



COMMITTEENAME

MeetingDateLegal

at MeetingTime

MeetingLocation

Members: Deputy Mayor
Chairexpectedtitlescells
MembersExpectedShortRolestitles
Cells

Substitute Member ReservenotrequiredShortList

TIM SHIELDS
Chief Executive

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

Deadline(pubagenda)

The press and public are welcome to attend this meeting

AGENDA

MeetingDateLegal

ORDER OF BUSINESS

1. FIELD_ITEM_NUMBER		
2. FIELD_ITEM_NUMBER		

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-%20Executive%20Procedure%20Rules.pdf>

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 Dawn Carter-McDonald, Interim Director of Legal on 020 8356 6234 or email: dawn.carter-mcdonald@hackney.gov.uk



FS 566728



CABINET PROCUREMENT AND INSOURCING COMMITTEE

Monday 6 December 2021, 5.00pm
at Hackney Town Hall, Mare Street, London E8 1EA

The live stream can be viewed here:

<https://youtu.be/NnNxfapimLk>

Members of the Committee :

Cllr Robert Chapman - Chair, Cabinet Member for Finance; Cllr Anntoinette Bramble Deputy Mayor (Statutory) and Cabinet Member for Education, Young People and Children's Social Care; Cllr Christopher Kennedy, Cabinet Member for Health, Adult Social Care and Leisure; Cllr Caroline Woodley, Cabinet Member for Families, Early Years, and Play

Substitute Member: Mayor Phillip Glanville

Mark Carroll - Chief Executive

26 November 2021

Andrew Spragg, Governance Services Team Leader

Email: andrew.spragg@hackney.gov.uk

Hackney Council website: www.hackney.gov.uk

CABINET PROCUREMENT AND INSOURCING COMMITTEE

MONDAY 6 DECEMBER 2021

AGENDA

ORDER OF BUSINESS

1. Apologies for Absence

2. Declarations of Interest - Members to declare as appropriate

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:

- must disclose the interest at the start of the meeting or when or when the interest becomes apparent, and
- may not participate in any discussion or vote on the matter and must withdraw from the meeting proceedings in person or virtually.

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.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at paragraphs 8.1 - 15.2 of Section 2 of Part 5 of the constitution and Appendix A of the Members' Code of Conduct.

3. Urgent Business

The Chair will consider the admission of any late items of urgent business. Late items of urgent business will be considered under the agenda item where they appear.

New Items of unrestricted urgent business will be dealt with under Item 9. New items of exempt urgent business will be dealt with at Item 14.

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

On occasions part of the Cabinet Procurement & Insourcing 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 members of the public.

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

No representations with regard to these have been received.

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

5. **To consider any deputations, questions or petitions referred to the Cabinet Procurement & Insourcing Committee by the Council's Monitoring Officer**
6. **Unrestricted Minutes of the previous meeting of the Cabinet Procurement & Insourcing Committee held on 8 November 2021**
7. **CE S042 Contract Award: Young People's Supported Accommodation Pathway**
Part Exempt

Decision Notice published on 9 November 2021 under General Exception

Reason for General Exception: Delays in the procurement process. The current services contract is due to end 31st of January 2022 and an award will need to be made in December to ensure continuity of services.

8. **NH S26 Arboricultural Maintenance & Tree Planting/Post Planting Management Framework**
Part Exempt
9. **FCR S033 Provision of Insurance Services for Leasehold Right to Buy Property (exclude provision of insurance broker service)**
Part Exempt
10. **NH R53 Selection Of A Build Contractor For The Construction Of Mixed Tenure Housing At Kings Crescent Phases 3&4**
Part Exempt

11. **Any Other Unrestricted Business the Chair Considers To Be Urgent**
12. **Dates Of Future Meetings**

2022

17 January, 14 February , 7 March , and 11 April

13. **Exclusion Of The Public & Press**

Note from the Director of Legal & Governance Services

Items 14 to 17 allow for the consideration of exempt information in relation to Items 7 to 10

Proposed resolution :

THAT the press and public be excluded from the proceedings of Cabinet during consideration of Exempt Items 13, 14 & 15 on the agenda on the grounds that it is likely, in view of the nature of the business to be transacted, that were members of the public to be present, there would be a disclosure of exempt business as defined in paragraph 3 of Part 1 of schedule 12A of the Local Government Act 1972, as amended.

14. **CE S042 Contract Award: Young People's Supported Accommodation Pathway Exempt Appendices**
15. **NH S26 Arboricultural Maintenance & Tree Planting/Post Planting Management Framework**
16. **FCR S033 Provision of Insurance Services for Leasehold Right to Buy Property (excludes provision of insurance broker service)**
17. **NH R53 Selection Of A Build Contractor For The Construction Of Mixed Tenure Housing At Kings Crescent Phases 3&4**
18. **Any other exempt business the Chair considers to be urgent**

Public Attendance

The Town Hall is not presently open to the general public, and there is limited capacity within the meeting rooms. However, the High Court has ruled that where meetings are required to be 'open to the public' or 'held in public' then members of the public are entitled to have access by way of physical attendance at the meeting. The Council will need to ensure that access by the public is in line with any Covid-19 restrictions that may be in force from time to time and also in line with public health advice.

Those members of the public who wish to observe a meeting are still encouraged to make use of the live-stream facility in the first instance. You can find the link on the agenda front sheet.

Members of the public who would ordinarily attend a meeting to ask a question, make a deputation or present a petition will be able to attend if they wish. They may also let the relevant committee support officer know that they would like the Chair of the meeting to ask the question, make the deputation or present the petition on their behalf (in line with current Constitutional arrangements).

In the case of the Planning Sub-Committee, those wishing to make representations at the meeting should attend in person where possible.

Regardless of why a member of the public wishes to attend a meeting, they will need to advise the relevant committee support officer of their intention in advance of the meeting date. You can find contact details for the committee support officer on the agenda front page. This is to support track and trace. The committee support officer will be able to confirm whether the proposed attendance can be accommodated with the room capacities that exist to ensure that the meeting is covid-secure.

As there will be a maximum capacity in each meeting room, priority will be given to those who are attending to participate in a meeting rather than observe.

Members of the public who are attending a meeting for a specific purpose, rather than general observation, are encouraged to leave the meeting at the end of the item for which they are present. This is particularly important in the case of the Planning Sub-Committee, as it may have a number of items on the agenda involving public representation.

Before attending the meeting

The public, staff and councillors are asked to review the information below as this is important in minimising the risk for everyone.

If you are experiencing covid symptoms, you should follow government guidance. Under no circumstances should you attend a meeting if you are experiencing covid symptoms.

Anyone experiencing symptoms of Coronavirus is eligible to book a swab test to find out if they have the virus. You can register for a test after checking your symptoms [through the NHS website](#). If you do not have access to the internet, or have difficulty with the digital portals, you are able to call the 119 service to book a test.

If you're an essential worker and you are experiencing Coronavirus symptoms, you can apply for priority testing through GOV.UK by following the [guidance for essential workers](#). You can also get tested through this route if you have symptoms of coronavirus and live with an essential worker.

Availability of home testing in the case of people with symptoms is limited, so please use testing centres where you can.

Even if you are not experiencing covid symptoms, you are requested to take an asymptomatic test (lateral flow test) in the 24 hours before attending the meeting.

You can do so by visiting any lateral flow test centre; details of the rapid testing sites in Hackney can be found [here](#). Alternatively, you can obtain home testing kits from pharmacies or order them [here](#).

You must not attend a lateral flow test site if you have Coronavirus symptoms; rather you must book a test appointment at your nearest walk-through or drive-through centre.

Lateral flow tests take around 30 minutes to deliver a result, so please factor the time it will take to administer the test and then wait for the result when deciding when to take the test.

If your lateral flow test returns a positive result then you must follow Government guidance; self-isolate and make arrangements for a PCR test. Under no circumstances should you attend the meeting.

Attending the Town Hall for meetings

To make our buildings Covid-safe, it is very important that you observe the rules and guidance on social distancing, one-way systems, hand washing, and the wearing of masks (unless you are exempt from doing so). You must follow all the signage and measures that have been put in place. They are there to keep you and others safe.

To minimise risk, we ask that Councillors arrive fifteen minutes before the meeting starts and leave the meeting room immediately after the meeting has concluded. The public will be invited into the room five minutes before the meeting starts.

Members of the public will be permitted to enter the building via the front entrance of the Town Hall no earlier than ten minutes before the meeting is scheduled to start. They will be required to sign in and have their temperature checked as they enter the building. Security will direct them to the Chamber or Committee Room as appropriate.

Seats will be allocated, and people must remain in the seat that has been allocated to them.

Refreshments will not be provided, so it is recommended that you bring a bottle of water with you.

RIGHTS OF PRESS AND PUBLIC TO REPORT ON MEETINGS

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- 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
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Further Information

Advice can be obtained from Dawn Carter-McDonald, Director for Legal & Governance Services via email dawn.carter-mcdonald@hackney.gov.uk

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**DRAFT UNRESTRICTED MINUTES OF CABINET PROCUREMENT AND
INSOURCING COMMITTEE**

MONDAY 8 NOVEMBER 2021

Chair Cllr Robert Chapman, Cabinet Member for Finance

Councillors Present: Cllr Anntoinette Bramble, Deputy Mayor (Statutory) and Cabinet Member for Education, Young People and Children’s Social Care
Cllr Christopher Kennedy, Cabinet Member for Health, Adult Social Care and Leisure
Cllr Caroline Woodley, Cabinet Member for Families, Early Years and Play

Apologies None

Officers in Attendance Rotimi Ajilore – Head of Procurement
Andrew Spragg – Governance Services Team Leader

Remote attendees

Candace Bloomfield, Directorate Procurement Manager

Dawn Cafferty, Category Lead (Social Care Services)

Merle Ferguson, Procurement Strategy and Systems Lead

Tony Gallagher, Design and Print Manager

Judith Hughes, Category Lead (Corporate Services)

Cate McLaurin, Head of Delivery

Jade Mercieca, Strategic Procurement Manager (Interim)

Ollie Parrish, Project Manager

Adi-Naitey Puplampu, Procurement Category Manager: Corporate Services

Patrick Rodger, Senior Lawyer

The meeting was live-streamed here:
<https://www.youtube.com/watch?v=1HaASDiFExQ>

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATIONS OF INTEREST - Members to declare as appropriate

There were no declarations of Interest.

3. URGENT BUSINESS

There were no items of urgent business.

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

There were no representations received.

5. TO CONSIDER ANY DEPUTATIONS, QUESTIONS OR PETITIONS REFERRED TO THE CABINET BY THE COUNCIL'S MONITORING OFFICER

There were none received.

6. Unrestricted Minutes of the previous meeting of Cabinet Procurement & Insourcing Committee held on 4 October 2021.

RESOLVED:

That the unrestricted minutes of the Cabinet Procurement & Insourcing Committee held on 4 October 2021 were approved.

7. FCR S024 Procurement of External Print (Non Variable Data) Services via a Framework Agreement for Hackney Council's Print Team

7.1 Tony Gallagher, Design and Print Manager, introduced the report. Cllr Kennedy raised a query about where it was practical to rely on external print services. The Design and Print Manager outlined that in most instances, print work could be delivered in-house, but occasions arose for specialist work or where it could not be delivered to deadline. It was agreed the officers would provide the Committee with the split of print work carried out in-house compared to what was procured externally. Cllr Woodley commented on the role of Small to Medium Enterprises (SME) and highlighted the balance being struck between cost and staying local in respect to printing.

7.2 The Committee was informed that the contract had been identified as being weighted toward 10% social value on the basis of what was considered deliverable by Procurement. The Head of Procurement gave assurances that social value remained a critical component of the procurement process and how decisions were weighted.

7.3 The Committee was assured that the tender had evaluated bidders for their green credentials, and all Council materials were printed on Forest Stewardship Council (FSC) certified paper.

RESOLVED:

i) To approve the award of a 4-year framework agreement, with a total estimated lifetime value of up to £2,078,000 (Lot 1a + Lot 1b + Lot 2), to the following suppliers, under the following service areas as follows :

● **Lot 1: Bulk (Lithographic and Digital) Printing Services for an estimated total of up to £1,740,000 over the duration of the framework, broken down as:**

○ **Lot 1a - Five (5) Suppliers, Suppliers A, C, D, E, F, to deliver 'Standard' Services for a total estimated value of up to £1,700,000.**

○ **Lot 1b - Two (2) Suppliers, Suppliers D and E to deliver 'Quick Turnaround' Services for a total estimated value of up to £40,000.**

● **Lot 2: Printed Merchandise and Promotional items estimated at up to £338,000 over the 4-year duration of the framework agreement:**

○ **Four (4) Suppliers: Suppliers G, H, I and K.**

ii) To note that, in relation to Bulk Printing, 'Standard' refers to work with a turn around time of more than 24 hours while 'Quick-Turnaround' refers to work with a delivery time of 24 hours or less.

REASONS FOR DECISION

In arriving at this recommendation the following options were considered: (a) Do nothing, (b) In-source service provision, (c) call-off services from existing framework agreements, (d) set up a Dynamic Purchasing System (DPS) and (e) set up a Council specific Framework Agreement.

As set out in the Business Case, 'doing nothing' will prevent the Council from meeting its need for print services in a way that is compliant with its procurement standing orders (the current contracts will expire in October 2021) and deny the Council of the protections that the contract provides.

Furthermore, the changes in the marketplace, such as failing Bulk Printers, the size of the investment in equipment, staff and premises required for Bulk Printing, as well as the variable nature of Merchandise Printing and demand in general, do not argue in favour of investing in the development of internal capacity to meet all demand.

In addition, the existing framework agreements were found to be either 'Managed Services' (which would duplicate the work of the 'management' provided by the internal Print Team) or mainly serving regional markets outside London. Also, the administrative costs of running a DPS would exceed the benefits of setting it up.

The setting-up of a Framework Agreement by the Council will enable the Council to

tailor the framework to its specific needs (including in terms of sustainability and data security), ensure service continuity and provide contractual mechanisms to manage the quality of services and the variation of supplier prices over the next 4 years, in accordance with Council requirements and budgets, as set out in paragraph 6.2 of this report

8. FCR S27 Google Workspace Licences

8.1 Ollie Parrish, Project Manager, introduced the report. Deputy Mayor Bramble welcomed the inclusion of Hackney Education and associated schools in the proposals.

8.2 The Committee was informed that the Council estimated it needed around 6,000 user accounts at any one time. It was explained that the Google Workspace option allowed closer monitoring of when accounts were not being used, and it had led to a reduction in the number of surplus licenses. Officers agreed to provide members of the Committee with an update to show workers against the number of licences in use.

8.3 In order to discuss the exempt appendix, the Committee **RESOLVED:**

THAT the press and public be excluded from the proceedings of Cabinet during consideration of Exempt Items 13 on the agenda on the grounds that it is likely, in view of the nature of the business to be transacted, that were members of the public to be present, there would be a disclosure of exempt business as defined in paragraph 3 of Part 1 of schedule 12A of the Local Government Act 1972, as amended.

8.4 Cllr Kennedy raised a point of clarification about the different estimated costs between the suppliers. The Committee was also assured that the options under consideration were suitable in light of the cyber-attack in October 2020.

RESOLVED:

i) To note the Digital Marketplace G-Cloud procurement process used for the procurement of Google Workspace licences.

ii) To progress the award of a contract to Supplier C to provide Google Workspace licences for a period of 2 years with a Council option to extend for two further one year periods (2+1+1).

REASONS FOR DECISION:

Google Workspace and Microsoft Office continue to be the leading productivity platforms used by large organisations on the market. As with the technology strategy in 2017, other platforms identified continue to be discounted when evaluated against our user needs, enterprise architecture principles and digital service standard principles.

As set out in the Business Case, the Council's adoption of Google Workspace to support new, modern ways of working - and the associated reduction in the use of Microsoft Office - has been extremely positive over the 4 years since we set our

strategy.

The move to Google Chrome OS devices provides the Council with the flexibility to consider alternative directions in future, decoupling the devices that users use from the software they use (any web based software tools can operate equally effectively on Chrome OS devices), and also providing the Council with best-in-class device security (removing the security risks that are common with Windows devices).

9. Any Other Unrestricted Business the Chair Considers To Be Urgent

There was no other urgent business to consider.

10. Dates Of Future Meetings

CPIC noted the dates of future meetings.

2021

6 December

2022

17 January

14 February

7 March

11 April

11. Exclusion Of The Public & Press

The Committee agreed that no further consideration was required in respect to the exempt appendices.

End of Meeting

Duration of the meeting: 5pm - 5.35pm

Contact:

Andrew Spragg, Governance Services Team Leader
andrew.spragg@hackney.gov.uk

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CONTRACT APPROVAL: Young People’s Supported Accommodation Pathway
Key Decision No. CE S042

CABINET PROCUREMENT AND INSOURCING COMMITTEE MEETING DATE

6 December 2021

[Click here for meeting dates](#)

CLASSIFICATION:

Open with exempt appendix

If exempt, the reason will be listed in the main body of this report.

WARD(S) AFFECTED

All Wards

CABINET MEMBER

Cllr Anntoinette Bramble, Deputy Mayor and Cabinet Member for Education, Young People and Children's Social Care

KEY DECISION

Yes

REASON

Spending & Saving

GROUP DIRECTOR

Jacquie Burke, Children and Education

1. CABINET MEMBER'S INTRODUCTION

- 1.1. This report proposes the procurement of several contracts to form a brand new pathway of supported accommodation for Hackney Looked After Children, Care Leavers and Homeless Young People. This is a joint procurement with Housing and Adults Services led by the Children and Families Service that will support a seamless transition throughout a young person's journey to independent living.
- 1.2. Providing 16-21 year old care leavers with suitable accommodation that is tailored to their needs is essential in supporting them with their transition to adulthood. Whilst some care leavers return home or "stay put" with their foster carer, many move to more independent accommodation that comes with varying levels of key-worker support (semi-independent accommodation). This proposal will ensure that for those care leavers who need it, there is access to a range of semi-independent accommodation options that are of a high standard and deliver the best value for money.
- 1.3. This report will support the delivery of a consistent high quality support and accommodation service, introduce the use of evidenced based psychologically informed environments to provide young person centred, wrap-around support that will make a significant impact in how young people experience supported accommodation.
- 1.4. Members will note that in-sourcing this service was not deemed viable during the options appraisal process. The Council has brought some previously outsourced services back in-house where it was judged to be operationally and/or financially advantageous. However, the nature of supported accommodation provided to the Council and the skills required to deliver housing-related support prove difficult to provide in-house, mainly due to the lack of available properties for the services. Throughout the consultation process and market engagement, registered social housing landlords indicated that they would not lease directly to the Council as the majority of the providers delivered support services from their Registered Social Housing properties themselves. Members should also note that the Council would incur a 22% increase in cost to insource this pathway, not taking into consideration the cost of purchasing properties. The biggest challenge to insource this service is acquiring the accommodation, which would be an additional £910k per year on top of the staffing (£350k) which makes this not a viable option at this time.
- 1.5. It is necessary to retain the outsourced housing related support services due to its significant financial and operational benefits to the Council as outlined in the report. In addition, there is limited registered social housing provision available in the borough, so by insourcing this we would lose access to the properties currently delivering the services as the landlords have indicated they would sell these properties for redevelopment or go to market rents,

further reducing the availability of affordable accommodation for young people in Hackney.

- 1.6. The successful providers are all dedicated to paying at least the London Living Wage for all staff and have all evidenced their commitments to our council and Mayoral priorities of procuring green, procuring for a better society and for a fairer delivery as well as evidencing increased social value. We have retained all the properties currently being used for these services in the borough and gained more homes that provide affordable accommodation for care leavers who are working. All providers are committed to ensuring this service is as sustainable as possible through a number of environmentally friendly upgrades and improvements to the existing buildings.
- 1.7. The young people's pathway will have a positive impact by providing high quality supported accommodation for Hackney residents, including looked after children and care leavers. A 5+1+1 year contract provides employment stability. By awarding these contracts this will also create several new job opportunities which will be able to be accessed by local residents. All providers have committed to encourage and support recruitment from the local area and community and have established links with the voluntary and community sector and will utilise various local job advertising opportunities. All successful providers have committed to having volunteers, apprentices and offering work experience to local residents.
- 1.8. All providers have committed to Hackney's Anti-Racist and Anti-Oppressive Practice policy as this formed a key part of the specification for the new service.
- 1.9. The Council used this tender opportunity to redesign the current services and give further emphasis on the quality of support and accommodation provided to young people. It is our expectation that this will facilitate the successful introduction of an improved pathway of supported accommodation for young people alongside the continued benefits of London Living Wage and its delivery of a higher retention of experienced staff.
- 1.10. This report and the recommendations are the result of a rigorous procurement process undertaken by Children and Families Service and Procurement Services.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1. This report requests approval to award 3 Lots (to 3 providers) for a period of 5 years, to deliver supported accommodation for looked after children, care leavers, and single homeless young people aged 16-21. There is an option to extend the service for a further 2 years if required (5 +1 +1 years).

- 2.2. The Council has a legal obligation under the Children Act 1989 to provide suitable accommodation for looked after children and to provide support to care leavers under the Children (Leaving Care) Act 2000; this support includes the provision of suitable supported independent accommodation.
- 2.3. The proposed procurement arrangement will support Hackney to meet its sufficiency duty in line with increases in the numbers of looked after children and care leavers and facilitate the implementation of a robust quality assurance framework to monitor the performance of providers who are operating in an unregulated market. It is also anticipated that a block contract will secure support and accommodation at rates that are more competitive than the existing spot purchasing arrangements. The Young People's Supported Accommodation Pathway will ensure the delivery of high quality placements and support for the most vulnerable young people in Hackney. The services will be innovative, efficient and fit for the future, preparing young people for independent living, increasing their quality of life and supporting young people to maintain their engagement in their local communities.
- 2.4. Currently, supported accommodation for young people is delivered by 2 external providers. The Housing Related Support Services for Young People and Young Parents were originally established in April 2012 and ran until 31 December 2019 as block contracts. The existing contracts were extended via the Cabinet Procurement Committee until the end of January 2022 to ensure continuity of service and allow for a competitive procurement process.
- 2.5. A thorough procurement process has been undertaken, which included care leavers from the Children in Care Council. Their input was valuable as they were able to articulate the needs of young people using these services and to help inform our understanding of their experiences of accessing supported accommodation during their transitions to independent living. Some of the young people involved in the procurement process were also involved in the early stages of the original business case and assisted with the young people's consultation process which formed the needs analysis for the service.
- 2.6. Following the conclusion of the procurement process, the Council has identified 3 providers capable of delivering the required service.
- 2.7. These procurements will focus on meeting our statutory obligation as Corporate Parents and will focus on supported accommodation for young people aged 16-21. Accommodation and support for single homeless young people 21+ will continue to be provided for by Adult Social Care through the Single Homeless Pathway.

