



# CABINET PROCUREMENT COMMITTEE

Monday, 10th February, 2020

at 6.00 pm

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

**Members:** Councillor Rebecca Rennison  
- Chair  
Deputy Mayor Anntoinette Bramble  
Cllr Jon Burke  
Cllr Caroline Selman  
Cabinet Member for Finance and Housing Needs  
Deputy Mayor and Cabinet Member for Education, Young People and Children's Social Care  
Cabinet Member for Energy, Waste, Transport and Public Realm  
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](mailto:clifford.hart@hackney.gov.uk)

31 January 2020

The press and public are welcome to attend this meeting

# AGENDA

## Monday, 10th February, 2020

### ORDER OF BUSINESS

	<b>APOLOGIES FOR ABSENCE</b>	
1	To receive any apologies for absence or lateness.	
	<b>Urgent Business</b>	
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 10 below. New items of exempt urgent business will be dealt with at Item 15 below.	
	<b>DECLARATIONS OF INTEREST - Members to declare as appropriate</b>	
3	<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</p> <p>(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>	
	<b>NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE, ANY REPRESENTATION RECEIVED AND THE RESPONSE TO ANY SUCH REPRESENTATIONS</b>	

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> <p>This is the formal 5 clear day notice under the Regulations to confirm that this Cabinet Procurement Committee meeting will be partly held in private for the reasons set out in this Agenda. 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>	
5	<b>DEPUTATIONS/PETITIONS/QUESTIONS</b>	
	<b>UNRESTRICTED MINUTES OF THE PREVIOUS MEETING OF CABINET PROCUREMENT COMMITTEE HELD ON 13 JANUARY 2020</b>	
6	To confirm the unrestricted minutes of the meeting of Cabinet Procurement Committee held on 13 January 2020.	<b>(Pages 1 - 14)</b>
	<b>SELECTION OF A CONTRACTOR FOR THE CONSTRUCTION OF MIXED TENURE HOUSING AT PEDRO STREET - KEY DECISION NO. NH Q38</b>	
7	This report seeks the approval of Cabinet Procurement Committee to appoint a preferred contractor for the development of a mixed tenure housing scheme at Pedro Street on Clapton Park Estate.	<b>(Pages 15 - 32)</b>
	<b>HACKNEY AND CITY INTEGRATED SUBSTANCE MISUSE SERVICE - KEY DECISION NO. CACH Q56</b>	
8	This report seeks Cabinet Procurement Committee's approval to the award of a contract for the delivery of the Hackney and City Integrated Substance Misuse Service.	<b>(Pages 33 - 54)</b>
	<b>ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT</b>	

9	To consider any items of unrestricted urgent business.	
	<b>DATE OF FUTURE MEETINGS</b>	
10	Meetings will be held at 6.00pm on:  11 March 2020 11 May 2020 – additional meeting	
	<b>EXCLUSION OF THE PUBLIC AND PRESS</b>	
11	Note from the Governance Services Manager  Items 12, 13, and 14 allow for the consideration of exempt information in relation to items 6, 7, and 8 respectively.  Proposed resolution:  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.	
	<b>EXEMPT MINUTES OF THE PREVIOUS MEETING OF CABINET PROCUREMENT COMMITTEE HELD ON 13 JANUARY 2020</b>	
12	To confirm the exempt minutes of the meeting of Cabinet Procurement Committee held on 13 January 2020.	(Pages 55 - 56)
	<b>SELECTION OF A CONTRACTOR FOR THE CONSTRUCTION OF MIXED TENURE HOUSING AT PEDRO STREET - KEY DECISION NO. NH Q38</b>	
13	Item 7 refers  Appendix 1 is exempt from publication under para 3, Part 1, Schedule 12a of the Local Government Act 1972 (as amended).	(Pages 57 - 102)
	<b>HACKNEY AND CITY INTEGRATED SUBSTANCE MISUSE SERVICE - KEY DECISION NO. CACH Q56</b>	
14	Item 8 refers  Appendix A is exempt from publication under para 3, Part 1, Schedule 12a of the Local Government Act 1972 (as amended).	(Pages 103 - 106)

	<b>ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT</b>	
15	To consider any items of exempt urgent business.	

## 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](http://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](http://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
- Cabinet
- Speaker
- MPs, MEPs and GLA
- Committee Reports

- Council Meetings
- Executive Meetings & Key Decisions Notice
- Register to Vote
- Introduction to the Council
- Council Departments

## 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](http://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: [Clifford.hart@hackney.gov.uk](mailto:Clifford.hart@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 Governance Services (Tel: 020 8356 3597) for further information on how this can be arranged. Or email: [Clifford.hart@hackney.gov.uk](mailto:Clifford.hart@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](http://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 Director of Legal & Governance;
- 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](mailto:suki.binjal@hackney.gov.uk)



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

MONDAY, 13TH JANUARY, 2020

<b>Chair</b>	<b>Councillor Rebecca Rennison in the Chair</b>
<b>Councillors Present:</b>	<b>Councillors Deputy Mayor Anntoinette Bramble and Cllr Jon Burke</b>
<b>Apologies:</b>	<b>Cllr Caroline Selman</b>
<b>Officers in Attendance</b>	<b>Mr Rotimi Ajilore – Head of Procurement Ms Zainab Jalal – Category Lead Social Care Ms Karen Tait-Lane - Category Lead (Construction &amp; Environment) Mr Patrick Rodger – Senior Lawyer – Procurement - Legal &amp; Governance Mr Gareth Wall – Head of Commissioning – Children, Adults &amp; Community Health (CA&amp;CH) Mr Chris Trowell - Head of Housing Supply Programme, Neighbourhoods and Housing Ms Sophie Bromfield - Project Officer, Neighbourhoods and Housing Mr Andy Wells - Civil Protection Service Manager Ms Suzy Valentine - Lawyer - Paralegal – Legal &amp; Governance Ms Jackie Rutherford Procurement Category Officer, Finance and Corporate Resources Ms Anisah Hilali – Paralegal – Legal &amp; Governance Mr Clifford Hart – Governance Services Officer – Legal &amp; Governance</b>

**1 APOLOGIES FOR ABSENCE**

An apology for absence was received on behalf of Councillor 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 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 or questions.

**NOTED**

**6 UNRESTRICTED MINUTES OF THE PREVIOUS MEETING OF CABINET PROCUREMENT COMMITTEE HELD ON 2 DECEMBER 2019**

**RESOLVED**

**That the unrestricted minutes of the Cabinet Procurement Committee held on 2 December 2019 be confirmed as an accurate record of the proceedings.**

**7 PUBLIC SPACE SURVEILLANCE AND OPTICAL FIBRE INSTALLATION AND MAINTENANCE CONTRACT - - KEY DECISION NO. NH Q37**

The Chair asked for a brief introduction of the report.

The Civil Protection Service Manager – Andy Wells advised the Committee that the report sought approval to the awarding of the Public Space Surveillance and optical fibre installation and maintenance contract. The current contract for the Council’s Public Space Surveillance (PSS) & Optical Fibre Network installation and maintenance began on 1st April 2014 and ran for a 3 year period, with the option to extend for two further twelve month periods, which expired 31st March 2019. The contract had been extended for a further one year to allow for the tender process, and the extension would expire on 31st March 2020. The contract was also used by Property Services.

Mr Wells commented that the Civil Protection Service was now responsible for managing the Public Space Surveillance systems on Housing Estates, with the current contract for Housing Estates commencing in October 2015 and operated for a 5 year period. There was a clause within the contract which enabled the client to end the contract without prejudice after 3 years. Thus, the Housing Estate contract ended in October 2018, and the two services were carried out by the existing town centre public space surveillance contractor until the new contract would commence. This enabled the existing two separate contracts to be combined into one contract to cover Housing and Town Centre PSS, enabling the council to benefit from economies of scale.

Mr Wells further commented that the Council continued to ensure a network of cameras were there to aid Police and other agencies emergency response, deter criminals and aid conviction as well as offering reassurance to members of the public. The supplier selected from this tender process (tenderer A) would be required to maintain and install the PSS and optical fibre network.

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In respect of consultation Mr Wells advised that Leaseholders were consulted in writing prior to the publishing the OJEU notice. Once the conditional contract award was proposed, leaseholders would be consulted again, by issue of a 'Notice of Proposal'. If no representations were received the Council would then proceed to award the contract. After award, a s20 'Award of Contract Notice' would be issued informing leaseholders of the outcome of the procurement process.

The Chair thanked Mr Wells for his succinct and informative introduction and asked there were any questions of the Committee.

Councillor Burke, on behalf of Councillor Selman, who was the portfolio member for the report, asked if Councillor Selman had been consulted at all stages of the project. In response Mr Wells advised that Councillor Selman had been consulted at all stages and was fully in agreement to the proposals.

In response to points of clarification Mr Wells advised that in terms of insourcing of work related to the contract all of the engineering aspects – a considerable amount, was carried out in house, together with the design elements. The technical support was specialist and was from the private sector.

There being no further points of clarification or questions, on a MOTION by the Chair it was:

### **RESOLVED**

- i. That approval be given to the awarding of the Public Space Surveillance and optical fibre installation and maintenance contract to Supplier A as detailed in the exempt appendix to the report; and
- ii. that approval be given to a 3 year contract with the option to extend for a further 4 years in 2 yearly increments, with a maximum potential spend /contract value of £14.63m.

### **RELATED DECISIONS**

The Business case was approved at the CPC meeting on 12<sup>th</sup> November 2018 authorising the commencement of the procurement process for the provision of Public Space Surveillance and Optical fibre installation and maintenance.

### **REASONS FOR DECISION/OPTIONS APPRAISAL**

The report was seeking approval to award to the Public Space Surveillance and optical fibre installation and maintenance contract to Supplier A.

The current contract for the Council's Public Space Surveillance (PSS) & Optical Fibre Network installation and maintenance began on 1<sup>st</sup> April 2014 and ran for a 3 year period, with the option to extend for two further twelve month periods, which expired 31<sup>st</sup> March 2019. The contract was extended for a further one year to allow for the tender process, which would expire on 31<sup>st</sup> March 2020. This contract was also used by Property Services.

The Civil Protection Service was now responsible for managing the Public Space Surveillance systems on Housing Estates. The current contract for Housing Estates began in October 2015 and operated for a 5 year period. There was a clause within the contract which enabled the client to end the contract *without prejudice* after 3 years. Thus, the Housing Estate contract

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ended in October 2018, the two services were carried out by the existing town centre public space surveillance contractor until the new contract commences. This enabled the existing two separate contracts to be combined into one contract to cover Housing and Town Centre PSS, enabling the council to benefit from economies of scale.

The Council continued to ensure a network of cameras are there to aid Police and other agencies emergency response, deter criminals and aid conviction as well as offering reassurance to members of the public.

The supplier selected from this tender process would be required to maintain and install the PSS and optical fibre network.

A number of options were considered:

1. One contract package for all service areas;

Comprehensive 'insurance style' contract where an annual fee is paid for a guaranteed level of service;

Two separate contract packages for the two areas;

Insourcing, and

Existing framework contract.

Option 1 above was the preferred option, giving maximum value for money to the Service areas, and maximising efficiency in managing the contract.

Section 20 (s20) is a clause in the Landlord and Tenant Act 1985 (and as supplemented by the Common hold and Leasehold Reform Act 2002) intended to protect leaseholders from paying unnecessarily large sums for work carried out to their building. s20 is a notice to inform leaseholders that the Council intends to carry out work and will apply to all leaseholders who will be affected by the works and services of this contract.

