



Re-tender of Adults Learning Disabilities Supported Living Scheme at Homer and Wick Roads.

CONTRACT AWARD REPORT

Key Decision No. CACH Q21

CPC MEETING DATE 7 OCTOBER 2019	CLASSIFICATION: Open report with an open and an exempt appendix By Virtue of Paragraph(s) 3, Part 1 of schedule 12A of the Local Government Act 1972 appendix A is exempt because it contains Information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
WARD(S) AFFECTED All	
CABINET MEMBER Councillor Feryal Clark Health, Social Care, Transport and Parks	
KEY DECISION Yes REASON	

Affects all wards

CORPORATE DIRECTOR

Anne Canning, Group Director Children, Adults and Community Health

1 CABINET MEMBER'S INTRODUCTION

1.1 This report proposes the award of contract to a single organisation for the continued provision of Adults Learning Disabilities Supported Living Schemes at Homer and Wick Roads. The schemes will provide services for a group of vulnerable residents with complex needs in the London Borough of Hackney, helping them to maintain independent living arrangements, and avoiding the use of residential placements outside of the borough.

1.2 The service will provide the appropriate level of social support and care to improve the quality of life for residents and assist them to maintain their own tenancies at the scheme. Furthermore people will also be able to develop their independent living skills; work towards fulfilling personal goals; and make connections within their communities, preventing isolation and social exclusion.

1.3 Supported Living services such as these support local and national strategies to shift investment from acute and continuing care services towards community based services. Although no specific savings are attached to this contract, it is anticipated that it will deliver long-term cost avoidance, by avoiding expenditure on residential care and providing preventative outcomes around health and wellbeing.

2 GROUP DIRECTOR'S INTRODUCTION

2.1 This report seeks approval to award a contract for supported living and personal support services for adults with learning disabilities at Homer and Wick Roads in the London Borough of Hackney. The intention is for the new contract to commence in January 2020. It is anticipated that a three month mobilisation period will be required. The contract length will be five years with the option to extend for a further two years.

2.2 The new total contract value will be £7.63m, with an annual contract value of £1.09m.

3 RECOMMENDATION(S)

3.1 Cabinet Procurement Committee is recommended to award a contract for the Adults Learning Disabilities Supported Living Service at Homer and Wick Roads to Provider D. The provision will cost a total amount of £5.45m for a period of five (5) years with an option to extend for a further 2 years at a total cost of £7.63m (5 + 1 + 1 years).

4 RELATED DECISIONS

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

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

5 REASONS FOR DECISION

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

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

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

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

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

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

6 PROJECT PROGRESS

6.1 **Developments since the Business Case approval:** Due to business case approval being slightly later than anticipated, the timeline for procurement was amended to ensure feasible, and safe delivery of the procurement. Approval for a further Single Tender Action to extend current provision until 31 December 2019 has also been sought, to enable smooth implementation of mobilisation post contract award.

Whole Life Costing/Budgets

6.2 The current budget is £7.65m [annual £1.093m]. The new proposed contract price will be £5.45m [annual £1.090m] for a period of 5 years plus 1 + 1.

6.3 The single lead provider will be paid on a quarterly basis for the core and flex costs. The core costs will include management, service/development costs and core hours - shared night time support, personal care across the schemes. The flex cost is based on the hourly rate and forms part of the overall costs for the number of hours within the bidders priced proposal.

6.4 Flex costs will be determined individually as part of Social Care Review processes.

Service	5 Year Contract Value (Initial term)	7 Year Contract Value (Optional Extended Term)
Adults LD Supported Living Scheme at Homer and Wick Roads	£5,450,000	£2,180,000
Total Cost	£5,450,000	£7,630,000

Savings

6.5 No direct savings have been attributed to this contract. The price has been set for providers to deliver within funding available.

6.6 There is a risk that either London Living Wage is increased to a greater degree than anticipated or, with the current general financial uncertainties, inflation may increase sharply. This contract will allow for a review of the budget and service delivery subject to legislative or unanticipated changes in the economic environment.

7 SUSTAINABILITY ISSUES

7.1 Procuring Green

The Procurement Impact Assessment identified a small number of environmental impacts, listed here with proposed mitigations:

- Staff travelling to work and using transport when supporting users to access the community. As part of the specification bidders were asked to have in place

environmental impact reduction policies which would include supporting staff to choose more environmentally friendly travel - including the use of public transport. Commissioners will work with provider to work towards enhanced compliance with vehicle emissions standards that will address the aims set out in the Council's Sustainable Procurement Strategy.