3. RECOMMENDATION(S)

3.1 Cabinet Procurement and Insourcing Committee is recommended to:

3.2 Agree to award to Provider F for Lot 2 , Provider G for Lot 3 and Lot 5, and Provider B for Lot 5. The term of contract will be 5 years with an option to extend for a further 2 years (5 +1 +1 years). The estimated annual contract value is £1.18million, and £8.28 million over the life of the contract for 88 places for young people. The start date for the contract will be 1 April 2022.

4. RELATED DECISIONS

4.1. The Cabinet Procurement Committee agreed to the procurement of this service in February 2020. Key Decision No. CASH Q51 Young People's Supported Accommodation Pathway, Business Case. February 2020.

4.2. Key Decision No. CACH P9 Re-Tendering of Housing Related Support Contracts, Business case. September 2018

4.3. Key Decision No. CACH P72 Hackney Housing Related Floating Support Service, Contract Award Report. March 2019

4.4. Key Decision No. CACH Q29 Mental Health - Accommodation Based Housing Related Support, Contract Approval. December 2019.

4.5. Key Decision No. CASH R.60 Housing Related Support Services for Young People and Young Parents, Contract Approval. 12 April 2021

5. REASONS FOR DECISION/OPTIONS APPRAISAL.

5.1 This report provides the Cabinet Procurement and Insourcing Committee (CPIC) with the outcome of the procurement of a new supported accommodation pathway for Looked after Children, Care Leavers, Vulnerable Young Parents and Single Homeless Young People in Hackney.

5.2 Following the approval of the contract award, officers will proceed with the Implementation of the new contract to commence operation by 1 April 2022.

5.3 The two current contracts for the provision of Children and Young People's Accommodation Based Services are coming to an end in January 2022. This gave us an opportunity to redesign the current accommodation pathway and undertake a competitive procurement process. The redesign has allowed us to align our spot purchase arrangements which currently fall outside of these two contracts. This is also an opportunity to increase the size of the contract to support the Council in meeting its sufficiency strategy and in managing the overspend in this area.

- 5.4 The new contract will have 3 providers, delivering 3 Lots and providing 88 spaces for young people. This includes 36 new places of affordable accommodation for young people who are working located in Hackney and neighbouring boroughs.
- 5.5 The provider will work with the Hackney Children's Services management team to ensure that the quality of the service being delivered remains high and that all young people are supported to develop independent living skills and realise their ambitions, whether that through education, employment or training.
- 5.6 There are no TUPE concerns with this contract award as the incumbent providers have been awarded the contract.

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

- 5.7.1 Please see below options considered and rejected - Please see section 8. In addition, the Business Case Report approved on 10 February 2020 provides a more detailed explanation.

6. **PROJECT PROGRESS**

- 6.1. **Developments since the Business Case approval:** Following the approval of the Business Case in February 2020 the procurement was put on hold due to the developing situation with Covid-19 and eventually the national lockdown. The Children and Families Service had to prioritise the immediate needs of looked after children and care leavers and their accommodation and address the emerging needs for commissioning placements during the pandemic.
- 6.2. Providers were consulted and a large majority were affected due to staff being placed on furlough and having to concentrate on a response to the immediate needs of the service as a response to the global pandemic. Providers confirmed that this would impact on their ability to be able to successfully submit a tender under the original timescales.
- 6.3. The situation was closely monitored and the Children and Families Senior Management Team agreed to proceed with the tender process under a new timetable. The original benchmarking and finances were reviewed to ensure that the rates were still applicable and the specification was approved by the Director of Children and Families in September 2020.
- 6.4. There were further delays following the approval of the specification due to the cyber attack so it was not possible to publish the tender opportunity prior to February 2021.

6.5. The existing Housing Related Support services were requested to be extended and this was ratified by the Cabinet Procurement and Insourcing Committee (April 2021) and will end on 31st January 2022. The new pathway contract will commence on 1st April 2022. A 13 month extension was agreed over a 12 month extension due to the practicalities of the potential disruption of having to move young people over the Christmas period. This will also allow for a 3 month mobilisation period for the new service, which given its complexity and size is a sensible prerequisite to avoid any future extensions.

6.6. Hackney and the Children and Families Service has experienced a number of changes in leadership over the last 12 months, with an interim Director of Children’s Social Care in place for a period, prior to a new permanent Director being appointed early this year. Over this period, a more robust approach to the scrutiny of care planning for adolescents at the edge of care has contributed to a decrease in the number of potentially homeless young people becoming looked after in emergency situations. At the same time, a renewed focus on trying to support more young people who need to come into care to transition to foster care, rather than semi-independent provisions, has gradually reduced the demand for supported housing options over time.

6.7. **Whole Life Costing/Budgets:** Following the procurement, the whole life cost for service provision is £8,284,059.00 over the full 7 year lifecycle.

6.8.

Number of Places	Yearly Contract Value	Total Contract Value
88	£1,183,437	£8,284,059

6.9. Funding for the Young People’s Supported Accommodation Pathway is contained within the CFS services budget with a £300k per annum contribution from Adults Services.

6.10. Please see **Exempt Appendix 5** for full whole life costs with breakdown by Lot / service.

6.11. **SAVINGS (cost avoidance)**

6.12. Please see **Exempt Appendix 5**

7. SUSTAINABILITY ISSUES

- 7.1. **Procuring Green:** This procurement will have positive environmental impacts through encouraging providers who have existing properties in the borough to improve the properties and will encourage all providers to install environmentally positive aspects when they are upgrading buildings to meet the specification. Through this procurement we have retained most of the existing buildings used for supported accommodation and have gained new supported accommodation in Hackney and in neighbouring boroughs (all with good public transport links to Hackney). This will allow young people to walk or use public transport when travelling to visit family and friends and social workers to utilise public transport when visiting young people in their accommodation, which is more environmentally friendly. This will support the reduction in social worker travel time and expenses associated with visiting young people at a distance.
- 7.2. The successful bidders have a number of environmentally friendly initiatives including cycle to work schemes for staff, and recycling available at every property. All providers have committed to consider clean energy when replacing white goods and appliances and promote the use of green energy providers. Some of the providers have installed solar panels at properties and endeavour to roll this out to other properties and others are completing energy efficient upgrades eg. the installation of LED lights which will support in reducing energy consumption by 40% at those schemes. All providers have said they are committed to supporting young people in learning how to be more environmentally friendly through regular house meetings and teaching young people how to use heating and cooling more efficiently through regular key work sessions. Young people living in the service will be actively encouraged and supported to consider their energy use and communal areas will have information available for all young people to prompt turning off light switches, close doors etc to support in the reduction of energy consumption. Those providers that use external facilities management ensure these externally commissioned services are committed to supporting the reduction of energy consumption and have environmental policies to support this. One provider has also developed a volunteer group with young people they support who contribute to the local environment by cleaning up local parks, canals and streets in conjunction with other volunteer partner agencies. These environmental targets will form part of the quarterly reporting and the providers will need to continue to evidence the impact and contribution they are making throughout the life of the contract.
- 7.3. There were no negative environmental impacts identified in the PRIMAS for this procurement.

- 7.4. **Procuring for a Better Society:** The young people's pathway will have a positive impact by providing high quality supported accommodation for Hackney residents, including looked after children and care leavers. A 5+1+1 year contract provides employment stability. By awarding these contracts this will also create several new job opportunities which will be able to be accessed by local residents. All providers have committed to encourage and support recruitment from the local area and community and have established links with the voluntary and community sector and will utilise various local job advertising opportunities. All successful providers have committed to having volunteers, apprentices and offering work experience to local residents. One provider has partnered with another registered housing provider to offer an apprentice which would lead to a foundation in housing management. All providers have dedicated services for young people using their services that support and advice around training, careers and employment and several note that they have access to free qualification and training courses that our young people will be able to access. One provider has access to an external life coach to support young people realise their future life goals and ambitions and helps to build confidence to start their journey. All providers have shown a commitment in their bids to support young people's positive mental health and wellbeing through healthy eating, growing their own food and other activities which also support integration with other residents and the local community. Providers have committed to local recruitment first and have promised to carry out at least one Job Fair per year in Hackney working in partnership with the Council. Providers will encourage and promote applications from a diverse range of backgrounds to ensure that they are representative of the borough and the demographics of the young people they are working with. Specifically encouraging applications from Black and other Global Majority backgrounds by linking in with relevant community groups and forums. Some providers showed evidence of the success of this programme in their bids and have shown evidence that they will continue to monitor and report on these targets throughout the lifetime of the contract both internally and to the Council contract managers.
- 7.5. **Procuring Fair Delivery:** All providers are committed to paying the London Living Wage as a minimum for all the contracts.
- 7.6. Providers were asked how they would support in ensuring that they recruit from the local area and all demonstrated strategic plans on how they would promote this. All providers have relevant Diversity, Equality and Inclusion policies with clear targets and plans on how they will support and maintain

their diverse workforce as well as supporting young people from a range of backgrounds with varying needs. All providers report internally on diversity and inclusion to their own board of directors and will be expected to evidence this in regular contract management meetings with the Council. Providers stated in their bids various approaches to inclusivity and encouraging young people to share experiences and information about their culture and religion to improve understanding and shared experiences. Some providers noted supporting young people to celebrate cultural events in the local community. Staff delivering the support services are tasked with creating links with external partners to ensure resources are available to young people and some providers include a focus on diversity as a standard in their young people's newsletter.

- 7.7. Data on each of the protected characteristics is collected at service level, to provide a comparison of demographics between service and borough and ensure that the statistics for the service mirror those of the borough as closely as possible. A review of referrals against the protected characteristics will be carried out every quarter and any issues or points for further discussion will be taken to the next referral panel.
- 7.8. Equality & Diversity forms part of the mandatory induction training programme for all staff. The session includes an overview of legislation and codes of practice relating to equality, diversity and discrimination, understanding religious and cultural beliefs, understanding different communication styles and understanding the needs of the individual in the context of support planning. One provider is delivering training to all recruiting managers on unconscious bias to enable individuals to be more inclusive in their recruitment.
- 7.9. All providers have committed to Hackney's Anti-Racist and Anti-Oppressive Practice policy as this formed a key part of the specification for the new service.
- 7.10. **Equality Impact Assessment and Equality Issues:**
- 7.11. The EIA did not raise concerns that the groups protected under legislation would have negative impacts from this service.
- 7.12. There was a slight concern about how we deal with married young people and this will be resolved with Housing on a case by case basis, to ensure that we meet our statutory duties.

- 7.13. The new service will support young people aged 16-21 to be in line with the Children and Families statutory offer in supporting Care Leavers with supported accommodation. The old service also supported young people (mostly single homeless) up to the age of 25. In the mobilisation period and the transition to starting the new contract young people who are no longer eligible for the service will be supported to move on by Housing to whatever is the most appropriate move on for them.
- 7.14. We have not been able to award Lot 4 (the young parents service) in this procurement. Therefore following the contract award, learning will be gathered and consideration for a new procurement for this service will be given which affects 8 young parents. This service will still be required, however the eligibility criteria will need to be re-evaluated as the change in age range will impact this service also. Historically, referrals to the young parents service have come from Children and Families service, but not all those referred to and living there would be care leavers. As a result, this was used as an interim housing solution which delayed the move on for those parents. Going forward as detailed in the specification, the young parents' service will be a time limited supported accommodation environment for care leavers who will need ongoing support. Supported accommodation for young parents where their child is subject to a Child in Need or Child Protection Plan or where there are safeguarding concerns will be best supported in Parent and Child Foster Care Arrangements, Parenting Assessment Centres, or short term supported accommodation sourced through spot purchase providers.
- 7.15. The new pathway planned to decommission one of the young parents' accommodation which is low support as this service was not meeting the needs of our young people and had high numbers of vacancies throughout the last few years of the contract. This will potentially impact 7 young parents living in the borough. Further discussions will be held with the provider to ensure that these young people are supported with an appropriate move on and consideration to decommission these services slowly based on young people's move-on plans will be considered.
- 7.16. Care leavers over 21 will still be supported by leaving care units, and will receive their housing support from Housing options as they are currently.

8. ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

- 8.1. **Do nothing** - Contracts end 31 January 2022 with no further extension options.. Therefore this is not an option. This will also not address the increase in demand for these services by CFS and issues with lack of consistency in quality and cost.
- 8.2. **Framework / approved provider list** - This option would be extremely resource intensive to manage and would not provide the security of available

accommodation for young people. Frameworks are usually shorter in length and you are then restricted at the end of the agreement to use the providers who are in the framework for the new services. This does not allow the flexibility of opening up to new providers after 4 years. A framework is likely to contain many providers which would increase resource pressure for contract management and quality assurance to the service and add considerable time to the evaluation process in the tender.

8.3. **Dynamic Purchasing System (DPS)** - This option involves some similarities to a framework agreement, however new suppliers can join at any time during the life (5 years) of the DPS. The DPS has the potential to increase competition by requesting suppliers to submit competitive prices for each call-off contract thereby saving the Council money. Although there are benefits to a DPS, there are serious considerations and challenges to take into account when implementing and running a DPS. For example, all suppliers on the DPS will be invited to tender for every piece of work and there is no provision for direct award. This would pose an onerous administrative burden on Council's resources. The Council would also have to contract manage a larger pool of suppliers which will prevent effective supplier relationships. It should also be noted that suppliers can equally leave the DPS at any point which could leave the Council vulnerable. Having reviewed the feasibility of establishing a DPS, this would not be practical given the resource pressures. Please see the original business case for more information (Key Decision No. CASH Q51 Young People's Supported Accommodation Pathway, Business Case. February 2020)

8.4. **Insourcing** - this option was thoroughly explored and rejected as part of the original business case. The main hindrance here is the lack of access to properties within the borough and the skills and experience of housing-related support knowledge. **Please see Exempt Appendix 6.**

9. TENDER EVALUATION

9.1. Evaluation:

9.1.1. Following agreement of the procurement strategy by Cabinet Procurement Committee on 10 February 2020, a contracts notice was published in the Find Tender Service (FTS) reference 2021/S 000-002454 on 8 February 2021.

9.1.2. This service is categorised under the Light Touch Regime of the Public Contracts Regulations 2015. The Cabinet Procurement Committee approved the commencement of the procurement using the open procedure with specific obligations pertaining to the 'light touch' regime. The procurement documents consisted of the Selection Questionnaire (SQ), Invitation to Tender document (ITT), including the service specification, the Pricing Schedule, TUPE data and the Contracts Terms & Conditions.

- 9.1.3. There were challenges receiving accurate TUPE information from some incumbent providers.
- 9.1.4. Expressions of interest were received from 187 suppliers. Numerous clarification questions were received from providers in relation to the requirement of having properties to submit along with the tender documents, and the requirement around the properties being from registered social housing landlords. Providers also asked if current properties were available to the new providers. There seemed to be a large number of providers of semi independent accommodation expressing an interest who did not understand what RSL's were. Several providers asked if they could source properties after being awarded the contract, or register with the RSL after being successful - which was clearly stated as a requirement in the specification.
- 9.1.5. 9 suppliers submitted a response on 9 April 2021. 6 suppliers passed the SQ, whilst 3 suppliers failed the SQ.
- 9.1.6. The tender evaluation was undertaken by the following stakeholders: Service Manager, Looked after Children and Care Leavers, Resource Manager, Children & Families Placement Management Unit, Young People, Housing Needs Team Manager.
- 9.1.7. The procurement process included Hackney's Children in Care Council. This involved several young people, all of whom are current care leavers who accessed supported accommodation in the last 5 years. We strived to co-produce the service as much as possible with young people with lived experiences. The Children in Care Council were better placed to inform professional's understanding of the experiences of Looked after Children and Care Leavers whilst living in supported accommodation. The Children in Care Council shared their views on the quality and standard of accommodation, the quality of support offered and characteristics of their ideal keyworker. These young people were also given the opportunity to formulate and ask clarification questions which formed part of the tender evaluation process. These young people were involved in assessing all the initial bids and then 2 young people were involved in assessing the presentation and marking the method statements.
- 9.1.8. The evaluation panel was issued with the tenders submitted by each supplier along with the evaluation model to record the scores awarded.
- 9.1.9. Tenders were evaluated in accordance with the criteria set out in the ITT document. 2 responses were deemed non compliant as they failed to submit a full tender response and were disqualified from the process. 4 suppliers in total were evaluated.

Table 1 - Tender Evaluation Criteria and Weightings

Criteria	Weightings %
Quality	70%
Service Delivery	30%
Service User Involvement	9%
Structure, Staffing & Supervision	8%
Safeguarding & Risk Assessments	8%
Equality and Diversity	5%
Quality Assurance	5%
Social Value	5%
Price	30%
Total	100%

- 9.1.10. The panel evaluated the tenders individually which were subsequently sent to procurement to collate. Moderation meetings were held on 18 May, 3 June, 18 June and 28 July to discuss the scores awarded. The qualitative scores were then combined with the score allocated to the price submission which resulted in an overall score for each provider.
- 9.1.11. The financial evaluation was based on the cost for delivering the service excluding property rents and services charges as these would be fully covered by housing benefit / universal credit accommodation allowance.
- 9.1.12. The financial evaluation was also carried out in line with the methodology stated in the ITT.
- 9.1.13. A summary of the scores can be found in Table 2 below. A detailed breakdown of the quality and price scores can be found in **Exempt Appendix 2**.
- 9.1.14. **Exempt Appendix 3A-C** provides a detailed cost breakdown.
- 9.1.15. Table 2 - Summary of Quality and Price Scores

Lot 2 - Progression - A specialist service for 16–17-year-olds

Provider Reference	Total quality score	Price Score	Total Score
Provider D	37.07%	9.30%	46.37%
Provider F	60.73%	30.00	90.73%

Lot 3 - Progression 18+

Provider Reference	Total quality score	Price Score	Total Score
Provider D	38.89%	5.42%	44.31%
Provider G	66.43%	30.00	96.43%

Lot 5 - Move On

Provider Reference	Total quality score	Price Score	Total Score
Provider B	65.56%	30.00%	95.56%
Provider D	37.27%	3.64%	40.91%
Provider G	65.56%	20.04%	85.60%

- 9.1.16. We are unable to award a contract for Lot 1. There were no viable bid submissions and feedback via the procurement portal was that the budget allocated was not sufficient for the service to be delivered. An ongoing challenge for this type of procurement is the availability of registered social housing landlord accommodation which continues to be difficult to source in the local authority.
- 9.1.17. We are unable to award a contract for Lot 4. Only one bid was received and the tenderer subsequently withdrew their bid, stating that the budget allocated for the service was not sufficient to deliver the service detailed in the specification.
- 9.1.18. We are not able to award as many places for Lot 3 as initially requested; approximately 50% of places required have been secured through the tender process. The main barrier for this was being able to secure registered social housing landlord accommodation as incumbent providers used the existing buildings for Lot 2, Lot 3 and Lot 5.

9.1.19. Given the feedback received, we will need to engage the market and review the budget and complete further benchmarking prior to a decision before going out to tender again for the lots not awarded. See Section 6.6 due to the changes in approach and demand we do not think that we will have a need for Lot 1 and instead look to reviewing the way that Lot 2 will be delivered with the successful provider to explore incorporating a period of assessment instead. Further discussions will be held with Senior Management in Children and Families Service and Housing and Adults Commissioners to agree an approach to commission the gap in the service left by not securing as many places as initially requested for Lot 3.

9.2. **Recommendation:**

9.2.1. On the basis of the tender evaluation outcome, the CPIC is recommended to :

9.2.2. Approve the contract award to Provider B, F, G for the provision of Young People's Supported Accommodation Service for a period of 5 years plus the option to extend for 2 years from 1 April 2022 to 31 March 2029 at an estimated cost of £8.28million for the duration of the contract.

9.2.3. Note that we are not awarding any of the lots to provider D as their commercial offer was not sustainable.

9.2.4. Note that in order for the new contracts to have the minimum 3 month mobilisation period required for a contract this size, we are proposing to extend the current service for the same price until 31st of March 2022. This will enable a smooth transition for young people living in the current services. We are in conversation with the current service providers to confirm these arrangements.

9.2.5. Note that Lot 1 & Lot 4 were not awarded and as a result we have 8 less places in the pathway than the original minimum number of places required. Commissioners will re-engage the market to ascertain the changes providers are facing and will revisit the budget allocated for these services. This may result in the service specification and/ or budget being amended as well as further procurement activity to be able to award Lot 4, and increase the capacity in Lot 3, which only half the places originally anticipated were awarded.

9.2.6. Subject to the recommendations being approved by the Cabinet Procurement and Insourcing Committee, there will then be a mandatory standstill period between 13 December 2021 and 23 December 2021.

9.2.7. Following the contract award, project meetings will be held to establish the requirements to enable a smooth mobilisation.

- 9.2.8. The service being awarded is contained within the Children and Families Service with a circa. £300k contribution per annum from Adult's Services.
- 9.2.9. This service meets the needs and objectives identified in the original business case. This service will provide a supported accommodation pathway for single homeless young people and looked after children and care leavers that will enable young people to develop and learn the necessary skills in order for them to achieve their full potential and be able to live more independently in the future.
- 9.2.10. The service will help to deliver the goals set out in our Sufficiency Strategy by providing good quality supported accommodation in Hackney (and neighbouring boroughs) and this service also creates opportunities for young people who are working through the provision of affordable supported accommodation.
- 9.2.11. Tupe is not applicable to this service.
- 9.2.12. All providers are committed to paying at least the London Living Wage throughout the duration of the contracts.

