



London Borough of Hackney – Decisions taken by the Cabinet Procurement and Insourcing Committee on Monday 8 January 2024

This document outlines the decisions taken by Cabinet Procurement and Insourcing Committee on Monday, 8 January 2024.

Decisions listed below that are Key Decisions will come into force and may then be implemented on the expiry of 5 clear working days, unless called-in by at least 5 non-executive members in writing and submitted to the Monitoring Officer using the attached form;

[Executive Decision Call-in Request](#)

Date of Publication: 8 January 2024

Last Date for Call-In: 15 January 2024

Contact: Rabiya Khatun, Governance Officer, governance@hackney.gov.uk.

Agenda Item No	Topic	Decision
----------------	-------	----------

Items considered in public

7	CE S211 Commissioning Framework - Homes for Looked After children and Care Leavers via London Borough of Newham Dynamic Purchasing System - Business Contract	<p>RESOLVED to:</p> <ol style="list-style-type: none">1. Agree to join the established Dynamic Purchasing System (DPS) managed by London Borough of Newham for the provision of Independent Fostering Agencies.2. Agree to redirect the funding allocated to the London Care Services (LCS) Subscription into funding the management fee of the DPS by Newham (currently £6,300 p.a.) <p>Reasons For Decision</p> <p>5.1 The London Borough of Hackney is seeking agreement to join the London Borough of Newham DPS for the provision of Independent Fostering Agencies and Children's Homes. The DPS was approved by Newham's Cabinet in November 2022 and has been live since the 30th</p>
---	---	--

London Borough of Hackney – Decisions taken by the Cabinet Procurement and Insourcing Committee on Monday 8 January 2024

Agenda Item No	Topic	Decision
		<p>of November 2022. The DPS was established by Newham to ensure all care arrangements are procured through a quality assured and procurement compliant process.</p> <p>5.2 This DPS does not commit the council to any given level of expenditure and there is no guaranteed level of spend with any of the suppliers admitted to the DPS.</p> <p>5.3 Note: Applications to join the DPS will be administered by LB Newham. Call-offs from the DPS for individual fostering placements will be approved by relevant officers in line with the scheme of delegation.</p> <p>5.4 London Boroughs of Waltham Forest, Barking and Dagenham, Redbridge, Havering, Tower Hamlets, Greenwich and Milton Keynes City Council have also indicated their intention to join this DPS as they were all previously subscribing members of London Care Placements.</p> <p>5.5 None of the above Local Authorities (other than Newham) have an existing framework or dynamic purchasing system in place for these contracts and like Hackney rely solely on spot purchasing for all these arrangements.</p> <p>Alternative Options (Considered and Rejected)</p> <p>5.50 Do nothing: Suppliers could continue to be spot purchased without a DPS, but there would be a lack of purchasing control and the element of competition to drive cost efficiencies would not influence the price of provision. Spot purchasing does not go far enough in securing better value for money and is time inefficient.</p> <p>5.51 Operate a standard framework without the use of DPS: This would be a ‘static’ framework, which would not allow new suppliers to enter the framework throughout its lifetime and would therefore reduce the flexibility available in the current and proposed systems.</p>

London Borough of Hackney – Decisions taken by the Cabinet Procurement and Insourcing Committee on Monday 8 January 2024

Agenda Item No	Topic	Decision
		<p>5.52 Hackney commissions a new framework as a single authority: As referenced in section 5.8, IFAs are reluctant to join individual authority frameworks so there is a high chance of market failure. In addition, this would not support market shaping as a single authority would have limited influence over the market. Hackney would also have to allocate resources and funding to commission this project which would have to be funded from existing, already stretched budgets. Hackney doesn't currently have the resources necessary to manage a DPS so more than likely would require additional staffing resources to manage this. The length of time needed to complete a procurement exercise does not meet our needs in terms of urgency and getting some control over rising prices since the ending of LCS.</p> <p>5.53 Join another DPS (eg. Commissioning Alliance): London Borough of Hackney has considered joining a framework or consortium with other local authorities for a framework or DPS. There is an established Dynamic Purchasing Vehicle (DPV) through the Commissioning Alliance, the cost to join this DPV is £936k over the lifetime of the DPV and it introduces a new IT system solution. The fee includes some contract monitoring but at a strategic level which is not responsive to emergency or individual level needs so the London Borough of Hackney is not assured that it will meet our needs. The unit costs for the Commissioning Alliance DPV are not submitted upfront so it would be more challenging when planning spend. Furthermore the DPS is not Real Living wage compliant.</p> <p>5.54 Procure jointly with East or North London Authorities: Establishing a joint DPS with our neighbouring authorities can be challenging to organise as it means multiple authorities investing in the same ICT solution or joining a new IT system as well as funding and recruiting a central resource to support the commissioning project. All of which are likely to cost more than the proposed access fee for the Newham DPS.</p> <p>5.55 See Section 5.31 Insourcing/Outsourcing considerations within the report..</p>
8	F S267 Provision of Leasehold (Buildings) Insurance	<p>RESOLVED: To agree the award of the leasehold buildings insurance contract to Insurer A for a</p>

London Borough of Hackney – Decisions taken by the Cabinet Procurement and Insourcing Committee on Monday 8 January 2024

Agenda Item No	Topic	Decision
		<p>period of 3 years (with provision to extend for 2 years) following a 30 day statutory consultation with leaseholders.</p> <p>Reasons For Decision</p> <p>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.</p> <p>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.</p> <p>Following a Tender exercise, an annually renewable Insurance Contract was incepted with Avid from 1st April 2022 which formed part of a three year Long Term Agreement with the option to extend for a further two years.</p> <p>However, the successful insurance agent, Avid, provided notice, in early 2023, that from the date of renewal they would no longer be able to fulfil the contract due to the termination of the contractual agreement with Accelerant, who provided Avid's underwriting capacity.</p> <p>Consequently the policy contract with Avid ended on 31st March 2023 and the Council sought an alternative insurer, on an emergency one-year basis, to meet its legal obligation.</p> <p>The one year policy was placed with Protector and is due to expire on 31st March 2024.</p> <p>5.3 Having sufficient insurance cover is a risk transfer mechanism 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.</p>

London Borough of Hackney – Decisions taken by the Cabinet Procurement and Insourcing Committee on Monday 8 January 2024

Agenda Item No	Topic	Decision
		<p>5.4 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.</p> <p>5.5 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.</p> <p>Alternative Options (Considered and Rejected)</p> <p>5.7 There are currently no feasible alternative options available to the Council.</p> <p>5.8 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 2024 and to ensure qualifying leaseholders retained, unbroken, the financial security provided by an appropriate policy.</p> <p>5.9 Self-Insurance 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.</p> <p>5.10 Alternative Insurance Models The Council’s Insurance Services team and broker, Marsh, continue to review alternative models in the context of the hardening market.</p>