- The use of assistive technologies has been promoted as part of this procurement, with the expectation of providers using all appropriate methods of support, which benefit service users. Through the service specification and evaluation criteria bidders were asked to demonstrate innovation and change, including the use of assistive technology. The successful bidder has included;
 - Use of iPlanit, a web-based account for clients where outcomes important to people are uploaded and monitored until achieved.
 - Equipping people's homes with Wi-Fi, computer and tablets for use in a variety of ways.
 - As a Co-ordinator with lead for Assistive Technology and Communication Support and a commitment for every person the provider will support individuals to have an AT assessment ensuring reviews as people's needs change.
 - Supporting people to use and customise communication apps like Voice4U or AAC Speech Buddy, including collaborating with family and health professionals to customise speech sets online as necessary.
 - Considered use of technology like Google Home and Alexa to help people organise their lives, control audio-visual media or (increasingly) manipulate their home environment.
 - Promoting increased health and fitness and the use of wearables (fit bits, sports watches) through projects like the 10,000 step challenge.

7.2 Procuring for a Better Society

The Procurement Impact Assessment highlighted the positive effect these contracts may have on the local economy. The market informed Commissioners that a longer contract provides higher levels of staff retention, meaning reduced turnover and the ability to retain motivated, well-trained and qualified staff.

Bidders were asked to demonstrate Social Value as part of the procurement criteria. Delivery of social value will be managed through contract management procedures. Some of the commitments made by the successful bidder include:

- Advertising locally to generate sustainable employment opportunities (paying LLW at minimum) for Hackney Residents.
- Supporting local community through purchasing goods and services from local suppliers.
- Promoting work experience opportunities with schools, colleges and initiatives i.e 'Hackney 100'.
- Providing Health and Social Care apprenticeships for local people.

7.3 Procuring Fair Delivery

A full Equalities Impact Assessment (EIA) as been completed for this service and was attached to the business case report. No negative issues were identified. Potential positive impacts around key characteristics (e.g. on protected characteristics) would be managed through the new contract to ensure policies and procedures are upheld and monitored across the service. This will include the provider's own recruitment and staff policies.

8. ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

8.1. The following options have been considered and rejected:

Option	Advantages	Disadvantages	Rec
i. Do nothing	The contract ends December 2018, with a six month option to extend, and Cabinet Procurement Committee has stated that no further contract extensions would be agreed. Therefore this is not an option.		
ii. Open procurement for a single provider	<ul style="list-style-type: none"> • Allows commissioners to specify a new and updated service to better meet the needs of service users • Helps stimulate and develop the market in line with the Council's duty under the Care Act. Section 5. This section of the Act sets out duties on local authorities to facilitate a diverse, sustainable high quality market for their whole local population. • Allows for new and innovative organisations to access the market. • Service users would be part of the assessment and choosing of contracts awarded. 	<ul style="list-style-type: none"> • Could be seen as disrupting the existing market 	✓
iii. Go out to the market for two separate schemes -	<ul style="list-style-type: none"> • Allows commissioners to specify a new and updated service to better meet the needs of service users 	<ul style="list-style-type: none"> • Could inflate contract price • Will require more resources for commissioners and 	

<p>Homer Road and Wick Road</p>	<ul style="list-style-type: none"> • Helps stimulate and develop the market in line with the Councils duty under the Care Act. Section 5 - sets out duties on local authorities to facilitate a diverse, sustainable high quality market for their whole local population. • Allows for new and innovative organisations to access the market. • Service users would be part of the assessment and choosing of contracts awarded. 	<p>quality assurance staff to monitor two contracts</p> <ul style="list-style-type: none"> • The Market has not expressed a preference for this option. 	
<p>iv. Re-procure the services separately with the top floor of Homer Road as one service, then re-procure the ground floor of Homer road and the whole of Wick road as one service</p>	<ul style="list-style-type: none"> • Allows flexibility for the top floor of Homer Road which is less accessible than the rest of the property. • This would support contracting in lots. 	<ul style="list-style-type: none"> • This option relied on there being a void however this accommodation has now been filled and therefore is no longer an option. 	
<p>v. Bring service in-house</p>	<p>A full cost benefit analysis was completed as part of the business case regarding the in sourcing of this service.</p> <p>The conclusion of the analysis was that the cost implications to the Council are considerably higher. The service would cost 55% more if brought in-house. In reality this poses a high risk due to current funding pressures, which could equate to funding cuts in service user hours and delivery</p>		

