



CABINET PROCUREMENT COMMITTEE

Monday, 9th September, 2019

at 6.00 pm

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

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

Substitute Member Mayor Philip Glanville

TIM SHIELDS
Chief Executive

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

30 August 2019

The press and public are welcome to attend this meeting

AGENDA

Monday, 9th September, 2019

ORDER OF BUSINESS

1	APOLOGIES FOR ABSENCE	
	Urgent Business	
2	The Chair will consider the admission of any late items of Urgent Business. Late items of Urgent Business will be considered under the agenda item where they appear. New items of unrestricted urgent business will be dealt with under Item 10 below. New items of exempt urgent business will be dealt with at Item 18 below.	
	DECLARATIONS OF INTEREST - Members to declare as appropriate	

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

4	<p>On occasions part of the Cabinet Procurement Committee meeting will be held in private and will not be open to the public if an item is being considered that is likely to lead to the disclosure of exempt or confidential information. In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 (the "Regulations"), members of the public can make representations about why that part of the meeting should be open to the public.</p> <p>This agenda contains exempt items as set out at Items 13, 14, 15, 16, 17, and 18:</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	DEPUTUATIONS/PETITIONS/QUESTIONS	
	UNRESTRICTED MINUTES OF THE PREVIOUS MEETING OF CABINET PROCUREMENT COMMITTEE HELD ON 8 JULY 2019	
6	To confirm the unrestricted minutes of the meeting of Cabinet Procurement Committee held on 8 July 2019.	(Pages 1 - 16)
	GENERAL EXCEPTION - Contract Award Report for Clissold House Cafe	
7	<p>This item was not included on the Executive Key Decision Notice giving the required 28 days' notice.</p> <p>This report seeks the approval of Cabinet Procurement Committee for the appointment of a new cafe operator for Clissold House and Park, with the contract starting in November 2019.</p>	(Pages 17 - 26)
	Procurement of the Adult Integrated Drug and Alcohol Service - Key Decision No. CACH P89	
8	This report seeks the approval of Cabinet Procurement Committee to the procurement strategy for an adult integrated drug and alcohol treatment system contract for the City of London Corporation and the London Borough of Hackney.	(Pages 27 - 74)

	INFORMATION REPORT - RENEWAL OF GAS & ELECTRICITY SUPPLY CONTRACTS	
9	This report provides the Cabinet Procurement Committee with an information report which details the outcome of the 2018/19 purchasing round for energy used within Council offices, Hackney Housing and in Schools, where such Schools are part of the corporate contracting arrangement.	(Pages 75 - 86)
10	ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT	
	DATES OF FUTURE MEETINGS	
11	Meetings will be held at 5.00pm on: 7 October 2019 4 November 2019 2 December 2019 13 January 2020 10 February 2020 11 March 2020 6 April 2020 11 May 2020 – new meeting	
	EXCLUSION OF THE PUBLIC AND PRESS	
12	Note from the Governance Services Manager Items 13 – 16 allow for the consideration of exempt information in relation to items 6 – 9 respectively. Item 17 is wholly exempt and does not have an unrestricted item. Proposed resolution: THAT the press and public be excluded from the proceedings of the Cabinet Procurement Committee during consideration of Exempt items 13-17 on the agenda on the grounds that it is likely, in the view of the nature of the business to be transacted, that were members of the public to be present, there would be disclosure of exempt information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972 as amended.	
	EXEMPT MINUTES OF THE PREVIOUS MEETING OF CABINET PROCUREMENT COMMITTEE HELD ON 8 JULY 2019	
13	To confirm the exempt minutes of the meeting of Cabinet Procurement Committee held on 8 July 2019.	(Pages 87 - 88)
	GENERAL EXCEPTION - Contract Award Report for Clissold House Cafe	

14	<p>This item was not included on the Executive Key Decision Notice giving the required 28 days' notice.</p> <p>Item 7 refers</p> <p>Appendices 1& 2 are exempt from publication under para 3, Part 1, Schedule 12a of the Local Government Act 1972 (as amended).</p>	(Pages 89 - 100)
	Procurement of the Adult Integrated Drug and Alcohol Service - Key Decision No. CACH P89	
15	<p>Item 8 refers</p> <p>Appendix A is exempt from publication under para 3, Part 1, Schedule 12a of the Local Government Act 1972 (as amended).</p>	(Pages 101 - 110)
	INFORMATION REPORT - RENEWAL OF GAS & ELECTRICITY SUPPLY CONTRACTS	
16	<p>Item 9 refers</p> <p>Appendix 1 is exempt from publication under para 3, Part 1, Schedule 12a of the Local Government Act 1972 (as amended).</p>	(Pages 111 - 114)
17	Delegated authority notification - Provision of Vehicle Maintenance Services	(Pages 115 - 124)
18	ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT	

Access and Information

Location

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

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

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

Facilities

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

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

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

Copies of the Agenda

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

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

Council & Democracy- www.hackney.gov.uk

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

- Mayor of Hackney
- Your Councillors
- 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).

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 3302). Or email: governance@hackney.gov.uk

Emergency Procedures

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

Advice To Members And Officers On Handling Exempt Papers

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

Public Involvement

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

Contact Governance Services (Tel: 020 8356 3432) for further information on how this can be arranged. Or email: governance@hackney.gov.uk

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

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

ADVICE TO MEMBERS ON DECLARING INTERESTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Further Information

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



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UNRESTRICTED MINUTES OF A MEETING OF THE CABINET PROCUREMENT COMMITTEE

MONDAY, 8TH JULY, 2019

Chair	Councillor Rebecca Rennison in the Chair
Councillors Present:	Councillors Deputy Mayor Anntoinette Bramble, Cllr Jon Burke and Cllr Caroline Selman
Apologies:	Nil
Officers in Attendance	Mr Rotimi Ajilore – Head of Procurement Ms Zainab Jalal – Category Lead Social Care Ms Susan Carran – Category Lead (Corporate Services), Finance & Corporate Resources Mr Patrick Rodger – Senior Lawyer – Procurement Ms Karen Barke – Head of Estate Regeneration Mr Ron Greenwood – Project Manager – Estate Regeneration Mr Mick Beanse – Project Manager – Estate Regeneration Ms Marta Kolinska – Category Manager Mr Stephen Abraham – Category Manager Mr Paul O’Doherty – Senior Procurement Manager Mr Simon Galczynski – Director, Children, Adults and Community Health Mr Gareth Wall – Head of Commissioning for Adult Services Mr Daniel Lilley – Commissioning Officer – Adult Services Mr Clifford Hart – Governance Services Officer
	Also in attendance (observing)
	Ms Heather Powell – Legal Services Ms Elizabeth Ellenbogen – Legal Services Ms Amanda Nauth – Legal Services Mr David Greaney – Legal Services

1 APOLOGIES FOR ABSENCE

There were no apologies for absence.

NOTED

2 URGENT BUSINESS

There were no items or urgent business.

NOTED

3 DECLARATIONS OF INTEREST – Members to declare as appropriate

There were no declarations of interests.

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 TO CONSIDER THE UNRESTRICTED MINUTES OF THE PREVIOUS MEETING OF CABINET PROCUREMENT COMMITTEE HELD ON 11 JUNE 2019

RESOLVED

That the unrestricted minutes of the Cabinet Procurement Committee held on 11 June 2019 be confirmed as an accurate record of the proceedings.

7 Kings Crescent Phase 3&4 Procurement of Contractor/Developer KEY DECISION NO. NH P87

The Chair asked for an introduction to the report.

The Head of Estate Regeneration – Ms Barke advised the Committee of the Cabinet's July 2011 approval to the Estate Regeneration Programme, which outlined the Council's approach to the development of a strategy for the delivery of high quality new build housing and improved living standards across a number of housing estates in the Borough. The Programme was updated and approved by Cabinet in March 2014 and again in October 2015, with a further update provided and approved by Cabinet in April 2019.

Ms Barke advised that the Cabinet, whilst approving the programme, also agreed a portfolio as opposed to a site-by-site approach to the regeneration of its housing estates, enabling the Council to combine the development value of schemes which would have the potential to generate a surplus with those that require a net investment. Mr Barke commented that the value created by the outright sale and shared ownership homes to be delivered at King's Crescent would help to fund the delivery of new social rented homes within the scheme, the refurbishment of existing homes at King's Crescent, the new community facilities on the estate and wider genuinely affordable housing delivery across the programme.

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Ms Barke went on to explain that through this self-funded, self-delivery model 115 high quality homes for social rent and shared ownership in the first phases of regeneration at Kings Crescent had already been built, alongside major improvements to more than 100 existing homes and public spaces on the estate, by working in close partnership with the local community. The proposals before the Committee continued in that approach already embarked upon to complete the transformation of the estate and deliver even more much-needed homes for Kings Crescent alongside clear benefits for existing residents.

Ms Barke further commented that the report sought approval to commence the procurement of a contractor for Kings Crescent Phases 3 and 4. The process would ensure that the Council selected a contractor on the basis of both cost and quality. It also allowed for further detailed financial assessments to be undertaken prior to entering into formal contractual arrangements.

The Chair thanked Ms Barke for her introduction and asked if there any questions from Members.

Councillor Burke referred to the environmental strategy as set out in paragraph 6.2 of the report and asked officers to give some further details. He also sought further details in relation to the energy strategy and the fact that it included combined heat and power (CHP) site wide, and whether officers were aware that the Greater London Authority (GLA) had begun to move away from this.

In response Ms Barke commented that in respect of the on the environmental strategy it was compliant with Hackney's planning policies as well as meeting London Plan requirements, and referred the Committee to section 5.5.2 of the report in addition to point 6.2 which included the relevant environmental measures that would be used to consider the success of the project. With regard to the energy strategy, Ms Barke advised that it had been agreed at the start of the project i.e. at the masterplanning stage. At that time CHP was the preferred strategy for both Hackney and GLA planners. Due to the proposals before the Committee being the second phase of delivery it was still most effective to continue with the existing strategy and link into the CHP that was delivered as part of the first phase.

In response to further clarification from Councillor Burke as regards the issues of car o[e]missions and car parking, and adequate cycle store provision Ms Barke advised that the scheme was nil-parking apart from provision relating to blue badge users and commitments to existing resident permit holders. The cycle store provision was extensive and complied with planning policy.

The Chair and Councillor Selman and Cllr Rennison both sought clarification as regards apprenticeships levels and potential for local employment.

Ms Barke responded that the details in the report set out what targets were set for the first phase. Currently targets for the second phase were awaited from the planning team. Ms Barke stressed that the targets would be in line with planning policy, and officers would then seek an improvement on the levels of employment and training levels through the competitive tendering process.

In clarifying a point from the Chair in respect of the Council's Sustainable Procurement Strategy and the commitment in that to 1 apprentice per £1million spend, Ms Barke commented that that would be extremely challenging to achieve those levels for a contract of that size e.g there would be more apprentices on site than could logistically be managed. It would be more likely to try and achieve an appropriate mix of employment and training targets appropriate to the size of the contract. This element would form part of the information that would be bought back to Cabinet Procurement Committee when officers were in a position to seek approval for the award of the contract. Officers working on the project were committed to working with officers from

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Hackney Works and the Procurement team on an approach that would maximise local employment and apprenticeship opportunities.

In response to a question from Deputy Mayor Bramble in relation to the role of schools and employment opportunities, Ms Barke commented that the contractor for phase one had worked closely with local schools and that it was expected that this would be the case for the second phase. This would also be tested through the procurement process also.

The Chair advised that it would be necessary to convene a special meeting of Cabinet Procurement Committee will be convened in May 2020 – on either 11 or 13 May 2020 (to be confirmed) in order for the Cabinet Procurement Committee to consider and agree the final contract award for the construction of King's Crescent Phases 3 and 4.

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

RESOLVED

- i. That approval be given to the initiating of a single stage tender process using the *Competitive Procedure with Negotiation* provided for within Regulations 26(4) of the Public Contracts Regulations 2015 for the construction of King's Crescent Phases 3 and 4, with the project involving the construction of 219 homes including 28 for social rent, 75 for shared ownership, and 116 for outright sale, as well as a new community centre and commercial space;**
- ii. That it be noted that with regard to the 75 shared ownership and 116 outright sale homes, the recommended procurement strategy will require the Council to make use of the authorities granted by Cabinet in the Sales and Marketing Framework report of the 18th July 2016 in respect of the direct development and disposal of those homes;**
- iii. That the sales risk in relation to the 116 outright sale homes and the intention to market and sell these properties on a phased basis, subject to a market review and detailed sales and/or exit strategy for each phase, be noted;**
- iv. That the Group Director of Neighbourhoods and Housing and the Group Director of Finance and Corporate Resources be authorised to implement the sales and marketing strategy for each phase and/or implement an appropriate alternative exit strategy; and**
- v. That it be noted and agreed that a special meeting of Cabinet Procurement Committee will be convened in May 2020 – on either 11 or 13 May 2020 (to be confirmed) in order for the Cabinet Procurement Committee to consider and agree the final contract award for the construction of King's Crescent Phases 3 and 4.**

RELATED DECISIONS

At its meeting of 18th July 2011 the Council's Cabinet agreed the Estate Regeneration Programme. The Programme was updated and approved by Cabinet in March 2014 and again in October 2015. A further update was recently provided and approved by Cabinet in April 2019.

At its meeting on the 18th July 2016 the Council's Cabinet agreed the Sales and Marketing Framework, authorising the Director of Regeneration to implement the Sales and Marketing Framework in relation to shared ownership and outright sale disposals for both the Estate Regeneration and Housing Supply

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Programmes, and authorising 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.

OPTIONS APPRAISAL AND BUSINESS CASE (REASONS FOR DECISION)

This report outlines the process for procuring a main contractor using a Competitive Procedure with Negotiations procurement route and entering into a single stage design and build contract for King's Crescent Phases 3 and 4, a development project in the Brownswood Ward. The Council wishes to continue the phased development of King's Crescent as an exemplary housing, community and commercial scheme and to procure a main contractor to deliver the project. The contractor will be appointed to take the project forward from RIBA stage 3+.

The parcel of land to be developed at the King's Crescent site has been cleared since the last demolition in 2013. The development of the site represents an opportunity to complete the regeneration of King's Crescent which, apart from the introduction of new-build mixed tenure homes, also provides for refurbishment of existing blocks, improved amenity space, public realm improvements, replacement community space, new commercial space and new office/workspace.

King's Crescent Phases 3 and 4 comprise the following:

- 116 outright sale homes
- 75 shared ownership homes
- 28 social rent homes
- Refurbishment works to existing blocks
- A new community facility
- 480m² of retail commercial space
- 500m² of office/ workspace
- Associated public realm and landscape works including improved facilities for play and recreation.

In addition to the works described in 5.1.3 the Council are considering adding general repairs, maintenance and component renewal to the package of works in line with the provisions of the Housing Asset Management Strategy, to include external works, works to communal areas and works to specialist mechanical and electrical services as identified by condition surveys to be undertaken prior to works commencing. The budget for this work, allowed for in the Housing Asset Management Strategy, will be apportioned to this Regeneration scheme. This approach ensures a joined-up approach to capital investment, reduces overall disruption to residents and should offer better Value For Money (VFM) to undertaking works separately.

An outline application for the refurbishment of existing buildings and the erection of new buildings ranging from 4 to 12 storeys equating to a maximum of 765 residential dwellings, retail, café/restaurant, community centre, and a multi-use games area was given Planning Consent on 26 November 2013 (Planning Ref 2013/1128). Phases 1 and 2 comprised 79 social rent, 36 shared ownership and 158 outright sale new build homes, the external refurbishment of 101 existing homes and 629m² of retail/café/restaurant space together with associated landscaping. Phases 3 and 4 were granted in outline with all matters reserved apart from an estate access road. The outline element provided parameters for a series of new blocks, external refurbishment of 174 existing

homes and a further 500 m2 retail/cafe/ restaurant/leisure space and 240m2 of community centre floorspace.

A detailed planning application for Phases 3 and 4 was submitted in May 2019. As part of this submission the Council will be seeking to increase the amount of housing to be delivered in comparison to the masterplan and set down in the Overarching Estate Regeneration Programme Unilateral Undertaking (UU) which was agreed by the Planning Sub-Committee in April 2014. The consented mix for Phases 3 and 4 was 79 shared ownership and 138 outright sale homes. The new planning application is seeking permission for 219 homes, representing an increase of 2 homes. The overall mix of homes has been improved to include 28 additional social rent homes. There are also 4 less shared ownership homes, and 22 less outright sale homes.

Bidders will be required to offer a single contract price for building out the whole of the scheme. A period of negotiation based upon prescribed criteria, defined by Hackney Council, has been built into the procurement process. The form of contract to be used will be a JCT Design and Build Contract with Hackney Council amendments.

A construction cost plan has been prepared for the Council by its Quantity Surveyor (QS), Potter Raper Partnership, setting out the estimated costs of construction. Please refer to Exempt Appendix 1.

The estimated costs are based on RIBA Stage 3 (planning application stage) proposals. A pre-tender stage estimate will be based on developed designs (Stage 3+) and is due to be completed in September 2019. The anticipated construction cost will therefore be finalised at the end of this process and may vary from the estimated cost in Appendix 1.