Leaseholders were consulted in writing prior to the publishing the OJEU notice. Once the conditional contract award had been proposed, leaseholders would be consulted again, by issue of a 'Notice of Proposal'. If no representations were received the Council would then proceed to award the contract. After award, a s20 'Award of Contract Notice' would be issued informing leaseholders of the outcome of the procurement process.

5.1.5. The contract will be a schedule of rates contract and works will be carried out within existing budgets.

## **ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)**

The following options were considered:

One contract package for all service areas.  
Comprehensive 'insurance style' contract where an annual fee is paid for a guaranteed level of service.  
Two separate contract packages for the two areas.  
Insourcing  
Existing framework contract.

Option 1 - Is the preferred option, giving maximum value for money to the Service areas, and maximising efficiency in managing the contract.

Option 2 - Is considered too expensive and inflexible by the PSS Team. Due to the nature of the work we do we need to have the flexibility to order equipment and works that fits the operational requirement and probe the market for new technology that offers us the best value for money.

Option 3 – The PSS Team have considered splitting the contract into two separate contracts, one for installation and one for maintenance. However, this option was rejected. The contracts were previously held by two separate contractors, in 2004. This presented engineering and technical challenges, which meant the council incurred an increase in costs and complexity. There will also be an increase in officer time involved in order to tender and manage the two separate contracts.

Option 4 - Was considered not practical at this time by the Civil Protection Service. Full details of the review are available in the Business Case.

Option 5 – There are no framework contracts available to be used.

**8 Extra Care Housing - Limetree Court and St. Peter's - KEY DECISION NO. CACH Q26**

The Chair asked for a brief introduction of the report.

The Head of Commissioning for Adult Services – Mr Wall advised the Committee that report before them was requesting the approval of the award of a contract for personal care across two extra care housing schemes - Limetree Court at Clapton Common and St Peter's, Bethune Road. Mr Wall advised that both schemes offered extra care provision, where residents would have their own tenancies, and the extra care provision would cater for a range of needs. Extra care meant that as well as personal care, residents could make flexible use of additional support at times throughout the day that would be appropriate for them.

Mr Wall commented that the contract was for three years, at just over £700k per year. The contract signalled the Council's intention to increase the availability of extra care, subject to ongoing demand, and also it allowed the service to build its knowledge of how extra care support was developed and delivered, as the service would be reviewing its arrangements for in-house provision of personal care over the next 18 months. Mr Wall also commented that as the Committee may recall from the business case arrangements, there had been an interim provider in place across both schemes but the service wanted to put a formal contract in place while the internal work took place. This would allow officers to strengthen the contract management relationship, satisfy contract standing orders, give reassurance to both landlords regarding the Council's commitment to the schemes, and make sure of good value for money.

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With regard to the responses to the tender exercise Mr Wall advised that eleven submissions had been received, of which 10 passed the survey questionnaire stage. As a result bids were assessed by a panel that included Commissioners, Social Care staff, and both Landlords, together with a separate meeting at which residents from both schemes had been able to question bidders, at which over 20 residents and their families attended. The recommended bidder employed over 100 employees in Hackney, and currently worked with 154 residents, providing domiciliary care through the Council's contract framework.

The Chair thanked Mr Wall for his succinct introduction, and in asking if there were any questions from members, commented that she had been very impressed by the extent of resident and family involvement in the procurement process.

In response to a point of clarification from Councillor Burke Mr Wall advised that the service provision did not involve staff travelling across sites.

The Chair sought clarification as regards to a possible contradiction within the report whereby at one point it the report indicated that the procurement was not part of a savings programme, but at another point it indicated that it would enable a reduction in spending. In response Mr Wall advised that it was not part of a formal savings programme but the preferred bidder had offered a competitive price, below the forecasted budget. Also Extra Care was designed to provide better outcomes for residents and value for money to the public. If a comparison was made of the cost of a resident receiving homecare for a period, and then later nursing care when their needs changed, modelling showed that it was more cost effective overall to spread more of that time within an Extra Care setting, where the resident had their own tenancy but the level of care could then increase over time.

The Chair thanked Mr Wall for his clarification.

There being no further questions, on a motion by the Chair it was:-

## **RESOLVED**

That approval be given to the awarding of the contract for care services to Bidder B as detailed in the exempt appendix to the report, with financial provision to cost a total amount of £2,128,501 for a period of three years.

## **RELATED DECISIONS**

Due to the assessed risk of this contract the business case approval was sought from the Group Director and was not presented to Cabinet Procurement Committee.

<https://docs.google.com/document/d/1XWsf7SRYcT-sE6prfD2dL78zqska2RoK94WcY9QsM0o/edit?usp=sharing>

## **REASONS FOR DECISION/OPTIONS APPRAISAL.**

In 2012/13, at the request of the London Borough of Hackney, Family Mosaic (now known as Peabody) were asked to apply for a capital grant of £4m from the (then) Homes and Communities Agency to redevelop two of their sites to create extra care services. The London Borough of Hackney then agreed to fund a further £300k capital directly to ensure the new service was designed specifically for residents with dementia and mental health issues. The capital funding was agreed by the London Borough of Hackney on the understanding that these services would assist in delaying or preventing the need for residential care and avoiding costs to health and social care services. This became the St Peter's site. Separately, Hanover (now known as Anchor Hanover) had also developed Limetree Court as a purpose built scheme that presented an opportunity for extra-care provision in both buildings to be delivered by one care and support provider.



A homecare agency from the Council's framework contract has been delivering care and support at both schemes to date, on a short-term basis. In the medium-long term, staff from the in-house Housing with Care service will take on the provision, however this is not possible at present due to changes in the service resulting from the recent CQC Inspection. In the interim, an open tender was required in order for a homecare agency to provide care and support across both settings on an ongoing basis.

Extra Care Housing is housing designed with the needs of frailer, older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self contained homes, their own front doors and a legal right to occupy the property. This type of provision means that people can retain their independence longer, delaying and often completely avoiding the need for residential care. This model promotes the council's vision to promote independence and ensuring people are valued members of their community. This model also avoids higher cost placements in residential care.

A detailed options appraisal for the procurement approach was set out in the Business Case for this service, which was approved by the group director and is reiterated in Section 8 of the report.

**ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)**

The following options have been considered and rejected.

Option	Advantages	Disadvantages	Rec
i. Do nothing	The contract had come to an end and a decision on future delivery needed to be made. Doing nothing was not a viable option.		
ii. Open procurement for a single provider	<p>Open procurement would allow the local authority to test the market, ensure a competitive hourly rate and also allow residents to take part in choosing who provides their care.</p> <p>Helps to shape and develop the market in line with the Council's duty under the Care Act 2014, Section 5. This section of the Act sets out duties on local authorities to facilitate a diverse, sustainable high quality market for their whole local population.</p> <p>Allows for new and innovative organisations to access the local market for homecare provision.</p>	<p>Market forces can reduce prices in a way that does not always balanced adequately by changes in quality.</p> <p>This option does not support the Mayor's manifesto commitment "to review all outsourced services, including in adult social care, with a view to bringing them in-house as well as looking at new forms of employee ownership and co-ops where this is not possible."</p>	<p>✓</p> <p><input type="checkbox"/></p>
iii. Bringing service in-	At the time the business case was being developed CQC evaluated the t Provider Services as inadequate and in		

<p>house</p>	<p>order to fully commit to service improvement it was agreed that no further services would be brought in house until such time as the CQC assessment was improved.</p> <p>Hackney Council is signalling its intention to the market about its ambition for future growth in the provision of extra care, However, this is balanced alongside the Mayor's manifesto commitment to review services with a view to bringing them in house. This current approach allows the Council to build knowledge about the ability of the market to deliver effective extra care, whilst our in-house service is reviewed. A further options appraisal will be undertaken subsequent to that review of in-house services, incorporating knowledge gathered from delivery of this contract by the preferred bidder.</p>		
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9 Daubeney Road Mixed Tenure Housing – Main Contractor Award - KEY DECISION NO. NH Q34

The Chair asked for an introduction of the report.

The Head of Housing Supply Programme, Neighbourhoods and Housing – Mr Trowell advised that the report before the Committee outlined the selection of a preferred bidder for the development of the Daubeney Road garages site, including demolition of the existing structures on site and associated enabling works. The Daubeney Road site formed part of the HSP, and was located in Lower Clapton, part of the Clapton Park Estate in the Kings Park ward.

Mr Trowell commented that the development originally consisted of six social rent and five shared ownership homes. However, in order to ensure the project remained viable in relation to the tendered build costs, it was intended to adjust the tenure mix by the introduction of four outright sale homes which would lead to a slight improvement in the viability of the project, from the budget position and the time of tendering. The improvement would offset a construction price increase on another site within the same ward with the proposed new tenure mix comprising of seven homes for social rent, and four homes for outright sale.

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Mr Trowell advised that proposed tenure change was considered by Planning Sub-Committee on 8th January 2020 and was approved.

Mr Trowell also advised that in addition the development would also provide a new pedestrian only through route connecting Daubeney Road and Redwald Road, together with landscaping and public realm improvements. Mr Trowell further commented that outside of the outlined procurement, but within the scope of the overall development project, the Council would be delivering a permanent community garden on Redwald Road on the Clapton Park Estate, to replace the temporary facility previously located on the development site. Also a contribution of £20,000 would be made towards local greening initiatives (Daubeney Road parklet/Ten Times Greener project).

With regard to the proposed contract Mr Trowell commented that the Council would enter into a JCT Intermediate Building Contract 2016 with the preferred bidder. The contract required the successful bidder to deliver an 11 home development and included the demolition of the existing structures on site and associated enabling works. The tendered bids were evaluated against the forecasts contained within the financial model for the scheme and were considered with reference to the viability of the overall programme. The viability forecasts were prepared on the basis of independent cost and value information supplied by the Council's professional advisors, and subject to scrutiny and cross-checking against other comparable schemes within the programme by the Council's Corporate Finance team. Mr Trowell further reported that the proposed contractor was selected via a restricted tender, and this method had been recommended for the proposed works as it gave a wide range of suitably qualified contractors the opportunity to express an interest in participating in the tender process by completing and submitting a Selection Questionnaire (SQ). Soft market testing demonstrated that this was an attractive procurement route for generating interest among small and medium sized contractors, increasing the probability of those shortlisted being selected as the preferred bidder.

Mr Trowell concluded that the preferred bidder had been selected using the award criteria and scoring methodology detailed in the Invitation to Tender (ITT) document that was issued to shortlisted tenderers. All tenderers submitted contract prices above the anticipated budget and therefore it was intended that the project's viability would be maintained by adjusting the tenure mix to include an element of outright sale housing.

The Chair thanked Mr Trowell for his succinct and informative introduction, and asked if there any questions from the Committee.

Councillor Burke referred to para 7.1.5 of the report which gave reference to the heating system being chosen and asked whether consideration could be given to changing this to electrical heating as opposed to gas fired.

In response Mr Trowell advised that the proposed heating systems were comprised of co-efficient gas boilers and this type of heating was one of the last types to be installed in such developments. It was the case that the Committee would also decide on the Pedro street development in February 2020 which also had gas boilers. Going forward the Council would be looking to adhere to the guidance from the new London plan for renewable heat sources. Mr Trowell also commented that there had been initial exploring of the viability of electrical heating for the development, but for a development of this size it was not sensible given the cost. Mr Trowell added that any attempts to amend the design to include it now would delay the project and be not viable from a cost perspective.