	<p>to this vulnerable group of service users.</p> <p>Although, there are benefits to the workforce being in-house, there are risks if the staff choose not to TUPE across as there is no ready workforce in the Council; and the time to build this for such a specialist service would take too long. Thus, leaving highly vulnerable users without the care and support they need.</p> <p><i>(See Business Case at 4.1 for the full analysis)</i></p>		
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9. TENDER EVALUATION

Evaluation

9.1 Supported living services for adults with a learning disability are classed as “Schedule 3 Services” under the Public Contracts Regulations 2015, and therefore come under the Light Touch Regime. The regime is a specific set of rules for certain service contracts, such as social care, that tend to be of lower interest to cross-border competition within the EU. The rules allow for some flexibility in the procurement approach that can be adopted.

9.2 A single-stage procurement process comprising of two parts was used for this tender. There were two separate sections contained in the same tender, a Selection Questionnaire (SQ) and Method Statements. Bidders were required to return responses to both sections and to pass all questions under the SQ in order to be considered for the tender.

9.3 12 submissions were received in total. However, following a full assessment of the SQ, only six had passed all of the related questions, including an experience-based question relating to the delivery of a supported living scheme to adults with profound and multiple learning disabilities (PMLD). The SQ allowed bidders to self-certify against technical ability, financial standing, and insurance criteria, in line with the Crown Commercial Service format.

9.4 The tender panel that evaluated all of the questions comprised core members from the Adults Commissioning team, plus an expert by experience. There was also a finance panel for scoring the pricing element.

Core Panel:

- Strategic Commissioning Manager - (Learning Disability)
- Quality Assurance Officer (Learning Disability)

Expert Panel:

- Senior Practitioner (Physiotherapist), Integrated Learning Disabilities Service

Finance Panel:

- Group Accountant (Adults Services)

9.5 There was an additional panel that scored a 15 minute presentation made by each bidder. The presentation panel was made up of:

- Advocate for Service Users
- Joint Strategic Commissioner, Learning Disabilities
- Senior Practitioner (Physiotherapist), Integrated Learning Disabilities Service
- Quality Assurance Officer, Learning Disabilities

9.6 All evaluation panels were supervised by a Procurement Officer and Procurement Manager.

9.7 During the clarification period set aside for questions, a large number of enquiries were received regarding TUPE. The TUPE liability for this contract is considerable, and other than basic information relating to a list of staff, grades and pay, enquiries for TUPE were redirected to the incumbent provider.

9.8 Due to the number of TUPE clarification questions and the delayed response that resulted from requests to the existing provider, made by organisations wishing to tender, it was agreed to extend the closing date from 4 June to 17 June 2018 (an extension of 9 working days).

9.9 The tender process consists of the following steps;

- Selection Questionnaire assessment
- Evaluation of responses to Method Statements
- Presentation
- Moderation of final scores by assessors
- Governance approval
- Bidder notification (successful and unsuccessful)
- Contract award

9.10 The following criteria were used to evaluate the tender.

Scoring Criteria	Score
QUALITY SCORE	
Method Statement	
1. Equality and Partnership Working	5%
2. Service User Involvement	10%
3. Service User Delivery	40%
4. Mobilisation and Transition	10%
5. Innovation and Change	5%
6. Personalisation	10%

7. Staffing	15%
8. Social Value	5%
	(100%)
(a) Method Statement (Weighted) Score	60%
(b) Bidder Presentation Score	10%
Quality Total Score (a) + (b)	70%
Price Total	30%
TOTAL QUALITY AND PRICE	100%

9.11 Responses to method statements were scored using the following scoring mechanism.

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

9.12 The price score was evaluated on the total five year cost based on a budget envelope.

10 RECOMMENDATION

10. 1 The tender panel **recommends that Provider D is awarded the contract** for the Supported Living Services at Homer and Wick Roads. Provider D has demonstrated that

it would be able to meet the full requirements of the specification and understands the needs of this service as evidenced through experience in delivering similar contracts elsewhere in London.

10.2 The proposed management structure is clear and should be able to support full delivery of the service as specified. Staff posts include a social inclusion team, volunteers, and an employment pool of experienced bank staff. The service will provide support to the core service hours as set out in the specification.

10.3 The provider offers a “Hackney-centric approach” which would ensure service user involvement through person centred planning. In addition, the panel was confident that the provider would be able to deliver outcomes-focused support, through the use of Best Interest Plans, which would be supported by the 12 qualified “Positive Behavioural Support” coaches available to the organisation.