10. CONTRACT MANAGEMENT ARRANGEMENTS

10.1. Resources and Project Management (Roles and Responsibilities):

- 10.1.1. The contract will be managed by the Resource Manager in Children and Families Service, a role that sits within the Placement Management Unit. This will be overseen by the Service Manager for Fostering and Placements and the Head of Service for Corporate Parenting.
- 10.1.2. There will be up to 28 young people impacted who are currently living in properties proposed to be used for Lot 2. These are a mixture of care leavers and single homeless young people aged 18-24. Children and Families Service will work with Housing to move on the relevant young people in a planned way with minimal disruption throughout the mobilisation period. There are approximately 40 young people who are looked-after living with spot purchase providers that would be assessed and moved into the new service for Lot 2 once the contract has started.
- 10.1.3. There are approximately 8 young people living in the properties proposed for Lot 3 that are over the age of 21 that will be moved on by Housing. Half of these young people are currently on the waiting list for 2020/21 quota nominations and should have moved on by the contract start date.
- 10.1.4. As Lot 4 has not been awarded to in this procurement there are 12 young parents currently living in this service which this would impact. **Please see**

section 7.14 for plans for this service. As the one of the properties currently used for low support young parents was not included in this procurement we are currently in conversations with that provider to assess the needs of the young people and if there is any flexibility for the use of these properties. There are 7 young parents living there who are a mixture of single homeless young people and care leavers. We would explore moving on those who are no longer eligible for supported accommodation with housing; any care leavers under the age of 21 would be moved on by Children and Families if they could not stay there until the end of their tenancies. It is worth noting that these 7 flats are Assured Shorthold Tenancies, where the eviction route is lengthy and relies on the courts. Whenever possible we will work with Housing colleagues to move young parents on sooner in a more planned and seamless manner as not to impact on their and their children's lives.

- 10.1.5. The main change in the delivery of the new pathway is the separated age ranges for Lot 2 (age 16-18) and Lot 3 (18-21). Referrals for both these services will be shared between the Greenhouse and Children and Families service. Lot 5 will only be available for Care Leavers from Hackney aged 18-21 (or up to 25 if they are in full-time education or have additional needs). Care leavers over the age of 21 are still supported by the Leaving Care Service if they require support and single homeless young people over the age of 21 will still be assessed and accommodated if there is a need through Hackney's Single Homeless Pathway.
- 10.1.6. The project plan has allowed about three months for contract implementation (**Exempt Appendix 4**). A full mobilisation plan will be produced by the provider indicating key activities and milestones throughout the period. The Resource Manager will work closely with the provider to ensure a smooth handover and implementation and will report on progress on a weekly basis.
- 10.1.7. The Contracts Team will support the implementation meetings to ensure that the contract is executed.
- 10.1.8. The provider will be expected to attend monthly monitoring meetings for the first three to six month and quarterly thereafter. The monitoring meetings will review:
- KPI reporting
 - Monthly/quarterly provider performance
 - Invoice checking
 - Customer satisfaction surveys
 - Risk/Safeguarding
 - Estate Management
 - Quarterly strategic reviews
- 10.1.9. Contract performance meetings will be held at least once per quarter. It is anticipated that for the first 6 months of the contract, meetings will be held monthly to support the contract being embedded. This will include quarterly

review meetings, which will review service delivery and performance against required service levels and Key Performance Indicators. All properties, policies and documentation relevant to the running of the service will be subject to regular audit and inspection which will be carried out by the Placement Management Unit.

- 10.1.10. A dedicated resource will be required to support the performance monitoring, data collection, quality assurance, analysis, reporting and invoicing (which is currently undertaken by the Adults Commissioning Team). CFS will work closely with the Quality Assurance team to support in setting up the standard for this contract. Internal discussions are in progress to establish this post by the start of contract commencement.
- 10.1.11. The providers will take a “can do” approach to referrals, working collaboratively with young people and any relevant professions to explore how the service can meet their needs, before considering refusal. This service should expect to work with vulnerable and homeless 16-21 year olds from a variety of backgrounds and experiences (as detailed in the specification).
- 10.1.12. Referrals to the service will be made via the Young People’s Pathway Coordinator. It is envisaged that these referrals will come from: The Greenhouse (Hackney’s Single Homeless Pathway) Children & Families Service (Access & Assessment, Children in Need, Looked After Children & Leaving Care)
- 10.1.13. The expectation is that referrals that are made to the pathway are suitable for the service. There will be a central referral form that will be created in partnership with Housing, CFS and the providers that will ensure consistency of information gathered and shared. Ideally this form would fit within existing social care referral forms to minimise the need for social workers to complete separate referrals for the pathway. This will be developed with the providers during mobilisation.
- 10.1.14. The successful providers will work with the commissioner to develop ongoing feedback from young people which will shape future and current service development. They will also be expected to work in partnership with Hackney’s Children in Care Council (HOT)
- 10.1.15. The service will also be steered by the Young People’s Supported Accommodation Panel, facilitated by Housing and CFS, and will be responsible for coordinating referrals for single homeless young people, looked after children and care leavers for this pathway. This panel currently meets fortnightly to discuss new referrals, incidents, move on, and young people’s progress. The panel members are representatives from LB Housing Needs, LBH Adults Commissioning, Service Manager for Looked after

Children and Care leavers, Placement Management Unit and pathway providers.

- 10.2. **Key Performance Indicators:** Please see KPIs below. A full list of KPIs can be found in **Exempt Appendix 7**.

Service KPI Targets Set	Monitoring
Service Utilisation - 90%	Quarterly
Referral and assessment 100%	Quarterly
Throughput - 75%	Quarterly
Planned moves - 100%	Quarterly
Evictions and Abandonments - <10%	Quarterly
Completion of accurate Performance Reporting workbooks	Quarterly
Service User Satisfaction - 90%	Quarterly & Annually
Number of serious incidents reported & investigated in line with policy - 100%	Quarterly
Support is flexible and responds swiftly to changing needs - 95%	Quarterly
Young People are supported by consistent key workers, % & no. of young people who experience a change in worker that is not requested - <10%	Quarterly
Providers are delivering a well led service - including staffing, training etc	Quarterly
Sustainability Outcomes - Key Performance Indicators (TBA)	
Procuring Fair Delivery	Quarterly performance workbook Quarterly contract monitoring meeting
Procuring Green	Quarterly performance workbook Quarterly contract monitoring meeting
Procuring for a Better Society	Quarterly performance workbook Quarterly contract monitoring meeting
Person Centred Outcomes	Monitoring
Young people are supported to managing their money and budgets - 100%	Quarterly
Young people are supported to engage in education, employment or training and work experience - >80%	Quarterly

Young people are supported with all their health needs - 100%	Quarterly
Safeguarding - Young people are living in a physically safe environment with appropriate support network to meet their individual needs / safeguarding concerns / incidents	Quarterly
Young people are supported with community engagement and involvement	Quarterly
Complaints - Young people are listened to and their views actively sought to improve the service 100%	Quarterly

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

- 11.1. The recommendation of this report is to agree the contract award, with three lots (Lot 2, Lot 3 and Lot 5), for a young people's supported accommodation pathway. The contract will be for five years with the option to extend for a further two years (5+1+1). The annual contract value across the three lots is £1.18m and the contract value over the maximum seven year life of the contract is £8.28m. The start date for the contract will be 1 April 2022. Exempt Appendix 5 has a full breakdown of contract values across the three Lots and the cost avoidance analysis undertaken (outlined in section 11.7).
- 11.2. The number of places across the three lots is 88. The successful providers will be required to contain annual cost inflation within the contract value.
- 11.3. Adult Social Care will make a £300k annual contribution toward the service which recognises support for young people through the pathway up to the age of 21. It is anticipated that the new pathway will reduce the current overspend in the Children and Families Service and this will be monitored through Corporate Parenting budget review meetings to ensure that estimated cost reductions are realised.
- 11.4. Placements for looked-after children and care leavers remains the most significant cost pressure for Children and Families Service, and the service continues to look for ways to improve the efficiency while ensuring they are achieving the best outcomes for children and young people. The proposed contracts will seek to ensure the successful providers of semi-independent accommodation deliver their services according to a high standard and deliver improved value for money.

- 11.5. There continues to be an increase in demand for supported accommodation as Hackney's looked-after children numbers continue to increase year on year, which also results in a higher number of care leavers being supported with accommodation. The number of Looked-After Children (LAC) at 31 March 2021 was 438, which is a 7.3% increase since 2019 (406 Looked-after Children). As of March 2021 there were 173 16 and 17 year-olds being supported by the service, which is 39% of all Children Looked-After at the 31st March 2021. This represents a 14% increase since 2019. We continue to see a steady increase in the cohort of older teenagers aged 16/17 coming into care and although the Children and Families Service has recently changed their approach to accommodating these young people, there still remains an increasing demand for supported accommodation services for young people aged 16-21.
- 11.6. Due to the varying needs of young people, there is currently an over-dependence on spot purchasing which makes it difficult to manage the market to ensure the security of supply at the right time, right price and the right quality. Ensuring consistency in quality and service delivery amongst all semi-independent providers is particularly challenging, and it is anticipated that the new pathway will seek to address these issues. The procurement of the new service will enable the service to achieve lower unit costs across each of the three lots. With the most significant cost reductions coming from Lot 2 and Lot 3 where we anticipate to reduce our current unit cost by approximately 95%.
- 11.7. It is estimated that the new pathway has the potential for cost avoidance in the region of £1million per annum if there is full occupancy throughout the contract. This is based on benchmarked costs for similar services in other London boroughs. Voids of some level are expected given the nature of accommodation-based services, and we estimate that 10% void levels will reduce this cost reduction estimate from £1m to £780k. Given that the current services are well utilised with no voids, we do not expect more than 10% at any point after the initial transition has been completed. The service anticipates a three month mobilisation period, however this could be a risk given the number of placements and will need to be carefully managed with the successful providers and timeframes will need to be established in advance of the service start date. If this was delayed, this would lead to a delay in moving spot purchase placements to the new pathway under more competitive rates.

12. VAT Implications on Land & Property Transactions

As we are undertaking this under a special legal regime (i.e. statutory duty), this is a non-business supply such that input tax on attributable costs is recoverable in full.

13. COMMENTS OF THE DIRECTOR, LEGAL & GOVERNANCE SERVICES

- 13.1. The services in this Report were assessed as High Risk by the Council and on 10th February 2020 Cabinet Procurement Committee agreed a Business Case in respect of the procurement of such services. Pursuant to paragraph 2.7.10 of Contract Standing Orders the approval to award a contract will be with Cabinet Procurement and Insourcing Committee.
- 13.2. Details of the procurement process undertaken by officers are set out in this Report. The proposed contract awards to Bidders B, F and G follow a procurement process in respect of services which are classified as Social and other Specific Services under Schedule 3 of the Public Contracts Regulations 2015.

14. COMMENTS OF THE PROCUREMENT CATEGORY LEAD

- 14.1 The contract is valued above the relevant UK Public Procurement threshold (Social and Other Specific Services “light touch” regime) and a compliant tender process has been conducted in accordance with the regulations and Hackney Contract Standing Orders.
- 14.2 The recommendation to award the contracts to the 3 bidders as described is supported. The successful tenders are assessed as delivering quality and value for money. The proposed contracts deliver significant cost avoidance when benchmarked against current spot purchasing arrangements.
- 14.3 Suitable KPIs and contract management arrangements are in place, including delivery of social value in line with the Council’s Sustainable Procurement Strategy.
- 14.4 For those Lots in which it has not been possible to award contracts or sufficient placement capacity, Central Procurement will support the service area to review the process and market conditions, ahead of undertaking the necessary further procurement.

APPENDICES

EXEMPT

- Exempt Appendix 1 - Long and Short List of Providers**
- Exempt Appendix 2 - Breakdown of Quality & Price Score**
- Exempt Appendix 3A-C - Detailed Cost Breakdown**
- Exempt Appendix 4 - Implementation Plan**
- Exempt Appendix 5 - Whole Life Costings / Savings**
- Exempt Appendix 6 - In Sourcing**
- Exempt Appendix 7 - Full Key Performance Indicators**

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

CONFIDENTIAL

No.

BACKGROUND PAPERS

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

(None)

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<p>TITLE OF REPORT - Arboricultural Maintenance & Tree Planting/Post Planting Management Framework</p> <p>CONTRACT APPROVAL</p> <p>Key Decision No. - NH S26 Arboricultural Maintenance & Tree Planting/Post Planting Management Framework</p>	
<p>CABINET PROCUREMENT AND INSOURCING COMMITTEE MEETING DATE (2021/22)</p> <p>06 December 2021</p>	<p>CLASSIFICATION:</p> <p>Open report with the following appendices: Exempt appendix - Appendix 1 Open appendix - Business Case</p> <p>If exempt, the reason will be listed in the main body of this report.</p>
<p>WARD(S) AFFECTED</p> <p>All Wards</p>	
<p>CABINET MEMBER</p> <p>Cllr Caroline Woodley - Cabinet Member for Families, Early Years, Parks and Play Cllr Mete Coban - Cabinet Member for Energy, Waste, Transport and Public Realm</p>	
<p>KEY DECISION</p> <p>Yes</p> <p>REASON</p> <p>Spending/All Wards</p>	
<p>GROUP DIRECTOR</p> <p>Ajman Ali - Neighbourhoods & Housing</p>	

1. CABINET MEMBER'S INTRODUCTION

- 1.1. The Council has a duty to maintain its Arboricultural resource within Hackney for which it is responsible, mainly in parks, on the public highways and on housing land. This report seeks approval to support the contractual engagement of Bidder 1,2,3 and 4 (named in Appendix 1) for the Arboricultural Maintenance & Tree Planting/Post Planting Management Framework contract.
- 1.2. The contract will run for a period of four years 2022-2026. The award of the proposed Framework contract will support the continued delivery of high quality services to maintain and improve our tree management. In the period leading to the award of the contract, officers within Streetscene will continue their investigations into bringing some of the services associated with the Arboricultural Maintenance framework back in-house over a phased approach and period.
- 1.3. This report provides an update on the procurement carried out by the Streetscene Highway, Parks and Open Spaces and Housing with other services areas related to a Arboricultural Maintenance & Tree Planting/Post Planting Management Framework contract, and seeks approval to proceed with a contract award as detailed in the recommendations.
- 1.4. The award of the proposed framework contract will support the continued delivery of high quality services to maintain and improve our tree resources in streets, parks and open spaces, housing environments and other service areas of the borough. It is through a strong partnership approach between the Council and their service providers that works to the public realm and improves Hackney for the benefit of all users.
- 1.5. Members should note that whilst the report seeks approval to continue to contract out Arboricultural Operations on a new framework contract, as part of the Council's commitment to look at insourcing of services. There has already been some preliminary work in scoping arboricultural or planting operations over a phased stage going forward bringing certain achievable elements of operations back in-house over a 18-24 month period, as this may be judged to be operationally advantageous to do so and meets the authorities objectives.
- 1.6. Consideration will also be given to insourcing for Highways, Parks and Open Spaces and the Council Estate (when the decision to transfer Estate Housing Infrastructure to Streetscene has been finalised). The insourcing of the respective service for Arboricultural Operations will need to be reviewed and given a lead in time to make sure this can be a viable route and option and not lead the authority vulnerable and unable to meet its legal duty of care.

- 1.7. Consideration to in-house service provision and areas of responsibilities with elements of arboricultural operations are likely to be in 18 – 24 months and will only proceed if it is considered viable. The report explains why bringing the activities of elements of arboricultural operations in-house in a phased approach to a new in-house service team provider would be advantageous to the council.
- 1.8. The authority is presently operating with an Arboricultural Maintenance Framework contract which was procured in 2015 for a term of four years (until 2019). When the framework exceeded its time frame, an extension was granted under a Single Tender Action (STA) agreement until 1st February 2022 to allow for the new tender process to be completed and a new contract awarded for February 2022.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1. Following a competitive procurement process, this report seeks approval to appoint 4 contractors to provide day-to-day arboricultural services across the Council for the following disciplines:
 - Tree Maintenance
 - Tree Felling
 - Stump Removal
 - Root Pruning
 - Tree Planting
 - Emergency Service
 - Decompaction/Amelioration Works
 - Surveying
- 2.2. The Streetscene Arboricultural Framework contract will deliver the following:-
 - Provision of a cost-efficient, quality-driven highways related service, which delivers a safe, high-quality public realm environment for the people that live, work and travel through Hackney.
 - A contract that focuses on the Sustainable Procurement Policy, Strategy (PSG) and that provides local employment opportunities including at a minimum, the London Living Wage (LLW). There is also a requirement for one apprentice to be employed on the contract for every £1m of expenditure.
 - A contract that reduces construction waste by re-use and recycling wherever possible.

- A practical solution in which to have a phased return to insourcing and enable the Council to grow the in-house service provision that will result in less reliance on external service providers.
- 2.3. The duration of the framework will be 4 years and it is anticipated that the contract award will be announced in December 2021, with an 8 weeks contract mobilisation period then after, and contract commencing in February 2022.
 - 2.4. The Arboricultural Maintenance & Tree Planting/Post Planting Management framework contract allows a prompt response to reactive maintenance issues with a shared opportunity of workload between the providers. The performance of the current providers and contractor-client relationship has been good with no significant disputes or concerns about the contract specification.
 - 2.5. The award of the proposed contract will support the continued delivery of high quality services to maintain and improve our tree resource. In the period leading to the award of the contract, officers within Streetscene will continue their investigations into bringing some of the services associated with the Arboricultural Maintenance & Tree Planting/Post Planting Management framework back in-house.
 - 2.6. A practical proposal for the provision of the Streetscene Arboricultural Maintenance & Tree Planting/Post Planting Management Framework has been agreed with internal and external stakeholders and the proposals included in this report received positive feedback. As we had done when awarding the current contracts, the Council shall again consider both quality and price when taking the decision to award the new contract.

3. RECOMMENDATION(S)

That Cabinet Procurement and Insourcing Committee approves:

- 3.1. **The award of the Arboricultural Maintenance & Tree Planting/Post Planting Management Framework contract to 4 bidders (listed in Appendix 1), for a period of 4 years from 1st February 2022 to 31 January 2026.**
- 3.2. **The Cabinet Procurement Committee notes that whilst the report seeks approval to contract out the arboricultural services that, as part of a phased insourcing programme, some areas of responsibilities and elements of arboricultural operations are likely to be in 18 - 24 months and will only proceed if it is considered viable. Further information is contained Exempt Appendix 1 Insourcing Feasibility Study for Arboricultural Services 2021**

4. RELATED DECISIONS

- 4.1. The strategy for the procurement of the new Arboricultural Framework contract was reviewed at the Hackney Procurement Board (HPB) as detailed in the Business case linked below (approved 14th July 2020). With an extension to the existing contract for 15 months, and approval for procurement of the new framework for a period of four years 2022 - 2026.

5. REASONS FOR DECISION/OPTIONS APPRAISAL.

- 5.1 The Council has a statutory obligation under the Highways Act 1980 (s41) to maintain the public highway and that includes all arboricultural assets. Further as the owner and manager of trees on all Council land, the London Borough of Hackney has a legal duty of care under Occupiers Liability Act 1985 to protect people and property from foreseeable hazards caused by the tree's failure. This would not be possible without the support and assistance of specialist tree contractors or in-house service providers.
- 5.2 In 2015, the Council awarded the contract for the Arboricultural Maintenance Framework to 3 providers. The contract was extended for a three year period by a single tender action process to the end of February 2022 to facilitate the completion of this procurement process and to ensure business continuity.
- 5.3 The previous procurement model of delivering the Arboricultural Maintenance boroughwide was achieved through a framework contract in 2015 resulting in three different contractors being appointed at that time. This was an opportunity to engage small and medium sized contractors in the procurement process and encourage greater competitiveness in each area of work. This framework contract of several contract providers has worked extremely well and had the end result of greater flexibility, better value for money, improved quality standards and services delivery. Notwithstanding the benefits of this greater flexibility, the benefits of giving small, medium enterprises (SME's) the ability to tender for the works is seen as being equally important and for this reason the proposal to group all the works into one large contract or single provider has been resisted.
- 5.4 Early consultations with service providers, and discussions with other local authorities, the Head of Service (Streetscene) and Group Engineer (Highways) and Procurement agreed that the current method with 4 providers of a framework contract is a viable solution to deliver arboricultural services. Consideration is also being given to insourcing the responsive service although this is likely to be in 18 - 24 months from the commencement of the new contract if it is considered to be a suitable method to deliver part of the arboricultural services.

- 5.5 Hackney Council annually delivers a vast range of arboricultural services to its local community of people who live, work and spend their leisure time in the borough. Trees are an integral part of the urban environment. They improve local areas ecologically, sustain communities, socially, economically and physically most importantly they benefit human health. Trees absorb and filter pollution to improve air quality, improve urban biodiversity, create shade on hot days, act as mitigation measures for interception in flash flooding and attenuation of the rainfall. It is important, however, to choose the right species of tree; in the right places which will provide the best eco-services and ensure that we are providing diversity to ensure we have the resilience for pests and diseases and continued changing climate.
- 5.6 Hackney Council aspires to increase its tree canopy coverage of the Council owned public realm in the borough (public highways, parks, other green spaces and housing estates) from its current level of 23% (GLA figures the London Urban Plan). This will bring Hackney in line with the Mayor of London's commitment on trees in London by 2050. The planting of 5,000 new street trees by 2022 increasing the street canopy from 20% to 30% will be the single largest investment in trees in the history of the borough. We expect this to be funded from a variety of sources internally and governmental grants but also looking at innovative ways of funding particularly crowdsourcing, developer contributions, sponsorship, and pursuing avenues of green carbon credits.
- 5.7 The arboricultural resource on public highways in parks is maintained at public expense and is an important part of the integrated transport network that supports the local economy and sustainable growth. It is a high priority of the Council to maintain and improve the arboricultural resource in order to enable safe and expeditious movement of its users throughout the Borough. This would not be possible without the support and assistance of specialist arboricultural related works contractors.
- 5.8 Many local authorities have a range of contracts from a single supplier in use or a framework with multiple suppliers. Frameworks with different methods of call off for works which are fixed priced Schedule of Rates to packages of works which are individually bid on a mini tender basis.
- 5.9 The contract will utilise the existing capital and revenue budgets during the life of the contract. The recommended framework contract with multiple suppliers will operate on a 'call off' basis with a fixed schedule of rates for operations with no guarantee of work volumes. This gives flexibility to ensure that programmes can be met from within existing and future budget allocations. The Specification and Schedule of Rates has been prepared in accordance with industry standards of works and operations. The contract schedule of rates that are priced by the contractor are used in delivering all tree related operations on the public highway, parks and open spaces and

housing site as well as other service areas for the borough which this framework can be utilised for. The type of tree operation will determine which items are used from the schedule of rates. The contract rates can also be used by other departments within the Council for their infrastructure related projects.

5.10 The total value of the framework contract will ultimately be determined by the available capital and revenue budgets during the life of the contract. The estimated value of the framework contract is approximately £3.5m over the full term. The annual spend in recent years has been:

- 2015/16 - £625,000
- 2016/17 - £657,000
- 2017/18 - £677,000
- 2018/19 - £695,000
- 2019/20 - £698,500

5.11 There is the option for other service areas within the Council to use the Streetscene Arboricultural Maintenance & Tree Planting/Post Planting Management Framework where there is an urgent requirement for works to be undertaken or to benchmark prices that they have received for similar projects.