The cost of the scheme will be funded from sales receipts of the outright sale properties, the first tranche equity sales of the shared ownership properties, and the future rental income from the social rented and shared ownership properties. In line with the Programme's portfolio approach, the projected scheme surplus will be used to cross-subsidise the Programme.

It is recommended that the Council will act as developer for the outright sale and shared ownership homes, marketing and disposing of them in line with the Council's approved Sales and Marketing Framework.

With 116 outright sale properties currently valued at £67.5m, this exposes the scheme, programme and the HRA to an increased financial risk. In addition, the 75 shared ownership properties are currently valued at £43.56m, with forecast first tranche equity sales of £15m. To spread this sales risk it is intended to phase the release of the outright sale units.

A market review and marketing strategy will be produced for each sales phase, with authority to proceed to market properties delegated to the Group Director of Neighbourhoods and Housing and Group Director of Finance and Corporate Resources.

Under the General Consent 2013, the Council only has powers to sell dwellings to purchasers who do not intend to immediately sub-let. This potentially limits the pool of available purchasers. If the Council wishes to complete disposals to individual investors or private rented sector operators, an application to the Secretary of State would be required. A review of these options will be considered in the sales strategy for each phase. This will only be considered as

part of a risk management strategy as the Council's preference remains to sell homes to owner occupiers.

At current market values only a proportion of the outright sale homes would be eligible for buyers under the Government's Help to Buy Shared Equity scheme. This scheme has significantly beneficial to sales progress with recent schemes and therefore is a consideration. Also it should be noted that it is not known at present whether the government will continue funding Help to Buy after 2023.

Should sales not achieve the forecast values, or in the case of reservations been slower than expected, alternative strategies (as set out in the Risk Section below and which are not included in the current Sales and Marketing Framework) will need to be considered to maintain the viability of the scheme, Programme and HRA, some of which may require Cabinet approval.

8 Springfield Park Restoration Project KEY DECISION NO. NHO80

The Chair asked for an introduction of the report.

The Project Manager for the scheme – Mr Beanse advised the Committee that the report before it recommended approval to the contractual engagement of a contractor deliver the Springfield Park Restoration Project. In respect of the detail of the project Mr Beanse advised that the proposed construction and restoration works would bring back into use the Grade 2 Listed White Lodge, which was currently on the Historic England Heritage at Risk Register, and the associated Georgian Stable Block and walled garden. The White Lodge would be extended to provide additional space for the café servery to allow the original layout of the two rooms facing the Park to be restored.

Mr Beanse further commented that a new community events building and courtyard would be built for community use and public hire bringing additional income into the park and provide a much needed venue space in the local area. There would also be a new play area built close to the White Lodge. All elements of the scheme had been subject to extensive consultation with the key stakeholders.

Mr Beanse informed the meeting that the project would also deliver landscaping improvements to the Park. As Springfield Park was designated as a Regionally Important Geological and Geomorphologic Site (RIGS), a Site of Importance for Nature Conservation (SINC) and Local Nature Reserve, it was vital that the unique landscape and biodiversity was carefully restored and protected for future generations to appreciate and enjoy.

With regard to funding for the scheme Mr Beanse commented that The National Lottery Heritage Fund (NLHF) had awarded a grant of £3.1m to the project for the works and revenue costs. The NLHF funding allocation for the capital works was £2,829,638, this coupled with the LBH contribution of £726,864, the Country House Foundation funding of £20k and the £150k anticipated funding from the London Marathon Trust gave a total budget for the works of £3,744,252. Mr Beanse advised that once the construction and landscaping works were complete, a newly appointed Park Development Manager would deliver the Activity Plan, agreed with the NLHF, which would include a community engagement programme, healthy living activities, Schools Engagement, work placements and apprenticeships, volunteering and volunteer Training.

In conclusion, Mr Beanse informed the Committee that the restoration of Springfield Park would, as well as save and improve it's historically important landscape and buildings, long term, it would make the Park more financially sustainable, create a space for the local community and park users to come together and deliver a whole host of activities that will encourage healthy living, help people into work and to gain skills for life.

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The Chair thanked Mr Beanse for his succinct introduction, and asked if there were any points of clarification from the Committee.

Following points of clarification from the Chair, Councillor Burke and Selman Mr Beanse responded that in respect of the planting for the site he was unable to give a precise details at this juncture of the planting plans and the type and number of trees and hedgerows to be planted but he undertook to supply Members in writing of this. In terms of the quality and design of the scheme, and the elements of sustainability there was considerable belief that the proposals were achievable. It was proposed that at six months in to the project there would a council employed appointed Park Development Manager who would responsible for the overall Activity Plan and take forward all elements of the plan.

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

RESOLVED

That approval be given to the appointment of Supplier A (as shown in exempt Appendix C of the report) to deliver Springfield Park Restoration Project, with the scope of the project including the restoration of the Grade 2 Listed Buildings, a new extension to the White Lodge, the construction of a new Community Events Building and the restoration of the Grade 2 Listed Park Landscape, and that the anticipated contract duration will be twelve months and if it commenced in August 2019 it will be completed by August 2020.

RELATED DECISIONS

- **Springfield Park Restoration Project Business Case** – The decision to combine the construction and landscaping contracts and re-tender was approved by Hackney Procurement Board (HPB) 11 December 2018.
- **Springfield Park Restoration Project Business Case** – Approved by Hackney Procurement Board (HPB) 13 March 2018.
- **Unilateral Undertaking** relating to Springfield Park E5 9EF, executed under seal 5 September 2017.
- **Planning Permission Granted** – Ref. No 2017/0887, 5 September 2017.
- **Listed Building Consent Granted** – Ref. No 2017/0919, 5 September 2017.
- **Cabinet Report Springfield Park Restoration Project**, Key Decisions No. NH N46, endorsement of proposals, approval of HLF bid and match funding from the Council of £840k, 23 January 2017.
- **Delegated Report of The Corporate Director of Health and Community Services, April 2014**. Spend approval for £240k from earmarked resource within the 2014/15 capital programme. Approved 9 May 2014 by Kim Wright.

REASONS FOR DECISION/OPTIONS APPRAISAL

This report requests the approval of CPC to award the contract to deliver the restoration of the buildings and landscape of Springfield Park.

Springfield Park is one of Hackney's finest green spaces and is listed as a Grade II park on the English Heritage Register of Parks and Gardens of Historic Interest. It also holds a Green Flag Award. The Park is well loved by the local community and is one of Hackney's gems. The buildings in Springfield Park are in urgent need of repair and major investment is required in order to stop them from degrading further, to fulfil their potential as community spaces and to become income generating assets which will

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help secure a more financially sustainable future for the Park. Although in better condition than the buildings, the Park's infrastructure is also in need of improvement and significant investment. Most significantly, the Council will not be able to harness the potential of the Park to deliver the range of learning, skills and health benefits through this project without significant investment in the Park's buildings, and the potential for the Park to generate revenue to sustain this uplift will be lost.

Springfield Park covers 16 hectares. It is bordered by the roads Spring Hill, Springfield and Upper Clapton Road (A107), and its easterly boundary is provided by the River Lea. The Park has a wide range of traditional amenity facilities, including a play area, tennis courts, a bandstand, a pond, outdoor chess tables and a table tennis table. It also accommodates four buildings, two of which predate the Park; Springfield Mansion (or White Lodge as it is sometimes known) and its stable block. The two other structures are a bowls pavilion and a horticultural glass house. Springfield Park is designated as a Regionally Important Geological and Geomorphologic Site (RIGS), a Site of Importance for Nature Conservation (SINC) and Local Nature Reserve.

In April 2013, MTW Consultants Limited were commissioned to carry out a feasibility study into the reuse of the main buildings in Springfield Park. The study suggested that given the state of the buildings, bringing them back into use would cost approximately £2.2m. As the Council only had a budget of £700k for Springfield Park at the time, it was recommended that a bid be submitted to the Heritage Lottery Fund's Parks for People scheme (now the National Lottery Heritage Fund) to fund the necessary capital improvements. At the time, Parks for People, was one of the only funding programmes that could offer sufficient funding to meet the capital requirements of the project as well as being the best fit in terms of aspirations and outcomes of the project as a whole. Since the study was undertaken, £90k has been spent on repairs to the stable block roof.

In February 2015, the Council submitted a Stage 1 HLF bid and was awarded a Development Grant of £183,610. A separate commission was undertaken to appoint a team to deliver a Conservation Plan, which was a precursor for much of the Design Team's design work and key decisions. The contract value for this work was £18,970 plus £10,205 for supporting surveys.

In February 2017, the Council submitted a Stage 2 HLF bid and in July 2017 was awarded a grant of £3.146m towards the delivery phase of the restoration project. The Design Team appointed during the development phase were re-appointed to work on the delivery phase of the project.

The vision for the Springfield Park Restoration Project is to, "Celebrate and enhance the unique heritage, character and environment of Springfield Park, establishing and improving opportunities for recreation, learning and volunteering, and creating a lasting sustainable legacy for future generations".

To achieve this vision, the main objectives for the project are to:

- a. Bring the rich heritage over the centuries to life: Restore the heritage of the park and animate its history to visitors and the local community to instil a sense of pride and connection to the unique place Springfield Park is.

- b. Restore and enhance the park's infrastructure: Revitalise the planting in this important heritage parkland and ensure the highest quality maintenance and management of hard and soft landscape elements:
 - I. Protect and conserve the valuable natural heritage of the park: Revitalise and sustainably enhance the valuable habitats of the park through improved management that meets the council's Biodiversity Action Plan objectives, develop historically complimentary planting schemes around the White Lodge and other key buildings and public areas, and provide educational and volunteering opportunities for park users of all ages.
 - II. Repair and restore the buildings: Undertake necessary works on the main heritage assets of the park to conserve and bring these into full use, ensuring the designing in of a range of future uses to support the community's health, education and recreation needs, and to increase sustainable income generation for the future to support parks.
- c. Increase use of the park and develop a wider audience through an improved heritage, recreational and educational offer: The project will increase use of the park itself and its facilities, including activities such as food growing, propagation and growing heritage plants, volunteering of various kinds, providing opportunities for education and to tackle health and wellbeing issues in the local community.
- d. Improve the accessibility and visibility of the park for the local community: The project will aim to increase visitor numbers by tackling barriers around use, access and the promotion of the park in the local area and wider borough.
- e. Foster a greater sense of community ownership and contribution to the management of Springfield Park: The project will consult and involve the local community and user representatives who will help with the decision making process and provide valuable feedback to evaluate the success of the project as it is developed and delivered.
- f. Generate income for the financial security of the park through the appropriate balance of commercial and non-commercial uses for park buildings and spaces: The project will aim to make good use of the restored buildings in providing valuable assets both for the community, education and local business.
- g. Encourage greater visitor numbers by improving the connectivity to the surrounding landscape: The project will establish connections to the surrounding landscape, especially the green spaces, nature reserves, blue corridors and reservoirs in the locality. Opening the park to the River Lea would be transformational and would help to make the park a destination for the local area as well as the borough and visitors from a wider area.

The project will deliver the following:

- Restoration and extension of the Grade 2 Listed White Lodge
- Restoration of the Georgian Stable Block and conversion into lettable units
- New Community Events Building
- New Play Area
- Restoration of the ornamental pond
- Landscaping Improvements and a new planting scheme
- Pathways and entrance repairs

This procurement has been carried out in accordance with the process approved by Hackney's Procurement Board in the project's detailed Business case (approved December 2018). The project tender value is below EU Procurement thresholds for works contracts.

The Business Case agreed a traditional procurement route to allow the Council to remain in ultimate control of the design in its entirety and to help increase cost certainty.

The decision to undertake a Restricted (two stage) tender was taken because the introduction of a Selection Questionnaire (SQ) enables project specific questions to be asked of the bidders with a view to reducing the number of contractors that can bid for the works and ensure that the contractors have the relevant qualifications and experience of working on Listed Buildings and in Parks. The top six bidders, based on their responses to the SQ were invited to tender.

The contract deliverables were enshrined within the tender documents and specifications that will form the contract. The contract will include the pre-construction information that will form the basis of the Construction Phase Plan for the works. This must satisfactorily address considerations of environmental protection and health and safety. The specification will also include specific provision around the protection of trees under the relevant British Standard.

In line with the Public Contract Regulations (PCR) 2015 and Council's Contract Standing Orders (CSOs), the tender was advertised on Contracts Finder and London Tenders Portal to ensure that we achieved the procurement principles of transparency, fairness and competition by offering the opportunity to as larger number of bidders as possible.

The overall cost and budget is summarised in Section 6.2.1 of this report.

The project will be funded by the NLHF Grant, The LBH Capital Budget, Section 106 monies and external funding. Should the London Marathon Trust funding application prove unsuccessful, the shortfall will be met by the Leisure and Green Spaces Infrastructure Budget.

ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

The option of doing nothing was considered however, this was not pursued as the buildings within the Park would have continued to decline and fall into further disrepair. In addition, any potential revenue generating opportunities to make the Park more sustainable would have been lost. It was decided in 2014 that an HLF grant offered the only realistic opportunity of addressing issues of long-term decline as the Council does not have the resources to pay for the substantial capital works required itself.

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The option of appointing two contractors to deliver the construction and landscaping separately was considered and in fact initiated by the original Lead Consultant/Landscape Architect in 2018. The Lead Consultant felt that the nature of the construction and the landscaping works was so different that they should be managed by separate contractors. The Council went out to tender for the construction contract first and when the tender prices came back significantly over budget the project was put on hold. A value engineering exercise was undertaken and a new Lead Consultant and Landscape Architect were appointed. The new design team decided that it would be better, financially and practically, for one principal ~~principle~~ contractor to deliver the construction and landscaping works.

There is no framework available to the project team that would be suitable for the proposed contract.

9 Prevention, Early Intervention and Outreach Service for Unpaid Adult Carers KEY DECISION NO. CACH P77

The Chair asked for a brief introduction of the report.

The Director, Children, Adults and Community Health – Mr Galczynski, advised the meeting that the business case for the Prevention, Early Intervention and Outreach Service for Unpaid Adult Carers had been approved by the Cabinet Procurement Committee in February 2019. In respect of the main elements of the proposed contract Mr Galczynski advised that insourcing was a significant portion of the proposed new service, with focus on outreach, especially to hidden carers, information and advice, Carers Groups, and initial screening.

In respect of the overall total contract value the Head of Commissioning for Adult Services – Mr Wall commented that over a three year period it would be £576,039, or £192k p.a., and if there were extensions of 3 +1+1 years the cost would be £964,622. Mr Wall added that there would be no reduction in the budget available. Mr Wall went on to explain that there had been excellent co-production in the contract assessment process with much group involvement through the design of consultation as well as the model for the service itself. The group had participated in the evaluation of tenders and officers were exploring the possibility of looking at ways in which the group would be able to continue to be involved as part of quality assurance and contract monitoring – already evident from the way some of the KPIs had been sharpened during the process of co-production.

In thanking Mr Galczynski and Mr Wall for their introduction, the Chair asked if there were any points of clarification or questions from Members.

In response to questions from the Chair and Councillor Selman with regard to the submissions received Mr Wall advised that there had been two full submissions. Participating in the evaluation had been five core members of the panel from commissioning, operations, Programme Management Office, East London Foundation Trust and the Dementia Alliance. The ‘experts by experience’ scored the question on service users involvement and there had been a 15 minute presentation from bidders. Mr Wall further commented that scoring was undertaken on the basis of 70/30 on quality and price. As a result Mr Wall advised that the committee were being asked to give its approval to provider A, which won on both quality and price, with the overall difference in scores at a fairly significant 8.5%.

In response to further points of clarification from the Chair – the Commissioning Officer Mr Lilly advised that the management of the contract would be delivered by a joint approach with the in house service element by a reorganisation of existing management within social care, and in collaboration with the strategic partner – East London Foundation Trust. The in house service would be undertaking statutory carers’ assessments, reviews, support planning, and support to meet any identified eligible needs including the provision of self-directed support through direct payments.

The Chair thanked officers for their succinct responses.

Mr Wall also advised that the commissioning officer Mr Lilly would imminently be leaving the Council's service and thanked him for his work, and the Chair also placed on record on behalf of the Committee its thanks and best wishes to Mr Lilly.

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

RESOLVED

That approval be given to awarding of the contract for the Prevention, Early Intervention and Outreach Service for Unpaid Adult Carers to Provider A, with the provision costing a total amount of £576,039 for a period of three (3) years with an option to extend for a further two years (3 + 1 + 1 years).

RELATED DECISIONS

Cabinet Procurement Committee agreed to the procurement of this service on 11 February 2019. A reference to the Business Case can be found at the link below:

Re-tendering of Services for Unpaid Adult Carers Key Decision No. CACH P63
<http://mginternet.hackney.gov.uk/ieListDocuments.aspx?CId=113&MId=4341>

REASONS FOR DECISION/OPTIONS APPRAISAL.

London Borough of Hackney undertook a review of its support services for unpaid adult carers service to create a new service based upon feedback from stakeholders, experience with the current service and most importantly carers themselves.

The service and wider offer for carers shall aim to meet the following vision, which has been co-produced with carers:

“To work in partnership with carers to empower and support them to make informed choices that enable them to care, stay healthy, and to lead fulfilled lives.”