10.4 The bid team presented a detailed and relevant “Mobilisation and Transition Plan” which set out a comprehensive risk assessment with mitigation, giving commissioners reassurance of being able to manage the TUPE obligations of the contract.

10.5 Furthermore, the panel felt that the bidder’s approach to personalisation demonstrated a clear understanding of the principles relating to the use of Individual Service Funds, which are a key component of the specification. The bidder’s approach ensures that finances, including Individual Service Funds, would be managed through clear and transparent accounting process.

10.6 The provider takes a values-based approach to recruitment, deploys proactive training and has a strong induction processes, including candidate observation. This has led to a lower staff turnover rate of 10%, which gave confidence in the continuity of support to people living in the two schemes. The evaluation panel also noted that Social Value would be enhanced by the approach to local job recruitment.

10.7 The final scores are outlined in the table below.

Tender Results			
	Quality (70%)	Price (30%)	Total (100%)
Provider A	49%	27.3%	76.3%
Provider B	45%	26.9%	71.9%
Provider C	50%	28%	78.0%
Provider D	60%	29.8%	89.8%
Provider E	39%	30%	69%
Provider F	56%	25.2%	81%

10.7 All bidders confirmed that they were committed to paying the London Living Wage.

11 CONTRACT MANAGEMENT ARRANGEMENTS

11.1 The contract will be managed by the Strategic Commissioner for Learning Disabilities, who sits within the Adult Services Commissioning Team.

11.2 Contract performance meetings will be held at least once per quarter, with more frequent meetings in the first few months while the new service is embedding. The Adult Services Commissioning Team has systems for performance monitoring, data collation and reporting as well as invoicing and this will all be set-up as standard for this contract. This will also involve ongoing service user feedback as well as feedback from stakeholders including social workers, care coordinators and health professionals.

12 Key Performance Indicators (KPIs):

12.1 The KPIs will be monitored quarterly, and submitted to the Council in line with other contractual arrangements.

12.2 A detailed table setting out specific Key Performance Indicators for this service was submitted to Cabinet Procurement Committee on 10 December 2018 as part of the business case and is attached at Appendix 1.

13 COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

13.1 This report seeks approval to award a contract for supported living services for adults with learning disabilities at Homer and Wick Road. The recommendation of the report is to the contract to Provider D, and the contract will be for a five year period with the option to extend for a further two years (5+1+1). The annual contract value is £1.09m and the value over the five year life of the contract is £5.45m. The value over the maximum seven year life of the contract is £7.63m, and this will be funded from learning disabilities placement budget and will not result in a budget pressure for the Council. The new contract will commence in January 2020, and it is anticipated that a three month mobilisation period will be required.

13.2 The schemes will provide services for vulnerable results with complex needs in the borough, helping them to maintain independent living arrangements whilst avoiding the use of residential placements outside the borough. This will need to be monitored through quality assurance reviews during the contract. Funding during the contract may be subject to negotiations with the provider if there are legislative or unanticipated changes in the economic environment.

14 COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE SERVICES

14.1 The procurement in this Report was assessed as Medium Risk. Notwithstanding this the Business Case was approved by Cabinet Procurement Committee on 10th December 2018 and therefore this Report is being submitted to Cabinet Procurement Committee for contract award under paragraph 2.7.11 of Contract Standing Orders as the proposed contract value is above £2m

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

14.3 Legal Services will, subject to approval, assist with the drafting and execution of the applicable services agreement with the successful provider in due course.

15 COMMENTS OF THE PROCUREMENT CATEGORY LEAD

15.1 The services outlined in this report are critical to ensuring good outcomes for vulnerable adults in Hackney, and it is good to see such high quality being scored by the winning bidder. The price is also competitive and the team have done well to get good responses through their market engagement and advertising of this procurement opportunity.

15.2 The provider has made good commitments to exploring innovation and sustainability.

15.3 The 'flex' payments are set at a price of £17.13 to 17.36 over the five years; the service area have checked that this does include uplift for London Living Wage. The Council may be moving some elements of the flex service to other providers in response to customer choice. This will need to be carefully monitored by the contract manager to ensure that this customer choice is realised and also that we do not duplicate costs.

15.4 For future tenders, it may be useful to review the time given to bidders to respond to tenders so that this can be built in early and avoid the need for delay in tender award decisions.

APPENDICES

Appendix 1 - Key Performances Indicators

EXEMPT

Exempt Appendix 2: Shortlist, Longlist and Scoring Tables

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

CONFIDENTIAL

No

BACKGROUND PAPERS

None.

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