves and new ways of working, such as hot-desking, agile working and remote working which is already adopted by many organisations and local authorities.

2.3 This report recommends proposals for Christopher Addison House including costs and timescale potentials for increasing working space utilisation & optimizing operational/functional efficiency; incorporating the Council's New Ways of Working directive.

2.4 This report seeks approval for the Award of Contract to Principal Contractor for the development of the Christopher Addison House scheme as carefully planned & formulated project within the original CER Project Feasibility Study & Cost Plan further summarised within the body of this report.

2.5 Approval is sought following due procurement process which ensures that the Council selects a contractor on the basis of both whole life cost and quality. Council procurement protocol has also enabled further detailed financial assessments of the proposed contractor to be undertaken prior to entering into formal contractual arrangements.

3. RECOMMENDATION(S)

- 3.1 Cabinet Procurement Committee CPC is recommended to:-
Agree for the Award of Contract to Tenderer D for the Development (refurbishment, improvements and adaptations) of the Ground, First, Second & Third floors at Christopher Addison House – 72 Wilton Way, Hackney E8 1BJ at a cost of £3,624,963.02
- 3.2 Approve the proposal to enter into a JCT standard building contract without quantities (SB XQ) 2016 edition including Hackney Council amendments and any other ancillary legal documentation relating thereto with Tenderer D for the Development of Christopher Addison House – 72 Wilton Way of on such terms as shall be agreed by the Director of Legal and Governance.
- 3.3 Authorise the Director of Legal and Governance to prepare, agree, settle and sign the necessary legal documentation to effect the proposals contained in this report and to enter into any other ancillary legal documentation as required.

4. RELATED DECISIONS

- 4.1 Hackney Procurement Board (HPB) approved the business case to commence the procurement process for the Christopher Addison House development on the 12th February 2019 *eDOCS Ref 20997942*

5. REASONS FOR DECISION/OPTIONS APPRAISAL.

- 5.1.1 Key Decision – This key decision is an Executive decision which while resulting in the Council incurring expenditure, is the making of carefully and strategically planned savings and efficiencies which are significant, having regard to the Council's budget for the services and functions to which the decisions relates.
- 5.1.2 The report is presented as concise summary of how this project, and associated award of contract recommendation, is fundamentally deep-seated within the Accommodation Programme/Strategy and presents a case for a successful outcome which will derive and underpin a key performance target of the Strategic Financial Plan and Corporate Strategy.
- 5.1.3 Outlined within the report are process that have been completed for procuring a principal contractor for the adaptation & improvement development at Christopher Addison House – 72 Wilton Way, Hackney E8 1BJ in the Hackney Central ward.
- 5.1.4 As part of the CER strategic programme an initial Options Appraisal & Feasibility Study was undertaken which included capturing the current and future occupant's teams & operational service requirements as

well as condition/validation surveys of building fabric & environmental services. There also followed an extensive exercise of consultation and presentation to all key stakeholders to develop proposals for the site outlined below.

5.1.5 In essence, decant “The Annexe” to enable it to be re-let and maintain an existing Council asset namely CAH, into a modern equipped facility and key located space for staff with optimum space utilisation. The project eliminates the need to remain in a building (The Annexe) which could otherwise be earning revenue/rent in support of the wider savings the Council is seeking to achieve.

5.1.6 The Project Works & Objectives Consists of:-

CAH Refurbishment Works

- Refurbishment, improvements and adaptations of the Ground, First, Second & Third floors at Christopher Addison House, Hackney.
- Achieving increase occupancy capacity and space utilisation of CAH
- Maintaining and enhancing a Core Campus LBH Property Assets

Relocation of services from the Annexe

- Facilitating the relocation of Corporate Business Support (CBS) and Post Franking Facility from the Annexe ground floor into CAH
- Facilitating the relocation of Self Service (Payment) Centre (SSC) from the Annexe ground floor into CAH
- Unlocking decant of the Annexe and maximising revenue generating opportunities, culminating in letting The Annexe.

5.1.7 CAH was built between 1993-94 with very little investment on maintenance and infrastructure being afforded to date. Many of the original mechanical and electrical services, as well as fabric, have out-seen their useful working life and are in a state of disrepair.

5.1.8 If these works are not awarded then CAH will inevitably decline into an advanced state of disrepair and may reach a stage where it cannot efficiently meet statutory health and safety and Council operational requirements for public service.

5.1.9 The refurbishment proposals for restacking CAH include investment in re-organising the office layout, furniture and an adaptation of existing mechanical and electrical infrastructure to allow us to optimise space utilisation. Following the proposed refurbishment works, it is anticipated that the building will be able to accommodate circa 420 Council staff with new ways of working, a potential increase of circa 140. The refurbishment works will refresh the office environment and thereby

boost staff morale and bring the building in line with the condition of other key campus buildings.

- 5.1.10 To facilitate this increase in occupancy, the award of contract works in alignment with ICT to establish & implement the Councils recently improved ICT solutions support services to work more flexibly and achieve better utilisation of the building. An example of this is the new proposed Google Suite productivity tools that will provide a range of opportunities to work more flexibly when mobile, at home and in the office that has also been factored into the construction designs.
- 5.1.11 The scope, design & specification of works have been formulated on the basis of known site conditions, measured surveys and contemporary works proposals within current market and construction/materials technologies. Officers have also taken into account recent L.B. Hackney projects of similar elements of works for evaluation within the CER programme such as the 136-142 Lwr Clapton Rd – Parking Services project.
- 5.1.12 The Council will meet the full development costs of the scheme from the Capital Programme Review Panel process and act as Project Management for the Professional Services Team, Construction and Operational Logistics of decant/relocations within the Estates & Accommodation Team.
- 5.1.13 The Council Legal Service – Senior Lawyer will assemble the contract which will be a Joint Contracts Tribunal JCT standard building contract without quantities (SB XQ) 2016 edition including Hackney Council amendments.
- 5.1.14 There is an opportunity to undertake essential renovation works to CAH utilising cost/programme benefits and efficiencies within the CER strategy, incorporating operationally disruptive & costly staff decant alongside the associated synergies of decanting/letting the Annexe. The strategy & planning within the CER Programme underpinning this decision also supports the Best Value duty to promote efficiencies within the Council, which standalone maintenance or upgrade works to CAH would not provide.
- 5.1.15 The entire scheme and fundamental award of contract follows the underlying directives supporting Best Value, as an authority LB Hackney are continually moving to secure improvement in the way in which its functions are exercised. Accordingly the newly refurbished CAH building and letting of the Annexe will have regard to a combination of economy, efficiency and effectiveness.