The Chair referred to and welcomed the comment at para 7.2.5 in respect of the commitment of the preferred bidder to paying its workforce the London Living Wage and transferring this to its supply chain. The Chair commented that this was much welcomed and reassuring. The Chair also referred to paragraph 9.2.3 and reference to a reserve bidder E, in the event that it was not possible to award the contract to bidder B, and sought clarification on this point.

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In response Mr Trowell advised that in terms of the proposed award to Bidder B, given that the bidder had represented the requirements of the tender process in terms of quality and standard it was hoped to conclude the negotiations and have tenderer B on site. However the Council would like to put in place a contingency in the event that it was not possible to conclude a contract with Bidder B. Therefore officers sought the authority of the Committee for delegated approval by the Group Director, Neighbourhoods and Housing to appoint Bidder E as a reserve contractor in such circumstances, in order for the work to commence on site without too much further delay.

The Head of Procurement – Mr Ajilore advised that within contract standing orders the selection of a reserved bidder was allowed for so therefore the reserved bidder E had been selected in the event that the contract with bidder B could not be concluded.

The Chair thanked both Mr Trowell and Mr Ajilore for their confirmation.

There being no further points of clarification, on a MOTION by the Chair it was:

### **RESOLVED**

- i. That approval be given to the appointment of Bidder B as the preferred contractor for the construction of mixed tenure housing at Daubeney Road for the value set out in Exempt Appendix 3 of the report, plus a 5% client held contingency to be held by the Council for scheme variations during the construction period for the value set out in Exempt Appendix 3;
- ii. That authority be delegated to the Group Director, Neighbourhoods and Housing, to approve the appointment of a reserve bidder, Bidder E, should it not be possible to enter into a contract with the preferred Bidder, Bidder B.
- iii. That that approval be given to the entering into a JCT Intermediate Building Contract 2016, and any other ancillary legal documentation relating thereto, with Bidder B (or Bidder E subject to ii. above) for the construction of mixed tenure housing at Daubeney Road, on such terms as shall be agreed by the Director of Legal and Governance; and
- iv. That the Director of Legal and Governance be authorised to prepare, agree, settle and sign the necessary legal documentation to effect the proposals contained in the report and to enter into any other ancillary legal documentation as required.

### **RELATED DECISIONS**

At its meeting of 29th February 2016 the Council's Cabinet agreed the Housing Supply Programme.

At its meeting on 18th July 2016 the Council's Cabinet approved the Sales and Marketing Strategy, authorising the Director of Regeneration to implement the Sales and Marketing Framework in relation to shared ownership and outright sale disposals generated via both the Housing Supply (HSP) and Estate Regeneration (ERP) Programmes. Cabinet also authorised the Director of Strategic Property and the Director of Regeneration to dispose of leasehold and freehold interests in the shared ownership and outright sale homes developed or to be developed as part of those Programmes.

At its meeting of 23rd May 2017, the Council's Housing Development Board agreed to the addition of the Daubeney Road site to the HSP.

Hackney Procurement Board (HPB) approved the business case for the Daubeney Road development on 12th June 2018.

The Council's Planning Sub-Committee resolved to grant planning approval for the Daubeney Road development on 4th July 2018, subject to the completion of a Unilateral Undertaking, which had since been authorised.

## **REASONS FOR DECISION/OPTIONS APPRAISAL**

This report outlines the process that has been followed in selecting a preferred bidder for the development of the Daubeney Road garages site, including demolition of the existing structures on site and associated enabling works.

The Daubeney Road site forms part of the HSP. It is located in Lower Clapton and forms part of the Clapton Park Estate in the Kings Park ward.

The development originally consisted of six social rent and five shared ownership homes. However, in order to ensure the project remains viable in relation to the tendered build costs, it was intended to adjust the tenure mix. The introduction of four outright sale homes would lead to a slight improvement in the viability of the project, from the budget position and the time of tendering, and this improvement would offset a construction price increase on another site within the same ward.

The proposed new tenure mix is:

- seven homes for social rent
- four homes for outright sale.

The above tenure change was due to be considered by Planning Sub-Committee on 8th January 2020, and the outcome was confirmed as agreed.

In addition to 11 new homes the development would also provide:

- a new pedestrian only through route connecting Daubeney Road and Redwald Road
- landscaping and public realm improvements.

Outside of this procurement, but within the scope of the overall development project, the Council would be delivering a permanent community garden on Redwald Road on the Clapton Park Estate, to replace the temporary facility previously located on the development site.

Also outside of this procurement, but within the overall project, a contribution of £20,000 would be made towards local greening initiatives (Daubeney Road parklet/Ten Times Greener project).

It was proposed that the Council would enter into a JCT Intermediate Building Contract 2016 with the preferred bidder. The contract required the successful bidder to deliver an 11 home development and included the demolition of the existing structures on site and associated enabling works.

The Daubeney Road development would contribute to delivering the Council's aspiration to make the best use of its land by building new social rented and affordable homes on a range of unused or under occupied sites across the borough. The outright sale homes delivered on the site would generate cross subsidy to help support the delivery of the social rented housing.

The bids for the Daubeney Road development were evaluated against the forecasts contained within the financial model for the scheme and were considered with reference to the viability of the overall programme. The viability forecasts were prepared on the basis of

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independent cost and value information supplied by the Council's professional advisors, and subject to scrutiny and cross-checking against other comparable schemes within the programme by the Council's Corporate Finance team.

The proposed contractor was selected via a restricted tender. This route was the recommended method of procuring the proposed works as it gave a wide range of suitably qualified contractors the opportunity to express an interest in participating in the tender process by completing and submitting a Selection Questionnaire (SQ). Soft market testing demonstrated that this was an attractive procurement route for generating interest among small and medium sized contractors, increasing the probability of those shortlisted being selected as the preferred bidder.

A preferred bidder has been selected using the award criteria and scoring methodology detailed in the Invitation to Tender (ITT) document that was issued to shortlisted tenderers.

All tenderers submitted contract prices above the anticipated budget. It was intended that the project's viability would be maintained by adjusting the tenure mix to include an element of outright sale housing. (The full tender process was summarised in paragraph 8 within the report.)

### **ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)**

The option to abandon the procurement process and begin a new process was considered. It was rejected due to the delay this would cause to the construction programme and the probability that continued build cost inflation would further increase the cost of tenders received in any future procurement exercise.

Value engineering of the design was considered and rejected, as it was established that there were no further value engineering measures that would significantly reduce costs without compromising the design intent of the project. It was also assessed that any minimal cost savings achieved through value engineering would, in probability, be negated by continuing build cost inflation.

Consideration was given to awarding the contract without changing the tenure mix at Daubeney Road. However, this was not supported because delivering the Daubeney Road project without adjusting the tenure mix would reduce the viability of the HSP and therefore compromise the delivery of affordable homes on other schemes within the portfolio.

### **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**

The Chair advised that meeting scheduled for 6 April 2020 would be cancelled.

**Noted** the following meetings of Cabinet Procurement Committee for the remainder of the Municipal Year 2019/20 commencing at 18.00hrs on:

10 February 2020  
11 March 2020  
11 May 2020

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 13-16 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 2 DECEMBER 2019 - to follow

**AGREED - the exempt minutes of the Cabinet Procurement Committee held on 2 December 2019.**

14 PUBLIC SPACE SURVEILLANCE AND OPTICAL FIBRE INSTALLATION AND MAINTENANCE CONTRACT - KEY DECISION NO. NH Q37

**AGREED – the exempt Appendices 1&2 in relation to agenda item 7 in the unrestricted part of the agenda.**

15 Extra Care Housing - Limetree Court and St. Peter's - KEY DECISION NO. CACH Q26

**AGREED – the exempt Appendices A & B in relation to agenda item 8 in the unrestricted part of the agenda.**

16 Daubeney Road Mixed Tenure Housing – Main Contractor Award - KEY DECISION NO. NH Q34

**AGREED – the exempt Appendices 1 - 3 in relation to agenda item 9 in the unrestricted part of the agenda.**

17 ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT

There were no items of exempt business to consider.

**NOTED**

**Duration of the meeting:** 18:00 – 18:25HRS

Contact:  
Clifford Hart  
Clifford.hart@hackney.gov.uk

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<p><b>SELECTION OF A CONTRACTOR FOR THE CONSTRUCTION OF MIXED TENURE HOUSING AT PEDRO STREET</b></p> <p><b>CONTRACT APPROVAL</b></p> <p><b>Key Decision No. NH Q38</b></p>	
<p><b>CPC MEETING DATE (2019/20)</b></p> <p>10 February 2020</p>	<p><b>CLASSIFICATION:</b></p> <p>Open with EXEMPT APPENDIX 1</p> <p>By Virtue of Paragraph(s) 3, Part 1 of schedule 12A of the Local Government Act 1972 appendices 1-3 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><b>WARD(S) AFFECTED</b></p> <p>Kings Park Ward</p>	
<p><b>CABINET MEMBER</b></p> <p>Mayor Glanville, Housing Regeneration</p>	
<p><b>KEY DECISION</b></p> <p>Yes</p> <p><b>REASON</b></p> <p>Spending/or saving</p>	
<p><b>GROUP DIRECTOR</b></p> <p>Ajman Ali, Neighbourhoods and Housing Acting Group Director</p>	

## **1. CABINET MEMBER'S INTRODUCTION**

- 1.1 In February 2016 the Council's Cabinet agreed the Housing Supply Programme (HSP). The Cabinet report outlined how the Council will make best use of its land by building new social rented and low-cost home ownership homes on a range of unused or under-occupied sites across the borough, subsidised by homes built for outright sale as a result of minimal Government funding to build council housing for social rent. The Programme will see the delivery of more than 400 new homes, with a target tenure mix of 70% for social rent and shared ownership, with 30% outright sale.
- 1.2 In approving the Programme, Cabinet agreed to a 'portfolio' as opposed to a site-by-site approach to financial viability and planning compliance. This approach enables the Council to combine the development of schemes which require a net investment with those that have the potential to generate a surplus. The 26 new affordable homes at Pedro Street will contribute to the Council's target to build over 3,000 new homes for social rent, shared ownership and outright sale. The cost of these affordable homes will be subsidised by homes for outright sale on other sites within the HSP, as agreed in the overarching Unilateral Undertaking agreed as part of the Programme.
- 1.3 The Pedro Street development will replace an old, now demolished boiler house that had become an eyesore on Clapton Park Estate. It is being replaced by 26 new, genuinely affordable homes for Council social rent and shared ownership. In addition, new landscaping and public realm improvements will provide a link between the development and Gilpin Square, and the shared surface will make the area more welcoming for pedestrians and cyclists.
- 1.4 The Council has worked closely with the Clapton Park Tenant Management Organisation (TMO) and Kings Park ward councillors throughout the development of the project and will continue to do so during the project's construction phase. All properties will be managed by the Clapton Park TMO, following a handover period managed by the Council's New Build Team.