5.12 This procurement has been carried out in accordance with the process approved by the Hackney Procurement Board (HPB) in the Streetscene Arboricultural Framework Contract detailed Business case (approved 14th July 2020).

5.13 The Business Case approved the procurement strategy for the re-tender of an arboricultural framework contract with 4 service providers for a period of 4 years (2022-2026) to be advertised via Find a Tender, in compliance with UK legislation.

5.14 The decision to undertake a Restricted (two-stage) tender was selected as the preferred procurement route as it provided the pre-qualification of bidders so reducing the number of bidders invited to tender to those suitably qualified and to make the tender more attractive.

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

5.16 The tender submissions have each been evaluated based on 30% quality and 70% price.

6 ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

- 6.1 Hackney Council faces significant budgetary pressures across the next few years due to ongoing Central Government funding reductions and as a result needs to continue reviewing their service provision options as they look to make efficiencies, reduce budgets and improve performance. The Highways Maintenance Efficiency Programme (HMEP) produced useful information when seeking different models of service delivery to compare and evaluate. While some authorities believe the best way of achieving these measures is through handing as much as possible over to external contractors (outsourcing), others believe bringing services back in-house (insourcing) is the more cost-effective long term option. Hackney Council closed its own Highways DLO (Direct Labour Organisation) and outsourced the works in 2000 / 2001.
- 6.2 We have considered the following procurement strategy options:
- Option 1 - Single supplier award (not a framework)
 - Option 2 - In-house provision
 - Option 3 - Supplier framework agreement extension
 - Option 4/5 - Use of existing framework
- 6.3 A single supplier award is not a viable option as we cannot define the total value of work to be placed under this contract. A single supplier award would also make it more difficult to bring parts of the service in-house.
- 6.4 Bringing all the activities included in the Arboricultural maintenance framework contract is not considered a viable option at this stage due to the requirement for the service in-house to provide a wide range of tasks (felling, planting, stump removal, arboricultural operations etc.) which require specialist equipment, qualified and fully trained operatives. These tasks fluctuate throughout the year resulting in the need for a highly flexible workforce.
- 6.5 The preferred procurement route is therefore a four supplier option framework agreement with call-off contracts as it allows Hackney not to commit to a total spend over the period of the contract and gives the security of procuring a flexible resource that can meet the demand of the service.
- 6.6 This contract will apply to all trees on the Council land (including highways, housing, parks and open spaces with other services areas). It is necessary to process a new contract for this work as the current contract will come to an end on 1st February 2022 and Hackney needs to ensure continuation of the service.

6.7 The deliverables for this contract are:

- Providing a cost efficient, quality driven tree related service, which delivers a safe, high quality public realm environment for the people that live, work and travel through Hackney.
- Contract that focuses on the Sustainable Procurement Policy, Strategy Guidance (PSG) and that give employment opportunities where as a minimum the London Living Wage (LLW) will be paid to employees.
- Contract that contributes in maintaining and improving the borough's housing, park and street trees for residents to enjoy, improving the quality of life and local environment and creating the conditions for a vibrant economy.
- Contract that meets with the Council's corporate priority; improving the satisfaction of residents and businesses with the London Borough of Hackney as a place to live, work and study. The Council's procurement strategy aims to support the delivery of the corporate plan by enabling the procurement of value for money goods and services; the tendering and extension process undertaken for the tree contracts support this aim.
- Ensures compliance with the Council Standing Orders, Regulatory Procedures and the Council's Corporate Policy.

7 Option 1 - Award a single contract for all the works consisting of the Arboricultural Maintenance & Tree Planting/Post Planting Management contract.

7.1 The general trend across London boroughs has been to award large single Arboricultural contracts, however a number of authorities continue to award separate Arboricultural contracts. The recently updated procurement strategy promotes and encourages smaller businesses and therefore the size of this large contract would unnecessarily exclude these businesses from bidding. It should however be recognised that the approach of a single large contract would have encouraged SME's, albeit at the upper echelons of turnover. The National and European definition of an SME is as follows: A small or medium-sized enterprise, or SME, as defined by the European Commission is a business or company: that has fewer than 250 employees; and has either (a) annual turnover not exceeding £40 million or (b) an annual balance-sheet total not exceeding £34 million.

7.2 This option does not preclude larger contractors from tendering for the framework contract; however, the framework contract with 4 suppliers gives the opportunity for smaller contractors to bid for the works. The model for a

single contractor to bid for all the works in one contract was therefore rejected.

8 Option 2 - Bring all the works associated with the contract back in house.

- 8.1 There is a current lack of operational and supervisory experience, together with a lack of specialist plants and equipment that is currently provided by the outsourced contractor. As a result of this deficiency of resources at the present time, the Council would (dependent on the outcome of any TUPE transfer) need to upskill new staff with the relevant skills and experience, an operational base to function from and to invest considerable sums of money to procure the specialist equipment required to provide an arboricultural service.
- 8.2 Any insourcing will also impact upon ancillary services such as finance and human resources to deal with a significantly increased number of staff (all operatives would become council employees). The amount of operational staff required to undertake all works in the contract would be in excess of 15 staff and it has been estimated that very few of the required operatives would transfer under TUPE. The likely outcome is that when the contract ends in March 2026 the contractor will take their specialist skills, specialist equipment and best staff with them leaving the council exposed to not being in a position to maintain the arboricultural service, resulting in an increase in claims and a major delay in being able to deliver all the schemes and major tree related capital projects. In addition to the staff requirements it has been estimated that 3 – 5 medium sized 7.5T lorries would need to be either purchased or leased. This does not include all the specialist equipment that is required such as climbing apparatus, chainsaws, stump grinders, wood chippers, mobile elevated platforms, water bowsers, breakers, mini diggers. There is a major risk to the Council that at the point of transfer there would not be any contingency arrangements in place to guarantee service delivery.
- 8.3 The issue of work continuity also has an impact on labour requirements. This needs to be addressed when managing an insourced arboricultural maintenance contract. There are peaks and troughs in the works programme that affect the amount of specialist labour required at different times throughout the financial year. There are a number of activities that are completed on a daily basis and work programmes and operations listed below.

Programmed Tree Works	Quarter period for works
Triennial Pollarding & Reduction	Quarter 3 - October November

Programme	December and Quarter 4 - January February March
Basal/Stem Growth Programme	Quarter 1 – April May June Quarter 2 - July August September
Fell & Grind Programme	All Quarters
Planting Programme	Quarter 3 - October November December and Quarter 4 - January February March
Post Planting Maintenance Programme	All Quarters
Adhoc Programme	All Quarters
Other Programmes	All Quarters

- 8.4 This ensures that operatives have a steady stream of work. Whilst an outsourced contractor has the ability to move the surplus skilled operatives and specialist equipment to another contract an insourced service provider has a more limited scope to transfer specialist staff on to other work streams.
- 8.5 In summary, Officers consider that this model has a limited likelihood of providing savings and efficiencies needed at this stage. A resource shortage would be a likely outcome of selecting this delivery model as potentially only a very limited number of employees are likely to TUPE to a completely new in-house Direct Labour Organisation (DLO). This would leave a major gap in resources and expertise in key skilled roles and a major risk to this council in maintaining the highway, Parks and Opens Spaces and Housing trees.
- 8.6 The lack of staff, equipment and operational accommodation associated with insourcing all the arboricultural maintenance activities included in the Arboricultural Framework maintenance contract en masse at the end of the current contract does not make this option viable and was therefore rejected.

9 Option 3 – Extend the existing contracts

- 9.1 The current arrangement was let as a framework contract and the Council has no legal basis under the Public Contracts Regulations 2015 to extend them beyond their current expiry dates.
- 9.2 However, as a result of slippage and in order to facilitate the procurement of the new contract, the existing contract has been extended via STA for a further 15 months to ensure essential maintenance continues to be provided.

10 Option 4 - Share another Authority's contract.

- 10.1 The option for Hackney Council to work across Borough boundaries to collaborate and partner with neighbouring councils where their objectives and local services complement each other was considered.
- 10.2 In practice for this to work, it was realised that any partner would need to be on a similar contract procurement time frame as Hackney and that any proposed contract would permit such arrangements.
- 10.3 A review was undertaken by neighbouring authorities with a view to collaboration to identify suitable authorities and informal discussions were held with a number of these authorities. For many, given the timescale of their current arrangements, any interest they had was expressed in a possible collaborative procurement process in the future. When considering sharing a contract, each authority would need to be satisfied that there would be mutual benefits, a reduction in tendering costs and a saving in tendered rates.
- 10.4 In undertaking this exercise, Islington & Haringey Council were identified as two authorities that met these mutual requirements. Islington & Haringey Council have similar Arboricultural Maintenance & Tree Planting/Post Planting Management maintenance requirements to Hackney Council and are considering other options to their current arrangement with the London Highways Alliance contract (LoHAC).
- 10.5 Senior Streetscene officers met with their Islington & Haringey counterparts in October 2017 to explore any benefits of sharing a highways maintenance contract that they were at the early stages of procuring.
- 10.6 Islington & Haringey would have taken the lead in managing the contract. A number of lessons were learned as part of the review such as co-ordination issues between the boroughs in terms of ordering and planning of works programmes, different contract specifications & response times but the main barrier to the success of this type of arrangement surrounded which borough had priority when ordering works and projects. There was a concern that this could have led to Hackney receiving a secondary service during peak work periods.
- 10.7 In the event the procurement timetable did not align with Hackney and for this and the reasons above this option was rejected.

11 Option 5 - Sign up to use the London Highways Alliance contract (LoHAC) was promoted by TfL.

- 11.1 LoHAC is a framework of collaborative highways services contracts. It was developed jointly by Transport for London (TfL) and London Boroughs for the

provision of highway maintenance works throughout London that is accessible to all London Boroughs and used by (TfL) to maintain their own highway network.

- 11.2 London is split into four regions for the purposes of the LoHAC. These regions were chosen to maintain a manageable and sustainable contract size in the event that there was a take-up by London Boroughs. Hackney is included within the Central area together with Camden, City of London, Southwark, Tower Hamlets, Wandsworth, Lambeth, Hammersmith & Fulham, Kensington & Chelsea, Islington and Westminster.
- 11.3 Each framework commenced in April 2013 for a period of eight years until the end of March 2021. The successful contractor for the Central area was CVU which is a Joint Venture (JV) between Colas, Volker Highways and URS. In the Central area, the London boroughs of Camden, Tower Hamlets and Islington joined LoHAC under framework agreements as Tier 1 authorities.
- 11.4 Currently a number of London Borough are actively looking to leave the contract or are considering other arrangements when the term that they signed up for with LoHAC ends. The London Borough of Ealing decided not to use the framework after finding that they were more expensive than a rival bid from a contractor after going through a procurement exercise. Similarly officers within Streetscene have undertaken extensive cost comparisons with the rates provided in LoHAC that also demonstrated that our current contract rates were more competitive whilst providing the same level of quality.
- 11.5 The LoHAC in the Central region has recently run into trouble after a key joint venture partner pulled out. The CVU joint venture of Colas, Volker highways and AECOM has left the LoHAC road maintenance contract after news of a planned drop in work levels and contract issues relating to the available hours that the contractor could work on schemes during the night. The London Mayor and TfL confirmed that cuts in government funding would mean a two-year hiatus on non- essential road repairs.
- 11.6 Hackney Council has continued to keep up to date with the development and progress of the new LoHAC that is due to commence from 2021 with a view to joining the framework agreement if it proved advantageous to do so. Currently it is not considered beneficial for Hackney to join LoHAC. If for any reason the Streetscene highway maintenance contract failed, which is extremely unlikely, the decision to join LoHAC could be taken up. In addition to this option and as a result of the lessons learnt from the Carillion failure, Hackney will also keep the option to share other contracts open as one of a number of service continuity measures.

- 11.7 The LoHAC contract does not meet our specification for tree operations in Parks and Open Spaces and Housing Environments or other service areas as it is tailored to highway tree operations only.

12 PROJECT PROGRESS

12.1 Developments since the Business Case approval.

None

12.2 Whole Life Costing/Budgets:

Budgets include both revenue and capital funding. These budgets include Transport for London allocations received by Hackney and the S106 sums received through the planning process.

The contract is based on term schedules of rates and provides no guarantee of any specific volumes of work to the contractor(s). The Council could considerably reduce or cease using the contract should there be a funding shortfall.

The recent year's expenditure on the existing Arboricultural contract with 3 contractors has been:

- 2015/16 - £625,000
- 2016/17 - £657,000
- 2017/18 - £677,000
- 2018/19 - £695,000
- 2019/20 - £698,500

The anticipated spend over the 4 year life of the Framework contract is approximately £2.8m. This estimate is based on an annual revenue budget of £498,500 and a capital budget of £200,000. A revenue allocation of £175,000 for the financial year 2021 - 2022 to manage the additional 5,000 street tree programmes going forwards.

13 SAVINGS

- 13.1 The amount of cashable savings generated by the new contract has been calculated on the new priced schedules of rates commencing in 2022 and the existing contract rates:-

- Tree Maintenance + 10% (Increased)
- Tree Planting +5% (Increased)

- 13.2 However, over the term of the current framework contract, it has been static since 2015 with no increases until the expiry in 2019. It was agreed that a 3% increase in the contract schedule of rates would be applied in line with the inflation indexation for the arboricultural maintenance and tree planting service.
- 13.3 Whilst any savings realised during year 1&2 have been fixed on the new Streetscene Arboricultural Maintenance & Tree Planting/Post Planting Management Framework contract.
- 13.4 A Consumer Price Index (CPI) Increase Indexation has been capped at a maximum of 5% over the duration of the contract which would be reviewed and only applied at the start of year 3&4 in line with the Bank of England inflation results taken on a fiscal year.

14 SUSTAINABILITY ISSUES

14.1 Procuring Green

The contract addresses environmental sustainability by insisting that the contractor operates an environmental management system, and operates at all times within the Environment Protection Act 1990 and the Environment Act 1995. The contract also details protection of waterways, wildlife protection and specifically protection under the Wildlife and Countryside Act 1981, the Conservation of Habitats and Species Regulations 2017 such as bats and nesting birds.

This has also been explored within the tender returns through method statements. The contractor will be required to submit and adhere to method statements detailing how they will carry out and manage any works, and ensure that their staff are appropriately trained.

More minor aspects of the contract involve travel around the borough, which will be mitigated by the contractor scheduling works to minimise travel. Other aspects include those associated with the use of offices and tools by the contractor – e.g. energy and water use and waste generation. All bidders are expected to have an environmental management system in place to address these, and will also be legally required to comply with the waste hierarchy, prioritising recycling over landfill.

There will be an obligation on the contractor to comply at all times with the Environmental Protection Act 1990 and other relevant legislation but also with the environmental policies of the Council. An example of this would be to ensure that vehicles minimise emissions.

The contract will have an environmental positive impact as low noise levels whilst working will be stipulated. Tree waste recycling indicators will be monitored during the contract. Wherever possible, the most environmentally friendly fuel will be used in machinery, biodegradable lubrication oils, especially on chainsaw bars where oil is left in the environment. The use of electric battery power arboricultural equipment has been considered to reduce noise and vibration where practical.

The recommended contractors have offices and a compound on the Borough boundary which again will also reduce travelling time between sites. All vehicles used by the contractor have been specified Euro 6 compliant or above with incorporating start/stop technologies. Waste will be minimised through the reuse of materials where practical. Where appropriate, permeable materials will be specified within the contract to minimise the impact of surface water flooding.

14.2 Procuring for a Better Society

The new Streetscene Arboricultural Maintenance & Tree Planting/Post Planting Management Framework contract promotes local employment and training. The contractor was asked to review the position of employing a number of apprentices (1 apprentice per £1m. spend) due to the contract value between the four supplies this could not be evaluated. It is an aspirational target which the suppliers have indicated they would be willing to work to. In addition to employing apprentices, each contractor was required in their submission process to demonstrate how they will recruit and retain local staff during the life of the contract.

All of the successful bidders have also confirmed that they will pay as a minimum the London Living Wage, as well as applying this to all firms within their supply chain. They also intend to work with local businesses which they listed in their tender submissions.

The 4 providers will provide an arboricultural unit to participate in one event per year with the Arboricultural Officers. This event will be held on a Saturday or Sunday. There will be no charge from the Contractor for this. Events such as tree climbing demonstrations, planting days, equipment demonstrations would be required to represent the authority with the community of Hackney.

14.3 Procuring Fair Delivery

As part of the selection process, the contractor was asked to provide evidence that they comply with the Equality Act 2010 and the Council's standards. Contractors were required to demonstrate as part of their quality submission that they operate an active equal opportunities policy that achieves targets that encourage an ethnically diverse workforce; also that they demonstrate their consideration for local employment.

A well-maintained arboricultural streetscene service benefits all groups and in particular assists older people, visually impaired people, those with mobility problems and their carer's that have particular requirements in navigating the public realm. These groups are considered at the design stage of tree planting and during routine maintenance operations that are implemented using the arboricultural framework contract.

14.4 Equality Impact Assessment and Equality Issues:

As part of the tender selection process all bidders were asked to provide evidence that they comply with the Equality Act 2010. Contractors were required to demonstrate as part of their tender quality submissions that they operate an active equal opportunities policy that achieves targets that encourage an ethnically diverse workforce; and also that they demonstrate their consideration for local employment.

Improvements and good maintenance of the public realm will benefit all sections of the community. A high quality environment increases the sense of well-being. An effective Arboricultural contract supports the Council's disability and gender equality outcomes by making the public realm barrier free and more accessible.

Maintenance of the public tree stock is a universal service that affects / benefits all residents and visitors in the borough. There are not thought to be any particular adverse impacts on those with protected equality characteristics.

The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.

Parks and Open Spaces land may be used more by women and children as well as the elderly than other groups. The services delivered under this framework are considered to have a medium positive impact and low negative impact on the various groups considered. With reference to PRIMAS, there is no negative impact on the various groups.

15 TENDER EVALUATION

15.1 Evaluation:

In compliance with the Public Contracts Regulations 2015 and in order to achieve 'best value', a notice of the proposed tender is required to be published in Find a Tender, (via the online London Tenders Portal), as the combined contract value of over £600k per annum (£3.5m over 4 years) is more than the services threshold of £189,330 for service contracts. It is proposed that a two stage procurement procedure will be used.

The Selection Questionnaire (SQ) and the Invitation to Tender (ITT) including a Bill of Quantities, specifications and associated appendices was published on London Tenders Portal via Pro-Contract, the Council's e-procurement system on the 04th June 2021 with a submission deadline for the pre-qualifying (SQ) stage of 05th July 2021.

In addition to the standard SQ questions the potential bidders were required to respond to project-specific questions as part of the pre-qualifying process to be shortlisted. The project-specific questions weightings were as follows:

- Relevant experience 20%
- Management team 10%
- Case Studies 15%
- Added Value 10%
- Social Value 20%
- Environmental Value 15%
- Health & Safety Value 10%

In response to the tender advert, the Council received 7 SQ stage submissions. The responses were assessed individually by the Evaluation Panel comprising two Streetscene Officers followed by a moderation meeting facilitated by the Procurement Category Manager. Following the SQ stage evaluation, 7 bidders were invited to participate in the second tender stage and were issued an Invitation to Tender (ITT). At the second tender stage (ITT), out of the 6 shortlisted suppliers, 4 bidders submitted a compliant tender outlined in the exempt Appendix 1.

The final contract award was based on the Most Economically Advantageous Tender (MEAT). The tender evaluation criteria at the second ITT tender stage were based on Quality and Price which has been specified and weighted below:

Evaluation criteria	Weighting
Quality score	30%
Price	70%

Total score

100%

The Tenders were evaluated with 30% of the maximum score available to respond to the quality questions, and 70% of the maximum score available for price submissions.

All evaluations have been completed; the Council has added the quality and price scores together to provide a total score for each Tenderer. The Tenderers with the highest combined scores are recommended to deliver the contract.

The final weighted scores together with the ranking of the bidders are summarised in **the table below**:

Bidder	Quality Score (30%)	Price Score (70%)	Total Score	Rank
1	29.3%	66.1%	95.4%	1
2	21.8%	70.0%	91.8%	2
3	29.6%	50.5%	80.1%	3
4	28.2%	43.0%	71.3%	4
5	opted out			
6	no response			

The above table inclusive of the Supplier names is provided in the exempt Appendix 1 attached to this report.

Tender Evaluation Team comprised of:

- Principal Engineer (Streetscene), Public Realm Division
- Senior Arboricultural Officer (Streetscene), Public Realm Division
- Supported by a Procurement Category Manager (Construction & Environment)

15.2 Procurement Process

In compliance with the Public Contracts Regulations 2015 and in order to achieve 'best value', a notice of the proposed tender was required to be published in Find a Tender (via the online London Tenders Portal), as the combined contract value of over £600k per annum (£3.5m over 4 years) is more than the UK threshold of £189,330 for service contracts.

15.3 Recommendation:

The evaluation panel recommended the bidders that were the lowest in price and highest in quality for this contract. The panel clarified the tender rates to

ensure that the bidders had made a full and complete submission for all elements. In addition to evaluating the bidders' price schedule of rates against an indicative package of annual works the panel also used pre-set sample rates. This exercise reduces the possibility of any bidder submitting a 'rogue' price for any schedule of rates item.

It is recommended that the Cabinet Procurement and Insourcing Committee approves the award of the Arboricultural Maintenance & Tree Planting/Post Planting Management Framework contract to the 4 bidders listed in Exempt Appendix 1, for a period of 4 years from 1st February 2022 to 31 January 2026.

16 CONTRACT MANAGEMENT ARRANGEMENTS

16.1 Resources and Project Management (Roles and Responsibilities):

The contract will be managed and monitored by Streetscene. The recommended contract is a Hackney Framework terms and conditions contract and provides no guarantee of work.

The contract will set out the management expectations and mechanism for the collaborative relationship between the Council and the appointed contractor. The contract specification and conditions will 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 terms and conditions and will incorporate users' satisfaction with service provision, measured through regular performance meetings. Contract Progress meetings will be convened by the contract manager and meetings will be attended by the providers' management as well as representatives from Streetscene. Meetings are likely to be monthly with possible higher level meetings involving Head of service.

16.2 Key Performance Indicators:

The new framework contract will include a range of performance indicators that will demonstrate that the successful providers are operating with due regard to the environment as well as ensuring value for money.