5.2 ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

- 5.2.1 Options providing a comparison, alongside the proposed adaptation, refurbishment and maintenance work required within the site of CAH 72 Wilton Way that did not involve major new build infrastructure and development are simply not available for consideration.
- 5.2.2 The opportunity to develop a new build site, would be beyond the scope of the objectives and the viable budget allocation considered reasonable, within the Corporate Property long term Strategic Financial Plan or that of the CER directives.
- 5.2.3 Letting CAH and retaining the Annexe was given due feasibility & viability analyses as well as deliberation by the Commercial Estates Team and found to be less lucrative in terms of income and market interest.
- 5.2.4 The outline strategy for letting CAH would conversely also have incorporated the restacking and increase in occupancy of The Annexe building which did not provide adequate floor space for the occupancy numbers and workstations required.
- 5.2.5 In terms of the Procurement strategy, the use of Framework Agreements are considered to make procuring construction works simpler, faster and more robust while minimising the cost of local procurement in terms of resources and retaining the element of competition. Procuring a principal contractor using this procurement route was given considerable consideration and deliberation by the Project Management & Consultant Teams which ultimately proved to be not ideal as per the evaluations outlined in the following paragraphs:-
- 5.2.6 A range of frameworks were considered to review the alternative framework agreement available to the London Borough of Hackney (LBH) with these key objectives:-

Key Objectives

- *Selection of a contractor suitably experienced and competent in delivering a project of this nature.*
 - *Ensure the contractor is compliant with LBH internal governance and procurement guidelines.*
 - *Ensure that the contract is conversant with projects using Building Information Modelling (BIM) protocols.*
- 5.2.7 Whilst the value of the project falls below the OJEU threshold, LBH evaluated potentials within recognised framework contractors to take advantage of the pre-qualification and health checks against standard procurement standards.

The frameworks we have considered were:

1. London Construction Programme (LCP)
2. PAGABO Major Works Framework
3. Southern Contractors Framework (SCF) Lot 3
4. Orbis Construction Framework Lot 1
5. South East Consortium (SEC) Frameworks
6. LPP - National Framework for Medium Value Construction Work

5.2.8 As previously specified the BIM component is a critical consideration for potential Contractors capabilities working with designs from project Architect & Engineers etc. within the 3D Model & BIM. It is necessary to have the skills, knowledge & experience be able to extract measurements and quantities from the BIM in order to tender for this project using accurate data. Once the project has been won it is equally important to be able to output the relevant information in a format that can then be used on site.

5.2.9 Following investigation and evaluation in relation to the key criteria outlined in paragraph 5.2.8 and experience of working on BIM projects a significant number of the contractors on all the frameworks do not specifically state or demonstrate their ability to work in this specialist environment.

5.2.10 As a general overview LCP appeared to consist of local general contractors operating in the London marketplace, however the list excludes a number of contractors that the Project Team, who hold extensive experience and knowledge of Contractors in this field are familiar with and are well versed in the refurbishment of office buildings and have undertaken a number of innovative projects in the private sector. Many of the final Tenderers were ultimately very experienced in the field of work and to use just LCP would have restricted our ability to appoint the most suitable contractor for the project.

5.2.11 The SCF is based entirely on a two-stage open book early contractor engagement tender process, which would not be the preferred procurement model for this project. We would recommend using a single stage tender process because the design team are taking the project right through to the end of RIBA Stage 3/4. This will result in a well-defined design and specification to allow us to seek competitive tenders for the project. A two-stage tendering process would be unnecessary, and introduce additional costs for the Pre-Construction Services Agreement (PCSA) that we would have to be entered into with the contractor. We would also not achieve cost certainty until the last package was let. We also have a satisfactory programme period of 8 to 10 weeks for the tender period which will allow us to tender the project in this way.

- 5.2.12 An alternative procurement route, as the PM Teams evaluations have demonstrated in the preferred recommendations, proved to be outside of the frameworks as OJEU compliance is not essential. The tender list as outlined was eventually compiled through further research into BIM capabilities and selection of contractors that are known to be experienced and on Constructionline list to ensure compliance with all the requisite quality and skills.
- 5.2.13 A fully detailed options appraisal for the chosen procurement approach was presented to and approved at Hackney Procurement Board in September 2018.

6. PROJECT PROGRESS

6.1 Developments since the Business Case approval.

- 6.1.1 Due to the relatively substantial financial investment and resources required for the realisation of this project, and as no future site location for development has been identified as imminently available or viable, the Council occupation of CAH is currently forecast to be up to ten years subject to the Corporate Property Accommodation Strategy programme. The intention of long term retention of the site as a revenue generating asset in future years also remains the same.
- 6.1.2 The development and progress of the Procurement since the HPB Business Case approval is further outlined and elaborated on further within section 8 of this report on the Tender.

6.2 Whole Life Costing/Budgets:

- 6.2.1 Funding has been agreed and made available for the project via the Capital Programme Review Panel (CPRP) 2018/19 and a budget of £5.47m was approved as available to cover the construction and implementation of the facility. The cost of the works contract recommended for approval within this report was originally estimated and budgeted for CPRP at £3.98m.
- 6.2.2 Building operational running costs and repairs and maintenance (R&M) are to be met by a combination of the current Hackney Housing R&M and Property cost budget arrangements for 2020 beyond and savings made in the LBH decant and re-letting of floors within The Annexe. The current R&M costs for CAH stand at circa plus of £100k per annum. The R&M costs of circa £33K per annum for Hackney Housing at CAH when relocated will also contribute to these costs. Based on historical data for running costs on existing similar type and size buildings and relative to the upgrade works around the M&E design scope we anticipate a total running cost of circa £50-60K per annum.

6.2.3 Building information modelling (BIM) utilised in this scheme is a technically-advanced tool used in the architecture, engineering, and construction (AEC) industry. It is used for design, visualisation, cost estimating, programming, scheduling, and so on. The entire lifecycle of a built asset can be managed with BIM. BIM has allowed the Council to see the impact of design or capacity changes before committing the time and materials to build. It has helped create more precise construction documents. And, most importantly, it delivers efficiencies and cash savings. In many cases, 20-30% and we expect to achieve savings on this project in terms of reduced variations due to design discrepancies. All BIM activities and QA will be overseen by the Project Team BIM Manager.

6.3 SAVINGS

6.3.1 Cashable

- Increased revenue / receipts from the re-letting all floors of The Annexe following Hackney Housing Teams relocation to CAH of circa £650 – £700K per annum.
- This report can also highlight that the final recommended contract award sum is £500k less than the original Pre-tender Estimate and £300k less than the amount budgeted on the CPRP bid in 2018.

6.3.2 Non-cashable

- CAH can potentially be let at a better future rate following the refurbishment works.
- Increasing the Council's stock of revenue generating assets.
- Combining the LBH Hackney Housing Teams, currently located within Maurice Bishop House, and the Housing Group, currently located within the HSC, within one location provides a platform for increased operational performance in several areas including the ability to monitor the service/ contract and efficiency.
- The Council's buildings will be as energy and water efficient as their design economically allows and opportunities for further improvement can be identified.

7. SUSTAINABILITY ISSUES

The following paragraphs demonstrate how Issues raised and identified in the PRIMAS (Procurement Impact Assessment) paper produced for the project, continue to be tackled or addressed.

