

LONDON BOROUGH OF HACKNEY
CABINET PROCUREMENT & INSOURCING
COMMITTEE

Monday 10 MAY 2021

RECORD OF DECISIONS TAKEN

This document outlines the decisions taken at the above Cabinet Procurement & 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

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:

11 MAY 2021

Last Date for Call-In:

18 MAY 2021

Contact: Clifford Hart, Senior Governance Services Officer

Clifford.hart@hackney.gov.uk

9. Integrated Children and Young People's Wellbeing Service (Extension to Existing Provision) Key Decision No. CACH R 54

RESOLVED

That approval be given to award (representing an extension) of the following contracts at a total cost of just under £14.6M until 31 August 2023;

Service	Current End date	Required Extension	Total Cost
Young People's	31/10/2021	22 months	£971,808

Clinical Health and Wellbeing			
Hackney and the City Health Visiting	30/06/2021	26 months	£13,495,550
Bump Buddies	31/03/2022	17 months	£35,500
0 -5 Healthy Eating and Obesity	31/03/2023	5 months	£82,500

RELATED DECISIONS

Hackney and City Health Visiting Service, Cabinet Procurement Committee Contract Award Report, 23 February 2016

REASONS FOR DECISION/OPTIONS APPRAISAL

An Integrated Children and Young People's Wellbeing service

In early 2020, Public Health began the work to consider the potential for an Integrated 0-25 Children and Young People's Wellbeing service. A project team was appointed and initial review work, including benchmarking and stakeholder engagement, was underway. This confirmed the potential for improvement through service integration. At present the aim is full integration, however, the final delivery model proposed may be more complex than this (e.g. multiple contract lots).

ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

1. Do nothing	Allowing the contracts to end without replacement services in place will negatively impact on the health and wellbeing of children and young people and potentially destabilize the existing provider organisations. Health Visiting and School Based Health are statutory Public Health services.
2. Procurement of individual interim contracts	The Integrated Children and Young People's Wellbeing service has the potential to deliver service enhancements and efficiency savings that would be lost if the services were to be procured separately.

	The need to prioritise the ongoing response to Covid 19 means that Public Health lacks the resources to take this work forward at present. In addition, the current lack of capacity within the market would limit the number of bids we would be likely to receive.
3. Insourcing	There is insufficient time to develop the capacity for a complete in house service. However, the contract extension period will be used to comprehensively consider which elements of the existing services could effectively be delivered as an internal service.
<u>Recommended</u> 4. Extend the existing contracts	Extending the existing contracts will allow exploration of insourcing and procurement options alongside the full potential for service integration that could be achieved. In addition, intelligence collected through the revised service model, particularly in the context of Covid 19, will inform the design of a service that is responsive to the needs of the community.

10. Housing Related Support Savings - Engage Hackney Floating Support Service - Key Decision No. CACH R 67

RESOLVED

That approval be given to the efficiencies in respect of Housing Related Support Savings - Engage Hackney Floating Support Service as detailed in the report.

RELATED DECISIONS

Re-tendering of Housing Related Support (To Include Floating And Accommodation Support) Contracts Key Decision No. Cach P9
<http://mginternet.hackney.gov.uk/mgAi.aspx?ID=32105>

OPTIONS APPRAISAL AND BUSINESS CASE (REASONS FOR DECISION)

Housing Related Support (HRS) provision, as a non-statutory service, was identified as a source for delivering possible savings. However it was also noted that as a preventative service, housing related support is an important component of the Council's homelessness reduction response. Through specialist, competitively priced provision, these services enable people with support needs to address those issues, facilitate social inclusion, sustain and/or move onto independence.

Hackney’s current pan-borough floating support service launched on 31st October 2019. It represents the integration of several floating specialist support services into a single service. The service, an important component of the Council’s homelessness reduction offer, is designed to reduce homelessness, promote peer support, befriending and volunteering, support people with mental health needs, learning disabilities, children and young people in transition to adult services, older people, and deliver interventions to people who hoard. The service is delivered through four levels and one pilot.

- Crisis Intervention
- Long-term low level support
- More intensive specific support up to 2 years
- A resettlement service to help people move from supported to independent accommodation on a time-limited basis
- Deliver an Assistive Technology (AT) pilot - specially allocated £100,000

ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

The following options were considered:

- Do nothing
- Reduce all HRS contracts by 10%
- Targeted reduction

Option	Advantage	Disadvantage	Recommendation
Do nothing	Provider will continue to receive same level of funding	Efficiencies will not be delivered	
Reduce all HRS contracts by 10%	Same proportion of efficiency delivered across the suite of HRS provision	Some services are funded towards the lower end of the market rate, additional reductions may make delivery untenable	
Targeted reduction	Opportunity to bring funding in line with current market rate,	Seeking efficiencies within the first two years of the contract	

	resulting in improved value for money.	may have a negative impact on service delivery but this has been negotiated with provider and a plan is in place	
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11. New contract for the provision of statutory testing, inspection, repair & maintenance services and update on progression of long term corporate maintenance strategy Key Decision No. NH R 68

Reasons for lateness stated in consideration of the report.