## **2. GROUP DIRECTOR'S INTRODUCTION**

- 2.1 The HSP will deliver new, mixed tenure developments. Given current market conditions the Programme is forecast to be self-funding, but each individual scheme is subject to robust financial viability testing.
- 2.2 This report seeks approval to appoint a preferred contractor for the development of a mixed tenure housing scheme at Pedro Street on Clapton Park Estate. The Council has selected the preferred contractor via the South East Consortium (SEC) New Build and Refurbishment Framework, Lot 2: £3m-£8m. The recommendation is made on the basis of both cost and quality.

### **3. RECOMMENDATION(S)**

**Cabinet Procurement Committee is recommended to:**

- 3.1 Approve the appointment of Bidder A as the preferred contractor for the construction of mixed tenure housing at Pedro Street for the value set out in Exempt Appendix 1, plus a 5% client contingency to be held by the Council for scheme variations during the construction period.**
- 3.2 Agree to enter into a JCT Design and Build contract and any other ancillary legal documentation relating thereto with Bidder A for the construction of mixed tenure housing at Pedro Street on such terms as shall be agreed by the Director of Legal.**
- 3.3 Authorise the Director of Legal 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 At its meeting of 29 February 2016 the Council's Cabinet agreed the Housing Supply Programme (HSP).**
- 4.2 At its meeting on 18 July 2016 the Council's Cabinet approved the Sales and Marketing Strategy, authorising the Director of Regeneration to implement the Sales and Marketing Framework in relation to shared ownership and outright sale disposals generated via both the HSP and Estate Regeneration Programme (ERP). Cabinet also authorised the Director of Strategic Property and the Director of Regeneration to dispose of leasehold and freehold interests in the shared ownership and outright sale homes developed or to be developed as part of those Programmes.**
- 4.3 The Council's Planning Sub-committee resolved to grant planning permission for the Pedro Street development on 7 February 2018, subject to the completion of a Unilateral Undertaking, which has since been authorised.**
- 4.4 At its meeting of 14 May 2019 the Hackney Procurement Board (HPB) approved the business case for mixed tenure housing at Pedro Street.**

### **5. REASONS FOR DECISION/OPTIONS APPRAISAL.**

- 5.1 This report outlines the process that has been followed in selecting a preferred bidder for the Pedro Street development.**
  - 5.1.1 It is proposed that the Council will enter into a JCT Design and Build contract with the preferred bidder. The Pedro Street contract requires the successful**

bidder to construct 26 new affordable homes, consisting 13 for social rent and 13 for shared ownership, with associated hard and soft landscaping.

- 5.1.2 The redevelopment of the Pedro Street site will contribute to delivering the Council's aspirations to make best use of Council land by building new social rented and low-cost home ownership homes on a range of unused or under-occupied sites across the borough. The shared ownership homes delivered on this site will generate cross subsidy to help support the delivery of the social rented housing.
- 5.1.3 The bids for the Pedro Street development were evaluated against the forecasts contained within the financial model for the scheme and were considered with reference to the viability of the overall HSP. These forecasts have been prepared on the basis of independent cost and value information provided by the Council's professional advisors and subject to scrutiny and cross-checking against other comparable schemes within the Programme by the Council's Corporate Finance team.
- 5.1.4 The proposed contractor was selected via a Negotiated Process without Prior Publication procedure using the SEC New Build and Refurbishment Framework Lot 2: £3m-£8m. The route was the recommended method of procuring the proposed work, as the SEC Framework contained a suitable range of contractors, where best value could be obtained in terms of both price and quality. Tenderers were required to offer a fixed price for building out the whole of the works.
- 5.1.5 Two bids were received from build contractors via the Council's e-tendering portal, ProContract. Both bids received were in excess of the pre-tender estimate provided by the Council's professional advisors. In order to reduce bids down to an acceptable level, in accordance with Regulation 32(2) (a) of the Public Contracts Regulations 2015, the Council commenced a Negotiated Procedure with the two bidders.

## **5.2 ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)**

- 5.2.1 The option to 'do nothing' was considered and rejected. The HSP provides the opportunity to help alleviate the shortage of housing in the Borough. The Pedro Street site is a Council-owned brownfield site and, therefore, presents a significant opportunity to provide new affordable homes.
- 5.2.2 The Council owns and manages thousands of homes in the Borough, and as such has an in-depth understanding of and expertise in the affordable housing sector. In addition, the Council's Regeneration Division has already successfully delivered new build housing across a number of sites. Accordingly, the Council's recent approach to regeneration seeks to utilise its expertise, understanding and financial capacity to build and retain new affordable housing and outright sale homes directly through its in-house Sales & Marketing Team.

5.2.3 Consideration was given to procuring a build contractor using the restricted procedure route set out in the Public Contracts Regulations 2015. The estimated build costs exceed the EU threshold for works and this, therefore, was a viable option. However, it was recommended that the contractor was procured through the SEC Framework for the following reasons:

- Procurement process management costs will be higher for a stand-alone full EU-compliant process compared to a framework. This is principally in relation to internal resources and consultancy fees as a result of the need for a pre-qualification stage to be carried out;
- Such a pre-qualification stage would add 4 to 6 weeks to the procurement timetable; and
- Using a framework will provide a more streamlined procurement approach which in turn will generate time-saving benefits.

5.2.4 Procuring through several alternative frameworks was considered. The SEC Framework was considered to be the most appropriate for this project. Other frameworks in the market contained predominantly larger contractors and, therefore, interest and competition to bid for the work was considered less likely.

## **6. PROJECT PROGRESS**

### **6.1 Developments since the Business Case approval**

6.1.1 In May 2019 the Hackney Procurement Board (HPB) approved a single stage tender via the SEC New Build and Refurbishment Framework Lot 2: £3-£8m for the selection of a build contractor for the construction of mixed tenure housing at Pedro Street. As agreed at HPB, the tenders were to be evaluated on the basis of 30% quality and 70% price. Soft market testing of the SEC Framework was undertaken and expressions of interest were received from four framework members prior to HPB approval, indicating they would be submitting bids.

6.1.2 Following its approval, the procurement process commenced on 11 June 2019 via a mini competition. The Invitation to Tender, tender drawings, surveys and all other associated documents were issued to members of the SEC Framework who had expressed interest via the Council's e-tendering portal, ProContract. Framework members were given until 9 August 2019 to submit a bid.

### **6.2 Whole Life Costing/Budgets:**

6.2.1 The Council's Regeneration Division has, in consultation with Housing Services, produced a standardised New Build Design Specification for new build homes and landscaping, which takes into account whole life costs of new build properties. The HSP has adopted the same Specification, which is being

used for the Pedro Street project. The project is using Version 5 of the Specification to design and build the new homes.

- 6.2.2 The Council's New Build Property Management Team will take on the management and maintenance of the new homes on Pedro Street during the one year defects period. It is anticipated that the Clapton Park Estate Tenant Management Organisation will manage and maintain the building thereafter.
- 6.2.3 The ongoing maintenance costs of the new social rented properties and communal areas, as well as the management of the overall development, are included in the Housing Revenue Account Business Plan.
- 6.2.4 The tenants of the Council social rented properties will pay a rent calculated in accordance with formula rent principles, as well as a service charge calculated in line with the Council's standard methodology.
- 6.2.5 The owners of the Council shared ownership homes will be recharged through a service charge, a proportion of the the management, cleaning and maintenance costs for any communal areas and shared elements of the Clapton Park Estate.

### **6.3 SAVINGS**

- 6.3.1 The Pedro Street project will deliver new, high quality, mixed tenure homes and contribute to the regeneration of the borough. This will provide better value for money for Hackney residents, and provide the basis for the Council to continue delivering a high quality and cost-effective housing management service.
- 6.3.2 The new homes at Pedro Street will also contribute to alleviating the current pressure on the Council's housing register and temporary accommodation costs.

## **7. SUSTAINABILITY ISSUES**

### **7.1 Procuring Green**

- 7.1.1 The Pedro Street scheme will provide high quality soft landscaping, which will improve the ecological value of the site. It will also deliver homes which meet current regulatory requirements relating to sustainability, including Building Regulations and the London Mayor's Housing Supplementary Planning Guidance.
- 7.1.2 The development will replace an old, disused boiler house, bringing the site back into use. Any ground contamination issues identified will be remediated as part of the works.
- 7.1.3 Photovoltaic cells (PVs) will be installed in order to provide a source of renewable energy.

- 7.1.4 A Flood Risk Assessment was carried out for the Pedro Street site in accordance with the requirements of the National Planning Policy Framework (NPPF). The site falls under Flood Risk Zone 2, meaning certain steps must be taken to mitigate the risk of flooding. These include raising the building by 0.5m at the end closest to Gilpin Square.
- 7.1.5 Reducing energy consumption from buildings is a key policy consideration. The Pedro Street scheme incorporates energy efficiency measures, which will deliver homes that meet current regulatory requirements relating to sustainability, including Building Regulations, the Mayor's London Plan and the Council's Housing Supplementary Planning Guidance (SPG).
- 7.1.6 Due to the small size of the scheme, it is unable to successfully incorporate a community heating system, as significantly more dwellings would be required to provide an economically feasible centralised system that would assist in further reducing CO2 emissions.
- 7.1.7 The recycling of construction waste and the development of a Site Waste Management Plan are mandatory. The contractor will be obligated to minimise construction related disruption to residents and other neighbouring occupiers.
- 7.1.8 The contractor will be obligated to minimise construction related disruption to residents and other neighbouring buildings including the businesses on Gilpin Square close to the Pedro Street development.
- 7.1.9 The scheme encourages sustainable transport through the provision of 62 cycle spaces, in accordance with Hackney planning policy. These will be provided in the form of both an internal and external communal lockable bike store. The development is also car free, in line with planning policy.
- 7.1.10 The Pedro Street project will, in conjunction with the Council's Mandeville Street project, pay £7,500 towards the cost of an electric car club bay to be located in close proximity to the two developments. Council officers are in discussion with a car club operator to implement the bay. All residents of the new development will be gifted one year's free membership to the car club to encourage use of the scheme.

## **7.2 Procuring for a Better Society**

- 7.2.1 The appointed contractor will be required to provide local training and employment opportunities, for which a number of Key Performance Indicators (KPIs) have been established. KPIs will be monitored regularly at site meetings. The contractor and Employer's Agent (EA) will provide information that will form the basis of each score, which will be documented at each meeting. The contractor will use reasonable endeavours to source materials from local suppliers and manufacturers.

- 7.2.2 The appointed contractor will provide a draft Employment and Skills Plan to the Council for approval prior to works commencing on site. They will also prepare and implement an active programme for recruitment in order to achieve a local labour target of 30%
- 7.2.3 The Employment and Skills Plan will also include an active programme for recruiting and retaining apprentices in the various building traders (such as bricklaying, carpentry, electrical, plumbing and plastering). Under the terms of their contract the contractor must employ at least one apprentice per £2m of construction contract value.
- 7.2.4 The appointed contractor will be required to provide the Council with a labour return for the scheme every three months during the construction phase and must notify the Council of all vacancies for employees, self-employed, sub-contractors and any other form or type of employment or service arising from construction of the development. The Council will endeavour to find suitable candidates to put forward for the roles within five working days unless otherwise agreed in advance. After such time vacancies can be filled through alternative channels.
- 7.2.5 A sum of £9,923 will be paid as a planning obligation to Hackney Works. This will go towards the cost of training and supporting “out of work” residents into construction jobs associated with the development.
- 7.2.6 The preferred bidder has committed to paying all of its staff and sub-contractors the London Living Wage.