7.1 Equality Impact Assessment and Equality Issues:

- 7.1.1 Equalities issues raised/identified in the PRIMAS are addressed by the Council stipulating that Equal Opportunities and Diversity policies must be attached to the project contract which will be assessed to ensure obligations are met in respect of fair opportunities of race, gender and disability, and additionally, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment and the engaged contractors policies must take into account service delivery and employment.
- 7.1.2 Additionally Work Placement Schemes and the use of Local labour resources, which have been utilised as a criteria in the Tender Quality Evaluation, offer the opportunity for under-represented groups to experience working in the sector to see what it is like. This type of programme has been implemented in a number of schemes in Hackney with success; with this project having key performance requirements that can be monitored to provide one such example. This can be used (within the law as an example of positive action) to target groups such as local ethnic minority communities, women or disabled people.
- 7.1.3 Design & Contract Management: CIOB has developed specific guidance for embedding inclusive design into all built environment projects which will be followed within this scheme. Where equality and diversity have been included as a requirement in the design & contract the supplier's performance will be monitored through contract management to ensure that they continue to meet our equality requirements during the life of the contract. The level and detail of monitoring being governed by the framework provision within the contract.

7.2 Environmental Issues:

- 7.2.1 The deliverables of project designs, specifications, contract etc. into realised constructed works within this construction services contract will provide LB Hackney the requisite specialist professional contractors to ensure Environmental legislation for building design and construction is built to legislative standards. The Building Regulations, to which this project have been strictly designed around, set minimum standards for the performance of buildings, with Part L specifically regulating the conservation of fuel and power. The building energy consumption will be reduced as a direct result of new Energy Efficient plant, components and construction methods in line with current Building Control standards.
- 7.2.2 Increasing energy efficiency encompassed within the CAH works not only allows the Council to reduce their capital and operational costs, it can also help lower fuel consumption and so reduce the emission of

greenhouse gases and help prevent climate change. This is in line with the council's energy policy and carbon reduction initiative of reducing energy consumption and emissions the Project Design Engineers have estimated the Energy Performance Operational Rating of the building will be improved from a D to a B Rating. This also contributes to delivering Council initiatives to tackle climate change and continuing commitment to reducing energy consumption and improving efficiency, while also saving the Council money.

7.2.3 This projects refurbishment works provides a scope of works considered preferable to bring the building into closer alignment with the quality and functional standard already prevalent in key campus buildings. Incorporating environmentally friendly energy saving LED lighting systems throughout and a complete refit out and remodelling of all tea point/breakout areas to include mains fed chilled and hot water eco-storage features. WCs & water efficiency saving showers are specified and will provide increased facilities for cyclists and further supported with new lockers and furniture to encourage green & healthy commuting.

7.2.4 The Works for which this report seek approval of contract award forge deeper into the core building services than merely an aesthetical refurbishment of refresh by installing completely new contemporary ventilation & comfort cooling and heating systems to enhance the building and ensure efficient & economical function in the longer term. These systems replace the inefficient and outdated old gas fired heating systems with modern energy efficient electrical Variable Refrigerant Flow (VRF) systems, providing a range of services that optimises room comfort and reduces energy and maintenance costs, combined with maximised simplicity and operating flexibility. The procurement of sustainable construction presents different challenges than the procurement of sustainable goods. It is usually a more straightforward process to identify what the environmental and social issues are for a supply of goods, and therefore easier to identify sustainable alternatives. The choice of contemporary components built to modern energy conforming designs standards has therefore underpinned and addressed this objective.

7.2.5 Ultimately residual key risks can be continually managed and mitigated following the Tender process whereby the winning Contractor will also provide evidence of explored opportunities to improve the energy/resource efficiency of activities within company policies and the Contractors' design/specification portion of the Contractors Design portion elements associated with delivery of the contracted service.

7.3 Economic Issues:

7.3.1 The economic issues raised and identified in the PRIMAS, such as the impact on Local Economy, will continue to be addressed within the Capital Programme Review Panel (CPRP) process. This Construction

is a Capital Investment under the CER strategy which supports wider savings and provides optimised & efficient facilities for council operations and serving the public.

7.3.2 The Quality Criterion within the ITT required Contractors to demonstrate opportunities for employing local sub-contractors and local training and employments for which the winning Contractor scored highly on, including commitments to London Living Wage. While the project programme does not afford the time for the Council to insist on a local apprentice, the winning Contractor has committed to providing work experience for selected local individuals for which the PM Team will work with the Hackney Opportunities and Works teams, who provide a free employment support service for Hackney residents to fulfil this objective. The commitments evaluated and scored within the Tender are expected of the winning bidder within the contract works and will be monitored, during Project Progress Meetings and evidence based assessment during the works, by the Council PM Team.

7.3.3 Council Contract Standing Orders and Tendering Protocol has provided an auditable and transparent VFM process. Nevertheless best practice due diligence with Contract Administration under consultant QS against which KPIs for cost & quality within the Contract documents will be monitored via JCT 2016 Guidance for Contract & Cost evaluation by the Project Cost Consultant for continual professional assessment of the works during construction phase

8. TENDER EVALUATION

8.1 Evaluation:

8.1.1 The value of the refurbishment contract was estimated within a qualified Cost Plan to be below the EU threshold for works required to be subject to OJEU protocol. An OJEU advert was not required and suitable contractors were therefore sourced as outlined in the following paragraphs.

8.1.2 The procurement route utilised a single stage tender process whereby Constructionline members in the Office Fit-Out & Refurbishment sectors with proven experience and competence on (BIM) Building Information Modelling based projects bid for the works. This procurement approach allowed the Council to seek best value from a competitive tender process from among a shortlist of pre-qualified firms with minimal risk of underperformance.

8.1.3 A soft market testing exercise was undertaken on the suitable suppliers selected by the CER Accommodation & Estates Teams for the scheme. Members in the Fit-out and Refurbishment categories fulfilling

the BIM criteria were contacted to understand their interest in tendering for the CAH development on a single stage basis. Responses were positive, with members indicating they would be interested in tendering for and completing the works within the current programme.

- 8.1.4 The shortlist of selected Contractors have been gauged by direct experience of working with consultants and organisation embedded within the Project Team industry reputation and proven track records of high quality and cost effective performance in the key categories:-

(Please refer to the Exempt Documentation in the Appendices for a full list of bidders.)

- 8.1.5 Constructionline enabled the Project & Procurement Teams to evaluate all standard supplier information covering: Company Details, Financial Records, Health & Safety, Insurances and Equality and Environmental policies.

- 8.1.6 Prior to the Invitation to Tender (ITT) tender being released a formal Expression of Interest (EoI) was submitted to the selection list. The EoI was issued by the Council to all organisations. Subsequently, all interested tenderers were then successfully invited to respond competitively to the Invitation to Tender that was sent out by the Councils Procurement Team via the ProContract Portal on the 21st June 2019.

- 8.1.7 The tendering contractors were instructed to provide a detailed priced cost submission along with a programme, response to quality questions and completed Form of Tender. The JCT standard building contract without quantities (SB XQ) 2016 edition including Hackney Council amendments documentation was to be completed following a mid-tender briefing and site visits and based upon the information provided within the tender documentation packs.

- 8.1.8 Through issuing a robust set of ITT documents the Council are able to test both quality and price in order to obtain value for money. This was achieved through the requirement to provide a qualitative response to the Method Statement Questions and detailed construction costs in the Pricing Document.

- 8.1.9 A number of Tender Clarifications were issued, these were administered via Pro-Contract (Councils Procurement Portal) by LB Hackney Procurement team.

