

AGENDA ITEM 6

DRAFT UNRESTRICTED MINUTES OF CABINET PROCUREMENT AND INSOURCING COMMITTEE

MONDAY, 10 MAY 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
Councillor Christopher Kennedy, Cabinet Member for Health, Adult Social Care and Leisure
Councillor
Caroline Woodley, Cabinet Member for Families, Early Years, and Play
- Apologies** An apology for lateness was received from Councillor Woodley
- Officers in Attendance** Rotimi Ajilore – Head of Procurement
Andrew Spragg - Governance Services Team Leader
Clifford Hart – Senior Governance Services Officer
- Remote attendees**
- Helen Woodland - Group Director Adults, Health and Integration
Amy Wilkinson - Integrated Commissioning Workstream Director - Children, Young People, Maternity and Families, City and Hackney Integrated Care Partnership
Ms Zainab Jalil - Head of Commissioning - Adult Services
Beverley Gachette - Strategic Commissioner Mental Health & Prevention
Timothy Lee - Public Health Commissioning Manager
Nicola Donnelly - Principal Public Health Specialist • Public Health
Chris Pritchard - Director of Strategic Property Services
Nick Grimwade - Interim Maintenance Contracts Manager -Strategic Property Services
Dawn Cafferty – Category Lead Social Care
Judith Hughes – Category Lead – Corporate

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Candace Bloomfield - Category Lead -Category Lead (Construction and Environment)
Patrick Rodger - Senior Lawyer – Procurement - Legal & Governance
Anisah Hilali - Procurement Lawyer - Legal & Governance
Jade Mercieca -Strategic Procurement Manager (Interim) Central Procurement Team
Merle Ferguson - Procurement Strategy & Systems Lead

The meeting was live-streamed here:

<https://youtu.be/rFzspZi6rn4>

1. To note the appointment of the Chair the Cabinet Procurement & Insourcing Committee for the Municipal Year 2021/22

1.1 The Senior Governance Services Officer - Mr Clifford Hart asked that the Committee note the confirmed appointment to the position of Chair - Councillor Robert Chapman, as agreed by Full Council at its Annual General Meeting on 27 April 2021.

NOTED

COUNCILLOR CHAPMAN IN THE CHAIR

2. TO NOTE THE CHANGE OF THE TITLE, AND TERMS OF REFERENCE OF CABINET PROCUREMENT AND INSOURCING COMMITTEE WITH EFFECT FROM 27 APRIL 2021

2.1 The Chair noted the change in the title of the former Cabinet Procurement Committee to Cabinet Procurement & Insourcing Committee. This had been agreed by Full Council at its Annual General Meeting on 27 April 2021. He expressed the view that this change reflected a manifesto commitment to review all outsourced services with a view to bringing them in-house wherever possible, and exploring new partnerships with external providers.

NOTED

3. APOLOGIES FOR ABSENCE

3.1 There were no apologies for absence.

NOTED

4. Urgent Business

4.1 The Chair advised that there were no items of urgent business, but that it be noted that Item 10 had been marked 'TO FOLLOW' and circulated after the agenda had been published.

NOTED

5. DECLARATIONS OF INTEREST - Members to declare as appropriate

5.1 There were no declarations of interests.

NOTED

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

6.1 There were no representations.

NOTED

7. DEPUTATIONS/PETITIONS/QUESTIONS

7.1 There were no deputations, petitions or questions.

NOTED

8. TO CONFIRM THE DRAFT UNRESTRICTED MINUTES OF THE CABINET PROCUREMENT COMMITTEE HELD ON 12 APRIL 2021

RESOLVED

That the unrestricted minutes of the Cabinet Procurement Committee held on 12 April 2021 be approved.

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

9.1 Amy Wilkinson - Integrated Commissioning Workstream Director - outlined the report and its recommendations. It was proposed that the existing contracts for the Young People's Clinical Health and Wellbeing service, Hackney and the City Health Visiting service, 0-5 Healthy Eating and Obesity service, and Bump Buddies were extended until 31 August 2023. This would ensure continuity of service whilst a comprehensive review and redesign process was completed. Following this proposals would be brought forward for a fully Integrated Children and Young People's Wellbeing service for 0-25 year olds., which would maximise the potential to deliver service improvements and value for money. Ms Wilkinson further advised that this would include a detailed analysis of what services could most effectively be insourced.

9.2 Councillor Kennedy thanked officers for their considerable work and efforts in bringing the report to the Committee. He noted that both Deputy Mayor Bramble and Councillor Woodley had been fully briefed on the proposed action by officers in the drafting and finalisation stages and were happy with the final outcome of the proposals.