The service shall aim to meet the following principles, which have been co-produced with carers:

- A good-quality, person-centred, flexible and accessible service that supports the needs of all carers in or out of the borough.
- Provide a clear offer of the support available.
- Proactive outreach in the community.
- Clear and correct information that is shared appropriately to all parties.
- A smooth journey for carers through services.
- An effective, timely and reliable carers' assessment.

The purpose of the service is to support an estimated 2,270 carers per annum, however volumes should be flexible to meet demand. It is anticipated that demand will increase through a proactive and evolving programme of outreach work across the borough to raise the profile of services available and identify 'hidden' and 'hard to reach' carers in a proactive manner. This shall be monitored for effectiveness through contract management procedures. Details of the proposed Key Performance Indicators for this service can be found at Appendix 1.

Conversations Approach

As part of Adult Services 'Promoting Independence' transformation programme, it was agreed that a revised approach to social work practice was required that emphasises a personalised

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and 'strengths based approach'. In this model, known as "3 Conversations", practitioners focus on the strengths and assets of individuals as well as their wider networks and community, rather than just their needs and challenges. It is anticipated that this approach will change the way in which care and support is provided across Adult Services.

The service within this report aims to complement the "3 Conversations" model. The 'Prevention, Early Intervention and Outreach' service element will deliver the 'Conversation 1' function to focus on early identification of needs, exploring universal and preventative provision and individual strengths and assets, before considering any referral to longer-term social care provision.

Further details about the "3 Conversations" approach were submitted to Cabinet Procurement Committee as part of the business case for this service in February 2019.

Anticipated Benefits

This report proposes that the Prevention, Early Intervention and Outreach Service for Unpaid Adult Carers will deliver the following key benefits to the Council (as outlined in previous business case):

- An external provider(s) can be closer to the community and be perceived by residents as independent, this could provide a more approachable first contact point for carers.
- Potential to reduce unnecessary hand-offs in the process which has been a key challenge of the current model.
- It will allow for greater risk management and clear delineation of statutory duties.
- The initial 'screening' by the external provider(s) should provide carers with a better response to their needs. This may mean avoiding a time consuming carers' assessment where it isn't the best option for the carer.
- A larger contract allows for bigger pool of staff with mixed skills and from multiple backgrounds to reflect Hackney's demographic profile, including more choice of male and female workers.
- Multi-skilled staff, who can work with all groups of people with mixed needs.
- Reduced provider management costs should increase value for money.
- Reduced costs to the local authority in monitoring contracts.
- Guarantee that new contracts are within the budget envelope for 2019/20 onwards, as providers will be asked to manage year on year inflation and increase in London Living Wage within the contracted amount.
- A clear vision and principles for the new service that have been co-produced with carers.
- Services that respond to feedback from stakeholders, experience with the current service and most importantly carers themselves.
- Services that are attractive to the social care market and support the market in line with the Council's responsibilities under the Care Act 2014.
- Adherence to the Council's commitment that all providers pay their staff the London Living Wage as a minimum.

A detailed options appraisal for the procurement approach was presented to Cabinet Procurement Committee in the Business Case for this service, which was approved at its meeting in February 2019.

10 DATES OF CABINET PROCUREMENT COMMITTEE FOR THE REMAINDER OF THE MUNICIPAL YEAR 2019/20

NOTED Meetings of the Cabinet Procurement Committee will be held at 6.00pm on:

9 September 2019
7 October 2019
4 November 2019
2 December 2019
13 January 2020
10 February 2020
11 March 2020
6 April 2020

11 ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT

There were no items of urgent business.

NOTED

12 EXCLUSION OF THE PUBLIC AND PRESS

The Chair advised that the following items 13-15 allow for the consideration of exempt information in relation to agenda items 7, 8 and 9, respectively.

RESOLVED

That the press and public be excluded from the proceedings of the Cabinet Procurement Committee during consideration of Exempt items 13-15 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 para 3 of Part 1 of Schedule 12A to the Local Government Act 1972 as amended.

SUMMARY OF EXEMPT PROCEEDINGS

13 Kings Crescent Phase 3&4 Procurement of Contractor/Developer KEY DECISION NO. NH P87

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

14 Springfield Park Restoration Project KEY DECISION NO. NHO80

On MOTION by the Chair it was:

AGREED and NOTED the exempt Appendices A-F in relation to agenda item 8 in the unrestricted part of the agenda.

15 Prevention, Early Intervention and Outreach Service for Unpaid Adult Carers KEY DECISION NO. CACH P77

AGREED and NOTED the exempt Appendix A in relation to agenda item 9 in the unrestricted part of the agenda.

16 ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT

There were no items of urgent exempt business.

NOTED

Duration of the meeting: 18:00hrs -18:50hrs

Contact:

Clifford Hart

Clifford.hart@hackney.gov.uk



<p>TITLE OF REPORT</p> <p>GENERAL EXCEPTION REPORT</p> <p>PROVISION OF CATERING SERVICES AT CLISSOLD HOUSE AND PARK CAFÉ</p> <p>CONTRACT APPROVAL</p> <p>Key Decision No. N/A</p>
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<p>CPC MEETING DATE (2019/20)</p> <p>9 September 2019</p>	<p>CLASSIFICATION:</p> <p>Open with exempt appendix</p> <p>By Virtue of Paragraph(s) 3, Part 1 of schedule 12A of the Local Government Act 1972 appendices 1&2 are exempt because they contain information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>
<p>WARD(S) AFFECTED</p> <p>ALL</p>	
<p>CABINET MEMBER</p> <p>Cllr Feryal Clark (Deputy Mayor & Cabinet Member for Health, Social Care, Leisure and Parks)</p>	
<p>KEY DECISION</p> <p>Yes</p>	

<p>REASON</p> <p>All Wards</p>
<p>GROUP DIRECTOR</p> <p>Kim Wright (Group Director, Neighbourhoods and Housing)</p>

1. CABINET MEMBER’S INTRODUCTION

- 1.1 Hackney has one of the largest expanses of parks and green space in inner-London, with 58 sites across the borough totalling some 282 hectares - ranging from major parks and green spaces such as Hackney Marshes, Clissold Park and Abney Park to small gardens such as Hoxton Square and Church Street Gardens.
- 1.2 The Council has long recognised the impact that quality parks and green spaces can have on the achievement of its vision and objectives and has therefore placed a high priority on improving its parks and green spaces, with over £25m of investment in them since 2010.
- 1.3 The Council is committed to continuing to deliver improvement to its parks and green spaces and is currently seeking a new cafe operator for Clissold House and Park, one of Hackney's best loved parks.
- 1.4 Clissold Park was opened in 1889, and has held a Green Flag award since 2006. Clissold Park and House were renovated in 2011 as part of an £8.9million Heritage Lottery Fund restoration programme, with a brand new cafe opened as part of the project.
- 1.5 The cafe is a popular facility within the Park, and important for generating income to help maintain parks and green spaces across Hackney. The current cafe contract ends in October 2019, and a new operator is required to run the cafe from November 2019.

2. GROUP DIRECTOR’S INTRODUCTION

- 2.1 This report seeks approval for the appointment of a new cafe operator for Clissold House and Park, with the contract starting in November 2019.
- 2.2 An Invitation to Tender was advertised in May 2019, with 4 operators expressing an interest in the opportunity. Following a competitive procurement exercise, it is recommended that the contract is awarded to Provider C.

3. RECOMMENDATION(S)

- 3.1 Cabinet Procurement Committee is recommended to approve the award of the Concession Contract for Clissold House and Park Cafe to Provider C, as detailed in Table 1 at Exempt Appendix One, for a period of five years commencing in November 2019.

4. RELATED DECISIONS

- 4.1 A Low Risk Business Case requesting approval to carry out the procurement process was signed by the Group Director for Neighbourhoods and Housing on 18 April 2019.

5.1 REASONS FOR DECISION/OPTIONS APPRAISAL.

- 5.1.1 One of Hackney's best loved parks, Clissold Park, was opened in 1889 and has held a Green Flag award since 2006. Green Flags are awarded annually to the best green spaces in the country. Clissold Park and House were renovated in 2011 as part of an £8.9 million Heritage Lottery Fund restoration project. Clissold House is a Grade II* listed building in the middle of Clissold Park that hosts community bookings, weddings, meetings and parties.
- 5.1.2 The café in Clissold House is currently operated by a service provider. It is open to the public seven days a week (except Christmas Eve and Christmas Day) from 8.30 a.m. – 4 p.m. As well as being a popular destination for park users, the cafe contributes income to the Parks and Green Spaces Service, helping pay for maintenance of Clissold Park and other green spaces across Hackney.
- 5.1.3 The contract with the current service provider ends in October 2019, and a new operator is required to run the cafe from November 2019 for a period of five years.

5.2 ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

- 5.2.1 As part of the Business Case approved prior to the procurement process, the following options were considered:

5.2.1.1 In-sourcing

The catering provision was deemed to be unfeasible for this service. An In-sourcing report has been appended to this report in Exempt Appendix 2.

5.2.1.2 Do Nothing

The current contract cannot be extended further. If a new contract is not awarded before the existing contract expires then the current operator would be delivering without contract, or the provision would cease without an alternative solution in place.

5.2.1.3 External Framework

No external procurement frameworks were identified that would be suitable to this contract.

6. PROJECT PROGRESS

6.1 Developments since the Business Case approval.

6.1.1 None.

6.2 Whole Life Costing/Budgets:

6.2.1 The new café concession contract will contribute £50,000 a year to the Libraries, Leisure and Green Spaces Service's budget, from a base rent charged to the cafe operator. There will also be a profit sharing element within the new contract, based on a percentage of annual turnover over £500,000, which will contribute further to the Service's budgets.

6.3 SAVINGS

6.3.1 No savings have been identified, however the base rent of £50,000 will contribute to the Libraries, Leisure and Green Spaces Service's budget, and further income may be generated through the profit share with the new cafe operator.

7. SUSTAINABILITY ISSUES

7.1 Equality Impact Assessment and Equality Issues:

7.1.1 Given the diverse communities who use Clissold Park, it is important that Clissold Park cafe provides food options that cater to a wide variety of religions and diets. A sample menu was provided as part of the tendering exercise, but the final menu will be agreed with the Clissold Park Manager.

7.1.2 The new operator will need to be committed to collecting customer feedback and responding to it. The operator will meet regularly with the Clissold Park Manager to discuss this feedback, and to agree any resulting amendments to the cafe service, including any proposed menu changes.

7.2 Environmental Issues:

7.2.1 Café operators have the potential to generate significant amounts of waste, which contributes to landfill, and ultimately CO2 emissions. Water will be used by operators, as will electricity. Food will be delivered (likely by road), and customers will travel to the cafe to eat. The new caterer will be expected to minimise the environmental impact that their operation will have.

7.2.2 Sustainability was a key factor in the procurement process (with a specific question regarding reducing food waste, improving reuse and recycling rates and reducing food miles) and the proposed operator identified a number of initiatives to address this agenda, including:

- Drinks will be served in china/glass, or, for an improved price, customers can bring their own reusable cup. Any disposable cups used will incur an additional charge.
- For most soft drinks, a post-mix solution will be used to avoid single-use plastic bottles.
- Homemade drinks will be served from jugs into suitable receptacles.
- In the event that disposables are used, they will be fully compostable.
- Condiments will be served at the point of service. For example, sugar cubes rather than sugar sachets will be used.
- Coffee will be roasted on site to reduce the use of packaging.
- Menu engineering will ensure that the same ingredients are used in many different dishes, reducing waste levels.
- Educating staff on sustainability issues will be a key part of their training programme.

7.2.3 Contract monitoring meetings with the supplier will explore ways to continue to increase sustainability further throughout the contract.

7.3 Economic Issues:

7.3.1 The minimum required turnover for tenderers was reduced from the first time the opportunity was advertised, which enabled smaller businesses to apply for the opportunity.

7.3.2 The successful tenderer is required to ensure that all staff are paid the London Living Wage, in line with the requirements of Hackney Council.

7.3.3 The cafe provides a valuable employment opportunity for local people, and Hackney Council will work with the new operator to ensure that any future jobs in the cafe are advertised locally.

8. TENDER EVALUATION

8.1 Evaluation:

8.1.1 The projected value of the cafe contract falls underneath the EU threshold for concession contracts so the process was not subject to EU procurement rules. However, the general principles of the Regulations were followed in the process utilised to identify the winning supplier.

8.1.2 Prior to the launch of the tender, an advert was placed in an industry magazine, The Caterer, and the opportunity was advertised on Contracts Finder and via the London Tenders Portal. The Regeneration Team published information on the contract on the Invest in Hackney website, and in the Hackney Business Network newsletter circulated to 2500 businesses. The opportunity was also advertised via the Hackney Council and Hackney Business Twitter accounts. Information on the new contract was also sent out to a database of suppliers, held by the service area, who had expressed interest in the cafe previously.

8.1.3 An Open tender process was utilised and four bids were received. The list of suppliers is provided in Exempt Appendix 1.

8.1.4 The evaluation panel was made up of the Parks Development Manager, Clissold Park Manager, Venues General Manager and an external consultant, supported by the Procurement team.

8.1.5 The following evaluation criteria were applied to the bids:

Criteria	Weighting
Quality	65%
Relevant Experience	20%
Operational Proposals	35%
Design Proposals	10%
Cost	35%
Turnover Percentage	25%
Financial Planning and Forecast	10%
Total	100%

8.1.6 The evaluation panel scored the bid from Provider A as non-compliant as the quality and financial response documents were not provided.

8.1.7 The three remaining Providers were invited to give a 15 minute presentation on their vision and offer for the Cafe to the evaluation panel, followed by clarification questions. The presentations were not scored. A member of the Clissold Park User Group attended the presentations to represent the key stakeholders.

8.2 Recommendation

8.2.1 It is recommended that the contract for the cafe in Clissold House, Clissold Park is awarded to Provider C.

8.2.2 When quality and price were both taken into account, Provider C scored highest of all prospective tenderers. Provider C has experience of running cafe businesses in a number of locations across the country, including in a number of parks and green spaces.

8.2.3 Provider C demonstrated a strong commitment to sustainability, with a bid to reduce single use plastic and food waste. They have also committed to paying the London Living Wage to all staff.

8.2.4 In addition to paying £50,000 rent per year, Provider C has committed to sharing a percentage of all turnover above £500,000.

8.2.5 Provider C acknowledges that TUPE will apply to this contract, and has experience of TUPE transferring in a number of other venues.

8.2.6 The full scoring for the four cafe operators is as follows:

	Quality	Price	Total
Provider A	Non-Compliant Bid		
Provider B	43.6%	18%	61.6%
Provider C	39.8%	24.83%	64.63%
Provider D	33%	27%	60%

9. CONTRACT MANAGEMENT ARRANGEMENTS

9.1 Resources and Project Management (Roles and Responsibilities):

9.1.1 The contract will be managed and monitored by the Clissold Park Manager. The contract sets out the management expectations and mechanism for the relationship between the Council and the appointed service provider. The contract specification set out the frequencies of operational tasks, strategic meetings and the route for problem resolution. Performance will be measured against KPIs as part of the contract monitoring and will incorporate users' satisfaction with service provision, measured through regular customer satisfaction surveys.

9.1.2 The current operator has been very accommodating in providing information about the current cafe contract, and has offered to support the new operator during the handover period.

9.2 Key Performance Indicators:

9.2.1 The following broad KPIs were outlined in the Invitation to Tender. The specific indicators and measures will be agreed with the operator once appointed. Monitoring will take place at monthly contract monitoring meetings with the

Clissold Park Manager.

Main KPI Targets Set	Monitoring
Customer satisfaction	Customer feedback forms, user group feedback, complaints
Service	Mystery shopping, user group feedback
Quality	Mystery shopping, user group feedback
Sustainability	Use of single use plastics, recycling rates, food waste
Marketing	Use of social media to promote food offer, events and other activities

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

- 10.1 This report seeks approval for the appointment of Provider C to run the cafe in Clissold House and Park for the next 5 years, commencing November 2019
- 10.2 There is a guaranteed rental income of £50k p.a. which is £10k lower than the current contractor, but in addition the new provider is committed to sharing a percentage of turnover above £500k. There is a small risk, but if the cafe continues to operate at its current level the Council would be looking at a further income above the guaranteed £50k base rent.
- 10.3 Any risk is minimal as the chosen provider has experience of running cafe businesses in other locations across the country in parks and green spaces. The contract will be managed and monitored against specific identified key indicators by the Clissold Park Manager.

11. VAT Implications on Land & Property Transactions

- 11.1 Not Applicable

12. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE SERVICES

- 12.1 The services concession contract in this Report was assessed as low risk by the Council and therefore the Business Case was signed off at officer level in accordance with Contract Standing Order 2.5.2. However, the value of the contract to be awarded is higher than the Chief Officer’s authority under the Scheme of Delegation so under Contract Standing Order 2.5.3 the award of contract will need to be approved by Cabinet Procurement Committee. The value of a concession contract is the estimation by the contracting authority of the total turnover of the concessionaire generated over the duration of the

contract, net of VAT, and such estimate is above the sum of £2m and therefore this Report is being submitted to Cabinet Procurement Committee.