- 8.1.10 A dedicated project evaluation team, consisting of key officers and consultants involved in the scheme either from inception within the CER Team or early development with Consultants, has undertaken a comprehensive, systematic and consistent evaluation of each Tender. Overseen for compliance with Council protocol and moderated final

quality evaluation scoring by the Construction & Environment Category Lead for Procurement & Fleet.

8.1.11 The evaluation team comprised the following representatives of the Council:-

Quality Evaluation & Scoring

- Building Surveyor – LBH Strategic Property Services - CPAM
- Accommodation Advisor – LBH Corporate Estates & Accommodation
- Consultant Quantity Surveyor – Faithful+Gould
- Consultant Project Manager – Faithful+Gould
- Building Information Modelling (BIM) Manager – Faithful+Gould

Cost Evaluation & Reporting

- Consultant Quantity Surveyor – Faithful+Gould

Procurement Compliance & Moderation

- Category Manager – LBH Construction & Environment Procurement

8.1.12 All members of the Quality Evaluation & Scoring team scored the quality criteria response items and a moderated consensus score was agreed at the end of the evaluation with a meeting chaired by the Procurement Category Manager (moderator). The evaluation team has been advised by procurement at every stage, and legal team at relevant stages, of the evaluation process.

8.1.13 The pricing documentation returned by each Tenderer was evaluated separately by an independent third party cost consultant Quantity Surveyor against the Cost Plan pre-tender budget estimate and qualified in comparison to current market material and labour rates where applicable. The items for each element of works have been tabulated for each Contractor alongside each other and included in the Quantity Surveyors Tender evaluation and recommendations report. (Exempt Appendix B).

8.1.14 Evaluation Criteria and Weightings;

The contract is awarded to the Most Economically Advantageous Tender, evaluated as described in the Invitation to Tender. The tender Evaluation criteria has been based on a combination of Quality and Price which has been specified and weighted as illustrated in the table below:

Criterion	Quality – 60%	Weighting
1	Detailed Project Methodology	30%
2	Project Team & Communication	30%
3	Health and Safety	10%
4	BIM Capability	20%
5	Economic Added Value and Sustainable Innovation	10%
	Price – 40%	
1	Fixed Price Cost Proposal	100%

A tender analysis was completed in accordance with the evaluation methodology set out within the tender document based on 40% cost/price and 60% quality. The completed evaluation is summarised and analysed within sections (quality) and costs) of the Tender Evaluation Report within the Appendix of this report.

The following scoring mechanism has been utilised to score the quality method statement responses:

Score	Rating	Criteria for Awarding Score
0	Unacceptable	No response to the question.
1	Poor	Limited response provided or a response that is inadequate, substantially irrelevant, inaccurate or misleading
2	Below expectations	Response only partially addresses the question
3	Satisfactory	An acceptable response submitted in terms of level of detail, accuracy and relevance. The response is good but there are either some omissions of important factors or negative indications that reduce the extent to which the project aims will be achieved
4	Good	A comprehensive response submitted in terms of detail and relevance and clearly meets the project aims with no negative indicators or inconsistencies
5	Excellent	A more than comprehensive response submitted in terms of detail and relevance with no negative indications or inconsistencies

8.1.15 Number of Tenderers who responded, declined to bid (with reasons), non-compliant bids, variant bids;

- Four out of six tenders were submitted to LB Hackney via Pro-Contract. The copy of the tender opening record (as-submitted tender summary) is included in Appendix A.

- Both Tenderer E and F did not attend the mid-tender briefing session nor site visits. These two contractors subsequently did not submit their tender bids and no further correspondence was received from either organisation.

8.1.16 As part of the tender analysis process, the project team took an opportunity to invite Tenderer A (the lowest price tenderer under consideration) to a clarification interview to present their overall bid and address any queries. This was due to their cost submission omitting detailed price lines on essential items, specifically from the M&E Elements of the build that presented a risk of cost uncertainty and that it was critical that these key components required pricing in a transparent manner and not as a lump sum section as had been submitted. This is paragraph is demonstrated further within the Tender Report.

This process follows consultation and recommendations from the Legal Team on Regulation 69 of the Public Contracts Regulations 2015.

Abnormally low tenders

69.—(1) Contracting authorities shall require tenderers to explain the price or costs proposed in the tender where tenders appear to be abnormally low in relation to the works, supplies or services.

This was process was completed and intended to be a purely a clarification meeting, as the professional team suspected that their bid was ‘abnormally low’. Following the meeting, the contractor acknowledged substantial errors in their tender and submitted a revised tender price which increased by approximately £154,000. However, the contractor still qualified that they are not prepared to undertake any MEP BIM changes post contract, which is an Employer’s Risk, which could be substantial depending on the number and nature of any vibrational changes.

8.1.17 Despite the extensive tender analysis process, the tender assessment and moderation based on the combined scores for price and quality, the most economically advantageous submission is that received by Tenderer A for the overall revised sum of £2,889,640.42 (excl. VAT). However, the Council Cost Consultant recommendation is for LB Hackney not to proceed with the lowest price tender in this instance as explained in Section 8.2 of the Appendix Tender report compiled by the Council Cost Consultant Faithful+Gould

8.1.18 Resulting Quality/Cost Scores and Overall Ranking

Tenderer	Quality Ranking		Cost Evaluation		Overall Ranking		Revised Tender Sum
	Weighted Score	Rank	Weighted Score	Rank	Total	Rank	

Tenderer A	42%	2	40%	1	82%	1	£2,889,640.42
Tenderer B	42%	3	32%	4	74%	3	£3,626,912.58
Tenderer C	34%	4	33%	2	67%	4	£3,456,367.75
Tenderer D	48%	1	32%	3	80%	2	£3,624,963.02

8.2 Recommendation:

8.2.1 Based on the scoring mechanism shown in the ITT Section 2.14.12, the lowest price contractor achieves the maximum score = 40%. Then the other contractors are scored proportionally in comparison to the lowest (revised) tender. The recommendation is based upon a due diligent process informing carefully measured results to provide confidence of value for money, quality end result and professional service in the best interests of the Council. This report recommends that the contract be awarded to Tenderer D.

8.2.2 Following the detailed analysis of the tender submissions, we note that Tenderer A's cost submission contains numerous items not priced, as the Council Cost Consultant template was split floor-by-floor. This is partly due to the fact that the contractor included perhaps all costs within say Ground Floor element of works, which made the comparison more complicated. Other contractors (particularly Tenderer C & D, on the other hand, added a significant number of additional items to the pricing schedule so that their tender price would reflect accurately all the works as required on floor-by-floor basis. Following the post tender meeting Tenderer A rectified the error and resubmitted the document as requested.

8.2.3 The Council note that Tenderer A's tender stands out as a very competitive bid when compared with others. Under the Regulation 69 of the Public Contract Regulations the Council and Consultant Project Team held a meeting to satisfy ourselves that the tendered price (the lowest bid as submitted by Tenderer A) incorporates the full scope of works and services required to successfully deliver this project. To allow the Council Cost Consultant to properly examine the price, a post tender clarifications meeting was held on 12 September 2019. We requested the contractor to provide a detailed pricing schedule with sufficient detail [line by line] to ensure the Council Cost Consultant could benchmark their submission to current market rates.