### **7.3 Procuring Fair Delivery**

- 7.3.1 Tender documents issued to each bidder were identical, giving them equal opportunity to review and respond. Throughout the tender process bidders submitted clarification questions. Where a clarification was not commercially sensitive the clarification and the Council’s response was anonymised and issued to all bidders.
- 7.3.2 Each bidder was asked to comply with the Council’s requirements with regards to the specification, local labour and employment and skills. The successful bidder has agreed to the Council’s targets in these areas. KPIs have been agreed with the contractor and will be scored at agreed intervals during the construction period. More information on KPIs can be found in section 10.2 below.

### **7.4 Equality Impact Assessment and Equality Issues:**

- 7.4.1 The Council is committed to building new homes that are adaptable to the varying needs of occupiers over time and that will enable people to live independently in their homes for longer. The Pedro Street development contains three units which meets Part M4(3) of the Building Regulations – ‘wheelchair user dwellings and adaptable dwellings’ and 19 units which meet the M4(2) requirements, which refer to accessible and adaptable dwellings.



The small scale of the development and viability considerations mean that it is not feasible to incorporate a lift into the east core of the development and therefore it is not possible to fully meet the M4(2) requirements for units above ground floor level.

## **8. TENDER EVALUATION**

### **8.1 Evaluation:**

#### Procurement Route

- 8.1.1 At its meeting in May 2019 HPB approved a single stage procedure via the SEC New Build and Refurbishment Framework Lot 2: £3m-£8m.
- 8.1.2 Soft market testing was carried out with Contractors of the SEC Framework prior to publishing tender documents. Contractors were offered a face-to-face meeting with the Council. Four contractors expressed an interest in tendering, while three of those contractors attended meetings with Council officers prior to tender documents being issued.

#### Invitation to Tender

- 8.1.3 Invitation to Tender (ITT) documents were issued via the e-tendering portal, ProContract, on 11 June 2019. The ITT documents included the Employer's Requirements, draft JCT contract, tender drawings and surveys. Bidders were given a deadline of 9 August 2019 to submit their tender.
- 8.1.4 During the tender process bidders sent a number of clarification questions to the Council via the messaging function on ProContract. These were anonymised and issued to all bidders with responses from the Council.
- 8.1.5 Two bids were received by the tender deadline. Please see exempt Appendix 1 for more details. All bids received were reviewed and verified by the Council and the Employer's Agent (EA) working on the project. Both bids were found to be compliant and were evaluated in full.

#### Evaluation

- 8.1.6 Tenders were evaluated on the basis of 30% Quality and 70% Price.
- 8.1.7 The Council's cost consultant evaluated the financial submission independently of the quality evaluation. At the same time the tender evaluation panel assessed the quality element of each tender bid. The tender evaluation panel consisted of:
- Project Lead (LBH)
  - Project Manager (LBH)
  - Design Manager (LBH)
  - Employer's Agent (Potter Raper)

## Quality Evaluation

8.1.8 For the Quality element, bidders were required to set out their responses to seven Method Statements scored 0-5, and one Statement which was scored on a pass/fail basis. Where necessary, further clarification was sought from bidders. A score of 2 or less on any one of the Method Statements would result in a fail and therefore disqualification from the tender process. Table 1 below gives details of the Evaluation Scoring Methodology used. Further details for the Method Statements and scores can be found in Appendix 1.

**Table 1 - Evaluation Scoring Methodology**

<b>Score</b>	<b>Rationale/Judgement</b>	<b>General Description</b>
0	The response fails to comply with the requirements of this ITT or is otherwise incapable of evaluation.	Wholly unsatisfactory
1	The response does not demonstrate an understanding of the Council's requirements as defined in this ITT, and is incomplete or is otherwise unconvincing in significant respects.	Unsatisfactory
2	The response demonstrates only a limited understanding of the Council's requirements as defined in this ITT, lacks detail or is not convincing in a some respects	Cause for concern
3	The response demonstrates an understanding of, and compliance with the Council's requirements as defined in this ITT.	Acceptable
4	The response indicates that the Tenderer would effectively deliver the programme of works in accordance with the Council's requirements. The response is convincing, detailed and demonstrates a good understanding of the Council's requirements as defined in this ITT.	Good
5	The response indicates that the Tenderer would effectively deliver the programme of works in accordance with the Council's requirements. The response is entirely convincing, highly detailed and demonstrates a complete understanding of and compliance with the Council's requirements.	Excellent

8.1.9 Each Method Statement was scored by the tender evaluation panel. A moderated consensus score was reached following individual scoring.

8.1.10 Both bidders submitted Contractor's Proposals. These set out the contractor's proposals for elements of work including those that were not specified in the tender documents, where they are unable to meet the requirement or they have proposed an alternative.

#### Price Evaluation

8.1.11 For the Price element, bidders were required to submit a financial proposal. The proposal included costs for the construction of 26 affordable residential units including communal areas, all associated external works and hard and soft landscaping. Details can be found in Appendix 1.

8.1.12 The price has been scored on the basis that the bidder providing the best offer to the Council scores the highest. The other bidder was scored in relation to how their price compared with the higher scoring bidder.

#### Negotiated Procedure

8.1.13 The financial evaluation established that both tender bids received were over budget. There were also a number of outstanding clarifications with both bidders where they had specified products, materials and proposals. Regulation 32 of the Public Contracts Regulations 2015 allows the Council to award a contract by a Negotiated Procedure without Prior Publication where, amongst other things, no suitable tenders have been submitted, provided that the initial conditions of the contract are not substantially altered. In order to refine each bidder's tender with regards to specification and to reduce costs, the Council informed bidders of its intention to enter into a negotiated procedure under Regulation 32 of the Public Contracts Regulations 2015.

#### The Evaluation Process at the Negotiation Stage

8.1.14 Bidders A and B were written to on 17 September 2019 inviting them to participate in a negotiated process. Both firms agreed to participate in the process.

8.1.15 In the letter, Bidders were reminded that the procurement process was undertaken via the SEC New Build and Refurbishment Framework Lot 2: £3m-£8m. The pre-tender estimate, provided by the Council's professional advisors, indicated that the build cost would fall within this price range (i.e. £3m-£8m).

8.1.16 Bidder B responded to the Council's letter stating that, while willing to enter into negotiation, it was their opinion that their bid could not be reduced to within the £3m-£8m price range "without a complete redesign, with the possible loss of units". Bidder B's original bid was more than £2m above the pre-tender estimate and higher than Bidder A's price. Following professional advice and the need to maximise the delivery of affordable housing, the Council informed

Bidder B that it was not willing to accept a redesign or the loss of units. Bidder B then withdrew from the procurement process.

- 8.1.17 On agreeing to participate in the negotiated process, Bidder A was sent a letter setting out the process and identifying areas of their bid where the Council wished to negotiate. Bidder A then submitted revised proposals including revised specifications and opportunities to reduce costs. These were discussed at a negotiation meeting held on 27 September 2019. The meeting was chaired by the Interim Head of Estate Regeneration Programme and Housing Supply Programme, and attended by the Employer's Agent (EA), Project Lead, Category Manager, Design Officer and representatives of Bidder A.
- 8.1.18 The negotiation meeting was not scored, but served as an opportunity to meet senior company personnel and seek confirmation of their commitment, priority, attitude and approach to the Pedro Street development. The meetings were also an opportunity for the Council to reiterate its vision and objectives for the HSP, and to give the bidder confidence in the Council as a development partner.
- 8.1.19 It was also an opportunity for the Council and Bidder A to clarify and agree their approach to a number of qualifications, clarifications and provisional sums in their tender submission.
- 8.1.20 It was agreed that, following the meeting, a tracker would be established to monitor and agree revised proposals put forward by Bidder A. There then followed a number of exchanges via the e-tendering portal, ProContract, whereby Bidder A put forward proposals and the Council responded to them.
- 8.1.21 One area of concern for the Council was Bidder A's proposed design team. On scoring their quality submission it was noted that Bidder A's design team did not have the necessary experience in the new build housing sector. At the Council's request Bidder A changed its design team and, as a result, the tender evaluation panel rescored Method Statement 4 of Bidder A's quality submission.
- 8.1.22 On 25 November 2019 the Council sent Bidder A a final copy of the proposal tracker with a request for a best and final offer (BAFO) submission. This offer was received by the Council on 28 November 2019. The offer was confirmed as valid by the EA. Their priced BAFO response was combined with the revised quality score to give an overall score.
- 8.1.23 Tender sum adjustments for Bidder A can be found on page 17 of Appendix 1. These reflect the outcome of negotiations to confirm the final specification. Changes to the specification were agreed by the Council's Strategic Design team following advice taken from the EA.
- 8.1.24 Given that only Bidder A submitted a best and final offer, their bid was evaluated on a stand alone basis. As per 8.1.8, Bidder A's quality submission was scored on its response to the Method Statements. They were given a

score of 3 or more for each of the Method Statements and their bid was therefore acceptable. A summary of Bidder A's scores for price and quality is set out in the table below. A full analysis of the scoring is set out in exempt Appendix 1.

	Quality (30%)	Price (70%)	Total (100%)
Bidder A	19%	70%	89%
Bidder B	Withdrew from tender process at negotiation stage		

8.1.25 Bidder A's final offer is 5.1% higher than the Council's pre-tender estimate provided by the EA. The HSP programme follows a portfolio approach to financial viability, as opposed to a site-by-site approach. This approach enables the Council to combine the development of schemes which require a net investment with those that have the potential to generate a surplus. As Pedro Street is a 100% affordable housing development, it was always anticipated that the scheme would have a net investment requirement, and would be cross subsidised by homes for outright sale on other sites within the HSP.

8.1.26 The additional investment requirement arising from the increased build cost for Pedro Street will be funded through an adjacent site. Daubeney Road is an 11 home HSP project, also located on the Clapton Park estate. The Council's Planning Sub-Committee originally resolved to grant planning permission for Daubeney Road in July 2018, to deliver 6 homes for social rent and 5 homes for shared ownership.

8.1.27 Officers working on the Daubeney Road project issued tender documents to identify a build contractor on 18 March 2019. Five bids were received by the deadline of 3 May 2019. As with Pedro Street, all of the tenders were above the pre-tender estimate.

8.1.28 In order to maintain the viability of both the Pedro Street and Daubeney Road projects and to ensure they can be delivered to programme, the decision was made to vary the tenure mix at Daubeney Road. This variation was agreed by the Council's Planning Sub-Committee on 9 January 2019. Following consultation with Kings Park Ward Councillors it was agreed to change four of the shared ownership homes to outright sale, in order to generate additional capital receipts. This additional income will be used to meet the increased build costs on the Pedro Street and Daubeney Road schemes. As part of the above variation, in respect of Daubeney Road, the remaining shared ownership home will be converted to social rent.

## **8.2 Recommendation:**

8.2.1 A preferred bidder was selected using the award criteria and scoring methodology set out in the ITT. Bidder A's submission, being the only final bid, achieved the highest score for quality and price combined and emerged as the Most Economically Advantageous Tender (MEAT).

- 8.2.2 It is therefore recommended that the contract for the construction of mixed tenure housing at Pedro Street is awarded to Bidder A.
- 8.2.3 Bidder A is committed to adhering to the design as per the planning permission and tender documents. This includes its responsibility to meet local labour, Ways into Work and local supply chain requirements.
- 8.2.4 A performance bond and parent company guarantee will be used on this project to alleviate the risk of Bidder A failing to fulfil its contractual obligations or becoming insolvent. This is a typical requirement for new build development projects.
- 8.2.5 A full analysis of the bids is included in exempt Appendix 1.