- 12.2 Details of the procurement process undertaken by officers are set out in this Report.
- 12.3 Legal Services will, subject to approval, assist with the drafting and execution of the applicable services concession contract as requested.

13. COMMENTS OF THE PROCUREMENT CATEGORY LEAD

- 13.1 The projected value of the cafe contract was below the EU Threshold for concession contracts and as such the process was not subject to EU procurement rules however, the general principles for the Regulations were followed.
- 13.2 The procurement process was managed by the Corporate Services Procurement Team with the involvement of the stakeholder department.
- 13.3 The opportunity was advertised in a Trade magazine, on the London Tenders Portal, and Contracts Finder, plus communicated to Hackney businesses via Twitter, a local business newsletter and the Invest in Hackney website. An Open tender process was utilised as market research indicated that the likely number of responses would be low.
- 13.4 An evaluation panel comprising experienced area managers and supported by Procurement evaluated the bids. Four bids were returned however one bid was scored non-compliant as the quality and financial response documents were not provided. The three remaining bids were evaluated on Quality and Cost as per the ITT documentation.
- 13.5 On completion of the evaluation, Provider C had the highest score. References for Provider C were checked and these were satisfactory.
- 13.6 It is therefore recommended that Cabinet Procurement Committee approve the award recommendation as detailed in paragraph 3.

APPENDICES

Exempt Appendix 1 - Tender Responses and Evaluation
Exempt Appendix 2 - Clissold House Cafe Insourcing Report

EXEMPT

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

Exempt Appendix 1 - Tender Responses and Evaluation
 Exempt Appendix 2 - Clissold House Cafe Insourcing Report

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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**PROCUREMENT OF THE ADULT INTEGRATED DRUG AND ALCOHOL SERVICE
BUSINESS CASE**

Key Decision No CACH P89

<p>CPC MEETING DATE (2019/20) 9th September 2019</p>	<p>CLASSIFICATION: Open with exempt appendix A By Virtue of Paragraph(s) 3, Part 1 of schedule 12A of the Local Government Act 1972 appendix A is exempt because it contains Information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>
<p>WARD(S) AFFECTED All Wards</p>	
<p>CABINET MEMBER Deputy Mayor Cllr Clark Health Social Care, transport and parks</p>	
<p>KEY DECISION Yes REASON Affects Two or More Wards</p>	

GROUP DIRECTOR

Anne Canning - Group Director Children, Adults and Community Health

1. CABINET MEMBER'S INTRODUCTION

- 1.1 Drug and alcohol use 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 visions of improving 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 Extensive targeted consultation has taken place within local communities and with stakeholders ensuring the views and voices of those impacted by drug alcohol treatment services are embedded within the proposed new service model.
- 1.4 The proposal represents an exciting opportunity for positive outcomes, not only for the residents who will benefit from the drug and alcohol treatment service, but also for their families, the wider communities and the Council.
- 1.5 The delivery of drug and alcohol treatment sits within the 'prevention' work stream of the Integrated Commissioning System in the City and Hackney. A priority for this work stream is to reduce harms from the main causes of poor health (which includes alcohol and other substance misuse). As such, the prevention and effective treatment of drug and alcohol misuse is a shared priority for the local authorities, the Clinical Commissioning Group, the voluntary and community sector and other key stakeholders.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1 The procurement of an integrated drug and alcohol treatment service for local adults 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 and support individuals to achieve long term and independent recovery.
- 2.2 The newly designed and commissioned integrated drug and alcohol service for City and Hackney has been informed by key documents including national guidance (for example the National Drug Strategy and Public Health England [PHE] Guidance for Commissioning Drug and Alcohol Services), local strategies and policies, and local evidence and need.
- 2.3 Individuals who engage or require engagement with specialist drug and alcohol services have changed over recent years. This includes, but is not limited to, an ageing treatment population, increased number and record of individuals with both substance misuse and mental health needs, and a significant

reduction of 'alcohol only' service users engaging with treatment services despite estimated need remaining unchanged.

- 2.4 As a result of the ever changing environment, it is important that contracts commissioned to deliver specialist drug and alcohol treatment are reviewed and updated as required, to ensure they are meeting the needs of local residents, delivering on local priorities and outcomes, and offering value for money for the Local Authorities.

3. RECOMMENDATION(S)

- 3.1 That Cabinet Procurement Committee approves the procurement strategy for an adult integrated drug and alcohol treatment system contract for the City of London Corporation and the London Borough of Hackney up to an annual maximum value of £4,930,850 for a period a five years commencing on 1 October 2020 with an option to extend for a further 2 years (plus 2 years) to a maximum contract value of £44,377,650.
- 3.2 Cabinet to note, that Young Hackney will continue to deliver the drug and alcohol service for young people (up to the age of 25 years) as in-house provision, subject to full service monitoring and review (see section 9)

4. RELATED DECISIONS

- 4.1 In February 2018 CPC agreed an STA for the existing contract until 30 September 2020 to allow for service review and redesign [http://mginternet.hackney.gov.uk/documents/s59121/CDM-18849790-v3A-ISMS CPC Report February 2018.pdf](http://mginternet.hackney.gov.uk/documents/s59121/CDM-18849790-v3A-ISMS_CPC_Report_February_2018.pdf)

5. OPTIONS APPRAISAL AND BUSINESS CASE (REASONS FOR DECISION)

- 5.1 Under the Health and Social Care Act 2012, local authorities have the duty to reduce health inequalities and improve the health of their local population by ensuring there are public health services aimed at reducing drug and alcohol misuse. The 2015/16 public health grant included a new condition (that has remained in the most recent grant) that requires: A local authority must, in using the grant, *"...have regard to the need to improve the take up of, and outcomes from, its drug and alcohol misuse treatment services..."*¹
- 5.2 The current contracts in the London Borough of Hackney (LBH) and the City of London (CoL) have been in place since October 2015. These contracts are due to end in October 2020 and the procurement outlined in this report will seek a joined up service across the two authorities into one integrated service managed as a unified system. LBH will lead on the overall contract management of this new service, with CoL having continued oversight and involvement.

¹ Public Health ring-fenced grant 2019/20 circular allocations and conditions, Grant Conditions, point 7

- 5.3 **Case for change:** Individuals who engage or require engagement with specialist drug and alcohol services have changed over recent years. This includes, but is not limited to, the following:
- An ageing treatment population whose complex and/or multiple health and social needs require additional and wrap-around support
 - individuals with co-occurring substance misuse and mental health needs
 - A reduction of alcohol only service users engaging with the treatment service
- 5.4 The needs of LBH and CoL in regards to specialist drug and alcohol treatment has been reviewed extensively including the publication of a Joint Strategic Needs Assessment (JSNA) Substance Misuse Chapter (<http://www.hackneyjsna.gov.uk>), and a significant consultation exercise which sought the views of service users (including current and potential), professional drug and alcohol practitioners, direct partners (such as local GPs, police custody suite officers etc.) and a number of other stakeholders. This has directly informed the design of the new service specification.
- 5.5 The new contract will provide opportunities for innovation in the service delivery and design through a flexible drug and alcohol service framework designed to enable greater responsiveness to the changing needs of the treatment population.
- 5.6 As with many other elements of the Public Health portfolio, this procurement will be carried out by Hackney on behalf of LBH and the CoL. Currently, the local authorities have standalone services. CoL's current specialist drug and alcohol treatment system supports a small number of residents that live or stay within the City, and there are existing partnership arrangements between the local authorities to support these individuals within the current Hackney Recovery Service (HRS) if required (e.g. opiate substitute prescribing and group work interventions). Following a number of consultation and review events, it has been decided to create one integrated system.
- 5.7 A minimum contract length of five years is being proposed following the work undertaken as part of this review and the publication by the [Advisory Council for Drug Misuse \(ACMD\) Recovery Committee Report](#) in September 2017. This report highlights a number of risks associated with frequent reprocurement of substance misuse services including poorer recovery outcomes and recommends commissioning cycles for substance misuse to take place every five to 10 years to minimise the use of vital resources, and disruption to service delivery. Furthermore issues have been identified by the Faculty of Addictions Psychiatry of the Royal College of Psychiatrists that as a consequence of frequent re-tendering there are risks around increased drug overdoses, increase in use of accident and emergency and acute hospitals, and increases in crime. These risks are particularly concerning at a time when drug related deaths are increasing.
- 5.8 **Service redesign** - The service to be procured as outlined in this report will provide specialist and community based drug and alcohol treatment for adults (over 18 years) that reside or stay (with a local connection) in the LBH or the

CoL. The service will be provided by one provider or by a small number of providers that work together/in consortia with a lead organisation accountable to LBH for the delivery of the overall contract.

5.8.1 The service model will be:

- Recovery focussed
- Outcome based
- Inclusive
- Shaped by the needs, views and voices of service users, carers, families and communities in the boroughs
- Accessible and offer focussed support that will be available at any point during a service user's recovery journey
- Evidence based

5.8.2 The following key outcomes will be monitored for those actively engaged in the service as a minimum to assure an effective treatment service:

- Freedom from dependence on drugs and/or alcohol
- A reduction in crime and offending
- Prevention of drug related deaths and blood borne viruses
- Sustained employment, training and/or education
- Ability to access suitable accommodation
- Improvement in mental and physical health and wellbeing
- Improved relationships with family members, partners and friends
- The capacity to be an effective and caring parent and the safeguarding and support of vulnerable children

5.9 The treatment service will deliver on the following key areas in both LBH and CoL:

- Treatment and support for individuals using a variety of substances, including traditional drugs (such as opiates, cocaine etc.) as well as alcohol, novel psychoactive substances, and club drugs. The service will work with GPs on the misuse of prescription medications.
- A treatment service that provides a level of support and treatment at least 6 days a week across LBH and CoL, considering evening and weekend provision. The accessibility of the service is to be widened, maximising opportunities for co-location with partnership agencies, satellite clinics and increasing the level of outreach provided by the service.
- Psychosocial Interventions to address addictive behaviours and/or support sustained recovery from drug and alcohol misuse. This will include comprehensive assessment of need, goal setting, structured interviews and group work sessions.
- Delivery of pharmacological interventions within drug and alcohol treatment including prescribing opiate substitute treatment, supporting community and inpatient detoxification from drugs and/or alcohol, and other prescribing needs (such as withdrawal management medication). This will also include close working relationships with local GPs and hospitals.

- A family and carer service that will support families, friends and carers of drug and/or alcohol users in group and/or individual settings, as well as supporting identified parental substance users (or adults with significant child contact), and ensuring all children are safeguarded.
- Wrap around support to address multiple needs that potential service users might present with such as physical and mental health, family support, and criminal justice involvement. This will be underpinned by significant focus on joint partnership working protocols, information sharing agreements and networking events to ensure service users have equitable access to health and social care services and support in a timely and coordinated fashion.
- Harm reduction interventions to reduce substance related harm and deaths including access to needle exchange provision and naloxone (a drug that reverses the effect of an opiate overdose), in addition to providing testing and treatment for service user's with Hepatitis C (and other blood borne viruses). As such, the new service will support the City and Hackney to eliminate hepatitis C, in line with the NHS England commitment²
- Step down recovery support on completion of treatment which enhances long term and sustained recovery and increases a service user's sense of community.
- An increased responsibility in the overall prevention of drug and alcohol misuse throughout the local authorities. This will be completed via the publication of national and local campaigns and providing training to universal services and front line staff who are likely to have direct contact with individuals at risk of developing problems with drugs and alcohol.

5.10 For strategic context regarding the re-procurement proposal, please refer to section 7

5.11 **Consultation** - Significant consultation has taken place within four key groups including the current provider, potential providers, service users/potential service users and stakeholders for the service. Views have been captured using a variety of methods such as online surveys, focus groups, 1:1 interviews and an all-day consultation event. For additional detail on how consultation was completed, please refer to section 12.

5.12 The targeted consultation informed us there are many areas of the current treatment model that work well, but also some gaps in provision which could be addressed. Shared themes from the consultation that we have considered as part of the service redesign include:

- The service must be able to support complex and multiple health and social care needs

² NHS England sets out plans to be the first in the world to eliminate Hepatitis C – www.england.nhs.uk/2018/01/hepatitis-c-2

- The service needs to be tailored and flexible to individual needs presented by service users. (i.e. 'not one size fits all' when it comes to specialist drug and alcohol treatment)
- A whole person approach is to be adopted when supporting individuals in a specialist drug and alcohol service i.e. support them to improve their sense of community, their use of time and support for families and children
- Equity of access of the service must be reviewed and increased as not everyone can or wants to attend a drug and alcohol treatment office.
- Retaining quality staff must be seen as a priority as this directly impacts service user's experience of treatment, and overall outcomes.

6. BENEFITS REALISATION / LESSONS LEARNED

6.1 The Hackney Recovery Service (HRS) has been operational since October 2015.

Namely, this service was contracted to increase:

- The number of non-opiate users engaged in treatment
- Treatment completion³ and non-representation rates⁴ for non-opiate clients
- Hepatitis B vaccinations and Hepatitis C testing rates
- The proportion of crack cocaine and opiate dependant people currently receiving effective treatment
- Observe a reduction in the proportion of service users that relapse and represent for treatment, including through unplanned emergency presentation to acute services.

6.2 During the service provision, a number of contract variations were agreed and implemented.

- Payment by Results allocation – How the service was monitored regarding payments by results changed throughout the contract relating to changing priorities, data availability and changes in financial envelope.
- Safeguarding minimal expectations - the contract was updated with the new guidance from City and Hackney Safeguarding Children's Board in 2017
- Contract Extension – An STA to extend for up to 2 years as agreed to allow for service review and avoid disruption to service users.
- Service Specification - following the contract extension, the original service specification was amended to include the following additions:

³ The number and proportion of service users that successfully complete treatment over a 12 month period

⁴ The number and proportion of service users that returned to treatment within 6 months of successfully completing it

- The recruitment of a GP with Special Interest
- Provision of digital alcohol interventions
- Provision of naloxone to include those not in contact with the treatment system
- Development of a prescribed drug misuse pathway
- Prescribing provision for under 18 year olds

6.3 The Hackney Recovery Service has been monitored using six key performance indicators as follows. Commentary includes lessons learned from the service provision:

Key Performance Indicator	Target	2017/18 Performance ⁵	Direction of Travel from contract start	Commentary
New Presentations to treatment - All Groups	1005	893	↓	Overall, the Hackney Recovery Service has not achieved its target in increasing new presentations to the specialist drug and alcohol treatment. There are now fewer new presentations per year to HRS than there were prior to the recommissioning in 2015. However, the picture in Hackney is reflected throughout the country, with recent statistics demonstrating there has been an overall reduction in people engaging with specialist drug and alcohol treatment systems ⁶ . The most significant reduction in engagement is observed in service users that are dependent on alcohol only. A recent PHE inquiry ⁷ suggests that recent reductions in the funding envelope for drug and alcohol treatment may have reduced the offer of specialist alcohol treatment and support within a system integrated with illicit drug users.
New Presentations to treatment - Opiate users	350	348	↓	
New Presentations to Treatment - Alcohol Only users	250	201	↓	
Treatment Retention - Proportion of new treatment presentations that remain engaged for 12 weeks and over, or completing treatment within 12 weeks	84%	91%	↑	Overall, the service's ability to engage service users effectively within the treatment system is positive. There is a marked improvement in performance for treatment retention since the HRS started treatment deliver in 2015.
Proportion of eligible service users that are	50%	67%		The service has demonstrated positive movement within this target throughout the contract, and is performing in line with the contract's targets.

⁵ Data must be at least 12 months old to be shared on a publically available document

⁶ Alcohol and drug treatment for adults: statistics summary 2017 to 2018 (2018); accessible via www.gov.uk

⁷ PHE enquiry into the fall in numbers of people in alcohol treatment: findings (2018); accessible via www.gov.uk

offered and accept a test for Hepatitis B			↑	Furthermore, recent benchmarking demonstrates Hackney has some of the best outcomes in this indicator when compared to comparator local authorities.
Proportion of eligible service users that are offered and accept a test for Hepatitis C	78%	83%	↑	
Proportion of service users successfully completing treatment, and not re-presenting to treatment within 6 months of discharge - opiate users	9.1%	7.1%	↓	<p>The data presented for this indicator is over an 18 month time period to demonstrate the proportion of service users who successfully completed treatment over a 12 month period, and how many of these service users did not re-present to treatment within 6 months of discharge. This indicator is used to demonstrate long term freedom from the dependency of substance misuse.</p> <p>Opiate Group - Although HRS have demonstrated recent improvements in outcomes for opiate service users, the performance has reduced since the new service was commissioned in 2015, and is not in line with the set targets. It is important to note that HRS service users are highly complex (51% of the caseload defined as highly or very highly complex by PHE⁸). PHE advise the more complex the service user group, the more challenging it can be to increase rates of successful completion. PHE compare Hackney's performance with other Local Authorities with similar complexity levels. Hackney only needed 5 more successful opiate completions in 2017/18 to be within the top quartile range for comparator local authorities (top 25% for performance) and is performing above the national average (6.6%). As such, the target set for this service may have been overly ambitious.</p> <p>Non-opiate group - improvement in outcomes is observed for the non-opiate group over the contract length, and the service is now performing in line with the target</p> <p>Positively in 2017/18, Hackney was performing in line with the national average for non-opiate successful completions, although we would need improved performance be in the top quarter range for this cohort.</p> <p>Alcohol group - improvement in outcomes is observed for the alcohol group over the contract length, and the service is now performing in line with the target. Furthermore, Hackney's outcomes are above that seen across the country.</p>
Proportion of service users successfully completing treatment, and not re-presenting to treatment within 6 months of discharge - non-opiate users	29.9 %	36.3%	↑	
Proportion of service users successfully completing treatment, and not re-presenting to treatment within 6 months of discharge - Alcohol users	31.4 %	43.3%	↑	

⁸ Hackney Recovery Diagnostic Toolkit, NDTMS, September 2018

% of successfully completed Alcohol Treatment Orders and Drug Rehabilitation Requirements	60%	57%	N/A	This performance indicator was not measured prior to the current contract. Despite the service just missing this target in 2017/18, the HRS has generally met the target throughout the contract length.
The proportion of service users waiting longer than 3 weeks to start treatment	0%	0.1%	↑	With rare exception, all service users start treatment within 3 weeks of referral which demonstrates an efficient response to referrals. This is improved performance when compared to pre- 2015.