8.2.4 The contractor provided the information (they have also corrected the tender price for the ceilings, partitioning, internal partitions, MEP and BIM elements) which resulted in an additional cost of £154,279.71. We are concerned that Tenderer A could potentially identify more errors before (or after) the contract award, which could be a concern if they sought to rectify the price again, as learnt from recent experience. Our observation is that the following key MEP elements are still substandard (abnormally low) and therefore are key risks when compared with the market returns:

- 8.2.5 Following the Councils due diligence and Cost Consultants financial recommendation the course of action would be not to proceed with Tenderer A on the basis of an extremely competitive tender price submitted (when compared with other tenderers and the Council Cost Consultant cost estimate) and potential cost issues within their MEP price. We have concerns that due to potential under-pricing by the supply chain, there could be numerous changes / variations and contractor claims or disputes once on site. A loss making project (or a significantly reduced margins for the contractors and particularly their supply chain) is a significant risk for the project, and in our experience, does not encourage good working relationships between respective parties.
- 8.2.6 Tender assessment and scoring matrix indicates that based on the combined scores for price and quality, the most economically advantageous submission is that received by Tenderer A, for the overall sum of £2,889,640.42 (excl. VAT). However, our recommendation is not to proceed with Tenderer A due to the considered abnormally low tender bid (and associated risks), as analysed in Section 4 of the Faithful+Gould Tender Report (Exempt Document). The Cost Consultants recommendation is for LB Hackney to consider Tenderer D (the second highest moderated scores received) for the works for the revised tender sum of £3,624,963.02 (excl. VAT) based on a 22 week contract duration.
- 8.2.7 This report recommends that a contract documentation is progressed as soon as the internal discussions, liaison and confirmation of the preferred tenderer takes place. This is to ensure that the tight programme dates are met (particularly the long lead times need to be addressed to place sub-contract and material orders and to ensure that any surveys and validations are carried out in timely manner) all before the start on site date.
- 8.2.8 In terms of the realisation of the scheme the recommended contractor has clearly demonstrated through due process that the bid meets the needs and objectives as identified in project Business Case

9. CONTRACT MANAGEMENT ARRANGEMENTS

9.1 Resources and Project Management (Roles and Responsibilities):

9.1.1 Corporate Property & Asset Management – Estates & Accommodation Team has been identified as having adequate & sufficiently qualified Project Team resources for this scheme consisting of:

- Building Surveyor / Project Manager
- Electrical & Mechanical Engineers

- Principal Designer CDM 2015
- Clients Agent Quantity Surveyor
- BIM Manager

9.1.2 This will involve continuing liaison with all clients, stakeholders and contractors to monitor progress, quality and budget to ensure satisfactory completion of the works. Project Manager will report directly to the Assistant Director of Strategic Property Services on the project.

9.1.3 Compliance with The Construction Design and Management Regulations 2015 will be assured by the Consultant Principal Designer who is fully qualified in this respect.

9.2 Key Performance Indicators:

Main KPI Targets Set	Monitoring
1. Cost certainty	Contract administration & quality valuation based payments +/- 5%
2. Programme	Risk register, Programme Reviews & Contract Meetings to Completion
3. Energy Efficiency	EPC Rating to at least B
4. Waste Management & Recycling	Waste Management Plans & Environment & Pollution Officer reviews. 10% of Materials
5. Defects Volume	Contract Administration Clerk of Works Tracker – 20 defects per programme month rectified during construction to zero defects on handover.
6. Local Suppliers & Labour	Site checks & written evidence of material suppliers within the contract administration process – 10% Resource

10. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

10.1 This report seeks approval to award a contract to Tenderer D for the development & refurbishment of the Ground, First, Second and Third floors of Christopher Addison House at 72 Wilton Way at a cost of £3.62m.

- 10.2 There were lower bids submitted, including one which was substantially lower at £2.8m. Finance have consulted with the project team including the cost consultants, and Legal and Procurement colleagues. We are satisfied that the reasons for awarding the contract to a higher bidder which are outlined in this report and associated appendices are valid and in the best interests of the council.
- 10.3 This project is part of the Corporate Estate Rationalisation plan which aims to optimise the use of the council's building by reducing the amount of office space occupied by Hackney staff and therefore freeing up some buildings to enable them to be let on commercial leases therefore generating additional income into the council. This project is anticipated to result in the letting of The Annexe and the current estimate from Commercial Property for this is £650 - £700k pa depending on Market Conditions.
- 10.4 The project was the subject of a CPRP bid for Capital Funding in 2018. The bid included £3.9m for the contract award in relation to the refurbishment of the building. The cost of the proposed contract award is within this number and therefore within the approved budget.

11. VAT Implications on Land & Property Transactions - N/A

12. COMMENTS OF THE PROCUREMENT CATEGORY LEAD

- 12.1 The value of the proposed work is below the EU Threshold for Works. As the value is above £2m, in compliance with the Council's Contract Standing Orders, the project has followed a formal tendering process supported by the procurement team.
- 12.2 Tender A was substantially lower than the other tenders received. The Council's evaluation panel undertook an investigation into the tender with the support of experienced construction cost consultants. This included verification of prices, clarification with the bidder, and market rate comparisons. The bidder also was provided an opportunity to explain the low level prices. Throughout the process the evaluation panel applied the principles of fairness, equality of treatment, objectivity and proportionality. A detailed breakdown of the clarifications sought with the specific elements of the tender which the evaluation panel considered may be abnormally low, is the subject of a separate report (Appendix D). On completion of the investigation the evaluation panel decided that Tender A is unlikely to deliver the contract the Council is seeking to procure for reasons of reliability and viability.
- 12.3 The recommendation is therefore to award the contract to Tenderer D.

13. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE

- 13.1 The public works contract in this Report is of a value higher than £2m and therefore under paragraph 2.5.3 of Contract Standing Orders the award of contract will need to be approved by Cabinet Procurement Committee.
- 13.2 The Council used Constructionline to seek tenders for the works contract in this Report. Contract Standing Order 3.1.2 states that for works contracts with an estimated value between £100,000 and the EU threshold, officers may use, as approved by the Group Director, Finance and Corporate Resources, a nationally recognised pre-qualification system such as Constructionline.
- 13.3 The Council is under an obligation under Regulation 69 of the Public Contracts Regulations 2015 to investigate any tender which appears to be abnormally low. The Council may only reject the tender where the evidence supplied in response to such investigations does not satisfactorily account for the low level of price or costs proposed. Therefore the failure to award the works contract in this Report to the lowest bidding tenderer is consistent with the Council's compliance with its obligations under Regulation 69.

APPENDICES

- Exempt Appendix A – List of Contractors invited to tender.
Exempt Appendix B – Financial Submission – Comparison
Exempt Appendix C – Detailed evaluation scores
Exempt Appendix D – Tender Report (Consultant)

EXEMPT

By Virtue of Paragraph 3 Part 1 of schedule 12A of the Local Government Act 1972 this reports appendix A, B & C are exempt because they contain 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 PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

None.