RESOLVED

i. That approval be given to issuing of the tender for provision of statutory testing, inspection, repair and maintenance services to the Crown Commercial Services framework (Hard FM (Facilities Management) Maintenance and Capital works - sub lot 1b); and

ii. That the Council's planning activity towards a new mixed economy of insourced and externally sourced services, starting with investments in internal staffing of a stabilised maintenance administrative team, and in supporting technical infrastructure, be noted.

RELATED DECISIONS

Report to Cabinet Procurement Committee 8th March 2021 to update on progress since June 2020 CPC Report (4.2 below) - For Information Update Report.

Report to Cabinet Procurement Committee 8th June 2020 Progression of long term Corporate Maintenance service strategy including the procurement of interim 18 month contract for provision of statutory, testing, inspection, repair and maintenance services in preparation for competition and potential insourcing of service elements - Award Report.

OPTIONS APPRAISAL AND BUSINESS CASE (REASONS FOR DECISION)

Key Issues and Reasons for Decision

The Purpose of this report is to set out the business case for procuring a contract for the provision of necessary statutory testing, inspection, repair and maintenance services.

The report seeks approval to formally issue the tender to the Crown Commercial Services (CCS) framework (Hard FM Maintenance and Capital works - sub lot 1b) with the intention to appoint a single contractor to provide the service.

Hard FM services are defined for the purposes of this report as activities associated with assets that cannot be removed from the premises and directly relate to the fabric of the building. Such services ensure the health, safety and welfare requirements of buildings are adhered to and many are required by law.

The Council has a statutory duty to keep its estate in a health and safety compliant state. The current contract is due to expire in December 2021 and the Council must have a new arrangement in place by this time in order to sustain an uninterrupted delivery of statutory testing and repairs.

Alongside seeking authority to issue the tender the report also provides an information update on activities associated with developing the longer term aim to move to a more insourced service delivery model in line with the Council's wider aspirations for self-delivery of services where practical and financially viable.

A report into the current capacity and options for developing a more insourced delivery model identified that the service does not currently have the ability to self deliver maintenance services. It did however highlight some key areas to focus on to develop the capability to move towards more insourcing as part of a longer term plan. This includes recommendations to first put in place a permanent and stabilised structure for the internal management team, invest in technical infrastructure for data management and develop a corporate landlord approach to allocating and managing maintenance budgets.

The findings of the report have informed the continued development of the long term plan and recruitment of the internal team and procurement of an asset management database have been identified as the first priorities in the next steps alongside procuring a new delivery partner.

The appraisal report also found that Housing Services are not yet in a position to support maintenance of the corporate estate, as they are focussed on their growth plans and insourcing opportunities, but consultation and dialogue has begun and will continue in order to explore opportunities in the future.

Alternative Options (Considered and Rejected)

Extend the existing 18 month contract with the incumbent contractor - Though justified for operational reasons, with costs benchmarked against industry standards, when put in place in June 2020, the current contract was always intended to be an interim solution to allow officers further time to appraise insourcing options and allow the FM provider market to further settle after the collapse of Carillion. Officers and members agreed that when CPC authorised the award of the interim contract that it should not be further extended beyond expiry in December 2021. To make another direct award would mean that the services would not have been competitively tendered since 2015 and would not automatically afford the Council the opportunity to update the contract specification and employer's requirements.

A direct award without competition to an alternative supplier - To make a direct award would mean that the services won't have been competitively tendered since 2015. It is assumed that a direct award could only be considered for another short term contract and this would not attract competitive interest from the market with no incentive to make long term investments in the contract by the contractor. The time spent mobilising and embedding a new contractor for a short term contract would also not be efficient.

Full two stage tender process - There is insufficient time available to go through a full two stage tender process and meet the deadline to have a new contractor in place by December 2021. Further, given the extensive market coverage offered by the CCS Framework, there is considered to be no material advantage in doing so. It is not acceptable for there to be a gap in service with regards to ensuring statutory compliance. The requirement to undertake an extensive appraisal of insourcing options ahead of commencing procurement activities combined with the demands on officer time during the course of daily operational activities (compounded by the impacts of the Covid19 pandemic) has resulted in this option being rejected.

Alternative frameworks - Four procurement frameworks were considered including the recommended CCS framework and it was concluded that none of the other frameworks offered as wide a range (in terms of numbers or suitability) as the CCS framework and in addition the continued financial assessment of this framework offers added value. The three discounted frameworks were NHS Shared Business Services, Fusion 21 and Crescent Consortium.

Insourcing - As referenced throughout this report, following June CPC officers commissioned a comprehensive review of the options available for consideration for insourcing. A summary of the key findings and recommendations of the report is included earlier in the Strategic Context Preferred Option section of the report. The report recognised that the

Council is not currently in a position to self-deliver these services, but that plans to strengthen the corporate landlord model, and to invest in the internal staffing and technical infrastructure would move the Council to a position of strength from which it could develop and refine its options in moving towards a more insourced model within the longer term strategic plan.

Exempt Item 15

The exempt appendix detailed in Item 15 in relation to Item 9 above were noted and agreed without discussion.

Duration of meeting - 17.00hrs -17:45 hrs.