- 6.4 As demonstrated above, the current HRS has provided some good outcomes on behalf of Hackney Council during their contract.
- 6.5 However, there are various aspects of the current treatment model that we can learn from and improve upon. The current treatment system is ‘traditional’ in its model whereby there is a main treatment hub that most service users must attend in order to receive their treatment. This can mean the so called ‘hard to reach’ or ‘resistant to engage’ substance users are not represented within the current treatment population. Such groups may need more assertive engagement to support them into treatment. The chaotic nature of some substance users can result in treatment attrition as service users miss appointments or struggle to attend the treatment centre for various reasons (e.g. mobility issues, mental health, risk factors). A new treatment model will learn from this, and rethink our approach - rather than considering potential service users as ‘hard to reach’, we should consider if we are ‘hard to access’, and if so how can we remove any barriers to treatment. As such, future services will be designed to be safe, attractive and accessible to potential service users at a range of locations, and times to suit different groups.
- 6.6 We know more is needed to engage with under-represented groups in Hackney, including women, individuals from black, Asian or minority ethnic groups (BAME), the street homeless and non-opiate users such as alcohol dependant adults and crack cocaine users.
- 6.7 Consultation with key stakeholders (including current and potential service users) suggested the following areas of good practice in treatment delivery in the City of London and Hackney:
- Passionate and experienced staff
 - Criminal Justice links – including presence in local custody suites, courts and prison in-reach work
 - Partnership working across the borough
 - Reintegration and recovery support – including meaningful activities, links to education, employment and training, and mutual aid
 - Dedicated support for family members, including children
 - CoL focus on loneliness and social inclusion
 - CoL smoking cessation support

6.8 Consultation with key stakeholders advised the following areas for development within the new drug and/or alcohol treatment delivery in the City of London and Hackney. Each of these areas have been highlighted within the new service specification:

- Increase equity of access for the diverse groups that live, work and visit CoL and Hackney – including BME, LGBTQ, and street homeless populations.
- Outreach and in-reach work (e.g. via satellites) to be more assertive and within all areas of the borough (e.g. using the neighbourhood model)
- Use a trauma informed approach to ensure individualised treatment – understanding what drives their use of substances, and offering personalised care.
- Increase digital offer of support
- Enhance treatment options to support the multiple and/or complex health and social needs service users may present with (e.g. BBVs, sexual health, smoking cessation support, wound dressing, mental health support etc.)

7. STRATEGIC CONTEXT

7.1 A number of national policies were considered as part of this procurement proposal. This includes:

- The National Drug Strategy⁹ which builds on the country's existing approach to prevent drug misuse, support people to recover from dependence and restrict the supply of drugs. The Strategy promotes a smarter, partnership-based approach to enhance the outcomes across three strands (reducing demand, restricting supply and promoting recovery), and introduces a fourth strand on global action.
- Public Health England (PHE) have provided advice to inform policy and practice for national and local government to support effective drug and alcohol treatment with long lasting outcomes¹⁰. This includes:
 - Ensure treatment continues to address a broad range of outcomes, including harm reduction, social integration and recovery, through integrated treatment and recovery support systems.
 - Expand the breadth of outcomes in drug and alcohol treatment to include treatment penetration rates, good access to treatment, incident rates of BBVs, cessation of illicit opiate use whilst in treatment, treatment entry rates following prison release and access to employment and housing support services
 - Separate outcomes expected by different treatment groups – including new and historic opiate users who are known to have different rates of recovery
 - Maintain a realistic recovery ambition for the ageing cohort of heroin users with complex needs, accepting that the proportion of

⁹ Drug Strategy 2017; available via www.gov.uk

¹⁰ An evidence review of the outcomes that can be expected of drug misuse treatment in England (2017), Public Health England.

- people who successfully complete treatment is likely to continue to fall
 - Provide longer term employment and housing support including in-work support, to help people gain and maintain employment and appropriate housing
 - Develop strategies to address the recent increases in drug related deaths
- National Institute for Clinical Excellence (NICE) provides a number of guidance documentation that have been considered throughout this reprocurement process including guidance for managing alcohol use disorders, drug misuse management, patients with co-existing severe mental illness and substance misuse in the community setting¹¹.

7.2 Additionally, a number of local evidence reviews have been completed and considered as part of the proposal to recommission the specialist drug and alcohol services in LBH and CoL. This includes:

- Hackney and City’s Public Health JSNA Substance Misuse Chapter, which identified a number of opportunities for the future of the community specialist drug and alcohol service in LBH and CoL. This included supporting currently underrepresented cohorts into treatment (e.g. women, individuals from BME communities, etc.), increasing support for individuals with co-occurring mental health and substance misuse, to review and increase the offer for parents and/or carers who use substances and also to reduce substance misuse related mortality and hospital admissions.
- A Hackney Drug Market Assessment, completed with the Community Safety Partnership in LBH. This concluded there was a continued need to invest in services which reduce the demand for illicit drug use including prevention, drug and alcohol specialist treatment, and treatment that responds to an individual’s holistic needs including mental health. Following the evidence observed in this assessment, the Community Safety Partnership in LBH identified ‘alcohol related crime/disorder, licensing and safer socialising’ and ‘substance misuse, treatment and drug dealing’ as two of their three priorities to address over the next three years.
- Hackney Drug Related Death Audit (2016). This observed a 150% increase of drug related deaths in Hackney between 2012 and 2016 (from 20 drug related deaths registered in 2012, to 50 in 2016). Drug and alcohol treatment is known to be protective: it reduces the risk of overdose or suicide and other drug related health harms. Therefore, if we are to reduce the number of drug related deaths we must support more people into specialist treatment. It is also recommended that services are commissioned to provide harm reduction and overall health interventions to reduce drug related deaths for people who are not engaging in treatment. This includes easy access to needle and syringe exchange programmes, availability of naloxone and access to other protective health tests and treatment that may affect this cohort, e.g. Hepatitis C testing and treatment.

¹¹ All available via www.nice.org.uk/guidance

7.3 Finally, the service will contribute to Council wide initiatives to address alcohol and drug misuse, and their associated impacts on physical and mental health, and wider communities including:

1. Hackney Council's Alcohol Strategy (2017-2020) which has 4 objectives:
 - a. Encourage healthier drinking behaviours
 - b. Commission appropriate and responsive treatment services
 - c. Support families, carers and young people affected by alcohol misuse
 - d. Promote responsible drinking environments.
2. Hackney Council's Community Safety Partnership Strategic Assessment. As part of the annual assessment for community safety, a strategic assessment was completed and three priority areas were identified for Hackney:
 - a. Gangs, youth crime/disorder, youth victimisation and engagement
 - b. Alcohol related crime/disorder, licensing and safer socialising (including hate motivated and sexual offences)
 - c. Substance misuse, treatment and drug dealing (including the open market and the night time economy)
3. Hackney's Health and Wellbeing Board's strategic priorities which promotes good mental health for the borough.

7.4 **Local Policy Context:** In addition to the local strategies and reviews, the service will also be linked to the Council's Corporate Plan, including but not limited to the following ways:

- Enhancing the quality of life for service users, their friends and family and the overall community.
- Increasing service user's recovery capital including their involvement in education, employment and/or training and overall sense of community in their borough of residence
- Providing evidence based harm reduction interventions, including a needle syringe exchange programme which is known to be effective in reducing the transmission of blood borne viruses such as hepatitis B and C and HIV, as well as reducing the littering of drug using paraphernalia in public spaces.
- Evidence illustrates that service users commit less crime when they are engaged in specialist drug and alcohol treatment, compared to when they are not. As such, an effective treatment system will support a safer community for the borough.

7.5 The new service will target underrepresented groups and will support Hackney's Single Equality Scheme (2018) advancing equality in the borough over the next three years.

7.6 The Sustainable Procurement Strategy focuses on good quality of life, residents fulfilling their potential, and improved health and wellbeing. This strategy has

been considered throughout all elements of the procurement, including a method statement question within the tender regarding sustainability as well as enhancing the social value of the service (e.g. the service will be contracted to recruit and train Peer Mentors with lived experience to enhance their employability and provide visible recovery within the service, as well as increase the capacity of the service).

8. PREFERRED OPTION

- 8.1 Hackney Council leads on the procurement of an integrated drug and alcohol treatment system which supports adults living or with a local connection in either the CoL or LBH. Hackney Council will issue a jointly designed service specification and procurement tender that will assure a high quality service that meets the needs of the local populations and offers value for money for the Local Authorities.

9. ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

- 9.1 **Option 1, Allow current contract to come to an end, and not provide a specialist drug and alcohol service from October 2020.** This is not recommended. Hackney Council has a duty to provide services to reduce health inequalities, increase the uptake of drug and alcohol treatment and provide effective outcomes for substance users and the wider community via the allocation of the Public Health grant. In addition, we know that the impact of drug and alcohol use continues to be significant throughout the borough - with 1,600 alcohol specific hospital admissions a year and drug related deaths increasing. Substance misuse is also linked with criminal activity, increased unemployment rates and homelessness. As such the health, social and financial impact of substance misuse remains significant. Research by PHE has demonstrated that investment in specialist drug and alcohol services in the UK are effective and contribute to improvements and wellbeing, as well as providing value for money (it is estimated there is a £4 social return on every £1 invested in drug treatment, and £3 social return on investment in alcohol treatment throughout the country.)
- 9.2 **Option 2, The service model to remain as it is, and the current contract is extended.** The current service model has been in operation since October 2015 on a three year contract, which was extended for 2 years in 2018. Since 2015, the demography for local Hackney residents and their needs as part of drug and alcohol treatment has changed, as previously mentioned. It is recommended that a new service is designed to meet the ever changing needs of the drug and alcohol using cohort, and to increase treatment engagement throughout the borough.
- 9.3 **Option 3, To insource adult specialist drug and alcohol treatment via Hackney Council.** Due to the clinical aspect of the service, the service requires an approved clinical body to deliver safe and efficient prescribing care needs (e.g. an NHS Trust). The clinical requirements of this service are significant,

and it would be a challenge for the Council to take this on. For example, the Council would be required to recruit the specialist qualified staff who require clinical supervision, training and insurance in order to provide a safe and effective service. Further detail on how in-sourcing this service was considered is available in Appendix A.

- 9.4 **Option 4, Jointly commission a specialist drug and alcohol service that supports all ages (including under 18 year olds).** Specialist drug and alcohol treatment for young people up to their 25th birthday is currently provided by a substance misuse team in Young Hackney, and Public Health explored the possible benefits of including the young person provision within the scope of this procurement exercise. The current budget allocated to this service via the Public Health Grant is £386,000.00.

Guidance¹² for the commissioning of young person drug and alcohol treatment recommends that interventions delivered must be age appropriate and tailored to the various needs and risk factors that may be presented by young people - e.g. interventions to develop resilience, provide social service support, able to respond to safeguarding needs etc. Unlike the service user profile seen in the adult service, young people are more likely to use substances such as cannabis and alcohol and less likely to present using Class A drugs. As such, the needs of young people can be significantly different to the adult drug treatment population.

Stakeholders consulted on this proposal acknowledged that one provider could deliver the young person and adult drug and alcohol treatment in LBH. However, all stakeholders agreed that adults and young people need separate services in location, delivery and even service branding for effective treatment outcomes and risk management/safeguarding for the different age groups. Stakeholders also suggested links with other young person services could be lost if removed from the Young Hackney system, for example, wrap-around support such as youth services, children's social care, and links with the youth offending service. Although it was agreed continuity of care and partnerships between the adult and young person drug and alcohol services may be improved if delivered by one provider, it was felt this benefit alone was not enough to enhance the service, and can be easily addressed within the newly designed service specification.

As such, it is felt there is no obvious advantage to this proposal. It is therefore recommended that Young Hackney continue to deliver the drug and alcohol service as an in-house provision, subject to a full service review in the future to ensure this service is well designed and contracted to meet the needs of young people in Hackney.

¹² Young people substance misuse commissioning support 2019 to 2020: Principles and Indicators, PHE (2018); accessible on www.gov.uk

10. SUCCESSFUL CRITERIA/KEY DRIVERS/INDICATORS

10.1 The service will be regularly reviewed to understand its impact on treatment related indicators on the Public Health Outcome Framework (PHOF) which includes:

- Indicator 2.15i - Successful completion of drug treatment - opiate users
- Indicator 2.15ii - Successful completion of drug treatment - non-opiate users
- Indicator 2.15iii- Successful completion of alcohol treatment
- Indicator 2.16 - Deaths from drug misuse
- Indicator 2.16 - Adults with substance misuse treatment need who successfully engage in community-based structured treatment following release from prison

10.2 Other key performance indicators that will be monitored as part of this service are as follows:

- The number of non-opiate users (including adults dependent on alcohol only) in treatment
- Engagement and treatment support for Hackney's diverse communities including, but not limited to, individuals who represent black and/or minority ethnic groups (BME), people with both physical and learning disabilities, mental health issues, individuals that identify themselves as lesbian, gay, bisexual, transgender and/or intersex (LGBTI)
- Increase wrap around support available to everyone, with particular focus on individuals with multiple disadvantage and/or need, including mental health, criminal justice and/or homelessness issues - for example, the service will be monitored on the proportion of service users who achieve employment, education or training opportunities on a planned exit from treatment.
- Evidence of excellent partnership building and maintained relationships with key stakeholders. At least 1 partnership/alliance event to be organised and hosted by the service per year.
- A reduction in high level outcomes observed in the City and Hackney including substance related hospital and/or A&E admissions, and drug related mortality
- Evidence that the service is supporting alcohol users in line with [Hackney's Alcohol Strategy](#) and associated action plan.
- Proportion of service users testing positive for Hepatitis C referred and completing Hepatitis C treatment

A detailed list of proposed key performance indicators are outlined in Appendix 1.

11. WHOLE LIFE COSTING/BUDGETS

11.1 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. City of London and the Mayor Office for Policing and Crime (MOPAC) will be contributing to the overall budget for this service. Finally, an addition is being made by LBH Adult Social Care as the service will be responsible for co-ordinating and

sourcing residential rehabilitation placements for the most vulnerable service users. All budget lines are subject to change throughout the length of the contract, and will be managed in collaboration with the successful provider to ensure the service continues to deliver on its key performance indicators.

Proposed Budget 2020	£ (per year)
Hackney Public Health Contribution	£4,221,850
MOPAC contribution – Hackney (funding agreed for 19/20 and 20/21)	£210,000
Total Hackney Public Health Contribution	£4,431,850
Hackney Adult Social Care Contribution	£183,000.00
City of London substance misuse service (including City of London Police contribution)	£316,000.00 (To be confirmed by the time this report is presented at CPC)
Total City of London contribution	£316,000.00 (TBC)
Total substance misuse net budget	£4,930,850

- 11.2 Bidders will be asked to demonstrate in their tender how the budget will be allocated throughout the contract length, including capital investment on equipment, buildings, and digital interventions for example as well as the ongoing costs relating to operational delivery and the maintenance of investment. Detailed financial reports will be scrutinised on a quarterly basis throughout the contract.

12. CONSULTATION/STAKEHOLDERS

- 12.1 The following internal governance structure was agreed to ensure effective and well informed consultation took place:
- a design group which is made up of senior managers across the City of London Corporation and Hackney Council (including Public Health, Integrated Commissioning, Community Safety, and Adult Social Care), and the City and Hackney Clinical Commissioning Group (CCG). This group has been directly involved in the design of the service specification and had final endorsement of this document.
 - an operational group made up of officers from the current treatment system, potential providers and key stakeholders including, but not limited to, local

GPs, housing support officers, probation/community rehabilitation company, the police, mental health providers, and the Job Centre. This included an all-day consultation event which offered the opportunity for stakeholders to comment on priorities for the new service design, challenges, and themes to be considered (including the scope of the service, and its integration with other areas). This was facilitated via an all-day consultation event hosted by Hackney Council, and was concluded via a Webinar Event illustrating the proposed new service design, and welcoming comments and feedback prior to the tender being published, delivered in July 2019.