## **9. CONTRACT MANAGEMENT ARRANGEMENTS**

### **9.1 Resources and Project Management (Roles and Responsibilities):**

- 9.1.1 The necessary resources and skills to ensure that the project will be successfully managed have been identified and are either available within the Council or have been procured externally.
- 9.1.2 The project will be managed by the Council's Project Lead overseen by a Project Manager. The Council has appointed Potter Raper Limited as its EA for the scheme, for the duration of the construction period. The project delivery team is:
- Project Sponsor – Director – Regeneration
  - Project Head of Service – Head of Housing Supply Programme
  - Project Lead – Project Officer, Housing Supply Programme
  - Project Oversight – Project Manager, Housing Supply Programme
  - Design Advice – Strategic Design Team
  - Legal – Senior Lawyer, Regeneration
  - Procurement – Procurement Category Lead and Procurement Category Manager
  - Employer's Agent – Potter Raper Limited
- 9.1.3 During the pre-construction and construction periods, the Pedro Street project will be managed on a day-to-day basis by the Project Officer and Project Manager in the Council's HSP team. The building contract will be administered by the Council's EA. The EA will carry out monthly valuations of works completed on site and certify the value of these works. During the Pre-Construction Phase, the Employer's Agent will attend contract Design Team Meetings, which will be programmed by the contractor, but are likely to take place at least monthly (or as required) in order to meet the contract programme.
- 9.1.4 The contractor's project manager and construction contract manager will report monthly to the Council's Project Manager and Project Officer, with

updates provided regularly to the Council's Director as project sponsor. The EA will also act as Clerk of Works to ensure that a comprehensive monitoring service is provided to the Council, to make sure that the quality of workmanship and finishes of the homes and public realm are delivered as intended.

9.1.5 It is anticipated that work will start on site in July 2020 as summarised in the table below:

<b>Key milestones and dates</b>	
Report to CPC seeking approval to Award Contract for construction	10 February 2020
Decision and standstill letter issued	11 February 2020
Standstill period	12 - 25 February 2020
Proposed signing of contract	25 March 2020
Proposed start on site	July 2020

## 9.2 Key Performance Indicators:

<b>Main KPI Targets Set</b>	<b>Monitoring</b>
<b>1. Programme</b> - target to achieve Practical Completion in line with programme provided by the contractor during the tender period.	Monitored monthly based on total days early or delayed.
<b>2. Cost</b> - target for project to be delivered to cost.	Monitored monthly based on divergence between original contract value and forecast throughout the project.
<b>3. Quality control</b> - resolve all defects within timescales set.	Monitored by EA, number of defects remedied within/beyond timeframes.
<b>4. Employment</b> - provision of four apprentices across the project.  Target 30% local labour.  Pay all employees, including those of sub-contractors, the London Living	To be monitored at monthly site meetings.

Wage.	
<b>5. Sustainability</b> - meet the requirements as set out in the Site Waste Management Plan.  Project to meet requirements for energy saving measures including PVs.	To be monitored at monthly site meetings.

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

- 10.1 The increase in construction costs over and above the Employer's Agent's pre tender estimate has resulted in an adverse movement in the project's finances of £159k.
- 10.2 Due to similar price increases at the nearby Daubeney Road site (which is also within the HSP), 4 Shared Ownership units there have been flipped to Outright Sale. This has improved the financial position at Daubeney Road by approximately £200k, which is being used to offset the increased costs on Pedro Street and maintain the agreed financial position across both sites.
- 10.3 A contingency of 5% has been allocated to this project (cost centre X7573) and has been included in the financial appraisal. Any utilisation of this will need to be approved as per LBH's scheme of delegation.

## 11. VAT Implications on Land & Property Transactions

- 11.1 Shared ownership units - These will be zero rated so any VAT on costs will be recoverable.
- 11.2 Social rented units - The income is non-business so VAT on costs will be recoverable.

## 12. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE SERVICES

- 12.1 The public works contract in this Report was assessed as Medium Risk and Hackney Procurement Board approved the Business Case on 14 May 2019. The value of the proposed contract to be awarded is 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.
- 12.2. The Council used the South East Consortium New Build and Refurbishment Framework Lot 2 to seek tenders for the works contract in this Report. Contract Standing Order 5.1.4 states that officers may use Framework Agreements set up by other Central or Local Government organisations as



instructed or agreed by the Group Director, Finance and Corporate Resources, or designated deputy.

- 12.3 Evaluation of the tenders received did not result in a bid which the Council could accept and, therefore, it used Regulation 32 of the Public Contract Regulations 2015, under which contracting authorities may award public contracts by a negotiated procedure without prior publication to agree a contract with an economic operator. Regulation 32 can be used where “no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been submitted”. In this case no suitable tenders were received under the SEC Framework and, therefore, the Council sought to use this Regulation to negotiate the contract with the two bidders who provided compliant bids by the initial deadline. Following the conclusion of these negotiations it is proposed to award the contract to Bidder A.

### **13. COMMENTS OF THE PROCUREMENT CATEGORY LEAD**

- 13.1 The Business Case, approved at the Hackney Procurement Board on 14 May 2019, estimated the value of the works to be above £2m and having a risk level of Medium. In compliance with paragraph 2.7.7 of the Council’s Contract Standing Orders, the Contract Award must be determined by the Cabinet Procurement Committee.
- 13.2. The South East Consortium (SEC) New Build and Refurbishment Framework Lot 2 used to procure the works contractor is provided for in the Council’s Contract Standing Orders paragraphs 5.1.4 and 5.1.7. The use of an OJEU compliant framework such as the SEC New Build and Refurbishment Framework was to remove the need to undertake a costly and time consuming OJEU procurement process.
- 13.3 Regulation 32 of the Public Contract Regulations 2015 provides grounds for using the negotiated procedure without prior publication where there are no suitable tenders submitted as set out in this report.
- 13.4 Following Bidder B withdrawing from the negotiation, the process was structured around clearly identified negotiation points supported by a tracker to monitor and agree revised proposals put forward by Bidder A and submitted via the Council’s e-tendering portal, ProContract. In addition, the price evaluation was separated from the quality evaluation at BAFO stage so as not to influence the respective submission scores. It is proposed to select Bidder A for the works contract.

### **APPENDICES**

Exempt Appendix 1 - Pedro Street Tender Report

### **EXEMPT**

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

## BACKGROUND 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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<p><b>Hackney and City Integrated Substance Misuse Service</b></p> <p><b>CONTRACT APPROVAL</b></p> <p><b>Key Decision No. CACH Q56</b></p>	
<p><b>CPC MEETING DATE (2019/20)</b></p> <p>10th February 2020</p>	<p><b>CLASSIFICATION:</b></p> <p><b>OPEN with EXEMPT APPENDIX A</b></p> <p>By Virtue of Paragraph(s) 3, Part 1 of schedule 12A of the Local Government Act 1972 appendix A is 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><b>WARD(S) AFFECTED</b></p> <p>All Wards</p>	
<p><b>CABINET MEMBER</b></p> <p>Mayor Philip Glanville</p> <p>Mayor - London Borough of Hackney</p>	
<p><b>KEY DECISION</b></p> <p>Yes</p> <p><b>REASON</b></p>	

**Affects two or more wards**

**GROUP DIRECTOR**

**Anne Canning, Group Director of Childrens, Adults and Community Health**

**1. CABINET MEMBER'S INTRODUCTION**

- 1.1 Drug and alcohol misuse and its associated issues have a substantial impact on individuals, families and communities. This imposes significant economic and social costs on society, reflected in the cost of crime, healthcare and provision of public services.
- 1.2 The procurement of an integrated adult drug and alcohol treatment system across the London Borough of Hackney and the City of London Corporation will support the two authorities to deliver on their shared vision to improve positive outcomes for some of our most vulnerable residents, as well as improving the life chances of many of the individuals who choose to live, work and visit here.
- 1.3 The new integrated service will also effectively engage with other priority groups requiring excellent drug and alcohol treatment. This will be achieved via increased outreach, widened accessibility for the service, and a broader range of health and wellbeing interventions offered, including mental health support. An increased focus on communication and locally informed campaigns has been added to the service to increase the reach of the service, support partnership working and enhance the 'making every contact count' (MECC) approach. The Provider being recommended for contract award assured they will deliver on these aspects throughout the tender process, including the addition of an Access and Engagement Team, sub-contractual arrangements with a mental health charity and a dedicated Partnership Manager who will lead on training and communication across the two local authorities.
- 1.4 By combining the service across City of London and Hackney, both local authorities have maximised opportunity for efficiency savings, whilst also designing a service model that will effectively promote recovery, reduce harm and is accessible and attractive to all those who need support.

**2. GROUP DIRECTOR'S INTRODUCTION**

- 2.1 The procurement of an integrated drug and alcohol treatment service for adults across the Hackney and the City of London will help ensure that individuals affected by substance misuse are supported in an effective, safe and responsive way. This will, in turn, safeguard local residents, reduce risks associated with drug and alcohol use, and motivate individuals to achieve long term independent recovery.

- 2.2 Recent years have seen changes to local needs and treatment delivery, which will be addressed within the new service. This includes, but is not limited to:
- An ageing treatment population who can present with multiple health and social care complexities
  - An increased number of individuals with both substance misuse and mental health needs
  - Reduction of alcohol only service users engaging with treatment services, despite estimated need remaining unchanged
- 2.3 Following approval from Cabinet Procurement Committee (CPC) in September 2019, Public Health colleagues across Hackney and the City of London have completed a thorough and fair procurement of the new Integrated Substance Misuse Service, and are now ready to recommend a provider for the new contract which will go live on 1 October 2020.

### **3. RECOMMENDATION(S)**

- 3.1 To award the contract for the delivery of the Hackney and City Integrated Substance Misuse Service to **Provider E** for a maximum value of £24,000,000 for a period of 5 years commencing on the 1 October 2020. There will be a further option to extend for up to 4 years (2 +2).

### **4. RELATED DECISIONS**

- 4.1 On 10 September 2019, the Cabinet Procurement Committee approved the Business Case for this procurement (see link [here](#)).

### **5.1 REASONS FOR DECISION/OPTIONS APPRAISAL.**

- 5.1.1 The Service outlined in this report will replace the current arrangement whereby Hackney and The City of London have separate drug and alcohol services, and will create a single integrated system managed as a unified system by Hackney.
- 5.1.2 The new service model was created as a result of significant targeted consultation with key stakeholders (including current and potential service users), and a design group consisting of cross-department local authority officers, members of City and Hackney CCG and the Integrated Commissioning System. Local need was analysed via the completion of a Substance Misuse Joint Strategic Needs Assessment Chapter, available [here](#).
- 5.1.3 The new Service has the following vision: 'To improve the quality of life for people affected by substance misuse by providing an excellent drug and alcohol treatment service that promotes recovery, reduces harm and is accessible and attractive to those who need support across the City of London and Hackney'.

5.1.4 As outlined in the Business Case, the new service will run for a minimum of 5 years (subject to good performance), to reduce the impact of instability that can be caused by recommissioning. Given the length of the contract, the successful bidder was required to demonstrate how they will respond proactively and appropriately to any changes to the allocated budget and local needs across Hackney and the City. The comprehensive procurement process ensured that the successful bidder demonstrated their knowledge and ability to deliver all aspects of the service specification, and how they will meet the targets specified in the Key Performance Indicators.