9.3 Deputy Mayor Bramble and Councillor Woodley echoed the sentiments of Councillor Kennedy and thanked officers for their efforts to involve Councillors in developing the proposals.

9.4 The Chair sought clarification regarding the savings referred to in para 6.3 of the report.

9.5 In response, the Integrated Commissioning Workstream Director advised that the contracts had been commissioned initially in 2014. There had been considerable savings from the health visiting contract of £1.5 million, over the period, and that in the future further savings would be identified. It was clarified that this would likely not be the case over the 18 month extension.

9.8 The Integrated Commissioning Workstream Director further responded to clarification by the Chair with regard to apprenticeship proposals detailed in parar 7.2 of the report. She advised that the services provided job and volunteering opportunities to the local economy and the providers were committed to facilitating employment and training opportunities. It would be the intention to work closely with the Clinical Commissioning Group (CCG) to extend more apprenticeship opportunities to local people.

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 Clinical Health and Wellbeing	31/10/2021	22 months	£971,808
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	<p>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.</p> <p>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.</p>
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.
<p><u>Recommended</u></p> <p>4. Extend the existing contracts</p>	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

10.1 The Strategic Commissioner, Mental Health & Prevention introduced the report. She commented that the Adult Services was required to make savings across the service, in response to financial pressures. Housing Related Support (HRS) provision, as a non-statutory service, was identified as a possible source for delivering efficiencies. Commissioners had identified efficiencies that could be made to the floating support contract.

10.2 Councillor Kennedy referred the Committee to the exempt appendix A which he felt showed compelling justification for the proposed savings, and the necessity to bring forward these proposals at this juncture.

10.3 In welcoming the proposed savings and the comments relating to the pricing of the contract, the Chair sought clarification as to whether there were any other savings identified in respect to the service.

10.4 Officers commented that unit costs had been reviewed and capacity identified to deliver services differently. This included remote provision of services, ‘deep interventions and footfalls’ and the assessment of capacity at any one time.

10.5 Officers confirmed that approval of the proposed recommendations had minimal impact on staffing levels or service delivery.

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, resulting in improved value for money.	Seeking efficiencies within the first two years of the contract may have a negative impact on service delivery but this has been negotiated with provider and a plan is in place	

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

11.1 The Committee noted the reasons for lateness for the circulated report. The Chair commented that due to the timetabling and procurement requirements the matter needed to be considered at this juncture.

11.2 The Director of Strategic Property Services advised that the report set out the business case for procuring a contract for the provision of necessary statutory testing, inspection, repair and maintenance services. Alongside seeking authority to issue the tender the report also provided 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.

11.3 The Director of Strategic Property Service confirmed that there would be a further report to the Committee once tenders had been received and evaluated. It was hoped that there would be a good response, given that there were a number of external providers already in the market with a track record of good service provision. It was confirmed that these would be presented to the Committee in a timely fashion.

11.4 The Chair queried whether it would be possible to take elements of that contract in house once it was awarded for the five year period. Mr Pritchard advised that a five year contract would mean that the provider would invest, and give a stability to the contract provision as a whole, as opposed to a short term contract. It was confirmed that there was no obligation by the Council to extend the proposed contract beyond the five year term, and that there were elements of the contract which were not exclusive i.e. the right to deliver capital projects, with the contractor being required to

tender for this element.

11.5 The Director of Strategic Property Service advised that the contractor would need to have a stable base to perform the statutory elements of the contract for Hackney's residents, occupiers, and buildings. He also commented that the service was looking to provide an internal capacity team to define what services within Hackney could be insourced, and where services would benefit as a result.

11.6 The Chair asked that a briefing paper be brought to the Committee which identified this together with a clear timeline of when this work was likely to commence.

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.

12. ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT

12.1 There were no items of unrestricted urgent business.

NOTED

13. DATE OF FUTURE MEETINGS

NOTED – meetings of the Cabinet Procurement & Insourcing Committee commencing at 5.00pm for the remainder of the Municipal Year 2021/22 as follows:

2021

5 June
7 July
9 September
4 October
8 November
6 December

2022

17 January
14 February
7 March
11 April

14. EXCLUSION OF THE PUBLIC AND PRESS

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The Committee did not formally agree to resolve to exclude the public and press as the Committee agreed that it was not necessary to discuss the exempt appendices detailed at exempt agenda item 15.

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

AGREED to note and agree the exempt appendix A in relation to agenda item 10.

16. ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT

There were no exempt items of urgent business.

NOTED

Duration of the meeting: 17:00 – 17:45

Contact:

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