12.2 Consultation with current service users was completed within the HRS, in addition to interviewing Peer Mentors who have lived experience of substance misuse, but also have a role in advocating for other service users. Potential, non-service users were trickier to engage with. However, this was completed by engaging with local hostels.

12.3 The feedback received via these groups is summarised in section 5.12.

13. RISK ASSESSMENT/MANAGEMENT

Risk of Procurement	Likelihood	Impact	Overall	Action to avoid or mitigate risk
	L – Low; M – Medium; H - High			
Provider failure	L	H	M	Provider failure is a genuine risk in the substance misuse sector, illustrated by the collapse of large provider The Lifeline Project in 2017, which ran 70 drug and alcohol projects with 1400 staff supporting about 80,000 clients a year. The minimum financial requirements and how we assess financial information will be clearly outlined in the Selection Questionnaire. Procurement documentation may ensure that bidders are under a continuous obligation throughout the procurement process to update Hackney Council where any information they may have submitted as part of the selection/pre-qualification stage (including the financial information) has changed. This is particularly important as there is an anticipated number of months between contract award and the contract start date.
Unsuccessful Transition/Impl	L	H	M	As part of the procurement process, shortlisted organisations will be

<p>ementation of new treatment model</p>				<p>expected to provide detail on how they will ensure a safe and effective transfer of service users into the new service. A minimum of 6 months implementation time will be included as part of the transition. Recognising the risks associated with frequent reprocurement and transition / implementation phases, as well as the costs associated with this, it is proposed that any new contract will operate on a longer term basis for a minimum period of 5 years</p>
<p>An unsuccessful tender</p>	<p>L</p>	<p>H</p>	<p>M</p>	<p>In December 2017, the fourth State of the Sector report was produced by Adfam on behalf of the Recovery Partnership, funded by the Department of Health. Within the report, a number of respondents voiced concern that too many tenders are published where the contract length is too short, and/or expectations for service activity and outcomes do not match the budget for the contract. The risk of a perceived 'undeliverable' contract for substance misuse was evident in Bristol in 2018, where no drug and alcohol providers bid for the published tender. Bristol City Council has described this as a 'market failure' acknowledging that they set commissioning expectations too high, and at too low a cost. According to a recent benchmarking exercise, Hackney Public Health's financial envelope for specialist drug and alcohol treatment is in line with our local neighbours. The service specification will also be designed to allow providers some space to design and innovate their treatment programme to meet the contract expectations, in line with what the provider believes can be delivered within the allocated budget. The proposed length of contract is likely to be attractive.</p>

14. MARKET TESTING (LESSONS LEARNT/BENCHMARKING)

The delivery of specialist drug and alcohol treatment services in the community is well established and there are a number of Providers who are suitable to deliver such a service in Hackney and the CoL. This includes a number of large third sector organisations and NHS foundation trusts.

A benchmarking exercise was completed by Hackney Public Health which evidenced that the LBH offers a suitable and attractive financial envelope to potential bidders which will aid a successful tender and a well-resourced and high performing service. The addition of the CoL element to this contract increases the attractiveness of the bid for potential providers and will increase the breadth and offer of treatment for people who live and stay in the CoL.

Furthermore, potential bidders were involved within the consultation exercise, and views on what makes a tender both attractive and realistic will be considered within the service redesign. This includes considerations such as contract length, financial envelope, and key performance indicators.

15. SAVINGS

The current service contribution from Hackney's Public Health Grant is approximately £4.5m. A saving of £300k for this service delivery has been approved at Hackney's Labour Group in July 2019 and will be achieved via the bids received throughout the tender process. Value for money within this contract will be reinforced via the 30% weighting on cost of delivery within the tender.

Our ambition is to get the balance right between quality, price and value for money within this procurement. We want to ensure we have designed a sustainable service that contracts a provider(s) to deliver what is realistic within the financial envelope available.

16. SUSTAINABILITY ISSUES

16.1 Equality Impact Assessment and Equality Issues - The redesign of the drug and alcohol services in LBH will minimise any impact on the protected groups, as demonstrated by the Equality Impact Assessment (EIA) which is attached to this business case in appendix 3. It is important to note, however, that the drug and alcohol using population is continuously changing. Unknown or undiscovered groups of need (at the time of this service design) may become known throughout the contract length, and commissioners will work with the service provider to support as many people as possible into effective treatment, within the resources available.

16.2 Environmental Issues: There were no environmental issues 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.

16.3 **Economic Issues:** There were no economic issues 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.

17. PROPOSED PROCUREMENT ARRANGEMENTS

17.1 **Procurement Route and EU Implications:** The procurement process will follow OJEU regulations as stated in the Public Contract Regulations 2015. The process will be a restricted tender, which means that there will be specific criterion outlined for bidders to meet if they are to be considered eligible to submit a tender response. This will be managed through the Council's eProcurement system and available to organisations who have signed up to the website. The tender will also be advertised on Contracts Finder and Public Health will encourage all potential bidders who took place in the consultation event and Webinar to bid.

17.2 **Resources, Project Management and Key Milestones:** The procurement project will be led and overseen by the Public Health Senior Management Team whose members cover LBH and the CoL. Additional support will be offered via the commissioning team in both the LBH and CoL and through the Design Steering Group which is made up of partner agencies. The core tender panel will comprise the following officers;

LBH Public Health Strategist
LBH Consultant in Public Health
LBH Public Health Senior Practitioner
CoL Consultant in Public Health
CoL Commissioning Manager

Additional colleagues will support the evaluation of specific questions, in line with their expertise. For example:

Mental Health Lead –Hackney and City CCG
LBH Strategic Communications Advisor
Operational Lead – Adult Social Care (including substance misuse)
Programme Manager (ICS unplanned care workstream, City and Hackney)

The tender panel will be chaired by a member of the commissioning team and the Tender documentation will be evaluated using the e-Procurement system.

The Quality/Price scoring ratio will be 70:30.

Below is a project timeline:

Key Milestones	
Business Case Report to CPC	9 September 2019

OJEU Advert placed	10 September 2019
Closing date for Selection Questionnaire (SQ)	27 September 2019
SQ evaluation	30 September - 4 October 2019
Issue Tender	7 October 2019
Tender returns	12 November 2019
Tender Evaluation	13 November - 22 November 2019
Contract Award Report considered at CPC	10 February 2020
Standstill Period	11 - 25 February 2020
Mobilisation period	2 March - 30 September 2020
Start on site / Contract start	1 October 2020

17.3 **Contract Documents: Anticipated contract type:**

17.3.1 A detailed specification is being finalised which includes areas that are set by national standards and evidence base. Other parts of the service specification have been influenced by consultation, completion of a joint strategic needs assessment and involvement of the design steering group. The involvement of stakeholders in the consultation on the specification gives us full confidence that they have bought into the process.

17.3.2 The tender pack will include the terms and conditions that are currently used by Public Health, which includes the very latest updates to the clauses covering GDPR and safeguarding, both of which will be assessed within the Method Statement questions.

17.3.3 The contract will be provided by one provider or by a small number of providers that work together/in consortia with a lead organisation accountable to Hackney Council for the delivery of the overall contract.

17.4 **Contract Management:** The contract will be managed by Hackney's Public Health team. This will include a minimum of quarterly review meetings and contract monitoring forms which will be used to review service delivery and performance against required service levels and key performance indicators. In addition to this, the current provider will also be contract managed to ensure that if a new Provider is selected, there is a smooth transition process.

17.5 **TUPE:** TUPE will apply and the data is currently being collated and should be available for the tender publication date.

17.6 **Key Performance Indicators:** Contracts for commissioned services specify the outcomes to be achieved and these outcomes are regularly reviewed and monitored. How a service like this is monitored in terms of KPIs has been an emotive topic of conversation throughout the consultation exercise. Measuring progress of a service which supports chaotic and vulnerable people with addictive behaviours in a fair and transparent way whilst acknowledging person-led achievements can be challenging. In addition, if a long contract

length is agreed, KPIs will be subject to change as the needs and priorities of the local population changes.

Within the service model, there must be a strong emphasis on the following:

- a. A treatment model which is designed to offer interventions and a service that can adapt to the changing needs and/or evolving complexity of need over time
- b. Adopt a trauma informed approach to treatment to increase efficacy of treatment, as well as the service user support experience.
- c. A commitment to encourage individuals in both clinical and psychosocial treatment interventions to improve the overall treatment benefits and outcomes.
- d. A focus on supporting people to become independent from their substance use, maximising on all opportunities to progress long term service users who can be considered as 'stuck'.
- e. Build a whole person approach to recovery which supports building an individual's social value, sense of community and positive use of time

Further detail on the key performance indicators that will be used within this contract are detailed in section **10** and appendix 1.

18. COMMENTS OF THE GROUP DIRECTOR FINANCE AND CORPORATE RESOURCES

- 18.1 The recommendation of this report to approve the procurement strategy for an integrated adult drug and alcohol treatment system for the London Borough of Hackney in collaboration with the City of London Corporation. The annual contract value will be for a maximum of £4.93m, and the proposed contract value will commence in October 2020. The contract will be for a five year period with the option to extend for a further four years (5+4). The breakdown of funding from partners for the £4.748m is illustrated in section 11 of the report. The total value over the maximum life of the contract is £44.37m.
- 18.2 The length of the contract is linked to findings from the Advisory Council on the Misuse of Drugs (ACMD) which found that the frequent re-procurement of services has created unnecessary churn and disruption resulting in poorer recovery outcomes – at least in the short term. A longer contract will have benefits for residents accessing these services, and will lead to a more efficient service provision.
- 18.3 The majority of the funding for the new service (£4.222m) will be met from the Public Health ring-fenced grant. The risk in relation to this funding is that we are unclear what level of grant will be available in future years. To mitigate this risk, break clauses should be built into the contract to allow a review in light of reduced funding. This risk would also extend to MOPAC and the City of London Corporation contributions to the service.

- 18.4 A saving of £300k from Hackney's Public Health grant has been approved and has been recognised within the proposed contract value, and this will be achieved through the procurement process. This will go towards offsetting an element of the anticipated grant reduction in 2020/21.
- 18.5 In-sourcing the service was considered, however it was deemed that the clinical aspect of the service would require an approved clinical body to deliver safe and efficient prescribing care needs (e.g. an NHS trust). Additionally, the integrated way of working means that it is not desirable to split services into lots although consortium bids are not ruled out

19. VAT Implications on Land & Property Transactions

N/A

20. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE

- 20.1 The procurement process in this Report has been assessed as High Risk and therefore pursuant to paragraph 2.7.10 of Contract Standing Orders the approval to progress to market will be with Cabinet Procurement Committee.
- 20.2 The services to be procured 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 it will be necessary to publish an OJEU notice in respect of the procurement of the services. It is proposed to use the Restricted Procedure under Regulation 28 of the Public Contracts Regulations 2015 to undertake the procurement process.
- 20.3 The London Borough of Hackney is the contracting authority under the Public Contracts Regulations for the procurement process in this Report but the services are also for the benefit of the City of London Corporation. Such arrangements are permitted under Regulation 38 (Occasional joint procurement) which permit two or more contracting authorities to agree to perform certain specific procurements jointly. The Council and the City of London Corporation will also need to enter into contractual and financial arrangements with each other to cover the provision of the services to be procured.

21. COMMENTS OF THE PROCUREMENT CATEGORY LEAD

- 21.1 The services outlined in this report fall under the Light Touch Regime of the Procurement Contract Regulations 2015. The team have chosen to follow a restricted procedure to enable those bidders with the appropriate technical skills to complete a tender.
- 21.2 The leading officers in Hackney have carried out extensive engagement and consultation to ensure that the specification is fit for purpose and meets local need. There is a lot of synergy with other areas of the health and care system and the team have involved representatives from local partner agencies to ensure that the services to be commissioned will meet local need.

- 21.3 The model of this service is in the last stages of finalisation and this should be complete by the time the business case reaches CPC. It is important that whoever takes on this contract is able to deliver high quality standards and evidence these. The long contract length is important to ensuring that a partnership is formed between the various agencies in the local health and social care system to enable the effective improvement of outcomes for local people; this includes arrangements with City of London.
- 21.4 TUPE will apply and details are currently being collated. Insourcing the service has been considered, but the clinical specialism required is not available in the Council. Additionally, the integrated way of working means that it is not desirable to split services into lots although consortium bids are not ruled out. Integrated working and close cooperation in the service are required to ensure that service users receive the high quality provision we aspire to deliver.

EXEMPT

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

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

On submission to Hackney Council's Cabinet Procurement Committee, the updated substance misuse chapter for City and Hackney's JSNA had not been published. As this document is referenced throughout this report, and was relied upon throughout service re-design, it has been deemed necessary to add this as a background paper.

This chapter presents data relating to substance misuse and its impact in Hackney and the City and why this is an important issue locally.

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Cabinet Procurement Committee

9 SEPTEMBER 2019

PROCUREMENT OF THE ADULT INTEGRATED DRUG AND ALCOHOL SERVICE

KEY DECISION NO. CACH P89

Appendix 1

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Open Appendix 1 – Proposed Key Performance Indicators

In line with Her Majesty's Government Drug Strategy (2018) City and Hackney, the provider(s) will have ambition to provide effective treatment that promotes recovery and supports service users have freedom from drug and/or alcohol dependency, and maintain long term recovery. These will be measured using the following nationally recognised outcomes:

Performance Indicator	Definition	Target performance
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.
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.
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
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

The following KPIs will also be measured as part of this service. These KPIs will be used to measure the impact of the service generally, but also for individuals where the chances and appropriateness of a successful completion in treatment needs to be considered (e.g. for long term drug/alcohol users, or those with mental and/or physical health comorbidity)

Performance Indicator	Definition	Target performance

<p>Increase of:</p> <ul style="list-style-type: none"> • Non-opiate presentations into treatment • Alcohol Only presentations into treatment 	<p>Number of new presentations to structured treatment per quarter broken down as:</p> <ul style="list-style-type: none"> • Non-opiate only • Alcohol and non-opiate • Alcohol only 	<p>Non-opiate / Alcohol and non-opiate - 350 new presentations per financial year</p> <p>Alcohol only – 280 new presentations per financial year</p>
<p>Reduce estimated unmet treatment need for local:</p> <ul style="list-style-type: none"> • Opiate and/or crack cocaine users (OCU) • Alcohol only users 	<p>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</p>	<p>Quarter on quarter reduction of unmet need across the groups</p> <p>OCU – under 50% unmet need</p> <p>Alcohol only – under 70% unmet need</p>
<p>Increase number of individuals engaging in treatment from underrepresented groups:</p> <ul style="list-style-type: none"> • BME • LGBTQI • Women • Parents 	<p>Number of % of new presentations engaging with treatment that represent the diversity of City and Hackney</p>	<p>Monitor over time, year on year increase expected in first 24 months of service delivery</p> <p>Review target at 24 months</p>
<p>Increase the proportion of service users engaged in effective treatment</p>	<p>Number and % of service users who complete treatment within 12 weeks <u>or</u> are successfully engaged in treatment for over 12 weeks</p>	<p>To perform in line or exceeding national and London average performance</p>
<p>Reduce attrition of treatment engagement</p> <ul style="list-style-type: none"> • Overall • In early stages of treatment 	<ol style="list-style-type: none"> 1. Number and % of service users leaving treatment in a planned way 2. % of new presentations who had an unplanned exit from treatment before being retained for 12 weeks 	<ol style="list-style-type: none"> 1. to perform in line or exceeding national and London average performance 2. Downward trend on a quarterly basis, to be in line with national performance
<p>Increase the proportion of service user's with mental health needs effectively receiving treatment for both substance misuse and mental health</p>	<ol style="list-style-type: none"> 1. Number and % of new presentations with a self-disclosed mental health not currently receiving treatment referred to mental health treatment and/or support 2. Number of those referred that go on to successfully receive mental health support or treatment 3. Proportion of front line staff trained in the Trauma Informed Approach 	<ol style="list-style-type: none"> 1. 100% 2. >50% 3. 100%

<p>Increase the provision of effective wrap-around support offered to service users in treatment</p>	<p>1. Number and % of service users with unstable housing or homeless referred and achieving housing support/accommodation 2. Number and % of service users referred and engaged in employment, education, or training activities (ETE, including volunteering)</p>	<p>1. 100% referred, >50% achieving stable accommodation 2. Monitor over time, target to be agreed within 12 months of contract start</p>
<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. 60% 2. >40% 3. 80% 4. >50% 5. 100% offered, >60% start, >80% competing</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><50% of OST prescribed service users reporting continued illicit substance use (including alcohol and non-prescribed medication)</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. 60% 2. 60% 3. ≥17%</p>
<p>Increase multi-disciplinary working with local partners to support to complex and multiple health and social care needs service users often present with</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. 1 event a year 2. At least 4 training sessions per year</p>

<p>Support the reduction of substance related hospital admissions across City and Hackney</p>	<ol style="list-style-type: none"> 1. Provision of a hospital liaison team 2. Reduction in substance related hospital admissions observed on the Public Health Profiles 	<p>No specific target, to monitor over time</p>
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Cabinet Procurement Committee

9 SEPTEMBER 2019

PROCUREMENT OF THE ADULT INTEGRATED DRUG AND ALCOHOL SERVICE

KEY DECISION NO. CACH P89

Appendix 2

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Open Appendix 2 – Procurement Timeline

Work stream	Start	Deadline
Project Overview/RAT/PRIMAS to Public Health SMT/DPM	03/12/2018	17/12/2018
Substance Misuse JSNA chapter completed	01/11/2018	31/07/2019
Stakeholder Engagement	01/02/2019	06/06/2019
Service Specification Design	01/04/2019	25/08/2019
Procurement design	19/05/2019	25/08/2019
Presentation at Hackney CPC	09/09/2019	
Tender advertisement	10/09/2019	
Selection Questionnaire submission	10/09/2019	27/09/2019
Evaluation of Selection Questionnaires	30/09/2019	04/10/2019
Issue of ITT document and submission deadline	07/10/2019	12/11/2019
Tender evaluation	13/11/2019	22/11/2019
Interviews (include. final moderation meeting)	25/11/2019	29/11/2019
Draft contract award report	29/11/2019	06/12/2019
CPC date	10/02/2020	
Standstill period	11/02/2020	25/02/2020
Mobilisation and transitional planning	02/03/2020	30/09/2020
Service go live date	01/10/2020	

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Cabinet Procurement Committee

9 SEPTEMBER 2019

PROCUREMENT OF THE ADULT INTEGRATED DRUG AND ALCOHOL SERVICE

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Appendix 3

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Open Appendix 3

Equality Impact Assessment (EIA) – Hackney drug and alcohol treatment provision

Whenever a new service model is proposed within commissioning, an EIA should be completed to ensure that any policy, project or other kind of changes does not discriminate against disadvantaged or vulnerable people.