A general list of the proposed contract management performance indicators are listed below:-

Main KPI Targets Set	Monitoring
<p>1. Total Monthly Default Points: To measure over the life of the contract the total monthly default points that have been accrued.</p>	<p>To be used to gauge the Contractors performance over the life of the contract.</p>

<p>2. Individual Default Categories: To measure over the life of the contract the total monthly points that have been accrued against each individual default point category.</p>	<p>This will be monitored through feedback from the Contractor undertaking planned and unplanned works to newly planted trees between 18 months – 3 years following planting.</p>
<p>3. Post Planting Management (PPM): To help assess the quality of young tree maintenance by the Contractor.</p>	<p>This will be monitored through feedback from the Contractor undertaking planned and unplanned works to newly planted trees between 18 months – 3 years following planting.</p>
<p>4. Complaints Handling:</p>	<p>To ensure the Contractor is providing a good quality service in relation to complaints.</p>
<p>5. Measure Efficiencies:</p>	<p>To monitor the Contractor’s performance against the method statement and risk assessment.</p>
<p>6. Monthly invoices monitoring:</p>	<p>Apart from the first month of the financial year, invoices must be submitted for works completed until that point on a monthly basis.</p>
<p>7. The amount of programmed and ad hoc work orders that are completed by the required completion date: Works orders such as the reduction/pollarding programmes, Programmed Tree Work and subsidence related works orders are essential to managing the Council’s risk in relation to subsidence claims.</p>	<p>All works orders completed will be recorded as either: a) Completed on time. b) Completed late but with prior notification. c) Completed late but with/without prior notification.</p>
<p>8. Contract Managers Communication:</p>	<p>To measure over the life of the contract the total monthly default points that have been accrued. To be used to gauge the Contractors performance over the life of the contract.</p>

17 COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

- 17.1 This report seeks approval to support the contractual engagement of Bidder 1,2,3 and 4 (named in Appendix 1) for the Arboricultural Maintenance & Tree Planting/Post Planting Management Framework contract.
- 17.2 The recommendation set out in Section 3 of the report is to award the Arboricultural Maintenance & Tree Planting/Post Planting Management Framework contract to the 4 bidders listed in Exempt Appendix 1, for a period of 4 years from 1st February 2022 to 31 January 2026.

- 17.3 The estimated spend over the 4 year life of the Framework contract is approximately £2.8m. This estimate is based on an annual revenue budget of £498,500 and a capital budget of £200,000 (already part of the capital programme), which will be funded from the existing revenue and capital budget. There will be a schedule of rates for works which the service will use to ensure the volume of work requested is contained within budget control totals.
- 17.4 This Report also seeks approval to proceed, as detailed in the recommendations, to programme a phased implementation of insourcing elements of the service. It is anticipated that this review will be completed by February 2021. The intention is to set-up, in a phased approach, an In-House service provider as soon as practicable and to grow this service over a period of time that will result in less reliance on external service providers. The decision to do so will be subject to the review concluding and a comprehensive cost benefit analysis and will require Members' agreement.
- 17.5 Hackney owns and manages approximately 95,000 trees, distributed across our streets, housing estates, parks and cemeteries. It is essential that the health of Hackney's tree resource is protected so that it minimises the risk of trees falling or growing in such a manner that threatens people's safety or their property, therefore reducing insurance liability costs.

18 VAT Implications on Land & Property Transactions

18.1 N/A

19 COMMENTS OF THE DIRECTOR, LEGAL AND GOVERNANCE SERVICES

- 19.1 This matter was classified as Low Risk and therefore the Business Case for the procurement was signed off by the Group Director in accordance with paragraph 2.8.1 of Contract Standing Orders. However, the value of the contract to be awarded in this Contract Award Report is over £2m and therefore this Report is being presented to Cabinet Procurement and Insourcing Committee in accordance with paragraph 2.5.4. of Contract Standing Orders.
- 19.2 The Council used the Restricted Procedure pursuant to the Public Contracts Regulations 2015 in order to seek bids for the framework agreement to be established. The details of the bids received and the recommendations for contract award are set out in this Report.

20 COMMENTS OF THE PROCUREMENT CATEGORY LEAD

- 20.1 This procurement was advertised in Find a Tender and a restricted process was followed. This framework has a range of suppliers on it to cover the different types of specialist work for which we do not have the skills in house for. The

service is used by several departments within the Council thus allowing good value for money as the spend is aggregated. All suppliers will work with the local community.

21 APPENDICES

Exempt:

- Appendix 1 (containing: Long list of SQ Bidders and Scores, Shortlisted through to ITT stage, Summary of final ITT scores, Breakdown of ITT Quality scores, link to *'Insourcing Feasibility study for the tree contract final version'* document)

22 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)

Open:

- *Business case for the retendering of the framework contract for trees final 'version' (approved by Hackney Procurement Board 14th July 2020)*

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<p>FCRS033 PROVISION OF INSURANCE SERVICES FOR LEASEHOLD RIGHT TO BUY PROPERTY (EXCLUDE PROVISION OF INSURANCE BROKER SERVICE)</p> <p>CONTRACT APPROVAL</p>	
<p>CPIC MEETING DATE (2021/22)</p> <p>6 December 2021</p>	<p>CLASSIFICATION:</p> <p>Exempt</p> <p>If exempt, the reason will be listed in the main body of this report.</p>
<p>WARD(S) AFFECTED</p> <p>All Wards</p>	
<p>CABINET MEMBER</p> <p>Councillor Robert Chapman, Cabinet Member for Finance</p>	
<p>KEY DECISION</p> <p>Yes</p> <p>REASON</p> <p>Spending/or saving</p>	
<p>GROUP DIRECTOR</p> <p>Ian Williams, Group Director, Finance and Corporate Resources</p>	

1. CABINET MEMBER'S INTRODUCTION

- 1.1. This report outlines the results of the re-tendering of the Council's Leasehold Buildings Insurance contract following a procurement exercise undertaken during September & October 2021. The existing insurance contract is due to

expire on 31 March 2022 following the incumbent suppliers sudden withdrawal from the UK market.

- 1.2. Under the terms of a residential lease where the Council is the freeholder, on properties mainly bought through the right to buy scheme, buildings insurance has to be provided, by the Council, for the leasehold dwelling. The insurance premium is then recharged to leaseholders on an annual basis.
- 1.3. This is a challenging time to procure insurance, with market uncertainty leading to increased premiums, a position not expected to change in the immediate future. This procurement exercise has sought to secure the best possible value for leaseholders within this climate, following an open procurement process to maximise the opportunity for companies to tender, together with a heavy weighting on price within the evaluation.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1. This report advises the Cabinet Procurement & Insourcing Committee of the results of the Leasehold Buildings Insurance procurement and recommends the award of a three year contract (with provision for a two year extension) to **Insurer A**. The policy covers damage to the demised property of the leaseholder(s) for normal household insurable perils.
- 2.2. Leaseholders who have property based in Council freehold dwellings, such as flats in Council blocks, under the terms of the lease have buildings insurance cover arranged through the Council. The premiums for this insurance are recharged to leaseholders as part of the established service charge process.
- 2.3. The Leasehold Buildings Insurance is currently held with Ocaso S.A. UK. The tender issued in late summer of 2021 is for a period of 3 years with the Council retaining the option to extend for a further 2 years. Prior to the issue of the Find a Tender Service (FTS) Notice, leaseholders were provided with an opportunity to raise any issues in respect of the leasehold insurance with a statutory 30 day consultation period. A summary of the observations received during the Section 20 consultation period is attached at **Appendix 1**. Each observation has been responded to directly.
- 2.4. The property insurance market is relatively restricted for local authorities with only a small number of potential bidders as the perception of risk is high. During this exercise three bids were received from established insurance providers. This represents a healthy and competitive response despite a hardening market.
- 2.5. The risk assessment for this procurement exercise was assessed as being low risk; however the cost over the contract life exceeds delegated powers and hence the report is now being put before the Committee.

- 2.6. Officers of the Council in conjunction with the Council's insurance brokers, Marsh, have evaluated the tenders received. Officers are recommending that a contract for 3 years with a 2 year extension at the Council's discretion be awarded to **Insurer A** and that statutory consultation with leaseholders to inform them of the decision and respond to queries now takes place following which formal notice about the Committee's decision will be made to both the successful and unsuccessful Insurers.
- 2.7. The costs of leasehold buildings insurance has limited impact on the Council due to the cost being recharged to individual leaseholders, however the Council is mindful, particularly in the current economic climate, of the need to ensure that costs are minimised, hence the high weighting (65%) attributed to cost in the evaluation process.

3. RECOMMENDATION(S)

Cabinet Procurement and Insourcing Committee is recommended to:

- 3.1. **Note the procurement process used for the procurement of leasehold buildings insurance.**
- 3.2. **Agree the award of the leasehold buildings insurance contract to Insurer A for a period of 3 years (with provision to extend for 2 years) following a 30 day statutory consultation with leaseholders.**

4. RELATED DECISIONS

- 4.1. Business Case and Risk Assessment (Low Risk) approved by the Group Director of Finance & Resources prior to issuing the Invitation to Tender and referred to Hackney Procurement Board (HPB) as an item for information.

5. REASONS FOR DECISION/OPTIONS APPRAISAL.

- 5.1. The Council has a legal requirement to procure and maintain a contract of insurance for both its own and leaseholders' interest in leasehold property acquired under the Right To Buy or similar legislation.
- 5.2. As part of our standard terms of lease the lessor (the Council) has a duty to arrange building insurance for the block, including the demised premises.
- 5.3. The current insurance contract was last tendered in 2020 and the appointed Insurer agreed to a 5 year (including a two year optional extension) contract, renewable annually. However, in August 2021 the Council was informed that the contracted insurer was withdrawing from the UK market and that terms would not be offered after 31 March 2022.

- 5.4. Having sufficient insurance cover is a risk management control for the Council without which it would have to meet the cost of any claims and would effectively be in breach of its lease obligations as a landlord.
- 5.5. The full premium is recharged to leaseholders via the existing service charge process managed by Hackney Housing. Purchasing the insurance via a market exercise ensures that the Council can demonstrate that it is seeking to procure the policy on the best available terms.
- 5.6. Terms have been sought on cover no less comprehensive than those currently in place. Where it was felt appropriate, based on the claims experience and observations from stakeholders, improvements to the cover provided were requested.
- 5.7. **ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)**
- 5.7.1. There are no feasible alternative options available to the Council.
- 5.7.2. To completely self-insure the assets and liabilities would create unmanageable levels of uncertainty and financial risk. It would demand the retention of financial provision(s) substantially over and above the cost of insurance premiums.
- 5.7.3. Undertaking a full open procurement process was considered the only viable option available to the Council in order to ensure it continued to meet its contractual liabilities from 1 April 2022 and to ensure qualifying leaseholders retained, unbroken, the financial security provided by an appropriate policy.
- 5.7.4. Regulation 72 - (Public Contract Regulations 2015) - Due to the impact of Covid-19 the option to invoke Regulation 72 (Public Contract Regulations 2015) has been considered and discounted.
- 5.7.5. Regulation 72 allows an authority to extend/award public contracts without triggering a requirement to conduct a fresh tender process in certain circumstances. However, the incumbent insurer's withdrawal from the UK market extinguishes the ability to extend the contract.
- 5.7.6. It has not been considered possible nor beneficial to attempt to award the contract based on terms offered by unsuccessful insurers in 2020. In any event this would merely delay the timing of our market procurement exercise rather than circumnavigate the decision.

6. PROJECT PROGRESS

- 6.1. **Developments since the Business Case approval.**
None.

6.2. **Whole Life Costing/Budgets:** The cost of the leasehold buildings insurance for 3 years is in excess of £6m, full details are within appendix 2. However the cost of the insurance is recharged directly to leaseholders using the established service charge procedure managed by Housing Services.

6.3. **SAVINGS**

6.3.1. There is limited scope for savings on this contract. There is however limited direct impact on the Council's budget from this procurement as the cost is recharged to leaseholders through the established service charge.

6.3.2. Whilst the response from the market was reasonable the proposed premium cost per annum represents a small increase on expiring (2021/22) rates.

6.3.3. The proposed annual premium represents an average increase on base rate of under £2 per annum, per dwelling. Premiums remain subject to Insurance Premium Tax (IPT) currently set at 12%.

7. **SUSTAINABILITY ISSUES**

7.1. **Procuring Green:** The Insurance Sector is a key stakeholder in the drive to combat climate change. Insurers predict significant increases in claims exposures due, for example, to the impact caused to property portfolios by an increase in extreme weather incidents.

7.2. Whilst this is a financial contract only, we are committed to work with the contracted provider to ensure that we drive further commitment to tackle climate change. The Association of British Insurers (ABI) has procured a *Climate Change Roadmap & Environmental Charter* for all participating Insurers.

7.3. During the implementation stage of the awarded contract and at annual renewal the contracted provider will be asked to provide an update on their compliance with such initiatives. Any deviation from acceptable levels of commitment and progress will be scrutinised accordingly.

7.4. On a smaller scale the contract stipulates the provision of soft versions of documentation and promoting online or telephone claim reporting will mitigate the need for paper records.

7.5. **Procuring for a Better Society:** The Council will work with the contracted provider to identify appropriate opportunities for local employment, or pathways to employment, such as apprenticeship and/or work experience opportunities throughout the lifetime of the contract.

7.6. The Insurance industry is widely believed to be at risk of a significant skills shortage and the Council aims to secure training opportunities for local

residents where appropriate, seeking advice and support from the Chartered Insurance Institute (CII.)

7.7. **Procuring Fair Delivery:** The procurement mechanism asked suppliers to commit to London Living Wage (LLW) remuneration where applicable.

7.8. **Equality Impact Assessment and Equality Issues:** There will be no equality issues directly applicable to the Council arising from this procurement.

8. ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

8.1. There are no feasible alternative options available to the Council. Please refer to section (5.7) above .

9. TENDER EVALUATION

9.1. Evaluation:

9.1.1. Tender Evaluation Team: The tender evaluation team consisted of the following members of the Council's Insurance Services team supported by the Council's insurance broker, Marsh:

- Head of Insurance Services
- Senior Insurance Officer

9.1.2. Procurement Process: The financial value of the insurance contracts required that a Find a Tender Service (FTS) process was followed and given the limited number of providers in the local authority insurance market, an open procedure was deemed to be the most effective way to proceed. Access to existing Framework agreements was considered but discounted on the basis that it may exclude key suppliers.

9.1.3. Contractors submitting tenders: As noted previously there were a total of three suppliers who bid for the insurance contract. The full list of bidding contractors is included within the Appendix 2 (Exempt) to this report.

9.1.4. Tenders received from the three bidders have been evaluated on the basis of:

Criteria	Weighting
Price for Insurance Cover	65%
Assessment of Policy Cover	15%
Claims Service	15%
Added Value & Innovation	5%

9.1.5. **Appendix 2 (Exempt)** sets out in further detail the contractors who tendered and the evaluation of the tenders themselves.

9.1.6. **Preferred Option:**

The preferred option is **Insurer A** as set out in **Appendix 2 (Exempt)**

9.2. **Recommendation:**

9.2.1. The Cabinet Procurement & Insourcing Committee is recommended to progress the award of contract, subject to second leaseholder consultation, in accordance with the table immediately below:

Insurer/Provider	Score (%)*
Insurer A	97 (Lead Tender)
Insurer B	86
Insurer C	96

**Rounded up to the nearest %*

9.2.2. **Insurer A** at least met or exceeded all core requirements and scored highest overall against the evaluation criteria.

9.2.3. A comprehensive summary of the evaluation of the individual bids is included at **Appendix 2 (Exempt)** to this report and includes the names of the bidders.

10. CONTRACT MANAGEMENT ARRANGEMENTS

10.1. **Resources and Project Management (Roles and Responsibilities):** The Council has past experience of managing the implementation of new insurance arrangements. The Insurance Services section will provide the necessary resources with support from the Council's insurance broker, Marsh to ensure that the transition can be completed within the time frame available, as set out below.

Key Milestones	
1st Leaseholder Consultation	3 September - 4 October 2021
Find a Tender Service] Advert Placed:	8 September 2021
Report Presented to CPIC	6 December 2021
2nd Leaseholder Consultation	8 December 2021 to 9 February 2022
Standstill Period Starts	11 February 2022
Award Contract	26 February 2022
Protocol Meetings with Insurer	1 March - 31 March 2022
Contract start	1 April 2022

- 10.1.1. The Insurance Services division within the Finance and Resources Directorate will assume responsibility for the ongoing contract management of all insurance contracts. The Insurance Services division manages the current contracts on behalf of the Council. The section will continue to work closely with both insurers and relevant departments to monitor claims experience and to provide risk management training.
- 10.1.2. There are no TUPE implications.
- 10.2. **Key Performance Indicators:** The contract to be awarded is a Contract of Insurance and not a service contract and is therefore not readily measurable through KPI's.
- 10.2.1. However, key targets and where possible KPIs shall be agreed and set during the mobilisation stage of the contract to help protect the interests of the leaseholder and the Council.
- 10.2.2. In the meantime, the performance of the Insurer and their agents will be monitored closely by the Council's Insurance Services team and each provider has committed to meeting the following minimum and measurable standards;

Main KPI Targets Set	Monitoring
1. Claim settlement to be made within 14 working days	Regular (at least quarterly) "360" review meetings & Monthly Management Information (MMI)
2. Written enquiries to be responded to within 4 working days	Regular (at least quarterly) "360" review meetings & Monthly Management Information (MMI)
3. Telephone enquiries to be responded to within 24 hours	Regular (at least quarterly) "360" review meetings & Monthly Management Information (MMI)
4. Data integrity & GDPR compliance	Online access to core handling system &/or Monthly Management Information (MMI) & breach referral process
5. Renewal terms issued six months in advance of renewal	Pre-renewal meeting
6. Claim triggers to be established based on peril type, value &/or sensitivity to allow early intervention	To be agreed by all parties within mobilisation meeting

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

- 11.1. The tender evaluation has identified a number of suitable providers for the leasehold buildings insurance contract. The insurance cover is recommended to be placed with **Insurer A**, an established provider, based on an evaluation of the cost of the cover, an assessment of the policy cover itself and the quality of the service from the provider.

11.2. As with the existing contract the cost of insurance premiums will be recharged to leaseholders. The staffing and budget required to implement and manage the contract shall be met within existing resources as this is a continuation of service provision.

12. VAT Implications on Land & Property Transactions

No implications identified.

13. COMMENTS OF THE DIRECTOR, LEGAL & GOVERNANCE SERVICES

13.1. Pursuant to Contract Standing Orders 2.5.3 and 2.9.1 this proposed contract award (Low Risk and with a contact value above £2m) must be approved by Cabinet Procurement & Insourcing Committee.

13.2. The value of the contract is in excess of the current Find a Tender Service (FTS) limit of £189,330 over the contract term and the procurement of the contract has been undertaken in accordance with the Public Contracts Regulations 2015, including the publication of a Find a Tender Service (FTS) notice.

14. COMMENTS OF THE PROCUREMENT CATEGORY LEAD

14.1. This procurement has been classified as low risk and this report has been prepared for Cabinet Procurement & Insourcing Committee's consideration due to the value of the overall contract for the maximum period of five years (fixed for 3 years with the Council retaining the option to extend for a further 2 years).

14.2. The procurement and evaluation of bids has been carried out with the support of the Procurement Category Lead and in accordance with the Council's CSO's, procurement guidelines and EU procurement regulations. The primary considerations for the procurement of leasehold buildings insurance is to ensure that leaseholders have sufficient insurance cover and that the cost of insurance is achieved at the lowest price without compromising the terms of the insurance cover.

APPENDICES

Appendix 1: Summary of Section 20 Consultation Observations received

Appendix 2: **Exempt:** Evaluation Report prepared by Marsh

Appendix 3: **Exempt:** Identification of Insurance Providers

EXEMPT

By virtue of paragraph(s) 3, part 1 of schedule 12A of the Local Government Act 1972 appendices 2-3 are exempt because they contain information relating to the

financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

BACKGROUND PAPERS

None

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

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Appendix 1: Summary of Leaseholder Observations

Below is a summary of the questions and responses to the 1st Section 20 Consultation (Notice of Intention) for the Leasehold Buildings Insurance Procurement Exercise.

NB - The summary provides details of the observations relating to the service provision, cover specification and market but may exclude those related to non-insurance related procurement or Section 20 consultation procedural issues only.