5.1.5 **Procurement process:** this is outlined in **section 8** of this report.

5.1.6 Hackney and City's Public Health teams are recommending Provider E as the successful bidder following the procurement process. Provider E demonstrated comprehensive knowledge and experience regarding the delivery of drug and alcohol services in general, as well as illustrating an understanding of local needs across City of London and Hackney, along with innovative proposals for the service's delivery.

## **5.2 ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)**

5.2.1 The following five options were appraised for the future of the drug and alcohol service provision in Hackney:

- Hackney Council procure an integrated drug and alcohol treatment system which supports adults living in or with a local connection to Hackney and the City (Chosen Option)
- Allow the current contract in Hackney to expire, and not provide a specialist drug and alcohol service from October 2020
- Retain and extend current service model to remain as it is
- Insource adult specialist drug and alcohol treatment
- Jointly commission a specialist drug and alcohol service that supports all ages (including under 18 year olds)

CPC agreed the business case for the preferred option in September 2019 (see Section 4).

## **6. PROJECT PROGRESS**

### **6.1 Developments since the Business Case approval**

There have been no unforeseen developments since the business case was approved.

### **6.2 Whole Life Costing/Budgets**

6.2.1 The budget for this service will be held by the Public Health team in Hackney Council, and consists of funds provided via the Public Health Grant each year. The City of London Corporation and the Mayor's Office for Policing and Crime (MOPAC) will be contributing to the overall budget for this service. Finally, a contribution is being made by LBH Adult Social Care as the service will be responsible for coordinating and sourcing residential rehabilitation placements for

the most vulnerable service users. A Service Level Agreement will be finalised between City of London Corporation and Hackney Council prior to the Contract go live date. A similar agreement will be put in place between Hackney's Public Health and Adult Social Care teams.

6.2.2 The Public Health Grant is not set for the next 9 years. Any changes to the funding available will be managed in collaboration with the successful provider to ensure the service continues to deliver on its key performance indicators. As part of the tender exercise, providers were asked about how they would manage potential funding reductions.

6.2.3 The budget for this contract per year, separated by the various funding sources, are as follows:

- Hackney Council Public Health Grant - c. £4,085,500
- City of London Corporation Public Health Grant - £259,000
- Mayor's Office of Policing and Crime (MOPAC)<sup>1</sup> - £210,000
- City of London Police - £52,500
- Hackney Council Adult Social Care - £183,000
- **Total - c. £4,800,000**

### 6.3 SAVINGS

A saving of 6.63% from Hackney's Public Health Grant allocation for this service was approved by Hackney Labour Group in July 2019, prior to publishing the tender. This saving equated to £300,000 and the Hackney proportion of the available budget for this tender was reduced by this amount. The COL budget available was also reduced by approximately 10% based on their current spend for drug and alcohol treatment only, as was the COL Police budget which was reduced by 50%. All savings will be realised fully in the financial year 2021/22.

The price for the successful provider was £151k below the budget available (Year 1), which decreases to £84k by year 5. We are confident that the provider will be able to deliver the new service model within the tendered price and in line with the service specification. It is important to note that value for money for the Council was at the heart of this procurement exercise, but the lowest cost tender was not the successful bidder. This was demonstrated by the 30% weighting placed on the cost of the contract, which assured competitive contract values, whilst protecting the quality of the future service.

The extra efficiencies will be retained within the Public Health budget to enhance delivery for the following reasons:

- As a precaution in the event of there being an unprecedented increase in pharmacy costs and medical consumable costs throughout the length of the contract. This could be a real risk following the significant price increase of the opiate substitute drug buprenorphine from 2018.

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<sup>1</sup> Currently agreed until 31st March 2021

- Further reinvestment within Public Health services, ensuring the council continues to meet emerging needs of drug and alcohol users across the local public sector partnership

## **7. SUSTAINABILITY ISSUES**

### **7.1 Procuring Green**

There were no environmental concerns highlighted in the PRIMAS. A positive environmental impact was noted within the PRIMAS as the service will be contracted to provide a needle syringe exchange programme which will promote the safe disposal of injecting equipment, in addition to the service ensuring appropriate disposal of medication. Within the tender process, bidders were asked how they will ensure a reduction of negative environmental impact. In summary, Provider E stated they would do this by:

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

### **7.2 Procuring for a Better Society**

There were no economic concerns highlighted in the PRIMAS. The service will provide value for money, as specialist drug and alcohol treatment is evidenced to have a good return on investment by reducing A&E attendances and/or criminal behaviour, for example. Within the tender process, bidders were also asked how they will contribute to social value by offering employment and training opportunities to local people. In summary, Provider E stated they would do this by:

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

### **7.3 Procuring Fair Delivery**

The service will have no adverse impact in terms of equalities. As stated in the Business Case, the service will proactively seek to reach out to people in the borough with the highest complex needs in terms of substance misuse, and support local communities and people. The new service includes KPIs to increase treatment engagement in underrepresented groups which includes women, the LGBTQ community and individuals from ethnically diverse communities. This may change over the length of the contract, and the provider's ability to respond to ever-changing needs (and therefore reduce inequalities as much as possible) was evaluated as part of the procurement process.



## 8. TENDER EVALUATION

### 8.1 Evaluation:

The procurement followed a two stage tender route under the Light Touch regime, with both a Selection Questionnaire (SQ) stage and an Invitation to Tender stage. A full specification was available with the advert, following the Public Contract Regulations (2015) legislation. An OJEU notice was also published as the value for this contract is considerable.

8.2 The London Borough of Hackney's Cabinet Procurement Committee approved the Business Case and granted permission to go out to tender on 9th September 2019. This was also approved by the City of London's board and the Integrated Commissioning board. A notice was placed on Contracts Finder, alongside advertisement on the ProContract system. A webinar was also held to alert potential bidders of the new service, and allowed attendees to ask questions relating to the new service. Invites to this webinar were sent to known providers of substance misuse services within the London region. The transcript of the webinar and other relevant stakeholder engagement events were published along with the documents on the e-tendering portal.

8.3 Thirty-one expressions of interest (EOIs) were received, resulting in six SQ submissions, who then went on to complete full ITTs. This complete list can be found in Exempt Appendix A.

8.4 There were four members of the core tender panel, coming from different areas of expertise:

Public Health Senior Strategist
Public Health Senior Practitioner
Public Health Consultant (Hackney)
Public Health Consultant (City of London)

There was also an additional advisory panel, which comprised of stakeholders from different partner organisations, relevant to the service area. The advisory panel sent comments on method statement questions that were relevant to their roles in wider substance misuse services. These comments were used to support the core panel in their scoring, particularly where technical expertise was required.

City of London Commissioning Manager
Public Health Project Officer - City of London
Prevention Workstreams Programme Manager (CCG)

Young Hackney Substance Misuse Team Leader
City of London Police
Expert Clinical Advisor - Therapeutic Solutions
Workstream Director - Unplanned Care (CCG)
GP Clinical Lead for Mental Health (CCG)
Pause and STEPS Service Manager
Public Health Commissioning Manager - Hackney
Expert by Experience

- 8.5 A total of six SQs we submitted. Each SQ was assessed on technical ability, financial standing, and insurance criteria as well as previous experience relating to the specification. Bidders were required to self-certify that they held relevant policies to provide a Substance Misuse service, and submit policies on Clinical Governance, Information Governance, Medicines Management and Safeguarding. The documentation sent out at SQ stage made clear that there would be a requirement to have x1 the financial turnover of the £4.9m as well as the required self-certifying policies. This may have slimmed down the number of submissions but is a key requirement for a service of this nature and we reduced this from our normal standard of x2 to try to encourage the voluntary and community sector. No bidders were disqualified from this stage of the tender, which meant that the instructions on the requirements needed to pass this stage were clear.
- 8.6 During the ITT stage, a number of queries were received regarding TUPE as the possible liability for this contract is considerable. The Public Health Commissioning Team gathered relevant information from the incumbent and circulated TUPE lists to bidders who had completed confidentiality agreements.
- 8.7 The tender was evaluated on the criteria in the table below. There were also provisions in the scoring which meant that if any bidder had scored below 2 out of 5 on three or more questions, then they would be disqualified from the process. If any bidder also scored a 0 or 1 on any of four key questions, this would be grounds for disqualification. These requirements were fully explained in the invitation to tender documents, and written into the method statements.

<b>Scoring Criteria</b>	<b>Score</b>
<b>Quality</b>	<b>100%</b>
Start up and implementation	15%
Service provision	25%
Clinical provision	26%
Service organisation	15%
Quality assurance	5%
Innovation and added value	11%

Interview question - aftercare	3%
<b>Price</b>	<b>30%</b>

The total percentage of the Quality aspect was marked out of 100% and apportioned to 70% of the final score, with the pricing making up the additional 30%.

8.8 The bidders were invited to give a presentation based on questions which were released with the method statement questions. A specific question was asked, and marked by the core panel, alongside another advisory panel member who is an expert by experience.

**8.9 Recommendation:**

The tender panel recommends that Provider E is awarded the contract for the Hackney and City Integrated Substance Misuse Service. Provider E demonstrated that they could meet the full requirements of the specification and that they understood the need for effective communication through transfer of services and excellent partnership working along with sustainable plans for the future of the service through innovative ways of working. In comparison to other bidders, they demonstrated a good knowledge of the needs of the local population and in particular residents with complex needs.

8.10 The final scores are outlined in the table below. Two providers did not meet the minimum quality threshold.

<b>Tender Results</b>			
	<b>Quality</b>	<b>Price</b>	<b>Total Score</b>
Provider A	42.18%	28.86%	71.04%
Provider B	49.35%	28.43%	77.78%
Provider C	27.65%	28.22%	55.87%
Provider D	36.75%	27.36%	64.11%
<b>Provider E (winning bidder)</b>	<b>51.63%</b>	<b>28.22%</b>	<b>79.85%</b>
Provider F	41.83%	30%	71.83%

8.11 **Lots:** This procurement was not split into lots to support an integrated model in line with our ambitions for integrated commissioning. This was outlined in the Business Case.

8.12 **London Living Wage:** The bidders were asked in their tender submission whether they were committed to paying the London Living Wage and all confirmed this.

8.13 **TUPE:** There is a considerable number of staff who are eligible for TUPE. This has been factored for within the pricing schedule. The service has a 7 month

mobilisation period, which should allow staff to be transferred smoothly where applicable. This also means that the successful provider has the time to recruit staff where existing staff have not transferred over, or where there are vacant posts.

## **9. CONTRACT MANAGEMENT ARRANGEMENTS**

### **9.1 Resources and Project Management (Roles and Responsibilities):**

The contract will be managed within the Public Health team, with a named authorised officer. Clinical oversight and management will also come from the Consultant Lead in Public Health.

9.2 Implementation of the new contract has a significantly long lead time due to the substantial nature of the contract. Public Health representatives from the City of London and Hackney will oversee the implementation period with regular meetings and communication with the successful provider, reviewing the implementation plan the successful provider set out within their bid. The Hackney Public Health Specialist with responsibility for Substance Misuse will lead on this.

9.3 In addition, when able to do so, the design steering group that helped shape the new service specification will be updated on the successful provider and their delivery model. The group will identify priority actions for each stakeholder throughout the implementation period.