The Equality Act 2010 protects us all from discrimination or harassment as a result of a personal characteristic. Health services must ensure that treatment provision supports the needs of everyone to increase equality and opportunity to all groups.

The following characteristics are protected under the Act:

- Race
- Age
- Gender
- Disability
- Marriage and civil partnership
- Pregnancy and maternity
- Religion or belief
- Sexual orientation
- Gender reassignment

Race

Hackney's profile factsheet¹ demonstrates that just over half (54%) of respondents to the 2011 Census in Hackney described themselves as from a white ethnic group. The remainder is made up of black and minority ethnic groups (46%), with the largest group being 'Black African' (11.4%). Hackney is also home to a number of national and cultural communities including Turkish, Kurdish and Charedi Jewish people.

With a total population estimated at 273,500 in Hackney, approximately 125,500 Hackney residents may belong to a black and/or minority ethnic group (BME).

Research has indicated BME groups, such as African, Caribbean, Chinese and Vietnamese ethnicities are under-represented by 'mainstream drug and alcohol services'². Data in Hackney could indicate this with almost 65% of the HRS caseload in 2017/18 identifying as from a white ethnicity (almost half identify as White British) and just 35% self-reporting as BME³.

BME individuals may be less likely to attend drug and alcohol treatment for a number of reasons. Firstly, some believe there is less awareness of the risks and impacts of drug and alcohol use, or at least, a level of unrealistic optimism within these groups. In addition, the stigma associated with illicit drug use can be the biggest barrier for such groups accessing drug treatment. Furthermore, people identifying as BME are more likely to disclose different problematic substance use, such as cannabis use, in addition to crack, Khat and amphetamine use. As such, the needs presented by BME groups can differ from white ethnicities, and so treatment would require adaptation to meet these. Finally, research suggests more intensive engagement may be required to build up trust and recovery capital within these groups.

As a result of this, increased efforts may be required by drug and alcohol services to engage with people from a BME background e.g. using an assertive outreach model. Treatment services in Hackney might be required to take the treatment out of the treatment office and actively engage with the residents to increase specialist treatment activity throughout the borough.

The service redesign will take this information into account, and it has been agreed that the service must be configured to provide capacity to assertively engage with all individuals throughout the borough that represents Hackney's diversity. A service's ability to do this relies heavily on staffing resource and capacity. It is, therefore, hoped there will be a positive impact on this protected characteristic following a successful procurement exercise.

Age

¹ <https://hackney.gov.uk/article/3622/Population>

² <http://www.nta.nhs.uk/publications.aspx?category=Equality+and+Diversity>

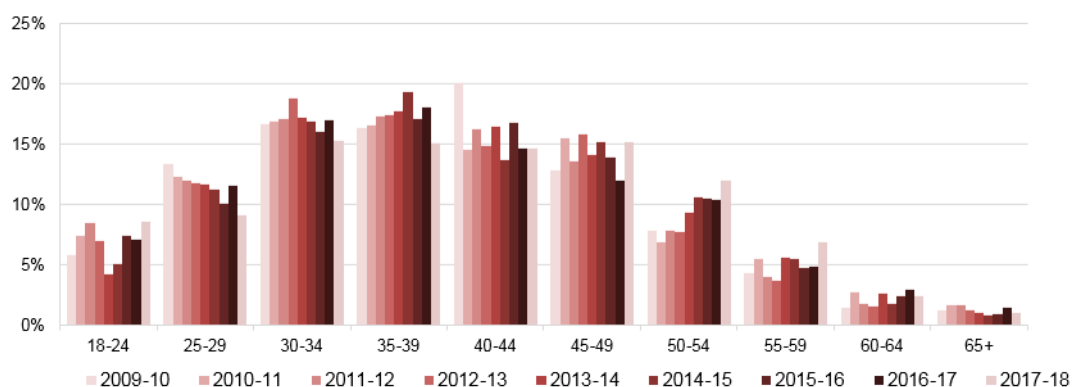
³ Adult Partnership Activity Report – Hackney Q4 1718 (6% either 'not stated' or 'not recorded/missing') NDTMS

Hackney is a relatively young borough with just under 25% of its population under 20 years. The proportion of residents between 20-29 years has grown in the last 10 years, and now stands at just under 20%. People aged over 55 makeup just over 14% of the population⁴.

It is becoming nationally recognised that the population engaging with drug and alcohol treatment is ageing - with the majority of individuals engaging throughout England now being above 40 years old. Older and long term drug and/or alcohol users are likely to present to treatment with multiple and complex health and social care needs.

Graph 1 illustrates the ageing treatment population in Hackney, over time:

Graph 1: Trends in the age distribution of new presentations to drug and/or alcohol treatment 2009/10-2017/18 - Hackney



Older individuals (and especially those with a long history of substance use) have specific needs which can require additional resource. These include, but are not limited to:

- Complex health care needs – such as Chronic Obstructive Pulmonary Disease (COPD)
- Mobility Issues – some requiring home visits, support picking up Opiate Substitute Treatment or escorting to hospitals and other appointments
- Significant social care needs – such as difficulty managing toilet needs, keeping a habitable home environment, developing and maintaining personal relationships, managing nutrition and/or maintaining personal hygiene.
- Grief management, loneliness support

Older individuals are more likely to have a history of opiate use, when compared to younger drug and alcohol users. Indeed, over half (54%) of the Hackney Recovery Service caseload in 2017/18 had a problematic relationship with opiates⁵. Younger people who may need drug and alcohol treatment are more likely to be using other substances, such as cannabis, cocaine, novel psychoactive substances, club drugs and alcohol. Services need to ensure they attract younger substance users as well as the more ‘traditional’ drug

⁴ ONS mid year population estimates 2017

⁵ Adult Partnership Activity Report Q4 Hackney 1819– NDTMS

population. This is particularly important in Hackney due to the younger demographic.

It is believed that the reprocurement will have a positive impact on this protected characteristic in the following ways:

- It has been decided to keep the delivery of drug and alcohol treatment for young people (under 25 years old) separate from the adult service to assure a young person specific service that meets the differing needs of Hackney's younger population
- The service redesign has put greater emphasis on supporting the whole person when someone is in treatment. This will include providing treatment or referring people onto appropriate services to manage any multiple and/or complex health and social care needs.
- The service redesign has reviewed the service opening hours to ensure the new service will support potential service users who are in full time employment, education or training. Late night opening hours, specialist clinics and/or online interventions may support more people into treatment who use non-opiate substances and/or alcohol.

Gender

Most recent demographic information estimates a general 50:50 split between male and female residents living in Hackney. Despite making up half of Hackney's population, only 30% of those in adult drug and alcohol treatment are female⁶. Prevalence estimations suggest that women are less likely to use or have a problematic relationship with drugs and/or alcohol. However, research considers that the standardised drug and alcohol treatment offer is not always suitable/accessible for females or the fear of judgement/consequences could be a barrier for the group (e.g. if they have childcare responsibilities).

The proportion of female engagement in Hackney's treatment system mirrors the national data. The new service will aim to increase the number of women accessing drug and/or alcohol treatment in the borough via assertive outreach, tailored delivery and efficient service timetabling (e.g. women only clinics for women who have experienced domestic violence).

Disability

In the 2011 Census, 15% of Hackney respondents said they had a long-term illness that limited their daily activities in some way, compared with 14% for London and 18% for England and Wales. In Hackney, this equates to approximately 41,000 people. In the financial year 2017/18, approximately 21% of new presentations to Hackney's drug and alcohol treatment system reporting a disability (including mobility, sight, personal care, behavioural, emotional and learning disabilities).

We do not believe this group will be negatively impacted by the service redesign. The new Provider will need to demonstrate how they will support individuals with disabilities into treatment, including offering home visits, all

⁶ Adult Partnership Activity Report Q4 Hackney 1819– NDTMS

buildings must be wheelchair accessible and that the treatment hub (if relevant) is accessible (e.g. good transport links and within a suitable location in the borough).

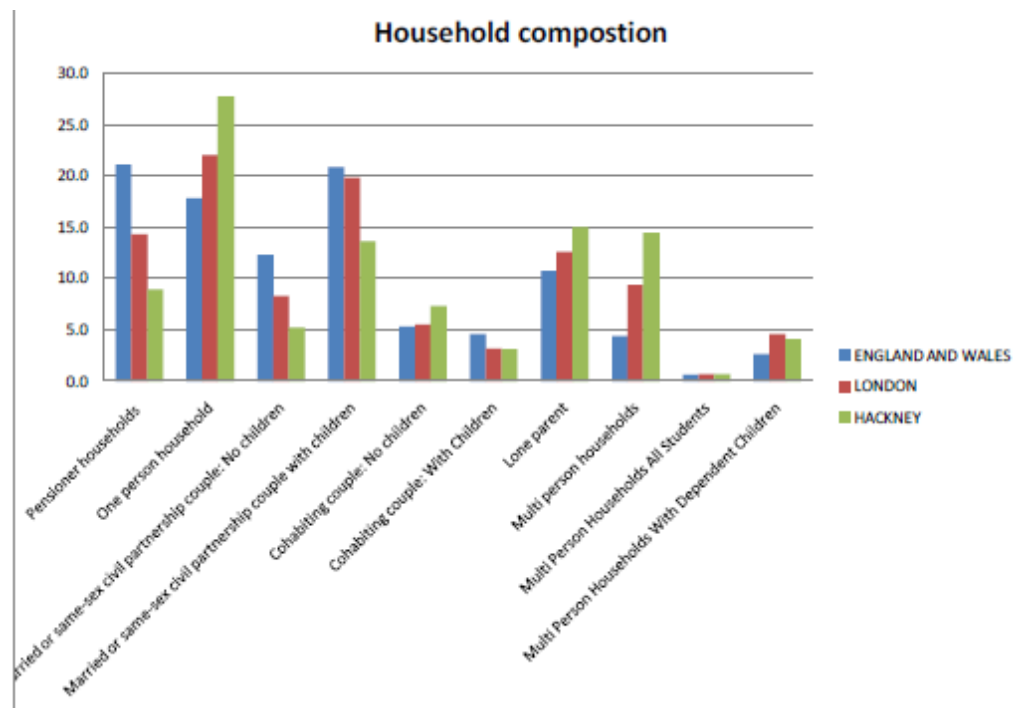
The service redesign is also considering how to enhance mental health support and treatment within Hackney’s recovery service, including the emphasis on a trauma informed approach and increased partnership working.

The outcomes of the 12 month Complex Needs Mental Health pilot within both the Greenhouse Clinic and Hackney Recovery Service will also be considered (when completed). This is important as service users with both mental health and substance misuse needs (sometimes known as dual diagnosis) can find it difficult to receive treatment that supports both their needs. A ‘chicken and egg’ analogy is often used to describe the problem: Mental health providers will not provide support until substance misuse has been addressed, yet service users use substances to manage the significant effects of poor mental health. This can result in a service user not receiving support from either agency, which has a large impact on their recovery options. Throughout 2017/18, 43% (n=370) of all new treatment presentations to Hackney Recovery Service reported a mental health treatment need. Of these, 37% (n=135) reported that they were not receiving any treatment for their mental health.

Finally, the consultation exercise completed in line with this reprocurement exercise highlighted a gap for individuals with learning difficulties accessing treatment services. Enhanced partnership working by the new service is hoped to increase equity of treatment access for this group.

Marriage and Civil Partnerships

The below image shows the household composition in Hackney.



Hackney has fewer pensioner households, couples who are married or in a civil partnership and cohabiting couples with children than London and England and Wales. The borough has significantly higher proportions of one person, lone parent and multi-person households which are likely to consist of groups of young people renting rooms from private landlords in shared properties.

There is no evidence to suggest that any of these groups will be negatively impacted by a service redesign of local drug and alcohol services.

Pregnancy and Maternity

There were 4,447 live births to women in Hackney in 2016. The fertility rate for Hackney is 59.7 live births per 1,000 women of child-bearing age compared to 55.1 in London and 62.5 in England. In some parts of Hackney fertility rates are amongst the highest in London, particularly in certain wards in the north-east of the borough.

Addressing the impact of parental substance misuse has been highlighted as a local Public Health England priority. The service redesign will be taking this into account to safeguard the welfare of any young people living with adults who use substances.

According to the 2017/18 NDTMS data, 11 adults presented to Hackney's treatment system whilst pregnant in that financial year.

During this year, approximately 45% of new presentations to drug and/or alcohol treatment have a parental status, or have significant childcare contact. However, the majority of new presentations (53%) report they are not parents and/or do not have any child contact (2% declined to answer this question)

As with the current service, the service redesign will be configured so they are able to identify and support service users with parental responsibilities as well as work closely with the Council's Children and Families Services to address any safeguarding concerns.

Religion and Belief

Just over a third of Hackney's residents describe themselves as Christian, although this is a lower percentage than the London and UK average. Hackney has significantly more people of the Jewish and Muslim faiths and a higher proportion of people with no religion and those who did not state a religion than London and the UK.

The below table illustrates the proportion of new presentations to HRS in 2017/18 citing a religion:

Religion	N of new presentations	% new presentations
Christian	213/870	25%
Muslim	61/870	7%
Other	45/870	5%

None	277/870	32%
Declined to disclose	228/870	26%
Not known	46/870	5%

As noted previously, a particular focus on the service redesign will allow the new drug and alcohol service to engage with currently under-represented groups. This will include some religious groups which may be less likely to engage with traditional drug services often associated with stigma and shame some cultures and religions place on substance misuse.

Sexual Orientation and gender reassignment

A GP patient survey completed in 2017 indicated that there were comparatively high numbers of people who identify as gay or lesbian (5%), bisexual (1%), other (3%) in Hackney when compared to the London average. Data on the transgender population is not available at a borough level. The Gender Identity Research and Education Society (GIRES) currently estimate there are 650,000 (1% of the population) whose gender identity is incongruent with their assigned gender. This equates to around 2,700 people in Hackney.

The below table illustrates the proportion of new presentations to Hackney Recovery Service in 2017/18 citing their sexuality

Sexuality	N of new presentations	% new presentations
Heterosexual	693/870	80%
Gay/Lesbian	48/870	5.5%
Bi-sexual	22/870	2.5%
Does not know	7/870	1%
Not known	93/870	10%
Other	7/870	1%

Public Health's Joint Strategic Needs Assessment chapter on substance misuse suggests there may be further opportunities to engage with individuals who identify as lesbian, gay, bisexual and/or transgender (LGBT) as evidence suggests higher rates of substance use among such groups. Within these groups, drug use is highest among men who have sex with men (MSM). Some MSM also participate in Chemsex and may take illicit drugs (such as GHB and GBL) to facilitate this. As such, it is hoped the service redesign will allow the new service provider to evaluate and improve on how it engages with LGBT groups.



**TITLE OF REPORT: RENEWAL OF GAS & ELECTRICITY SUPPLY CONTRACTS
INFORMATION REPORT - UPDATE ON CONTRACT APPROVAL**

<p>CPC MEETING DATE</p> <p>9 September 2019</p>	<p>CLASSIFICATION:</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 appendix A is exempt because it contains Information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>
<p>WARD(S) AFFECTED</p> <p>All</p>	
<p>CABINET MEMBER</p> <p>Cllr Burke</p> <p>Cabinet Member for Energy, Waste, Transport and Public Realm</p>	
<p>KEY DECISION</p> <p>No</p> <p>The report provides the outcome of the procurement strategy agreed in the March 2016 by Cabinet Procurement Committee</p> <p>REASON</p>	

Energy is purchased on wholesale markets in advance of the delivery date.