No.	Question	Summary of Response Provided
1	Questions whether the new insurance policy will cover leaseholders for criminal and accidental damage?	<p>As part of the tender process we are requesting industry standard buildings insurance perils which include:</p> <p>Theft or attempted theft Malicious damage Accidental damage</p>
2	Question regarding an existing claim with the existing Insurer and seeking assurance that the claim will be handled by any new Insurer should the matter be unresolved.	<p>The new policy will only be concerned with incidents occurring in the new policy period.</p> <p>Existing claims will be honoured by the insurer on risk at the time of the loss, subject to the terms and conditions of the policy. So if the subject incident occurred during the period Ocaso was at risk, they will still be the applicable insurer for the claim.</p>
3	A request that vandalism will be included in this list of insured perils.	Vandalism would fall under the peril of Malicious Damage which we are requesting via the tendering process
4	Request that Climate Change can be included in the specific wording of the intended perils to be insured against to ensure that everything related to climate change eg. excessive heat, or heavy rainfall can be captured.	<p>Whilst climate change may increase the likelihood of certain incidents such as flooding or fire occurring, it isn't in itself a standard policy peril on a building insurance policy. As part of the tendering process we are requesting standard policy perils to include:</p> <p>Fire, Smoke, Lightning, Explosion, Earthquake, thunderbolt, and subterranean fire Storm, Tempest or Flood</p>
5	Enquiry regarding the tendering process, and whether leaseholders can see the tenders and comment on preferred bidders?	Response provided explaining the procurement and consultation process

6	<p>A request for the following documents;</p> <ul style="list-style-type: none"> ● Fire risk assessment ● Buildings insurance block policy 	<p>Existing Insurance Schedules, and details of any Fire Risk Assessments that are not specifically related to this insurance tender exercise. The enquirer has been signposted to the appropriate Service and an internal request sent for action.</p>
7	<p>An ongoing and site specific referral relating to concerns arising from vehicles parked in the vicinity of insured property and the potential fire risks arising.</p>	<p>The leaseholder is the insured entity in the Leasehold Buildings Insurance. Any actions of third parties (including the London Borough of Hackney) will have limited or no effect on the perils that the leaseholder is covered for.</p>
8	<p>A request for a copy of the latest Policy Schedule</p>	<p>Schedules were sent to all leaseholders in March 2021</p> <p>The enquirer has been signposted to the appropriate Service and an internal request sent for action.</p>

--END--

SELECTION OF A CONTRACTOR FOR THE CONSTRUCTION OF MIXED TENURE HOMES AT KINGS CRESCENT ESTATE - PHASES 3&4	
Key Decision No: NH R53	
CABINET PROCUREMENT AND INSOURCING COMMITTEE 6 DECEMBER 2021	CLASSIFICATION: Open with exempt appendices If exempt, the reason will be listed in the main body of this report. By Virtue of Paragraph(s) 3, Part 1 of schedule 12A of the Local Government Act 1972, appendix 1 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.
WARD(S) AFFECTED: Brownswood	
CABINET MEMBER: Deputy Mayor Guy Nicholson	
KEY DECISION: Yes	

<p>REASON:</p> <p>Spending</p>
<p>GROUP DIRECTOR</p> <p>Mark Carroll, Group Director, Chief Executive's Directorate</p>

1. CABINET MEMBER'S INTRODUCTION

- 1.1 At its meeting in July 2011 the Council's Cabinet agreed the Estate Regeneration Programme (ERP). The Cabinet report outlined the Council's approach to the development of a strategy for the delivery of high quality newbuild homes and improved living standards across a number of Council owned estates in the Borough. The ERP was updated and approved by Cabinet in March 2014 and again in October 2015. A further update was more recently provided and approved by Cabinet in April 2019.
- 1.2 In approving the ERP, the Cabinet agreed to a portfolio approach to housing regeneration to counter the lack of Government grant available to build much needed new Council homes. This approach enables the Council to combine the development value of schemes which have the potential to generate a surplus with those that require a net investment. The value created by the outright sale and shared ownership homes to be delivered at Kings Crescent will help to fund the delivery of new social rented Council homes within the scheme, the refurbishment of existing homes at Kings Crescent, the new community facilities on the estate and make a contribution to genuinely affordable Council housing delivery across the ERP.
- 1.3 Through this self-funded, self-delivery model the Council has already built 115 high quality Council homes for social rent and shared ownership in the first phases of the regeneration at Kings Crescent, alongside major improvements to more than 100 existing homes and communal spaces on the estate, all this achieved by working in close partnership with residents. The recommendations in section 3, if approved, will complete the transformation of the estate and deliver the remaining new homes for Kings Crescent and residents of the estate.
- 1.4 Across all of its new housing developments the Council is committed to maximising the delivery of genuinely affordable Council homes; and I am delighted that, following design revisions and the new homes funding secured from the Mayor of London, the Council can now provide an additional 28 Council homes for social rent, bringing the total number of new Council homes on Kings Crescent to 107 overall, and ensuring the external refurbishment of 275 existing homes on the estate.

2. GROUP DIRECTOR'S INTRODUCTION

2.1 The Estate Regeneration Programme is based on the delivery of mixed tenure developments. Based on current market conditions the Programme is forecast to be self-funding, but each individual scheme is subject to robust financial viability testing. This report seeks authority to enter into contract with a preferred contractor to undertake the main works for Kings Crescent Phases 3&4, which will complete the estate regeneration by the provision of 28 homes for social rent, 75 homes for shared ownership and 116 homes for private sale, along with a community facility, commercial and workspace unit, the external refurbishment of 174 existing homes, and associated public realm and landscaping works.

2.2 In line with the provisions of the Contract Standing Orders, the award of contract is presented to the Cabinet Procurement and Insourcing Committee (CPIC) for consideration and approval. The recommendation is made on the basis of both cost and quality.

3. RECOMMENDATION(S)

Cabinet Procurement and Insourcing Committee is recommended to:

3.1 **Award the main works contract to Bidder A as the preferred contractor for Kings Crescent Phases 3&4, for the value as set out in Exempt Appendix 1, subject to the completion of the Section 20 leaseholder consultation process.**

3.2 **Subject to the completion of the process in paragraph 3.1, agree to enter into a JCT Design and Build contract 2016 and other ancillary legal documentation relating thereto for the main works at Kings Crescent Phases 3&4 under terms as shall be agreed by the Director of Legal and Governance Services, and authorise the Director of Legal and Governance Services to prepare, agree, settle and sign the necessary legal documentation to effect the proposals contained in this report.**

4. RELATED DECISIONS

4.1 At its meeting of 18 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 provided and approved by Cabinet in April 2019.

4.2 At its meeting on 18 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 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.

- 4.3 An outline application for the refurbishment of existing buildings and the erection of new buildings ranging from four 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&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/cafe/restaurant space together with associated landscaping. Phases 3&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.
- 4.4 A detailed planning application for Phases 3&4 received full consent in July 2021. The consent enables the Council 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.
- 4.5 The masterplan scheme front-loaded the provision of 79 social rent homes for all phases. The consented mix for Phases 3&4 now consists of 28 homes for social rent, 75 shared ownership and 116 outright sale homes. The consented scheme for 219 homes represents an increase of two homes, and the overall mix of homes has been improved to include 28 additional social rent homes. Overall, there are four fewer shared ownership homes and 22 fewer outright sale homes than the masterplan.
- 4.6 The Council's (then) Cabinet Procurement Committee (CPC) approved the business case for the selection of a contractor for the construction of mixed tenure housing at Kings Crescent Phases 3&4 on 8 July 2019.

5. OPTIONS APPRAISAL

- 5.1 This report outlines the process for procuring a main contractor using a Competitive Procedure with Negotiation procurement route, and entering into a single stage design and build contract for Kings Crescent Phases 3&4. The Council wishes to continue the phased development of Kings 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+.

- 5.2 The parcel of land to be developed at the Kings Crescent site has been cleared since the last demolition in 2013. The development of the site represents an opportunity to complete the regeneration of Kings 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.
- 5.3 Kings Crescent Phases 3&4 comprises the following:
- 116 outright sale homes
 - 75 shared ownership homes
 - 28 social rent homes
 - Refurbishment works to existing blocks (174 homes)
 - 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.
- 5.4 In addition to the works described in 5.1.3 the Council has incorporated a general repairs, maintenance and component renewal to the package of works in line with the provisions of the Housing Asset Management Strategy. This includes 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 ensures a joined-up approach to capital investment, reduces overall disruption to residents and should offer better value for money compared to undertaking works separately.
- 5.5 Bidders were 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.
- 5.6 A construction cost plan was prepared for the Council by its Quantity Surveyor, setting out the estimated costs of construction. Please refer to Exempt Appendix 1.
- 5.7 The estimated costs were based on RIBA Stage 3 (planning application stage) proposals. A pre-tender stage estimate was based on developed designs (Stage 3+) and issued in September 2019. The tendered construction costs are set out in the Tender Report: Exempt Appendix 1.
- 5.8 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

GLA funding, as well as 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.

- 5.9 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.
- 5.10 With 116 outright sale properties currently valued at £68m, this exposes the scheme, Programme and the HRA to an increased financial risk. In addition, the 75 shared ownership homes are currently valued at £43m, with forecast first tranche equity sales of £11m. To spread this sales risk it is intended to phase the release of the outright sale units.
- 5.11 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 the Chief Executive's Directorate and Group Director of Finance and Corporate Resources.
- 5.12 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 been significantly beneficial to sales progress with recent schemes and therefore is a consideration. Furthermore, it is not known at present whether the Government will continue funding Help to Buy after 2023.
- 5.13 Should sales not achieve the forecast values, or in the case of reservations being 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.

6 PROJECT PROGRESS

6.1 Development since the Business Case approval

Section 20 Notices to leaseholders for Major Works

- 6.1.1 As detailed in 5.1.4 a package of works in line with the provisions of the Housing Asset Management Strategy including external works, works to communal areas and works to specialist mechanical and electrical services are planned to four existing blocks on the estate: Weston, Datchworth, Theobalds and Bramfield Court. 56 leaseholders within these blocks were issued with a Notice of Intention to enter into a Qualifying Long Term Agreement to carry out Major Works to their properties in May 2020. Beside the asset management strategy works, leaseholders were advised of the intention to incorporate external refurbishment elements into their charges, where appropriate under the respective lease improvement clauses. These elements are summarised below:

- Installation of precast balconies with privacy screens and lighting;
- New communal entrances;
- New sedum green roofs;
- New roof access hatches;
- Replacement communal windows (all blocks);
- Replacement windows for individual dwellings (Bramfield Court);
- New rainwater pipework;
- New screed flooring to walkways;
- Replacement of external stairs to Weston Court;
- New precast concrete seats to ground floor gardens;
- New front gardens;
- New gardens walls and gates;
- New refuse stores;
- New aluminium cladding and insulated soffits to underpasses;
- New lighting to underpasses;
- Enhancements to Weston Court podium;
- Provision of new cycle stores; and
- Provision of new cleaners' stores.

Council buybacks

- 6.1.2 The Council has used buyback funds to purchase leasehold properties within the blocks that are subject to the Section 20 programme. To date, six family-sized properties have been acquired by the Council, and these will be made available as social rent homes.

Procurement strategy and process

- 6.1.3 As stated in 4.5 above, at its meeting in July 2019, CPC approved the procurement strategy for Kings Crescent which proposed the selection of a contractor to be carried out via the publication of an Official Journal of the European Union (OJEU) Notice through the Competitive Procedure with Negotiation (CPN) in accordance with the Public Contracts Regulations. It was intended to procure a single contractor to deliver the external refurbishment of the four existing blocks and construction of the new development.
- 6.1.4 In July 2020 the procurement process commenced with the issue of a pre-qualification questionnaire and the draft tender documents for the works contract, inviting contractors to submit an expression of interest. Six responses were received and assessed, and in accordance with the Invitation to Participate, the three highest scoring bidders were shortlisted and invited to participate in the tender.
- 6.1.5 The Invitation to Participate was published on 12 October 2020, with tenders to be submitted by 25 January 2021.

- 6.1.6 All three tenders exceeded the pre-tender estimate within a range of 6% to 14% and included risk allowances or provisional prices for unknown conditions and utility connections. Following evaluation, it was concluded that none of the three tenders complied with the Council's financial criteria set out for the contract - an all inclusive fixed price with the cost estimate.
- 6.1.7 As a consequence of the above and in accordance with the Public Contracts Regulations 2015, the Council moved to initiate the negotiation stage of the CPN Procedure, inviting the three bidders to explore the potential for cost savings through design or specification changes. One bidder withdrew from the tender process at the start of the negotiation process.
- 6.1.8 Negotiations commenced on 6 May 2021 and the negotiation was concluded on 5 August 2021. The negotiation deadline was extended to accommodate a revision to the Council's fire safety strategy as set out in 6.1.10 below. Participating bidders were invited to submit their response to the Invitation to Submit Final Tenders (ISFT) Best and Final Offers based on a revised ISFT which incorporated an additional question regarding the proposed fire strategy, and revised design and specifications following negotiations.
- 6.1.9 The ISFT period was extended to assess the implications from the introduction of the Council's new Building Information Modeling (BIM) process to bidders. This required the bidders to ensure that common systems for recording asset management components are developed and used throughout the contractor's design, construction and operational stages of the scheme in order to ensure that the Council will be able to comply with forthcoming building safety regulations.

Scheme Design Changes

- 6.1.10 A number of design and specification changes were included within the ISFT to future proof designs ahead of anticipated changes to Building Regulations Part B/Part L, the Building Safety Bill, and cost savings identified during the negotiations with bidders. These are summarised below:

- *Value Engineering*

A number of specification changes identified during the Negotiated Procedure aimed at reducing the project build costs were included within the ISFT.

Through discussion with internal stakeholder departments, component specifications of equivalent quality were identified.

- *Fire Strategy*

In anticipation of the Building Safety Bill, a revised approach to compliance with Building Regulations was established, with a

requirement for compliance to Approved Document B and guidance from the Smoke Control Association. The revised requirements represent a departure from the original strategy which utilised a fire engineered route to achieve compliance.

- *Sprinklers*

In anticipation of changes in Building Regulations, revised designs which introduced sprinklers and associated water tanks across all new build blocks above 11m in height.

Other changes included in the ISFT

- 6.1.11 The Council's information requirements for the BIM process were introduced. Compliance with these requirements required bidders to demonstrate compliant design tools that record key components to be maintained for the duration of the design, construction, handover and operational stages of the project.

Planning consent and amendments

- 6.1.12 Planning Sub-Committee resolved to grant planning permission on 6 November 2019. The proposal was subsequently referred to the GLA for review. Written approval was received on 5 May 2021. Following this, the Planning Decision Notice was issued on 27 July 2021.
- 6.1.13 Once a contractor has been appointed and the fire strategy has been fully developed and designed, amendments to the Kings Crescent planning consent will be sought for the associated external design/specification changes.
- 6.1.14 Minor revisions to the external design treatment, arising from agreed value engineering savings, will require amendments to the planning consent.

Sales and Marketing

- 6.1.15 Due to current market conditions, sales value increases are not assumed within the current financial appraisal.

Stakeholder Consultation

- 6.1.16 Residents of Kings Crescent estate have been updated on the project regularly by newsletters, the last of which was distributed in November 2021.
- 6.1.17 The Residents Steering Group has received regular updates at its meetings throughout the tender process. Representatives from the group also participated in the evaluation of tender questions relating to community activities and respite facilities.

Project Risks

6.1.18 The cost of the construction works and the income received from the sale of the shared ownership and outright sale homes are the major elements of the overall project finances, and factors relating to these are therefore the key risks that need to be mitigated and managed throughout the project.

Risk	Likelihood	Impact	Overall	Action to avoid or mitigate risk
	L – Low; M – Medium; H - High			
Financial/Programme: Contractor going into liquidation during construction.	L	H	M	Initial finance checks on all participating bidders have been carried out as part of the tender process. The requirements for a Parent Company Guarantee have been included within the contract particulars.
Financial/Programme: Covid-19 leading to programme delays.	L	M	M	The necessary Covid guidelines have been incorporated in the contractor's set-up and evaluated as part of their quality response.
Financial: Projected market values are not achieved due to a downward movement in the overall or local market.	M	M	M	Sales valuations, provided by an independent surveyor and used for the financial appraisal. These have been reviewed and endorsed by the Council's Sales and Marketing team. Value increases are not assumed within the financial appraisal, but due to the anticipated length of the construction programme there is potential for the market to strengthen before outright sales homes are released.

				<p>The scheme's 116 outright sale properties are valued at £68m, exposing the scheme, programme and HRA to financial risk. In addition, the 75 shared ownership properties are valued at £43m, with a forecast first tranche equity sales value of £11m.</p> <p>To spread the sales risk it is intended to phase the release of the outright sales properties.</p> <p>A market review and market strategy will be produced for each phase, with authority to proceed to market properties delegated to the Group Director, Chief Executive's directorate and Group Director of Finance and Corporate Services.</p>
<p>Financial: Unable to sell all of the outright sale homes and generate the expected sales values.</p>	L	H	M	<p>There is an option to phase the sale of the outright sales homes through the construction phasing. The sales and marketing strategy also has a series of exit strategies to assist in this scenario:</p> <ul style="list-style-type: none"> • Sell some homes to the Council's Housing Company for letting as Hackney Living Rent (HLR) or

				<p>Market Rent homes.</p> <ul style="list-style-type: none"> • Convert some of the outright sale homes to shared ownership (subject to demand). • Sell some units to an individual investor or private rented sector operator.
<p>Financial: Unable to sell all of the shared ownership homes and generate the expected or required income for the Council.</p>	L	M	M	<p>Shared ownership could be converted to a rental product including Hackney Living Rent should the property market not be suitable for large scale disposals.</p>
<p>Financial/Reputational: Quality of the scheme does not meet expectations resulting in reputational damage and or increased cost to the Council.</p>	L	H	M	<p>Detailed tender documentation has been provided to bidders to ensure that the proposals are delivered as designed and specified.</p> <p>The preferred bidder has confirmed that it will retain all of the design practices. Their team has produced a high quality design proposal and understands the Council's vision for the project. Their retention will ensure the continuity of project knowledge and helps to ensure the quality of the design is carried through into delivery.</p>

				<p>During the delivery stage, the Employer's Agent team, including the Site Inspectors and the Clerk of Works will carry out regular site inspections to ensure work is completed in line with the specification documents.</p> <p>Stringent Key Performance Indicators (KPIs), monitoring the quality of delivery, have been included within the contract. See 9.2.1.</p>
<p>Reputational/Financial: Inability to meet the commitment to the GLA for a start on site during 2021/2022 due to delays in awarding the contract for the main works, resulting in reputational damage and or withdrawal of grant funding.</p>	L	M	L	<p>The intention is to award the contract to the preferred bidder as soon as practical.</p>
<p>Programme/Financial: Complexity of site or construction lead to increased cost and project delays</p>	M	M	M	<p>Detailed tender documentation including extensive survey and site investigation information has been provided.</p> <p>A capped price: provisional sums for utility connections and diversions for most elements of the tender have been secured.</p> <p>The recommended bidder has demonstrated a thorough understanding</p>

				of project risks, complexities and constraints as part of their tender submission, and in particular their risk assessment and programme.
Programme/Financial: Option to tax the blocks containing the commercial space, particularly the B1 workspace, restricts the ability to attract start-ups, risking the lettability of the space.	M	L	L	Model the impact of reducing rents to accommodate the VAT potentially chargeable on the B1 workspace.

7. SUSTAINABILITY ISSUES

7.1 Procuring Green

7.1.1 The scheme will provide high quality housing, workspace, retail, and community space, as well as new and improved landscaping and public realm, enhancing the ecological value and biodiversity of the project. The scheme also aligns with the Council's Transport Strategy and TfL's Healthy Streets Indicators, aiming to prioritise walking and cycling, providing safe environments with opportunities for play, shade and shelter, and opportunities to rest in a clean environment.

7.1.2 The energy strategy meets the London Plan and Hackney Local Plan policy standards on energy by:

- Reduction in carbon emissions against Building Regulations Part L 2013 by 37.9% for residential, 26.7% for non-domestic (36.5% combined) achieved by:
 - Enhanced U-values of walls, floors, roofs and windows;
 - Improved air tightness through reduced air permeability rates;
 - Reduced need for artificial lighting;
 - Incorporation of low energy light fittings;
 - Incorporation of mechanical heat and ventilation recovery system (MHVRs);
 - Incorporation of advanced lighting and space conditioning controls;
 - Incorporation of heat and electricity consumption devices for individual homes;
 - Minimising internal heat generation through energy efficient design;

- Reducing the amount of heat entering the buildings during summer through orientation of the glazing, external shading and the provision of internal blinds;
- Consideration of the carbon dioxide emissions associated with gas-boilers;
- Supplying energy efficiently by connecting to the estate-wide combined heat and power (CHP) system which will enable potential link-up with district heat network;
- Provision of photovoltaic panels (PVs); and
- Achievement of BREEAM 'Excellent' rating on the community and commercial spaces.

7.1.3 The London Plan and Hackney Planning Policy standards on sustainability are achieved by:

- Effective Resource Management
 - Re-use of vacant and developed land with an effective layout and scale;
 - Efficient design of the massing and internal layouts;
 - Enhanced ecology and biodiversity with associated landscaping;
 - Use of responsibly sourced materials with low embodied carbon and
 - Specification of water efficient fittings, limiting water consumption.
- Adaptation to Climate Change
 - Provision of passive and active design to address overheating and demand for active cooling;
 - Incorporation of Sustainable Urban Drainage Systems measures to address future risks of flooding.
- Pollution Management
 - Adoption of a Site Waste Management Plan to reduce waste and pollution during the construction period;
 - Adoption of suitable noise mitigation strategies including the provision of refuge areas for residents.

7.1.4 The scheme proposals have been designed and coordinated to connect into the existing energy centre completed in Phases 1&2. The CHP system and high efficiency boilers have been designed to take the load from connection to Phases 3&4 when designed and constructed.

7.1.5 The new-build element of the scheme will be car-free with substantial provision for cycle parking, a car club space and electric vehicle charging points.

7.1.6 The scheme will deliver homes which meet current regulatory requirements relating to sustainability, including Building Regulations and the London Mayor's Housing Supplementary Planning Guidance.

7.1.7 During the pre-commencement phase of the building contract, the site will be tested for contamination and remediated appropriately.

7.1.8 The recycling of construction waste and the development of a Site Waste Management Plan are mandatory. The contractor will be obligated to minimise construction related disruption, for example dust nuisance to residents and neighbouring buildings.

7.2 Procuring for a Better Society

7.2.1 The appointed contractor will be required to provide local training and employment opportunities, for which a number of KPIs have been established. KPIs will be monitored regularly at site meetings. The contractor and Employer's Agent will provide information that will form the basis of each score, which will be documented at each meeting.

7.2.2 The appointed main works contractor will provide a draft Employment and Skills Plan to the Council for approval prior to works commencing on site. They will also prepare and implement an active programme for recruitment in order to achieve a local labour target of 25%. Under the terms of the contract the contractor must employ at least one apprentice per £2m of construction contract value, which reflects the Unilateral Undertaking requirement, and as previously agreed by CPC.

7.2.3 As part of the Unilateral Undertaking a sum of £101,234 will be paid as a planning obligation to Hackney Works, as a contribution towards the cost of training and supporting out of work residents into jobs during the construction of the development. A further sum of £55,558 will be paid as a contribution towards facilitating local people into end use ('operational phase') jobs provided through the operation of the commercial floorspace.

7.3 Procuring Fair Delivery

7.3.1 Tender documents issued to each bidder were identical, giving them equal opportunity to review and respond. Throughout the tender process bidders submitted clarification questions. Where a clarification was not commercially sensitive, the clarification and the Council's response was anonymised and issued to all bidders.

7.3.2 Each bidder was asked to comply with the Council's requirements with regard to the specification, local labour, employment and skills, and Fair Payment Charter. The preferred bidder has agreed to the Council's targets in these areas, including payment of the London Living Wage to all employees - a commitment also extended to their sub-contractor supply chain - and cooperation with Hackney Works to promote diversity in their workforce.

7.3.3 KPIs have been agreed with the contractor and will be scored at agreed intervals during the construction period. More information on KPIs can be found in section 9.2.1 below.

7.4 Equality Impact Assessment and Equality Issues

7.4.1 The Council is committed to building new homes that are adaptable to the varying needs of occupiers over time and that will enable people to live independently in their homes for longer.

7.4.2 22 homes (10% of the new build homes) are designed to wheelchair adapted standard, as set out in Part M4(3) of the Building Regulations. All other homes have been designed to be wheelchair accessible, meeting the requirements set out in Part M(2).

8. PROCUREMENT PROCESS & EVALUATION

8.1 Initial Tender Process

8.1.1 The procurement route undertaken for the new build and refurbishment works was via an OJEU Competitive Procedure with Negotiation. This comprised:

- (i) Selection Questionnaire
- (ii) Invitation to Participate.