9.4 Contract performance meetings will be at least once per quarter, with monthly meetings in the first few months while the new service is embedded. The Public Health team has systems for performance monitoring collation and reporting as well as invoicing and this will all be set up as standard.

9.5 As this service is integrated with the City, the Hackney contract lead will take on full management of the contract. This will be supported by the City of London contract lead - who will attend review meetings and also review data. They will have input into the running of the service as the Hackney lead would, looking at the KPIs, service need and financial arrangements specifically for the City of London.

### **9.6 Key Performance Indicators:**

The KPIs will be monitored quarterly, with these being submitted to the Council in line with the other contractual arrangements. Some of this data comprises the National Drug Treatment Monitoring System (NDTMS) dataset and so requires uploading onto national databases. This duty will remain with the provider and be assured by the Council, who will validate data.

9.7 The Public Health team will also request comprehensive data collection that illustrates the activity and outcomes across all areas of service provision. This will include service user data demographics to identify how many clients use the service from within the borough and also from the City of London.

9.8 A full list of the Key Performance Indicators can be found in Open Appendix 1.

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

- 10.1 The recommendation of this report is to award the contract for the delivery of the City and Hackney Substance Misuse service to Provider E. The contract will commence on 1 October 2020, and the contract will be for five years with the option to extend for a further four years (5+2+2). The cost of the contract over the five years is £24m, and the cost over the maximum life of the contract is £43.2m. The funding from all partners for the new service is outlined in detail in Section 6.2 of the report.
- 10.2 The majority of the funding for the new service (£4.085m) will be met from the Public Health ring-fenced grant. A risk to the contract is uncertainty about the level of grant available in future years, and for partner contributions to the service. To mitigate this risk, budget lines are subject to change throughout the length of the contract, and will be managed in collaboration with the successful provider.
- 10.3 Savings of £300k from Hackney's Public Health grant have been approved, and recognised in the contract value for the new service. This savings target was approved to be delivered over the next two financial years, and will be fully realised in the 2021/22 financial year due to transition costs and the contract not commencing till October 2020.

## **11. VAT Implications on Land & Property Transactions**

Not applicable.

## **12. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE SERVICES**

- 12.1 The contract for public services 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.
- 12.2 The services in this Report are classified as Social and other Specific Services under Schedule 3 of the Public Contracts Regulations 2015 and are of an estimated value above the threshold of £615,278 for such services. Therefore the Council published an OJEU notice in respect of the procurement of the services. It then used the Restricted Procedure under Regulation 28 of the Public Contracts Regulations 2015 to undertake the procurement process.
- 12.3 The London Borough of Hackney was the contracting authority under the Public Contracts Regulations for the procurement process but the services are also for the benefit of the City of London Corporation. Therefore the Council and the City of London Corporation will also need to enter into suitable contractual and financial arrangements with each other to cover the provision of any services to be provided to the parties by the provider.

### **13. COMMENTS OF THE PROCUREMENT CATEGORY LEAD**

- 13.1 The procurement was well planned and executed. The team have carried out a full needs analysis, engaged with partners including securing the City of London in the arrangements. Final details around the partnership agreement to manage risk and payments should be worked out prior to contract commencement, in line with good practice.
- 13.2 In terms of sustainability, the service has secured commitment from the successful bidder to appointing dedicated apprentices who will be paid the London Living Wage throughout the contract term.
- 13.3 There were a good range of bidders for the work, and market engagement was successful in generating interest. While it was not deemed prudent to either insource this service or split it into lots, it is important to remember that the young people's drug and alcohol service is managed in-house by Young Hackney, and that there are other related services such as the Stop Smoking Services which have been tendered separately to allow opportunities for the market.
- 13.4 To support the market to bid, the requirement of the annual financial turnover for bidders for this service was set at x1 the annual contract value and contract management will include financial monitoring, which is particularly important as the contract can be extended for a total of nine years and need may change in Hackney and the City.
- 13.5 Through good contract management, as outlined above in Section 9, the team should ensure outcomes are being realised and it will be critical to ensure that there is good partnership working across health and social care and with community safety as well as with grass roots organisations and individuals.

#### **APPENDICES:**

Open Appendix 1 - Key Performance Indicators

#### **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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# **Cabinet Procurement Committee**

**10 FEBRUARY 2020**

## **HACKNEY AND CITY INTEGRATED SUBSTANCE MISUSE SERVICE**

**KEY DECISION NO. CACH Q56**

### **Appendix 1**

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## Hackney and City Integrated Substance Misuse Service - Open Appendix 1

### Key Performance Indicators

Performance Indicator	Definition	Target performance	Frequency
Rate of successful completions from drug and/or alcohol treatment	Number and proportion of service users successfully completing treatment broken down by substance group (Opiate, non-opiate, alcohol only, and alcohol and non-opiate)	Per substance, to perform in line with or exceeding national and regional average performance. Performance within the top quartile range must be an aspiration of the service.	12 month rolling indicator
Rate of representations to drug and/or alcohol treatment	Number and proportion of services users who successfully completed treatment but returned to treatment within 6 months of completion, broken down by substance group	Per substance, to reduce the rate of representations in line with national and regional performance. Performance within the top quartile range must be an aspiration of the service.	18 month rolling indicator
Drug related deaths	Rate per 100,000 of deaths registered in Hackney (and the City of London) which have an underlying cause is linked to drug misuse or drug poisoning that involves a substance controlled by the Misuse of Drugs Act 1971.	A reduction in the rate of drug related deaths seen in Hackney and the City of London	Annually
Continuity of care	The percentage of referrals from prison substance misuse team to community teams that are engaging in community drug and alcohol treatment within 3 weeks of release	Increase rate of continuity of care to be at least in line with the national average (30%), with ambitions for a higher rate of continuity of care	12 month rolling indicator

Performance Indicator	Definition	Target performance	
Increase of: <ul style="list-style-type: none"> <li>• Non-opiate presentations into treatment</li> <li>• Alcohol only presentations into treatment</li> </ul>	Number of new presentations to structured treatment per quarter broken down as: <ul style="list-style-type: none"> <li>• Non-opiate only</li> <li>• Alcohol and non-opiate</li> <li>• Alcohol only</li> </ul>	Non-opiate / Alcohol and non-opiate - <b>350</b> new presentations per financial year  Alcohol only – <b>280</b> new presentations per financial year	Annual target, monitored quarterly
Reduce estimated unmet treatment need for local: <ul style="list-style-type: none"> <li>• Opiate and/or crack cocaine users (OCU)</li> <li>• Alcohol only users</li> </ul>	Reduce unmet need by increasing the proportion of local residents (City and Hackney) estimated to be dependent on OCU or alcohol only engaged with drug and alcohol treatment	Quarter on quarter reduction of unmet need across the groups  OCU – <b>under 50%</b> unmet need  Alcohol only – <b>under 70%</b> unmet need	Quarterly
Increase number of individuals engaging in treatment from underrepresented groups: <ul style="list-style-type: none"> <li>• BME</li> <li>• LGBTQI</li> <li>• Women</li> <li>• Parents</li> </ul>	Number of % of new presentations engaging with treatment that represent the diversity of City and Hackney	Monitor over time, year on year increase expected in first 24 months of service delivery  <b>Review target at 24 months</b>	Annually

Increase the proportion of service users engaged in effective treatment	Number and % of service users who complete treatment within 12 weeks or are successfully engaged in treatment for over 12 weeks	To perform in line or exceeding national and London average performance	
Reduce attrition of treatment engagement <ul style="list-style-type: none"> <li>• Overall</li> <li>• In early stages of treatment</li> </ul>	<ol style="list-style-type: none"> <li>1. Number and % of service users leaving treatment in a planned way</li> <li>2. % of new presentations who had an unplanned exit from treatment before being retained for 12 weeks</li> </ol>	<ol style="list-style-type: none"> <li>1. to perform in line or exceeding national and London average performance</li> <li>2. Downward trend on a quarterly basis, to be in line with national performance</li> </ol>	Quarterly
Increase the proportion of service users with mental health needs effectively receiving treatment for both substance misuse and mental health	<ol style="list-style-type: none"> <li>1. Number and % of new presentations with a self-disclosed mental health not currently receiving treatment referred to mental health treatment and/or support</li> <li>2. Number of those referred that go on to successfully receive mental health support or treatment</li> <li>3. Proportion of front line staff trained in the Trauma Informed Approach</li> </ol>	<ol style="list-style-type: none"> <li>1. <b>100%</b></li> <li>2. <b>&gt;50%</b></li> <li>3. <b>100%</b></li> </ol>	Quarterly
Increase the provision of effective wrap-around support offered to service users in treatment	<ol style="list-style-type: none"> <li>1. Number and % of service users with unstable housing or homeless referred and achieving housing support/accommodation</li> <li>2. Number and % of service users referred and engaged in employment, education, or training activities (ETE, including volunteering)</li> </ol>	<ol style="list-style-type: none"> <li>1. <b>100%</b> referred, <b>&gt;50%</b> achieving stable accommodation</li> <li>2. Monitor over time, target to be agreed within <b>12 months of contract start</b></li> </ol>	Quarterly

<p>Increase the proportion of BBV testing and treatment completed by the service</p>	<p>1. % of eligible new presentations offered and accepting a Hepatitis B vaccination  2. % of those accepting then go on to complete the vaccination course  3. % of eligible new presentations offered and accepting a Hepatitis C test  4. % of those accepting then go on to receive the test  4. % of those with a positive Hepatitis C status offered, starting and completing treatment</p>	<p>1. <b>60%</b>  2. <b>&gt;40%</b>  3. <b>80%</b>  4. <b>&gt;50%</b>  5. <b>100%</b> offered, <b>&gt;60%</b> start, <b>&gt;80%</b> competing</p>	<p>Quarterly</p>
<p>Increase the proportion of service users prescribed optimal opiate substitute treatment (OST)</p>	<p>Reduce the proportion of OST prescribed service users that continue to report substance use – including illicit substances, alcohol and non-prescribed medication</p>	<p><b>&lt;50%</b> of OST prescribed service users reporting continued illicit substance use (including alcohol and non-prescribed medication)</p>	<p>Quarterly</p>
<p>Deliver outcomes in Criminal Justice settings, in line with MOPAC funding</p>	<p>1. % of notified treatment transfers released from prison will be engaged in community substance misuse treatment within 3 weeks of released  2. % of individuals subject to a Drug Rehabilitation Requirement and/or an Alcohol Treatment Order complete their orders  3. % of new presentations to the community service to come from the Criminal Justice Pathway</p>	<p>1. <b>60%</b>  2. <b>60%</b>  3. <b>≥17%</b></p>	<p>Quarterly</p>
<p>Increase multi-disciplinary working with local partners to support to complex and multiple health and social care</p>	<p>1. Delivery of 1 Partnership/Alliance event per year  2. Delivery of training to local partners likely to come into contact with adults who misuse substances</p>	<p>1. <b>1 event a year</b>  2. <b>At least 4 training sessions per year</b></p>	<p>Annual target, monitored quarterly</p>

needs service users often present with			
Support the reduction of substance related hospital admissions across City and Hackney	<ol style="list-style-type: none"> <li>1. Provision of a hospital liaison team</li> <li>2. Reduction in substance related hospital admissions observed on the Public Health Profiles</li> <li>3. Local data collection</li> </ol>	No specific target, <b>to monitor over time</b>	Annually

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