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MENTAL HEALTH ACCOMMODATION BASED SUPPORT SERVICE CONTRACT APPROVAL

Key Decision No. CACH Q29

CPC MEETING DATE

2 December 2019

CLASSIFICATION:

Open report with an exempt appendix A

By Virtue of Paragraph(s) 3, Part 1 of schedule 12A of the Local Government Act 1972 appendix A 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.

WARDS AFFECTED:

All

CABINET MEMBER:

**Councillor Feryal Clark
Health, Social Care, Transport and Parks**

KEY DECISION: Yes

REASON: Affects more than one ward.

CORPORATE DIRECTOR:

Anne Canning, Group Director Children, Adults and Community Health

1. CABINET MEMBER'S INTRODUCTION

- 1.1 As agreed by the Committee in September 2018, the procurement of a Mental Health Accommodation Based Support service represents a significant enhancement to the Council's mental health offer. The service will support people with mental ill health and complex needs that include offending behaviour, substance misuse and personality disorders to achieve recovery and social inclusion and live independently.
- 1.2 The service will provide innovative and evidence based support to people with mental health and complex needs to develop their independent living skills and work towards fulfilling personal goals, aspirations and wellbeing. The service, tendered as two lots to deliver High and Medium support, forms part of a mental health pathway, designed to meet the changing needs of people coming through mental health services. The new pathway will enable people to access the right service at the right time and will encourage people to achieve independence.
- 1.3 Provision of these services should therefore delay or prevent people escalating to higher levels of need. This enables the Local Authority to discharge its duty under the Care Act 2014 to provide preventative services and increase the wellbeing of residents.
- 1.4 This will also deliver on the Mayoral commitment to promoting independence in adult social care and delivering high quality services to those who need support.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1 This report seeks approval to award contracts for a Mental Health Accommodation Based Support service in the London Borough of Hackney.

- 2.2 The service delivers accommodation based support to people with mental health needs. The procurement process has ensured that the service will be innovative, efficient and fit for the future, promoting independence, increasing quality of life and helping people re-engage in their local communities.
- 2.3 The contracts are due to commence in January 2020 and will be delivered for five years with the option to extend for one plus one years.

3. RECOMMENDATION(S)

- 3.1 Cabinet Procurement Committee is recommended to award the contracts for High (Lot 1) and Medium (Lot 2) Level Support for Mental Health Accommodation Based Housing Related Support Services to Bidder A (lots 1 & 2). Lot 1 will cost a total £3,474,582 and Lot 2 will cost a total £1,473,582 over five years. The provision for lots 1 & 2 described above will cost a total amount of £4,948,164 for a period of five (5) years with an option to extend for a further two (2) years (5 + 1 + 1 years), subject to ASC budget.**

4. RELATED DECISIONS

- 4.1 Re-tendering Of Housing Related Support (To Include Floating And Accommodation Support) Contracts Key Decision No. Cach P9
<http://mginternet.hackney.gov.uk/mgAi.aspx?ID=32105>

5. REASONS FOR DECISION/OPTIONS APPRAISAL.

- 5.1 The purpose of the service described in this report is to deliver an accommodation-based housing-related support scheme for people with high and medium level needs in relation to mental health and complex needs. This service will support and prepare people to address those issues that prevent them from experiencing social inclusion.
- 5.2 Comprising two levels of support need, medium and high, the key deliverables can be summarised as:
- Increased independence
 - Learning independent living skills
 - Establishing social networks
 - Gaining training and employment
 - Improved health (Mental and Physical)
 - Prevention of homelessness

- 5.3 The service is for men and women who have a diagnosed mental illness, aged 18 years and over and are in housing need. The majority of service users will be on the mental health Care Programme Approach (CPA). Some may have a forensic (criminal) history and/or a dual diagnosis of mental illness and substance misuse. Service users may be subject to Ministry of Justice requirements and/or Community Treatment Orders. The majority of service users accessing the high level service will typically come from inpatient services; the medium level support provision represents a 'step down' for people moving on from high level support or for people identified as requiring that level of support.
- 5.4 Bidder A, have partnered with Provider D, who will deliver a proportion of the high support provision through a subcontracting relationship. Provider D will staff and manage their accommodation based service with Bidder A acting as the lead provider. This integrated contracting approach will improve the customer experience and their ability to navigate through the pathway. The high support service will comprise of three sites owned by Bidder A (23 units) alongside one site owned by Provider D (18 units), providing a total of 41 units of high support accommodation located across Hackney.
- 5.5 A Heads of Terms for the subcontracting relationship has been agreed, more formal agreement covering referral and allocation arrangements, safeguarding, risk management, financial arrangements, performance monitoring, dispute resolution and a joint approach to contractual changes will be agreed between tender and implementation.
- 5.6 The medium support service will be delivered by Bidder A through five sites delivering 33 units. This mix of accommodation types allows for the development of a clear pathway model with the ability to place individuals in the service most suited to their needs including wheelchair accessible and women only accommodation.
- 5.7 Both the lead and the subcontracted provider, demonstrated how their organisational ethos' aligned and how they would build on existing relationships with Hackney services to deliver improved outcomes and wellbeing for service users. By implementing a service model that utilises a psychologically and trauma informed approach, the successful Providers will support service users to build on their strengths, achieve recovery and independence.

6. PROJECT PROGRESS

6.1 Mental Health Accommodation Based Support Service developments since the Business Case approval

6.1.1 Mental Health Accommodation represents one of five recommendations presented in the business case. Progress on the other projects is set out below:

- A new integrated floating support contract for five years with an option to extend for a further two years was granted in March 2019. The service launch date is 31st October 2019.
- Approval to award a new contract for a Housing First service for one year with the option to extend for a further two years has been agreed by Cabinet Procurement Committee on 7th October 2019.
- Direct negotiation of a contract for a single homeless pathway is ongoing, and a Single Tender Action will be submitted for approval later this year.
- Direct negotiation of a contract for Older Adults services is ongoing, a report will be submitted to CPC later this year for approval.
- Negotiation with existing specialist Accommodation-Based Support for members of the Orthodox Jewish Community is in progress and a Single Tender Action will be submitted for approval in due course.
- Officers continue to work with clinical commissioners from East London Foundation Trust and the City and Hackney Clinical Commissioning Group to review and recommission the accommodation and support offer for people with highly complex needs. Assumptions about the most appropriate provision that were set out in the business case form part of this review work, and proposals will be brought forward to Cabinet Procurement Committee once the most appropriate sourcing approach has been determined.

6.2 Whole Life Costing/Budgets:

6.2.1 Funding for the Mental Health Accommodation Based Support service is contained within the Adult Services budget.

6.2.2 The price stated below is fully inclusive of staffing, office accommodation, all expenses (including travel) and recognises the annual inflationary pressures over the lifetime of the contract:

Housing Related Support Provision	Year 1 £K	Year 2 £k	Year 3 £k	Year 4 £k	Year 5 £k	Total £K
Lot 1: Mental Health Accommodation - High Level	684,332	691,364	699,022	699,932	699,932	3,474,582
Lot 2: Mental Health Accommodation - Medium Level	284,295	291,321	298,990	299,289	299,687	1,473,582
Total	968,627	982,685	998,012	999,221	999,619	4,948,164

6.3 SAVINGS

6.3.1 As part of the Council's medium term financial plan, savings were agreed in respect of Housing Related Support services totalling £5.378m up to and including 2019/20. £1.862m of this total was achieved by 2017/18. In working to deliver these savings there has been an opportunity to review current pathways and services, to make sure they meet the expressed strengths and needs of service users and can achieve value for money on behalf of all residents. No immediate savings are expected from this contract but, as noted above and in the Business Case, the provider is required to contain annual cost inflation within the price.