8.1.2 The Evaluation Panel for the tender process comprised:

- Project Manager, Regeneration (LBH)
- Employer's Agent (acting on behalf of the Council)
- Quantity Surveyor/Cost Consultant
- Head of Regeneration Strategic Design (LBH)
- Resident Representatives (for selected quality questions).

8.1.3 The procurement process was managed and coordinated by members of the Procurement team.

(i) Selection Questionnaire (PAS 91)

8.1.4 The PAS 91 was published on the Council's e-tendering portal, ProContract on 3 July 2020, inviting interested contractors to express an interest in tendering for the works contract at Kings Crescent, by responding to the PAS 91.

8.1.5 Six responses were received and evaluated.

8.1.6 All submissions provided responses to the Pass/Fail sections, and the project specific/qualitative questions appropriately. Their responses were evaluated on the following criteria:

- The contractor's eligibility to bid;
- Financial and economic capacity to undertake the contract;

- Experience in the delivery of high quality development including, external refurbishments and high quality landscape and public realm;
- Experience of working with key stakeholders and existing communities in urban and constrained environments;
- Their track record of good construction practices; and
- Their track record of client and customer satisfaction including defects management.

8.1.7 On conclusion of the evaluation of the PAS 91 submissions, three bidders were invited to participate in the tender.

(ii) Invitation to Participate

8.1.8 The Invitation to Participate (ITP) documents were published on the e-tendering portal, ProContract on 12 October 2020. Contractors were originally required to submit bids by 25 January 2021. An extension was granted upon requests, until a final tender deadline was issued for 8 February 2021.

8.1.9 All three invited contractors submitted tender responses.

8.1.10 As previously agreed by CPC, the tenders were evaluated on the basis of 30% quality and 70% for price.

Tender evaluation

8.1.11 Following submission of their bids, clarifications on the submissions were raised with any bidders via ProContract, by the EA and Quantity Surveyor, to clarify any errors in the tenders submitted or any apparent inconsistencies prior to the evaluation process.

Quality Evaluation - 30%

8.1.12 For the Quality element, bidders were required to set out eight Method Statements addressing the following quality criteria:

- Programme;
- Project delivery;
- Project risks;
- Site logistics;
- Design team and integrity of design;
- Community engagement;
- Local employment, training, and supply chain; and
- Added value.

8.1.13 A commitment to paying the London Living Wage was a pass/fail criterion.

8.1.14 The evaluators also undertook site visits to two completed projects put forward by each bidder.

Price Evaluation - 70%

- 8.1.15 Tender prices were scored using the published pricing evaluation methodology; whereby the lowest priced bid achieves the highest score of 70%, with all other prices scored relative to the highest prices.
- 8.1.16 The prices were also assessed against the pre-tender estimates that had been prepared by the project QS.
- 8.1.17 All of the tenders received exceeded the pre-tender cost plan, ranging between 5% and 14%, and were thereby not compliant with the ITP on the basis of the financial key performance indicators.
- 8.1.18 In addition, the three bids included provisional allowances related to ground conditions, utility connections and diversions, and did not comply with the requirement for an all inclusive fixed price for the delivery of the scheme.
- 8.1.19 A summary of the quality and price scores for each tender, and the respective total overall scores are set out in the table below:

	Quality (30%)	Price (70%)	Total (100%)
Bidder A	19.20	70.00	89.20
Bidder B	22.17	69.23	91.40
Bidder C	19.53	63.32	82.85

- 8.1.20 The Council did not receive any bids within its budget, or without caveats to the price.
- 8.1.21 The Council wrote to bidders on 9 April 2021 informing them that, under the terms of the Invitation to Participate, that the Council was able to exercise its right to proceed to the negotiation stage.

8.2 Negotiated Stage

- 8.2.1 On 22 April 2021, the bidders were informed of the next steps in the negotiation, as well as the main issues and project areas for discussion and review.
- 8.2.2 One of the three contractors confirmed that they did not wish to proceed to participate in the negotiation process after receiving information on the process.

Negotiation

- 8.2.3 The two remaining bidders participated in six rounds of negotiation meetings between 6 May 2021 and 5 August 2021.
- 8.2.4 A schedule of cost saving proposals was agreed with the respective bidders.
- 8.2.5 During the negotiation phase meetings, the risks associated with compliance with the anticipated Fire Safety Bill were considered in depth. The Council considered the risks of alternative routes to compliance with Building Regulations for fire safety, and opted to amend the strategy and confirmed the change in requirements with the respective bidders.

Invitation to Submit Final Tenders (ISFT)

- 8.2.6 The Council sought to conclude the tender process by inviting contractors' final tenders for including:
- The value engineering proposals agreed with respective bidders;
 - The revised fire strategy requirement to comply with forthcoming fire safety and Building Regulations requirements;
 - Inclusion of the Council's requirements for use of Building Information Modeling processes.
- 8.2.7 The ISFT was published on ProContract on 17 August 2021.
- 8.2.8 Two tenders were received on 30 September 2021.
- 8.2.9 The Evaluation Panel for the ISFT submissions tender comprised the same evaluators as that for the original ITP (see 8.1.2), apart from resident representatives. The tenders were awarded in accordance with the original Invitation to Tender award criteria, apart from the additional criterion of compliance with the revised fire strategy.

Quality Evaluation - 30%

- 8.2.10 As for the initial Invitation to Tender, for the Quality element of the ISFT, bidders were required to set out eight Method Statements addressing the following quality criteria:
- Programme;
 - Project risks;
 - Site logistics;
 - Design team and design integrity;
 - Community engagement;
 - Local employment, training and supply chain; and
 - Added value.
 - Commitment to paying the London Living Wage (pass/fail criterion).

- 8.2.11 Site visits were undertaken to two completed projects of the respective bidders, however the findings were not taken into account.
- 8.2.12 Quality responses were evaluated by the panel and scored based on the tender evaluation methodology set out in the ISFT. The moderation of quality scores was concluded at a moderation meeting on 12 October 2021.

Price Evaluation - 70%

- 8.2.13 Fixed price quotes for utility connections and diversions were not provided by bidders.
- 8.2.14 As recommended by the project Employer’s Agent, bidders were therefore instructed to include a provisional sum defined by the project’s Quantity Surveyor (QS) for this element within their tender proposal, but were required to submit fixed prices for all other elements of the tender.
- 8.2.15 The prices were scored using the published pricing evaluation methodology: whereby the lowest priced bid achieves the highest score of 70%, with the other price scored relatively to the highest scored price. Prices were also assessed against the pre-tender estimates prepared by the project QS.
- 8.2.16 A summary of the quality and price scores for each tender, and the respective total overall scores are set out in the table below:

	Quality (30%)	Price (70%)	Total (100%)
Bidder A	25.59	70.00	95.59
Bidder B	26.73	67.95	94.68

- 8.2.17 On the basis of the above scores, Bidder A has submitted the most economically advantageous tender (MEAT) for the revised design and specification. It is therefore recommended that Bidder A is awarded the contract for the main works at Kings Crescent Phases 3&4.

8.3 Recommendation:

- 8.3.1 A preferred bidder was selected using the award criteria and scoring methodology set out in the ISFT. Bidder A’s bid achieved the highest score overall in quality and price combined. Their responses to the tender demonstrated an excellent understanding of the project’s constraints and risks; a good approach to health and safety; minimising disruption; communicating well with stakeholders; and providing employment and skills opportunities. As such their bid was deemed the most economically advantageous tender (MEAT).

- 8.3.2 The requirement for a parent company guarantee is included in the contract to mitigate the risk of Bidder A failing to perform contractual obligations or becoming insolvent. This is a typical requirement for new build development projects.
- 8.3.3 A full analysis of the bids is included in exempt Appendix 1.
- 8.3.4 It is recommended that the contract for the main works at Kings Crescent is awarded to Bidder A, commencing on site in Summer 2022, with a projected completion date of Winter 2025. The award of contract will be subject to the successful completion of the Section 20 consultation period.

9. CONTRACT MANAGEMENT ARRANGEMENTS

9.1 Resources and Project Management (Roles and Responsibilities):

- 9.1.1 The necessary resources and skills to ensure that the project will be successfully managed have been identified and are either available within the Council or have been procured externally.
- 9.1.2 The project will be managed by a Project Manager in Regeneration who will be overseen by the Estate Regeneration Head of Service. The project delivery team is:
- Project Sponsor – Director, Regeneration
 - Project Head of Service – Head of Estate Regeneration Programme
 - Project Lead – Project Manager, Estate Regeneration Programme
 - Design Advice – Strategic Design Team
 - Employer’s Agent
 - Cost consultants/Quantity Surveyor.
- 9.1.3 During the pre-construction and construction periods, the Kings Crescent Phases 3&4 project will be managed on a day-to-day basis by the Project Manager in the Council’s Estate Regeneration team. The building contract will be administered by the Council’s Employer’s Agent. The Employer’s Agent and Quantity Surveyor team will carry out monthly valuations of works completed on site and certify the value of these works. During the Pre-Construction Phase, the Employer’s Agent will attend contract Design Team Meetings, which will be programmed by the contractor, but are likely to take place at least monthly (or as required) in order to meet the contract programme.
- 9.1.4 The contractor’s project manager and construction contract manager will report monthly to the Council’s Project Manager, with updates provided regularly to the Council’s Director, Regeneration as project sponsor. The Employer’s Agent will also act as Clerk of Works to ensure that a comprehensive monitoring service is provided to the Council, to make sure that the quality of workmanship and finishes of the homes and public realm are delivered as intended.

9.1.5 It is anticipated that the start on site will occur in Summer 2022, as summarised in the table below. This timeline is subject to the discharge of pre-commencement planning conditions and the successful completion of the Section 20 Stage 2 consultation.

Key milestones and dates	
Report to CPIC seeking approval to Award Contract for main works	6 December 2021
Standstill letter issued	10 January 2022
Standstill period	10 - 20 January 2022
Section 20 notices issued	10 January 2022
Section 20 consultation period ends	11 February 2022
Proposed contract signing	7 March 2022
Proposed start on site (new build construction)	Summer 2022
Practical Completion	Summer 2025

9.2 Key Performance Indicators

9.2.1 The key performance indicators (KPIs) that have been included in the tender documentation and on which the contractor will be assessed, are as set out in the table below:

KPI subject	Measurement	Monitoring method & info responsibility	Metric
Programme	Total days ahead or delayed	Contractor to update the programme on a monthly basis and provide reasons for delays. EA to assess the Contractor report and	Nr. of days

		provide own final monthly review.	
	Accuracy, timelessness, and quality of Contractor's programme/ delay reporting	EA to assess monthly	Qualitative assessment
Cost	Divergence between original cumulative forecast and last valuation.	Contractor to make applications. EA to report monthly.	£ difference on total gross value
	Divergence between application and agreed valuation (or Pay Less Notice amount)	EA to value and report monthly	£ difference on total gross value
	Divergence between last monthly forecast and last valuation	Contractor to make applications. EA to report monthly.	£ difference on total gross value
Change Control	Contractor proposed changes – Quality and timeliness design, time and cost information	EA to assess monthly	Qualitative assessment
	Employer proposed changes – Responsiveness of design and cost information (including detail and breakdowns)	EA to assess monthly	Qualitative assessment
Quality of Construction	Assessment of site inspector report – seriousness of quality concerns identified.	EA to assess monthly	Qualitative assessment
	Assessment of Contractor response to remediating site inspector concerns	EA to assess monthly	Qualitative assessment
	Defects – number remedied within timeframes	Contractor and LBH to provide information to EA for monitoring and report monthly from practical completion	Nr of defects
Design	Timeliness of general design information release to allow sufficient time for Employer review	Contractor to report days early or delay from information release schedule targets. EA to check and report	Qualitative assessment
Health and Safety	Qualitative assessment of Contractor H&S approach including site assessment by	Contractor to provide own H&S assessments and information.	Qualitative assessment

	PD and response to H&S concerns including accidents and near misses	EA and PD to assess	
Waste Management	Percentage of waste diverted from landfill	EA to assess monthly	% diverted
	Initiatives undertaken to minimise waste arising from deliveries to site	EA to assess monthly	Qualitative assessment
Employment and Training	Percentage of local labour (aiming for 30%)	Contractor to provide monthly labour return	Target met/ exceeded
	Number of apprentices	Contractor to provide monthly labour return	Target met/ exceeded by what percentage
	Confirmation of London Living Wage	Contractor to report monthly on checks and confirm London Living Wage compliance	Yes/ No
	Quality of engagement and communication with Hackney works	Contractor and Hackney Works (through LBH Project Officer) to report. EA to assess	Qualitative assessment
Neighbour Satisfaction	Number of complaints, and quality of response	Contractor to provide information. EA to assess monthly	Qualitative assessment
	Initiatives undertaken by the Contractor to ensure engagement and communication with neighbours.	Contractor to provide information. EA to assess monthly	Qualitative assessments
Supply Chain Management	Fair payment of subcontractors	Days behind or ahead of payment schedule and total value of arrears	Qualitative assessments
	Fair payment of subcontractors	Percentage of contractors paid on or before time provided each month	Qualitative assessment

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

10.1 Kings Crescent Phases 3&4 is the second part of the London Borough of Hackney's regeneration of the southern section of the estate. There was an

earlier redevelopment to the western end of the estate by Circle, in the 1990s. The first phase of estate regeneration, Phases 1&2, delivered 273 new homes and refurbished 101 existing homes. The contract award for that phase of development was the first of the new phase of Hackney Regeneration and followed the 'Hackney Model' contract structure. This transferred the sales risk to the developer, and included an overage agreement. As a result of rising sales values, the scheme benefited from a sales uplift, shared 50/50 with the developer under the terms of the overage agreement. These additional funds, combined with a contingency underspend, have been transferred to Kings Crescent Phases 3&4 to fund additional social housing.

- 10.2 Kings Crescent Phases 3&4 will deliver 28 homes for social rent, 75 homes for shared ownership and 116 homes for private sale, along with a community facility, commercial and workspace unit, the external refurbishment of 174 homes, and associated public realm and landscaping works. The original planning permission for Phases 3&4 did not include homes for social rent, however the transfer of a 'surplus' from Phases 1&2, combined with affordable housing grant from the GLA, and the use of offsite affordable housing planning contributions (Section 106 funds) has enabled the provision of additional homes for social rent.
- 10.3 The original appraisal structure assumed the use of the 'Hackney Model' including a development agreement with a development partner, similar to Phases 1&2. However, since Phases 1&2 the Council has developed its own in-house sales team, and the housing and construction market has changed, such that the development partners were taking less risk on future increases in house prices, and therefore it was beneficial for the Council to take on the sales risk in consideration for the allowance for 'developers profits', typically 25%. Consequently the appraisal included an allowance for sales contingency.
- 10.4 As the scheme design and cost plan was developed, the viability of the scheme was challenging, mainly due to the refurbishment of the existing housing, and the commercial and community spaces being developed in the scheme. In addition, there were some design features that increased scheme costs above the appraisal assumptions. To mitigate these additional costs, the sales contingency was reviewed in line with increases in sales values and the realisation of the sales values achieved in Phases 1&2.
- 10.5 The pre-tender estimate included an estimated tender price as set out in exempt Appendix 1. The scheme has other development costs and sales receipts from outright sale and shared ownership disposals. The scheme also received other funding, as set out in paragraph 10.2. Including future rental income, the scheme is estimated to deliver a positive Net Present Value (NPV). The original tenders, returned in February 2021, were above the pre-tender estimate and work was done to reduce cost through value engineering, but also to accommodate the changing fire safety strategy within the design and include Building Information Modeling. Whilst it was recognised the pre-tender estimate

had not been achieved from the value engineering, the scheme could be delivered within the project budget, including contingencies.

- 10.6 The scheme was resubmitted to the contractors for Best and Final Offers which were returned in August. During this time, Brexit and Covid had impacted on the construction market and the Council was aware of tender price increases of 10-20% being received by both other Councils and other Council departments.
- 10.7 As a result of the current market conditions, the preferred bidder's final tender return price represented an increase of around 12% as compared with the pre-tender estimate. This increase in tender cost would reduce the NPV of the scheme, but still make it viable. Typically this level of increase would not be acceptable and viable within the Programme. However, with the difficulties in the current construction market it is felt there would not be any advantages in re-tendering the scheme, and could potentially result in further cost increases. There is potential for sales value increases, and so additional income could be generated and the sales contingency assumed for the scheme appraisal would not be required.
- 10.8 Excluding the sales contingency and allowing for the additional tender and scheme costs, the final cost appraisal with the tender values shows a reduced but positive NPV. As this scheme continues to be viable, the position of the current construction market, and the potential for sales increases during the construction period, the award of contract is supported by Finance.

11. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE SERVICES

- 11.1 On 8 July 2019 Cabinet Procurement Committee agreed a Business Case in respect of a tender process for the selection of a contractor to undertake the works at the Kings Crescent Phases 3&4 development. Therefore in accordance with Contract Standing Order 2.7.10 the decision to award the contract will be with the Cabinet Procurement and Insourcing Committee.
- 11.2 The award of the contract for the main works package for Kings Crescent Phases 3&4 to Bidder A is made subject to the completion of the section 20 leaseholder consultation for Major Works. Under section 20 of the Landlord and Tenant Act 1985 (amended by section 151 of the Commonhold and Leasehold Reform Act 2002) the Council is required to consult with leaseholders regarding the details of any qualifying agreement which it intends to enter into under which leaseholders would be required to contribute financially.
- 11.3 The Council used the Competitive Procedure with Negotiation under Regulation 29 of the Public Contracts Regulations 2015 to make the recommendation to award the contract for the works, and details of the procurement process undertaken are set out in this Report.

12. COMMENTS OF THE PROCUREMENT CATEGORY LEAD

- 12.1 This procurement was completed under the Competitive Procedure with Negotiation, and it has been supported by internal and external legal teams.
- 12.2 The final tenders from bidders offered good value to the Council and both bidders have offered social value as part of their bid submission and demonstrated their understanding of the importance of resident engagement.
- 12.3 A standstill period will be run in accordance with the Regulations.
- 12.4 The form of contract will be the JCT Design and Build Contract Regulations 2016 with Hackney amendments.

APPENDICES

Appendix 1 (Exempt) - Tender Report - Kings Crescent 3&4

EXEMPT

By Virtue of Paragraph(s) Part 1 of schedule 12A of the Local Government Act 1972 this report and/or appendix is exempt because it contains and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Information relating to the financial or business affairs of any particular person (including the authority holding 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 (or None)

None

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LONDON BOROUGH OF HACKNEY COUNCIL

CABINET PROCUREMENT AND INSOURCING COMMITTEE DECISION NOTICE - 6 DECEMBER 2021

This document outlines the decisions taken at the above Cabinet Procurement and Insourcing Committee meeting.

Unless otherwise indicated, executive decisions listed in this document will come into force and may then be implemented 5 working days after publication of this document unless the decision is called in. During that period the Director of Legal & Governance Services may call-in a decision for scrutiny if so required by no fewer than 5 Members of the Council (Part 4 of the Council's Constitution; Scrutiny Procedure Rules: Call-in Procedures).

Date of Publication:

7 December 2021

Last Date for Call-In:

14 December 2021

Contact:

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020 8356 5147

6. Unrestricted minutes of the previous meeting of Cabinet Procurement and Insourcing Committee held on 8 November 2021

RESOLVED:

That the unrestricted minutes of the Cabinet Procurement and Insourcing Committee meeting on 8 November 2021 were approved.

7. CE S042 Contract Award: Young People's Supported Accommodation Pathway

RESOLVED:

That the Cabinet Procurement and Insourcing committee:

- I. Agreed to award to Provider F for Lot 2 , Provider G for Lot 3 and Lot 5, and Provider B for Lot 5. The term of contract will be 5 years with an option to extend for a further 2 years (5 +1 +1 years). The estimated annual contract value is £1.18million, and £8.28 million over the life of the contract for 88 places for young people. The start date for the contract will be 1 April 2022.

- II. Agreed to extend the existing service contracts for a further period of 2 months to 31/03/2022 to allow for a smooth transition to the new contractual arrangements**

REASONS FOR DECISION

This report provides the Cabinet Procurement and Insourcing Committee (CPIC) with the outcome of the procurement of a new supported accommodation pathway for Looked after Children, Care Leavers, Vulnerable Young Parents and Single Homeless Young People in Hackney.

Following the approval of the contract award, officers will proceed with the Implementation of the new contract to commence operation by 1 April 2022.

The two current contracts for the provision of Children and Young People's Accommodation Based Services are coming to an end in January 2022. This gave us an opportunity to redesign the current accommodation pathway and undertake a competitive procurement process. The redesign has allowed us to align our spot purchase arrangements which currently fall outside of these two contracts. This is also an opportunity to increase the size of the contract to support the Council in meeting its sufficiency strategy and in managing the overspend in this area.

The new contract will have 3 providers, delivering 3 Lots and providing 88 spaces for young people. This includes 36 new places of affordable accommodation for young people who are working located in Hackney and neighbouring boroughs.

The provider will work with the Hackney Children's Services management team to ensure that the quality of the service being delivered remains high and that all young people are supported to develop independent living skills and realise their ambitions, whether that through education, employment or training.

There are no TUPE concerns with this contract award as the incumbent providers have been awarded the contract.

8. NH S26 Arboricultural Maintenance & Tree Planting/Post Planting Management Framework

RESOLVED:

- I. That Cabinet Procurement and Insourcing Committee approved the award of the Arboricultural Maintenance & Tree Planting/Post Planting Management Framework contract to 4 bidders (listed in Appendix 1), for a period of 4 years from 1st February 2022 to 31 January 2026.**
- II. The Cabinet Procurement Committee noted that whilst the report sought approval to contract out the arboricultural services that, as part of a phased insourcing programme, some areas of responsibilities and elements of arboricultural operations are likely to be insourced within 18 - 24 months and will only proceed if it is considered viable. Further information is contained Exempt Appendix 1 Insourcing Feasibility Study**

for Arboricultural Services 2021

REASONS FOR DECISION:

The Council has a statutory obligation under the Highways Act 1980 (s41) to maintain the public highway and that includes all arboricultural assets. Further as the owner and manager of trees on all Council land, the London Borough of Hackney has a legal duty of care under Occupiers Liability Act 1985 to protect people and property from foreseeable hazards caused by the tree's failure. This would not be possible without the support and assistance of specialist tree contractors or in-house service providers.