GROUP DIRECTOR

Ian Williams – Finance and Corporate Resources

1. CABINET MEMBER'S INTRODUCTION

- 1.1 The London Borough of Hackney, in common with many other local authorities, relies heavily on the supply of gas and electricity from the market to deliver essential services to residents. As part of the Mayor and Council's commitment to rapidly decarbonising the full functions of the local authority, the Council switched to a minimum of 50% renewable electricity on 1 April 2019. This next step will see the Council secure 100% renewable electricity through the purchase of Renewable Energy Guarantee of Origin Certificates (REGO).
- 1.2 In October 2018, the Intergovernmental Panel on Climate Change issued its starkest warning yet, through the Special Report on Global Warming of 1.5C, regarding both the timescales and level of action required to drastically reduce greenhouse gas emissions in order to avert catastrophic warming and subsequent climate change. The report concluded that "limiting warming to 1.5C is possible within the laws of chemistry and physics but doing so would require unprecedented changes" and that "the next few years are probably the most important in our history." The deep decarbonisation programme that Hackney Council is undertaking in respect of its consumption of energy, both on the supply and demand-side, could not be more timely.
- 1.3 In June 2019, the Council further strengthened its commitment to playing a full role in the transformation of the energy system through the agreement of a Climate Emergency motion at Full Council. This motion commits the local authority to a 45% reduction in emissions against 2010 levels by 2030 and net zero emissions by 2040, in-line with the most stretching targets contained within the IPCC 1.5C report.
- 1.4 REGO certificates are a major step forward for the council in delivering against the 2018 manifesto commitment to transform the way we purchase wholesale energy to increase the generation of renewable energy beyond Hackney's borders by using our corporate spending on gas and electricity to increase investment in sources of clean energy.
- 1.5 The natural next step in the process beyond 1 April 2020 will be to explore the potential for a Power Purchase Agreement (PPA) with a specific generation facility. Doing so will provide greater transparency and certainty regarding the provenance of the Council's - and other bodies that procure energy jointly with the Council, such as local schools - electricity. Securing such an agreement - and exploring

ways of reducing the global warming impact of our gas consumption - would demonstrate in a very visible way to the residents of Hackney that our corporate spending on renewables is contributing to the delivery of new sources of clean energy, rather than merely sending a signal to the market that more renewable energy is required, which is the role that the purchase of REGO certificates performs.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1 This report provides the outcome of this year's purchasing round for energy used within Council offices, Hackney Housing and in Schools, where such Schools are part of the corporate contracting arrangement. This year's contract prices show an estimated 15% average increase on the bottom line against last financial year's prices, which is due to an increase to 3rd party costs.
- 2.2 Notwithstanding the level of pricing achieved, the Council and in particular the Energy Management Unit will continue to work with other departments to pursue the delivery of energy conservation measures, some of which are highlighted in other parts of this report.

3. RECOMMENDATION(S)

Cabinet Procurement Committee is recommended to:

- 3.1.1 **Note the outcome of the purchasing arrangements which have placed Supply contracts with the Energy companies as follows:**
 - 3.1.1.2 **The Half Hourly and Unmetered Electricity Supply contract is awarded to Supplier A as detailed in Appendix 1, estimated contract values of £2,146k and £ 830k respectively.**
 - 3.1.1.3 **The Non-Half Hourly Electricity Supply contract is awarded to Supplier B as detailed in Appendix 1, at an estimated contract value of £ 4,119k.**
 - 3.1.1.4 **The Gas Supply contract is awarded to Supplier C as detailed in Appendix 1, at an estimated contract value of £ 2,610k.**
- 3.1.2 **Note the indicative aggregate cost impact for Hackney, including Housing and Schools, from these tender awards is a 15% increase year on year, but that the actual impact will be monitored via OFP.**

4. RELATED DECISIONS

- 4.1 Cabinet Procurement Committee approved the Business Case report in its meeting of the 15th March 2016. The report recommended the appointment of the Crown Commercial Service as the energy purchasing agent for the Council and also for the Group Director of Finance and Corporate Resources to engage the service provider for future years' purchases

5. REASONS FOR DECISION/OPTIONS APPRAISAL.

- 5.1.1 This report provides Cabinet Procurement Committee with the results of the “risk managed flexible purchasing” exercise carried out on behalf of the Council by Crown Commercial Service (CCS) between Oct 2018 and March 2019 for all gas and large electricity supplies (Half Hourly including public street lighting) to secure a twelve month contract.
- 5.1.2 The report also provides the outcome of the purchase carried out by CCS who were also appointed to purchase the Council’s small electricity supplies (NHH supplies) based on the delegated authority provided by Cabinet Procurement Committee to the Group Director of Finance and Corporate Resources in March 2013.
- 5.1.3 The current contract prices for all supplies include those large (HH) Half Hourly electricity supplies including Unmetered (UMS) public street lighting, all gas and small (NHH) Non-Half Hourly electricity supplies for the year commencing 1st April 2019 to 31st March 2020 were presented to the Council during April and May 2020.
- 5.1.4 This year’s contracted prices (pence per unit) for the NHH electricity supplies are estimated at 19% higher than last year’s prices. Increases in energy prices are due to a number of reasons. The increase in this cost is quoted by the suppliers as due to factors including an increase to 3rd party costs, commodity rates, renewable levies as well as transmission and distribution costs.
- 5.1.5 Contracted gas prices (pence per unit) are estimated at 28% higher than last year’s prices. Gas prices has been impacted by concerns about nuclear availability, gas storage, and declining European gas production. Since the start of the winter, prices have fallen on the back of mild weather and a significant increase in deliveries of liquefied gas into Europe.
- 5.1.6 Large electricity supply prices have increased by an estimated 2% for both the Half Hourly (HH) and Unmetered (UMS) supplies. As with the NHH supplies, this is due to Non Electricity Costs which the government levies on supplies to help incentivise the low-carbon economy, as well as the cost of delivering the electricity.
- 5.1.7 For this year’s supplies, the electricity contract was procured with 50% of its volume from primary “standard” electricity generation and an average 50% of electricity from renewable sources. The total premium on the renewable electricity is £7,680 at £0.30/MWh
- 5.1.8 The contracts for all supplies is for a twelve month period commencing from April 2019 to March 2020.
- 5.1.9 The Council will continue working with the CCS framework for the 2020/21 Energy Procurement exercise. We will also seek to secure a higher proportion of renewable energy within our contracts. The Council will be able to secure 100% REGO certificated electricity supply through the CCS arrangement. The additional premium for BG supplies is quoted at 0.11p/kWh and 0.03p/kWh for the EDF supplies. The estimated total cost is circa £39,000 based on the 2017/18 electricity consumption at 49,295MWh. The Council will also explore the Energy Market to appraise how it can procure 100% Renewable Electricity through PPA agreements.

5.2 ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

- 5.2.1 Previous Business Case reports and in particular the one considered and approved by Cabinet Procurement Committee in March 2016 detailed the options available to the Council for procuring its energy supplies contracts. The risk managed flexible purchasing of energy in advance of contract start date was and is still preferred to other types of purchasing arrangements.

6. PROJECT PROGRESS

6.1 Developments since the Business Case approval.

NONE

6.2 Whole Life Costing/Budgets:

- 6.2.1 The Council's requirement for gas and electricity has existed for many years and annual budgets are established and maintained. There is central provision to cover unexpected additional costs because of price volatility.

- 6.2.2 The Council's preferred strategy for managing inflationary cost pressures is that these are managed, wherever possible, from within existing cash limits and thus the budget for energy is not given an annual inflation uplift. However, in recognition of the potential volatility in the energy markets, and due to the fact that in the short term at least, demand is broadly uncontrollable, the Council sets aside a reserve to meet unforeseen changes in price, demand or any potential market volatility.

6.3 Savings

- 6.3.1 As part of the Council's Accommodation Strategy there is potential for reduced demand for energy as fewer buildings remain in the Civic Estate. This will be reviewed year on year and recurring savings may be able to be taken in future years.

7. SUSTAINABILITY ISSUES

7.1 Equality Impact Assessment and Equality Issues:

- 7.1.1 There are no specific equalities issues in these procurements but a failure to procure would have profoundly adverse effect on services.

7.2 Environmental Issues:

- 7.2.1 The use of gas for heating homes has increased for communal supplies within Housing estates with all oil to gas boiler conversions successfully completed. Gas

boilers emit less CO₂ per kWh and other pollutants than oil fired boilers and are more economical.

- 7.2.2 For this year's supplies, the electricity contract was procured with 50% of its volume from primary "standard" electricity generation and 50% from renewable sources.
- 7.2.3 An increasing proportion of the delivered electricity cost relates to non-energy costs that support providing reliable, secure, low carbon energy to the UK as part of the Government's Electricity Market Reform. Transmission and Distribution costs are pass-through costs charges set by National Grid and Distribution Network Operators. These charges are site specific and typically represent over 40% of the overall delivered cost.
- 7.2.6 The Council is actively looking to ensure that energy use in its building is efficient as possible and also make the most effective use of under-utilised buildings with a view to rationalise its corporate estate. The activities will not only deliver financial savings but will achieve CO₂ reduction. The Council successfully installed Solar PV systems at administrative buildings with potential savings of over 1,000 tonnes of CO₂ savings over the lifetime of these installation. The estimated yield on the 2018/19 renewable generation across the corporate sites is 137,981kWh which is equivalent to 39 tonnes of carbon.
- 7.2.7 In addition the Council has also supported the development of community led projects to increase the production of renewable energy at a local level. One example is the 120kWp Solar PV project at Banister House which is estimated to generate 900MWh of electricity over its 20 year lifetime.
- 7.2.8 The Council has committed to implementing ISO 50001 Energy Management Standard, this will help the Council to identify efficiency savings measures that can be implemented through energy projects and energy efficient practices. As part of the initiatives under the Hackney Energy Company, we are investigating the installation of solar panels in the suitable Council properties with £300k funding from the Council's Climate Change Fund.

7.3 Economic Issues: None

8. TENDER EVALUATION

8.1 Evaluation:

- 8.1.1 The purchasing of the Council's requirements was carried out over a six-month period using an existing framework agreement that was put in place by Crown Commercial Service (CCS). The framework was competitively tendered and fully compliant with EU procurement regulations.
- 8.1.2 This report provides the outcome of purchases carried out by the suppliers appointed by CCS and contracts prices for all supplies (Non-Half hourly smaller electricity supplies, Half Hourly large electricity supplies, unmetered electricity supplies and all gas supplies) for the period from 1st April 2019 to 31st March 2020

of the contracted year. The contract prices were purchased between the six month period, 1st October 2018 to 31st March 2019, prior to the contract start date.

9. CONTRACT MANAGEMENT ARRANGEMENTS

9.1 Resources and Project Management (Roles and Responsibilities):

9.1.1 Contract management is undertaken by the Energy Management Unit. Each supplier provides a single contract manager to liaise with the Council.

9.1.2 All operational matters including supply and invoicing issues are dealt with directly between the EMU officers and the energy suppliers, while the CCS handles all strategic matters on behalf of the members of the Consortium. There is also a direct link between the Council and the CCS based on the contract awarded to the organisation to purchase energy on behalf of the Council. Issues that cannot be resolved at operational level are escalated to the CCS.

9.1.3 The Council is also a member of the London Energy Project which takes up concerns of common interest to its members with the CCS and suppliers

9.2 Key Performance Indicators: The EMU approve BACs and Direct Debit batches of invoices for payment and direct recharges to cost centres. Consumption data is collected in the EMU's monitoring database. This data is used to monitor budgets across the organisation and to assemble consumption data to be used for the purchase of carbon allowances under the Carbon Reduction Commitment scheme.

Category	KPI	Monitoring
Failed Registrations	Failed Registrations including Notice of Objections and Rejections to be notified to the Customer within two (2) Working Days of receipt.	LBH to hold record of nominations with proposal dates. Supplier to provide all details of objections and rejections to time scale. Record to be maintained by LBH
	Weekly report of any failed Registrations to be sent to the Authority on the first (1st) Working Day of each week.	Supplier to provide emailed spreadsheet. Record to be maintained by LBH
New Sites – Pricing	Interim prices to be provided to the relevant Customer and the Authority within three (3) Working Days for a single Site and within seven (7) Working Days for group Sites.	Supplier to provide emailed spreadsheet. LBH to hold record of nominations with proposal dates. Supplier to provide prices to timetable

Customer Contracts	<p>Electricity Products Customer Contracts to be populated with individual Customer details and Metering Point Information, and issued to Existing Customers prior to the First Supply Start Date.</p> <p>Electricity Products Customer Contracts to be populated with individual Customer details and Metering Point Information, and issued to New Customers prior to the Earliest Supply Start Date for such New Customer.</p>	<p>Supplier to provide emailed spreadsheet.</p> <p>Compliance monitored by LBH.</p>
Customer Queries	<p>Responses to Customer Queries by telephone or letter to be given within two (2) Working Days. If it cannot be resolved within two (2) Working Days, a “holding” response giving the reason why resolution is not possible and a date when full resolution is expected must be provided.</p>	<p>Log of queries raised, held by LBH. Compliance monitored by LBH.</p> <p>Supplier to provide emailed response.</p>
Customer Complaints	<p>Customer Complaints to be given priority treatment and acknowledged by the Supplier to the Customer within one (1) Working Day of receipt. An estimated timescale for resolution must accompany the acknowledgment</p>	<p>Log of complaints held by LBH. Compliance monitored by LBH.</p>
	<p>Customer Complaints to be logged and reported to the Authority within one (1) Working Day of receipt.</p>	<p>Log of complaints raised, held by LBH. Compliance monitored by LBH.</p>
	<p>The Supplier to send a progress report to the Authority and the Customer each Working Day the complaint remains open/unresolved.</p> <p>Where resolution of the Complaint is not achieved within the estimated timescale, or the estimated timescale is not acceptable to the Authority or the Customer, escalation procedures shall be invoked.</p>	<p>Log of complaints raised, held by LBH. Compliance monitored by LBH.</p>

Quotations – Site Works and Installation Services	Quotations to be provided to the Authority within six (6) weeks of receipt of Order.	Log of quotations requested, held by LBH Compliance monitored by LBH.
Completion of work – Site Works and Installation Services	Completion of the work to be within the timeframe stated in the Supplier's quotation and acceptance letter. On completion the new Site is to be priced in accordance with the standard terms of the Electricity Products Customer Contract and arrangements for pricing.	Log of site works held by LBH Compliance monitored by LBH.

10 COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND RESOURCES

- 10.1 This report provides notification of the procurement of gas and electricity for the Half Hourly and Unmetered Electricity Supply contract, the Non-Half Hourly Electricity Supply and Gas Supply contract from suppliers A, B and C respectively for the 2019/20 financial year.
- 10.2 As mentioned in the recommendations, the aggregate indicative increase on the bottom line is 15%, which for the non schools elements of Hackney's portfolio is as follows:

	General Fund £	HRA £	Total £
Elec 18/19 outturn	2,152,674	2,461,202	4,613,876
Gas 18/19 outturn	374,411	1,597,827	1,972,237
Total 18/19 outturn	2,527,085	4,059,029	6,586,114
Indicative 15% increase for 19/20	2,906,148	4,667,883	7,574,031

LB Hackney contracts energy suppliers on behalf of schools, but energy costs are incurred by schools direct. The estimated impact for schools is as follows:

	2018/19 £	2019/20 £
Schools energy cost	2,051,626	£2,359,370

- 10.3 The volatility of the energy markets will mean an increase in the cost of energy to the Council in the current year. Spend will be closely monitored through OFP (excluding schools). The "risk managed flexible purchasing" exercise carried out on behalf of the Council by Crown Commercial Service (CCS) to purchase the

Council's energy requirements for the year commencing April 2018 continues to comply with policy framework with the contract values within budget.

11. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE SERVICES

11.1 On 15th March 2016 Cabinet Procurement Committee approved a Report to appoint the Crown Commercial Services (formerly the Government Procurement Service) to procure energy on behalf of the Council and to retrospectively report on contract award. This Report sets out details of such procurement exercises for the supply of electricity and gas. Procuring supplies on behalf of a contracting authority by a third party is permitted under Regulation 37 of the Public Contracts Regulations 2015.

11.2 Following the procurement of energy supplies by the Crown Commercial Service, the Council will conclude individual supply agreements with each of the three suppliers. Such supply contracts are to be concluded for the period from 1st April 2019 until 31st March 2020.

12. COMMENTS OF THE PROCUREMENT CATEGORY LEAD

12.1 Cabinet Procurement Committee is recommended to note the outcome of the energy purchasing activity carried out, on behalf of the Council, by Crown Commercial Service (CCS) for the Council's energy contracts.

12.2 As detailed in the report, CCS framework agreements provide a platform for the Council and other public sector bodies to continue to leverage better prices from energy wholesale market. This year's contract prices show a rise in price compared to what was achieved last year for reasons detailed in 5.1.4. During the lifetime of this contract award we need to be mindful of some upwards cost pressure on pricing, however, the relative position to the market of the CCS contract is still showing good value for money.

APPENDICES

EXEMPT

Appendix 1: Summary of Contract Values by Suppliers

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

Description of document		Date
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	Location (i.e. Service or Section)	
#22124640. 2019-20 Price Summation	EDOCs	June 2019

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