6.3.2 The new Mental Health Accommodation Based Support service will build on the success in the borough to date by delivering person-centred, recovery focused support to people with mental health and complex needs. This service model, which utilises a psychologically and trauma informed approach, can bring added value by working with people to help them address their health and support needs, improve their daily living skills, access training and employment, reduce isolation, experience social inclusion as part of Hackney's community and move on to live independently. It does not include support for young people which is being commissioned separately by the Children and Families Directorate.

7. SUSTAINABILITY ISSUES

7.1 Procuring Fair Delivery

7.1.1 A full Equality Impact Assessment (EIA) has been completed in June 2018 and was attached to the business case report:

<http://mginternet.hackney.gov.uk/documents/s62080/120918%20Final%20CA%20M95%20HRS%20Appendix%204.pdf>

7.2 Procuring Green

- 7.2.1 Our own assessments showed that this procurement would have a positive environmental impact, both in terms of using existing property as well as specifications that encourage landlords to provide a living environment that is safe, well maintained and appropriately equipped with energy efficient utilities and appliances.
- 7.2.2 The preferred provider demonstrates a commitment to continuous improvements in their environmental performance. They share offices with sister schemes and partner services wherever possible which provides economies of scale, with shared office costs, bulk-purchasing and any associated recycling/ contract costs. They encourage their employees to use “green transport”, with cycle to work initiatives.
- 7.2.3 The preferred provider encourages the use of recycling systems in all their offices; they promote the use of electronic communications to encourage paperless offices and conserve electricity through smart use and proper equipment shut-down. The preferred provider supports their employees to use Smart phones with mobile applications such as HR applications, and SharePoint to reduce paperwork through file sharing.

7.3 Procuring for a Better Society

- 7.3.1 The PRIMAS highlighted the positive impact these contracts will have on the local economy. They provide safe and appropriate housing for Hackney residents. The proposed bidder states that they will generate meaningful employment for people using their services, and specifically, training to empower and engage clients in work-related activities.
- 7.3.2 The preferred provider has a community centre located in Hackney, delivering added value through youth work, employment and training, parenting advice, specialist housing team, and a range of surgeries, including community psychologists. They offer dedicated Community Development Officer, Employment Coach, and Volunteer Co-ordinator roles in Hackney to support people to become part of their community and make a positive contribution. Working with community and commercial organisations they match fund/match programmes, creating further local involvement opportunities.

8. TENDER EVALUATION

8.1 These services are classified as Schedule 3 services under the Public Contracts Regulations 2015, and therefore are procured under the *Light Touch Regime* (LTR).

8.2 ASC Commissioning/Procurement had published the original Invitation to Tender (ITT) in December 2018. Upon the arrival of a new Strategic Commissioner for Mental Health and Preventative services, it was felt that the specification needed to be more outcomes focused, with more specificity around housing stock. The decision to cancel the ITT was made and implemented in January 2019, and subsequently re-issued upon amendments made to the specifications.

8.3 A single-stage procurement process consisting of two parts was used for this tender. There were two separate sections contained in the same tender, a Selection Questionnaire (SQ) and a quality and cost questionnaire. Bidders had to return responses to both sections and pass all questions under the SQ in order to be considered for the tender.

8.4 A full specification and set of tender documents were available with the advert, following an OJEU notice being published. Cabinet Procurement Committee approved the Business Case and granted permission to go out to tender at the meeting in September 2018. An advert was placed on the Council website and additionally the *Contracts Finder* website.

8.5 One submission was received for Lot 1 - High Level Support. Three submissions were received for Lot 2 - Medium Level Support. Following full assessments of the SQ, all three submissions had passed all the related questions. The SQ also assessed technical ability, financial standing, and insurance criteria, in line with the Crown Commercial Service format of the SQ.

8.6 There were three core members of the tender panel who evaluated all of the questions: two from LBH Commissioning, and one clinical lead from East London Foundation Trust. Two members from LBH Finance evaluated the price.

Tender Evaluation Panel:

Strategic Commissioner Mental Health and Prevention
Operational Lead/ Occupational Therapist City and Hackney Rehabilitation and Recovery Service
Mental Health Commissioning Officer
Group Accountant Public Health and HRS Services

Financial Advisor (Projects)

- 8.7 An 'Expert by Experience', someone with lived experience of accessing mental health accommodation based provision, joined the core panel to critique a response given by the bidders in a 15 minute presentation. The evaluation panel and subsequent moderation session was supervised by a Senior Procurement Officer.

The tender was evaluated as two lots - both lots were evaluated on the following criteria:

Scoring Criteria	Score	Broken down into:
Quality	70%	100% total
Equality and Partnership Working (part 1)		8%
Equality and Partnership Working (part 2)		8%
Service User Involvement (part 1)		10%
Service User Involvement (part 2)		10%
Service Delivery, Quality and Performance (part 1)		5%
Service Delivery, Quality and Performance (part 2)		5%
Service Delivery, Quality and Performance (part 3)		10%
Service Delivery, Quality and Performance (part 4)		5%
Service Delivery, Quality and Performance (part 5)		5%
Service Delivery, Quality and Performance (part 6)		10%
Mobilisation and Transition		10%
Availability and suitability of the property to meet requirements of the specification		10%
Social Value		4%

Price	30%	
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Responses to method statements were scored using the following scoring mechanism:

Score	Rating	Criteria for Awarding Score
0	Unacceptable	No response to the question or the response is highly inaccurate
1	Poor	Limited response provided or a response that is inadequate, substantially irrelevant, inaccurate or misleading
2	Below expectations	Response only partially addresses the question

3	Satisfactory	An acceptable response submitted in terms of level of detail, accuracy and relevance. The response is good but there are either some omissions of important factors or negative indications that reduce the extent to which the project aims will be achieved
4	Good	A comprehensive response submitted in terms of detail and relevance and clearly meets the project aims with no negative indicators or inconsistencies
5	Excellent	A more than comprehensive response submitted in terms of detail and relevance with no negative indications or inconsistencies

The price score was evaluated on the average annual cost of the contract over the initial contract period of five years.

8.8 Recommendation:

8.8.1 The tender panel recommends that **Bidder A** is awarded the contract for Mental Health Accommodation-based Housing Related Support, Lots 1 and 2. Bidder A demonstrated that they would be able to meet the full requirements of the specification and that they understood the model.

8.8.2 The panel scored the quality bid and the panel acknowledged that bidders may have experienced challenges in procuring suitable accommodation, which could have reflected why more bids were not received.