In 2015, the Council awarded the contract for the Arboricultural Maintenance Framework to 3 providers. The contract was extended for a three year period by a single tender action process to the end of February 2022 to facilitate the completion of this procurement process and to ensure business continuity.

The previous procurement model of delivering the Arboricultural Maintenance boroughwide was achieved through a framework contract in 2015 resulting in three different contractors being appointed at that time. This was an opportunity to engage small and medium sized contractors in the procurement process and encourage greater competitiveness in each area of work. This framework contract of several contract providers has worked extremely well and had the end result of greater flexibility, better value for money, improved quality standards and services delivery. Notwithstanding the benefits of this greater flexibility, the benefits of giving small, medium enterprises (SME's) the ability to tender for the works is seen as being equally important and for this reason the proposal to group all the works into one large contract or single provider has been resisted.

Early consultations with service providers, and discussions with other local authorities, the Head of Service (Streetscene) and Group Engineer (Highways) and Procurement agreed that the current method with 4 providers of a framework contract is a viable solution to deliver arboricultural services. Consideration is also being given to insourcing the responsive service although this is likely to be in 18 - 24 months from the commencement of the new contract if it is considered to be a suitable method to deliver part of the arboricultural services.

Hackney Council annually delivers a vast range of arboricultural services to its local community of people who live, work and spend their leisure time in the borough. Trees are an integral part of the urban environment. They improve local areas ecologically, sustain communities, socially, economically and physically most importantly they benefit human health. Trees absorb and filter pollution to improve air quality, improve urban biodiversity, create shade on hot days, act as mitigation measures for interception in flash flooding and attenuation of the rainfall. It is important, however, to choose the right species of tree; in the right places which will provide the best eco-services and ensure that we are providing diversity to ensure we have the resilience for pests and diseases and continued changing climate.

Hackney Council aspires to increase its tree canopy coverage of the Council owned public realm in the borough (public highways, parks, other green spaces and housing

estates) from its current level of 23% (GLA figures the London Urban Plan). This will bring Hackney in line with the Mayor of London's commitment on trees in London by 2050. The planting of 5,000 new street trees by 2022 increasing the street canopy from 20% to 30% will be the single largest investment in trees in the history of the borough. We expect this to be funded from a variety of sources internally and governmental grants but also looking at innovative ways of funding particularly crowdsourcing, developer contributions, sponsorship, and pursuing avenues of green carbon credits.

The arboricultural resource on public highways in parks is maintained at public expense and is an important part of the integrated transport network that supports the local economy and sustainable growth. It is a high priority of the Council to maintain and improve the arboricultural resource in order to enable safe and expeditious movement of its users throughout the Borough. This would not be possible without the support and assistance of specialist arboricultural related works contractors.

Many local authorities have a range of contracts from a single supplier in use or a framework with multiple suppliers. Frameworks with different methods of call off for works which are fixed priced Schedule of Rates to packages of works which are individually bid on a mini tender basis.

The contract will utilise the existing capital and revenue budgets during the life of the contract. The recommended framework contract with multiple suppliers will operate on a 'call off' basis with a fixed schedule of rates for operations with no guarantee of work volumes. This gives flexibility to ensure that programmes can be met from within existing and future budget allocations. The Specification and Schedule of Rates has been prepared in accordance with industry standards of works and operations. The contract schedule of rates that are priced by the contractor are used in delivering all tree related operations on the public highway, parks and open spaces and housing site as well as other service areas for the borough which this framework can be utilised for. The type of tree operation will determine which items are used from the schedule of rates. The contract rates can also be used by other departments within the Council for their infrastructure related projects.

The total value of the framework contract will ultimately be determined by the available capital and revenue budgets during the life of the contract. The estimated value of the framework contract is approximately £3.5m over the full term. The annual spend in recent years has been:

- 2015/16 - £625,000
- 2016/17 - £657,000
- 2017/18 - £677,000
- 2018/19 - £695,000
- 2019/20 - £698,500

There is the option for other service areas within the Council to use the Streetscene Arboricultural Maintenance & Tree Planting/Post Planting Management Framework where there is an urgent requirement for works to be undertaken or to benchmark prices that they have received for similar projects.

This procurement has been carried out in accordance with the process approved by the Hackney Procurement Board (HPB) in the Streetscene Arboricultural Framework Contract detailed Business case (approved 14th July 2020).

The Business Case approved the procurement strategy for the re-tender of an arboricultural framework contract with 4 service providers for a period of 4 years (2022-2026) to be advertised via Find a Tender, in compliance with UK legislation.

The decision to undertake a Restricted (two-stage) tender was selected as the preferred procurement route as it provided the pre-qualification of bidders so reducing the number of bidders invited to tender to those suitably qualified and to make the tender more attractive.

In line with the Public Contract Regulations (PCR) 2015 and Council's Contract Standing Orders (CSOs), the contract was advertised on Contracts Finder, London Tenders Portal, Hackney Council's webpage, and in Find a Tender to ensure that we achieved the procurement principles of transparency, fairness and competition by offering the opportunity to the largest number of bidders as possible. The tender submissions have each been evaluated based on 30% quality and 70% price.

9. FCR S033 Provision of Insurance Services for Leasehold Right to Buy Property (exclude provision of insurance broker service)

RESOLVED:

Cabinet Procurement and Insourcing Committee is recommended to:

- I. Noted the procurement process used for the procurement of leasehold buildings insurance.**
- II. Agreed the award of the leasehold buildings insurance contract to Insurer A for a period of 3 years (with provision to extend for 2 years) following a 30 day statutory consultation with leaseholders.**

REASONS FOR DECISION:

The Council has a legal requirement to procure and maintain a contract of insurance for both its own and leaseholders' interest in leasehold property acquired under the Right To Buy or similar legislation.

As part of our standard terms of lease the lessor (the Council) has a duty to arrange building insurance for the block, including the demised premises.

The current insurance contract was last tendered in 2020 and the appointed Insurer agreed to a 5 year (including a two year optional extension) contract, renewable annually. However, in August 2021 the Council was informed that the contracted insurer was withdrawing from the UK market and that terms would not be offered after 31 March 2022.

Having sufficient insurance cover is a risk management control for the Council without

which it would have to meet the cost of any claims and would effectively be in breach of its lease obligations as a landlord.

The full premium is recharged to leaseholders via the existing service charge process managed by Hackney Housing. Purchasing the insurance via a market exercise ensures that the Council can demonstrate that it is seeking to procure the policy on the best available terms.

Terms have been sought on cover no less comprehensive than those currently in place. Where it was felt appropriate, based on the claims experience and observations from stakeholders, improvements to the cover provided were requested.

10. NH R53 Selection Of A Build Contractor For The Construction Of Mixed Tenure Housing At Kings Crescent Phases 3&4

RESOLVED:

Cabinet Procurement and Insourcing Committee :

- I. Awarded the main works contract to Bidder A as the preferred contractor for Kings Crescent Phases 3&4, for the value as set out in Exempt Appendix 1, subject to the completion of the Section 20 leaseholder consultation process.**
- II. Subject to the completion of the process in paragraph 3.1, agreed to enter into a JCT Design and Build contract 2016 and other ancillary legal documentation relating thereto for the main works at Kings Crescent Phases 3&4 under terms as shall be agreed by the Director of Legal and Governance Services, and authorise the Director of Legal and Governance Services to prepare, agree, settle and sign the necessary legal documentation to effect the proposals contained in this report.**

REASONS FOR DECISION:

This report outlines the process for procuring a main contractor using a Competitive Procedure with Negotiation procurement route, and entering into a single stage design and build contract for Kings Crescent Phases 3&4. The Council wishes to continue the phased development of Kings 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 Kings Crescent site has been cleared since the last demolition in 2013. The development of the site represents an opportunity to complete the regeneration of Kings 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.

Kings Crescent Phases 3&4 comprises the following:

- 116 outright sale homes
- 75 shared ownership homes
- 28 social rent homes
- Refurbishment works to existing blocks (174 homes)
- 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 has incorporated a general repairs, maintenance and component renewal to the package of works in line with the provisions of the Housing Asset Management Strategy. This includes 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 ensures a joined-up approach to capital investment, reduces overall disruption to residents and should offer better value for money compared to undertaking works separately.

Bidders were 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 was prepared for the Council by its Quantity Surveyor, setting out the estimated costs of construction. Please refer to Exempt Appendix 1.

The estimated costs were based on RIBA Stage 3 (planning application stage) proposals. A pre-tender stage estimate was based on developed designs (Stage 3+) and issued in September 2019. The tendered construction costs are set out in the Tender Report: Exempt 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 GLA funding, as well as 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 £68m, this exposes the scheme, Programme and the HRA to an increased financial risk. In addition, the 75 shared ownership homes are currently valued at £43m, with forecast first tranche equity sales of £11m. 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 the Chief Executive's Directorate and Group Director of Finance and Corporate Resources.

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 been significantly beneficial to sales progress with recent schemes and therefore is a consideration. Furthermore, 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 being 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.

11. Any Other Unrestricted Business the Chair Considers To Be Urgent

There was no other urgent business to consider.

12. Dates Of Future Meetings

CPIC noted the dates of future meetings.

13. Exclusion Of The Public & Press

In order to discuss the information contained in exempt items 14, 15, 16 and 17 the Committee resolved:

That the press and public be excluded from the proceedings of Cabinet during consideration of Exempt Items 14-17 on the agenda on the grounds that it is likely, in view of the nature of the business to be transacted, that were members of the public to be present, there would be a disclosure of exempt business as defined in paragraph 3 of Part 1 of schedule 12A of the Local Government Act 1972, as amended.

The Committee resolved:

To note exempt items 14, 15, 16, and 17.

LONDON BOROUGH OF HACKNEY COUNCIL

CABINET PROCUREMENT AND INSOURCING COMMITTEE DECISION NOTICE - 6 DECEMBER 2021

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Date of Publication:

7 December 2021

Last Date for Call-In:

14 December 2021

Contact:

Jessica Feeney, Governance Services Officer

jessica.feeney@hackney.gov.uk

020 8356 5147

6. Unrestricted minutes of the previous meeting of Cabinet Procurement and Insourcing Committee held on 8 November 2021

RESOLVED:

That the unrestricted minutes of the Cabinet Procurement and Insourcing Committee meeting on 8 November 2021 were approved.

7. CE S042 Contract Award: Young People's Supported Accommodation Pathway

RESOLVED:

That the Cabinet Procurement and Insourcing committee:

- I. Agreed to award to Provider F for Lot 2 , Provider G for Lot 3 and Lot 5, and Provider B for Lot 5. The term of contract will be 5 years with an option to extend for a further 2 years (5 +1 +1 years). The estimated annual contract value is £1.18million, and £8.28 million over the life of the contract for 88 places for young people. The start date for the contract will be 1 April 2022.**

- II. Agreed to extend the existing service contracts for a further period of 2 months to 31/03/2022 to allow for a smooth transition to the new contractual arrangements**

REASONS FOR DECISION

This report provides the Cabinet Procurement and Insourcing Committee (CPIC) with the outcome of the procurement of a new supported accommodation pathway for Looked after Children, Care Leavers, Vulnerable Young Parents and Single Homeless Young People in Hackney.

Following the approval of the contract award, officers will proceed with the Implementation of the new contract to commence operation by 1 April 2022.

The two current contracts for the provision of Children and Young People's Accommodation Based Services are coming to an end in January 2022. This gave us an opportunity to redesign the current accommodation pathway and undertake a competitive procurement process. The redesign has allowed us to align our spot purchase arrangements which currently fall outside of these two contracts. This is also an opportunity to increase the size of the contract to support the Council in meeting its sufficiency strategy and in managing the overspend in this area.

The new contract will have 3 providers, delivering 3 Lots and providing 88 spaces for young people. This includes 36 new places of affordable accommodation for young people who are working located in Hackney and neighbouring boroughs.

The provider will work with the Hackney Children's Services management team to ensure that the quality of the service being delivered remains high and that all young people are supported to develop independent living skills and realise their ambitions, whether that through education, employment or training.

There are no TUPE concerns with this contract award as the incumbent providers have been awarded the contract.

8. NH S26 Arboricultural Maintenance & Tree Planting/Post Planting Management Framework

RESOLVED:

- I. That Cabinet Procurement and Insourcing Committee approved the award of the Arboricultural Maintenance & Tree Planting/Post Planting Management Framework contract to 4 bidders (listed in Appendix 1), for a period of 4 years from 1st February 2022 to 31 January 2026.**
- II. The Cabinet Procurement Committee noted that whilst the report sought approval to contract out the arboricultural services that, as part of a phased insourcing programme, some areas of responsibilities and elements of arboricultural operations are likely to be insourced within 18 - 24 months and will only proceed if it is considered viable. Further information is contained Exempt Appendix 1 Insourcing Feasibility Study**

for Arboricultural Services 2021

REASONS FOR DECISION:

The Council has a statutory obligation under the Highways Act 1980 (s41) to maintain the public highway and that includes all arboricultural assets. Further as the owner and manager of trees on all Council land, the London Borough of Hackney has a legal duty of care under Occupiers Liability Act 1985 to protect people and property from foreseeable hazards caused by the tree's failure. This would not be possible without the support and assistance of specialist tree contractors or in-house service providers.

In 2015, the Council awarded the contract for the Arboricultural Maintenance Framework to 3 providers. The contract was extended for a three year period by a single tender action process to the end of February 2022 to facilitate the completion of this procurement process and to ensure business continuity.

The previous procurement model of delivering the Arboricultural Maintenance boroughwide was achieved through a framework contract in 2015 resulting in three different contractors being appointed at that time. This was an opportunity to engage small and medium sized contractors in the procurement process and encourage greater competitiveness in each area of work. This framework contract of several contract providers has worked extremely well and had the end result of greater flexibility, better value for money, improved quality standards and services delivery. Notwithstanding the benefits of this greater flexibility, the benefits of giving small, medium enterprises (SME's) the ability to tender for the works is seen as being equally important and for this reason the proposal to group all the works into one large contract or single provider has been resisted.

Early consultations with service providers, and discussions with other local authorities, the Head of Service (Streetscene) and Group Engineer (Highways) and Procurement agreed that the current method with 4 providers of a framework contract is a viable solution to deliver arboricultural services. Consideration is also being given to insourcing the responsive service although this is likely to be in 18 - 24 months from the commencement of the new contract if it is considered to be a suitable method to deliver part of the arboricultural services.

Hackney Council annually delivers a vast range of arboricultural services to its local community of people who live, work and spend their leisure time in the borough. Trees are an integral part of the urban environment. They improve local areas ecologically, sustain communities, socially, economically and physically most importantly they benefit human health. Trees absorb and filter pollution to improve air quality, improve urban biodiversity, create shade on hot days, act as mitigation measures for interception in flash flooding and attenuation of the rainfall. It is important, however, to choose the right species of tree; in the right places which will provide the best eco-services and ensure that we are providing diversity to ensure we have the resilience for pests and diseases and continued changing climate.

Hackney Council aspires to increase its tree canopy coverage of the Council owned public realm in the borough (public highways, parks, other green spaces and housing

estates) from its current level of 23% (GLA figures the London Urban Plan). This will bring Hackney in line with the Mayor of London's commitment on trees in London by 2050. The planting of 5,000 new street trees by 2022 increasing the street canopy from 20% to 30% will be the single largest investment in trees in the history of the borough. We expect this to be funded from a variety of sources internally and governmental grants but also looking at innovative ways of funding particularly crowdsourcing, developer contributions, sponsorship, and pursuing avenues of green carbon credits.

The arboricultural resource on public highways in parks is maintained at public expense and is an important part of the integrated transport network that supports the local economy and sustainable growth. It is a high priority of the Council to maintain and improve the arboricultural resource in order to enable safe and expeditious movement of its users throughout the Borough. This would not be possible without the support and assistance of specialist arboricultural related works contractors.

Many local authorities have a range of contracts from a single supplier in use or a framework with multiple suppliers. Frameworks with different methods of call off for works which are fixed priced Schedule of Rates to packages of works which are individually bid on a mini tender basis.

The contract will utilise the existing capital and revenue budgets during the life of the contract. The recommended framework contract with multiple suppliers will operate on a 'call off' basis with a fixed schedule of rates for operations with no guarantee of work volumes. This gives flexibility to ensure that programmes can be met from within existing and future budget allocations. The Specification and Schedule of Rates has been prepared in accordance with industry standards of works and operations. The contract schedule of rates that are priced by the contractor are used in delivering all tree related operations on the public highway, parks and open spaces and housing site as well as other service areas for the borough which this framework can be utilised for. The type of tree operation will determine which items are used from the schedule of rates. The contract rates can also be used by other departments within the Council for their infrastructure related projects.

The total value of the framework contract will ultimately be determined by the available capital and revenue budgets during the life of the contract. The estimated value of the framework contract is approximately £3.5m over the full term. The annual spend in recent years has been:

- 2015/16 - £625,000
- 2016/17 - £657,000
- 2017/18 - £677,000
- 2018/19 - £695,000
- 2019/20 - £698,500

There is the option for other service areas within the Council to use the Streetscene Arboricultural Maintenance & Tree Planting/Post Planting Management Framework where there is an urgent requirement for works to be undertaken or to benchmark prices that they have received for similar projects.

This procurement has been carried out in accordance with the process approved by the Hackney Procurement Board (HPB) in the Streetscene Arboricultural Framework Contract detailed Business case (approved 14th July 2020).

The Business Case approved the procurement strategy for the re-tender of an arboricultural framework contract with 4 service providers for a period of 4 years (2022-2026) to be advertised via Find a Tender, in compliance with UK legislation.

The decision to undertake a Restricted (two-stage) tender was selected as the preferred procurement route as it provided the pre-qualification of bidders so reducing the number of bidders invited to tender to those suitably qualified and to make the tender more attractive.

In line with the Public Contract Regulations (PCR) 2015 and Council's Contract Standing Orders (CSOs), the contract was advertised on Contracts Finder, London Tenders Portal, Hackney Council's webpage, and in Find a Tender to ensure that we achieved the procurement principles of transparency, fairness and competition by offering the opportunity to the largest number of bidders as possible. The tender submissions have each been evaluated based on 30% quality and 70% price.

9. FCR S033 Provision of Insurance Services for Leasehold Right to Buy Property (exclude provision of insurance broker service)

RESOLVED:

Cabinet Procurement and Insourcing Committee is recommended to:

- I. Noted the procurement process used for the procurement of leasehold buildings insurance.**
- II. Agreed the award of the leasehold buildings insurance contract to Insurer A for a period of 3 years (with provision to extend for 2 years) following a 30 day statutory consultation with leaseholders.**

REASONS FOR DECISION:

The Council has a legal requirement to procure and maintain a contract of insurance for both its own and leaseholders' interest in leasehold property acquired under the Right To Buy or similar legislation.

As part of our standard terms of lease the lessor (the Council) has a duty to arrange building insurance for the block, including the demised premises.

The current insurance contract was last tendered in 2020 and the appointed Insurer agreed to a 5 year (including a two year optional extension) contract, renewable annually. However, in August 2021 the Council was informed that the contracted insurer was withdrawing from the UK market and that terms would not be offered after 31 March 2022.

Having sufficient insurance cover is a risk management control for the Council without

which it would have to meet the cost of any claims and would effectively be in breach of its lease obligations as a landlord.

The full premium is recharged to leaseholders via the existing service charge process managed by Hackney Housing. Purchasing the insurance via a market exercise ensures that the Council can demonstrate that it is seeking to procure the policy on the best available terms.

Terms have been sought on cover no less comprehensive than those currently in place. Where it was felt appropriate, based on the claims experience and observations from stakeholders, improvements to the cover provided were requested.

10. NH R53 Selection Of A Build Contractor For The Construction Of Mixed Tenure Housing At Kings Crescent Phases 3&4

RESOLVED:

Cabinet Procurement and Insourcing Committee :

- I. Awarded the main works contract to Bidder A as the preferred contractor for Kings Crescent Phases 3&4, for the value as set out in Exempt Appendix 1, subject to the completion of the Section 20 leaseholder consultation process.**
- II. Subject to the completion of the process in paragraph 3.1, agreed to enter into a JCT Design and Build contract 2016 and other ancillary legal documentation relating thereto for the main works at Kings Crescent Phases 3&4 under terms as shall be agreed by the Director of Legal and Governance Services, and authorise the Director of Legal and Governance Services to prepare, agree, settle and sign the necessary legal documentation to effect the proposals contained in this report.**

REASONS FOR DECISION:

This report outlines the process for procuring a main contractor using a Competitive Procedure with Negotiation procurement route, and entering into a single stage design and build contract for Kings Crescent Phases 3&4. The Council wishes to continue the phased development of Kings 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 Kings Crescent site has been cleared since the last demolition in 2013. The development of the site represents an opportunity to complete the regeneration of Kings 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.

Kings Crescent Phases 3&4 comprises the following:

- 116 outright sale homes
- 75 shared ownership homes
- 28 social rent homes
- Refurbishment works to existing blocks (174 homes)
- 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 has incorporated a general repairs, maintenance and component renewal to the package of works in line with the provisions of the Housing Asset Management Strategy. This includes 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 ensures a joined-up approach to capital investment, reduces overall disruption to residents and should offer better value for money compared to undertaking works separately.

Bidders were 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 was prepared for the Council by its Quantity Surveyor, setting out the estimated costs of construction. Please refer to Exempt Appendix 1.

The estimated costs were based on RIBA Stage 3 (planning application stage) proposals. A pre-tender stage estimate was based on developed designs (Stage 3+) and issued in September 2019. The tendered construction costs are set out in the Tender Report: Exempt 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 GLA funding, as well as 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 £68m, this exposes the scheme, Programme and the HRA to an increased financial risk. In addition, the 75 shared ownership homes are currently valued at £43m, with forecast first tranche equity sales of £11m. 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 the Chief Executive's Directorate and Group Director of Finance and Corporate Resources.

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 been significantly beneficial to sales progress with recent schemes and therefore is a consideration. Furthermore, 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 being 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.

11. Any Other Unrestricted Business the Chair Considers To Be Urgent

There was no other urgent business to consider.

12. Dates Of Future Meetings

CPIC noted the dates of future meetings.

13. Exclusion Of The Public & Press

In order to discuss the information contained in exempt items 14, 15, 16 and 17 the Committee resolved:

That the press and public be excluded from the proceedings of Cabinet during consideration of Exempt Items 14-17 on the agenda on the grounds that it is likely, in view of the nature of the business to be transacted, that were members of the public to be present, there would be a disclosure of exempt business as defined in paragraph 3 of Part 1 of schedule 12A of the Local Government Act 1972, as amended.

The Committee resolved:

To note exempt items 14, 15, 16, and 17.