8.8.3 The successful bidder demonstrated high levels of awareness of the needs of this client cohort, highlighting their experience of delivering the model in other London boroughs, and showcasing the success they have achieved in supporting clients to obtain positive outcomes.

8.8.4 The chosen bidder presented a detailed and relevant mobilisation plan alongside a realistic risk assessment with moderations, giving the commissioners reassurance that this provider will be able to manage the significant service model and their obligations to this contract.

Lot 1 High Level Support

Tender Results			
	Quality	Price	Total Score
Bidder A:	48.58%	30%	78.58%

Lot 2 Medium Level Support

Tender Results			
	Quality	Price	Total Score

Bidder A:	48.58%	29.17%	77.75%
Bidder B	23.10%	30%	53.10%
Bidder C	21.70%	23.86%	45.56%

9. CONTRACT MANAGEMENT ARRANGEMENTS

9.1 Resources and Project Management (Roles and Responsibilities):

9.1.2 The contract will be managed by the Strategic Commissioner for Mental Health and Prevention, a role that sits within the Adult Services Commissioning Team.

9.1.3 Contract performance meetings will be held at least once per quarter. The Adult Services Commissioning Team has systems for performance monitoring, data collection, analysis, reporting and invoicing; these systems are led by the Quality Assurance Team, and this will all be set up as standard for this contract.

9.1.4 This service will also be steered by the Mental Health Supported Accommodation Panel, facilitated by the Rehabilitation Team that sits within ELFT, and is responsible for coordinating referrals across the Mental Health Accommodation Pathway. The Panel members comprise representatives from LB Hackney Housing Needs, ELFT Rehab Team, LBH Adult Commissioning

9.2 Key Performance Indicators:

Person Centred Outcomes KPI Targets	Monitoring
1. Service Utilisation - 90%	<ul style="list-style-type: none"> Quarterly performance workbook Quarterly contract monitoring meeting
2. Economic Well-Being <ul style="list-style-type: none"> Client eligibility for benefits assessed - 100% Clients with budgeting plans - customer budgeting plans Evicted for arrears - less than 1% 	<ul style="list-style-type: none"> Quarterly performance workbook Quarterly contract monitoring meeting

<ul style="list-style-type: none"> • Obtaining paid employment %TBA 	
<p>3. Enjoy & Achieve</p> <ul style="list-style-type: none"> • Client participation in training activities - %TBA • Client participation in volunteering - %TBA • Clients attending CPA review meeting - 100% • Clients reconnect/establish contact with family and friends - %TBA 	<ul style="list-style-type: none"> • Quarterly performance workbook • Quarterly contract monitoring meeting
<p>4. Be Healthy</p> <ul style="list-style-type: none"> • Clients registered with GP/Dentist/Optician - 100% • Client better managing their mental health - %TBA • No. of clients with no re-admission - TBA • Successfully maintain accommodation - 100% 	<ul style="list-style-type: none"> • Quarterly performance workbook • Quarterly contract monitoring meeting
<p>5. Stay Safe</p> <ul style="list-style-type: none"> • No. of clients supported to avoid eviction - TBA • Clients comply with statutory orders/Probation meetings - %TBA • Clients improve management of self-harm - %TBA 	<ul style="list-style-type: none"> • Quarterly performance workbook • Quarterly contract monitoring meeting
<p>Sustainability Outcomes - Key Performance Indicators (TBA)*</p>	
<p>Procuring Fair Delivery</p>	<ul style="list-style-type: none"> • Quarterly performance workbook • Quarterly contract monitoring meeting
<p>Procuring Green</p>	<ul style="list-style-type: none"> • Quarterly performance workbook

	<ul style="list-style-type: none"> Quarterly contract monitoring meeting
Procuring for a Better Society	<ul style="list-style-type: none"> Quarterly performance workbook Quarterly contract monitoring meeting

*KPIs and targets will be agreed during the implementation of the service

10.0 COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

10.1 The recommendation of this report is to award contracts for High (Lot 1) and Medium (Lot 2) Level Support for Mental Health accommodation based Housing Related Support services. The contract will be for a period of five years with the option to extend for a further two years (5+1+1), and will commence in January 2020. The cost of both Lot 1 and 2 over the five year life of the contract is £4.95m. Funding for each year of the contract is outlined in the table below:

MH Support Service Type	Year 1	Year 2	Year 3	Year 4	Year 5	Total Contract Value
	£	£	£	£	£	£
High Support	284,295	291,321	298,990	299,289	299,687	1,473,582
Medium Support	684,332	691,364	699,022	699,932	699,932	3,474,582
Contract Value	968,627	982,685	998,012	999,221	999,619	4,948,164

10.2 The service will provide innovative and evidence based support to people with mental health and complex needs to develop their independent living skills and work towards fulfilling personal goals, aspirations and wellbeing. The new pathway will result in cost avoidance, as it will enable people to access the right service at the right time and will encourage people to achieve independence and step down to low level support.

10.3 No savings are expected from the new contract, however the Provider is required to contain annual cost inflation increases within the price over the five year contract. Funding for the duration of the contract is contained within the Housing Related Support budget. Given the lack of clarity around Adult Social Care funding in future years, there is a risk that services may need to be re-negotiated with Providers if funding reduces beyond current levels. The option to extend the contract beyond the five year period will be subject to review of key performance indicators and the Council's financial position.

11. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE

11.1 The public services contract in this Report is of a value higher than £2m and therefore under paragraph 2.5.3 of Contract Standing Orders the award of contract will need to be approved by Cabinet Procurement Committee.

11.2 Details of the procurement process undertaken by officers are set out in this Report. The proposed award to Bidder A follows a procurement process in respect of services which are classified as Social and other Specific Services under Schedule 3 of the Public Contracts Regulations 2015.

11.3 Part of the services proposed to be delivered are to be subcontracted to a different party, Provider D. The Council is satisfied that this arrangement is appropriate but it will be important to ensure that service provision is monitored closely.

12. COMMENTS OF THE PROCUREMENT CATEGORY LEAD

12.1 Following review of the service provision and best practice in neighbouring boroughs the procurement plan for this provision was further developed since Business Case approval. The service went out in two lots, based on high needs and medium needs with partnership arrangements promoted through market engagement. The need for negotiation was not considered necessary and so the tender largely followed the open procedure and this was fully explained in tender documentation.

12.2 There were not the number of bidders anticipated in the Business Case and it seems that many providers were deterred from bidding as they did not have the accommodation stock that was required. Nevertheless, the service area is pleased to have secured a range of accommodation which will be used to support the full range of needs for people with adverse mental health in Hackney. 74 as opposed to the aim of 76 units have been secured, and the team will need to monitor usage closely to avoid paying for voids through the block contracting arrangements which will be used.

12.3 This procurement complements other contracting activity that is still being developed, and forms part of a bigger picture of support for some of our vulnerable residents. STAs are still pending as outlined in 6.1 and the Young People's Accommodation Pathway is currently being developed and this should be coming to CPC for recommendations relating to procurement too.

APPENDICES

Appendix A - Exempt

EXEMPT

Exempt Appendix A: Shortlist, Longlist and Scoring Tables

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.

CONFIDENTIAL

No

BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

Description of document (or None)

None.

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