

MINUTES OF A MEETING OF THE CABINET PROCUREMENT AND INSOURCING COMMITTEE

MONDAY 13 JUNE 2022

Councillors Present:	Councillor Robert Chapman in the Chair Deputy Mayor Anntoinette Bramble, Cllr Christopher Kennedy and Cllr Caroline Woodley
Officers in Attendance remotely:	Rozina Hussain, Grant Processes & Systems Manager Employment, Skills & Adult Learning Tony Connoles, Short Break Coordinator Hayley Miller, Project Director Robert Mathison, Interim Head of Property & Asset Management Andrew Munk, Head Of Employment, Skills & Adult Learning Justin Feltham, PMO Manager
Also in Attendance:	Cllr Carole Williams, Cabinet Member for Employment, Human Resources and Equalities Rotimi Ajilore, Head of Procurement Rabiya Khatun, Governance Officer

APPOINTMENT OF CHAIR 2022/23

RESOLVED:

To note the confirmed appointment to the position of Chair - Councillor Robert Chapman for the Municipal Year 2022/23, as agreed by Full Council at its Annual Meeting on 25 May 2022.

There were no Chair's announcements.

1 APOLOGIES FOR ABSENCE

- 1.1 There were no apologies for absence.
- 1.2 Terms of Reference

RESOLVED:

To note the circulated Terms of Reference of the Cabinet Procurement & Insourcing Committee for the Municipal Year 2022/23.

2 Urgent Business

2.1 There was no urgent business to consider.

3 DECLARATIONS OF INTEREST - Members to declare as appropriate

3.1 There were no declarations of interest.

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

4.1 There were no representations to consider.

5 DEPUTATIONS/PETITIONS/QUESTIONS

5.1 There were none received.

6 UNRESTRICTED MINUTES OF THE PREVIOUS MEETING OF CABINET PROCUREMENT COMMITTEE HELD ON 11 APRIL 2022

RESOLVED:

That the unrestricted minutes of the Cabinet Procurement & Insourcing Committee held on 11 April 2022 were approved.

7 PROVISION OF SUPPORT SERVICE FOR DISABLED CHILDREN SERVICES

7.1 The Short Break Coordinator introduced the report seeking approval to award the provision of support services for the Disabled Children Service contract to 33 suppliers through a Framework Agreement for a period of no more than four years. The contract would expire in order to align with the current Dynamic Purchasing System for Short Breaks, which would enable the streamlining of the short breaks service into one contract.

7.2 Members welcomed and supported the proposals. However, it was also noted that it had been disappointing that the proposals for the Disabled Children's Service and Adults Services to commission Homecare Services collaboratively had not been feasible due to the complexity of the Adults Service provision.

7.3 The Short Break Coordinator emphasised that the Children's Service had a small cohort of approximately 350 children with a vast range of needs. Social workers from both the Disabled Children's and Adult Services teams worked closely together on transition plans to ensure a smooth transfer. Some services could potentially be insourced in the future but consideration needed to be given to value for money and long term viability, and other service provisions could be commissioned by a provider or move to direct payments. The current issue with direct payments was the cost element involved in setting it up but the Council had a four year plan to encourage the uptake of direct payments.

7.4 In terms of the key performance indicators (KPIs), the Council would annually review the provider's individual plan for each child and this would form part of the KPIs. The KPIs targets would be undertaken on a case by case basis and consideration would be given to how the service was improving the young person's quality of life.

RESOLVED:

To approve the award of the Provision of Support Services for Disabled Children Service contract to the 33 Suppliers listed in Exempt Appendix 1. The Framework Agreement will run for a period of three (3) years, with an option to extend for a period, or periods of a maximum of a further twelve months, with an estimated total value of £6,198,400.

REASONS FOR DECISION

The existing Framework Agreement for Integrated Homecare for Disabled Children and Young People commenced on 1st April and expired on 31st March 2019. A business case to extend the service for a period of 26 months was sought and approved to enable the redesign of the Disabled Children Service (DCS) provision. The Framework Agreement will now expire on 30th June 2022.

The purpose of the Disabled Children's Service redesign is to streamline the provisions offered to children and families. The procurement strategy to commission a new Framework Agreement for the Provision for Leisure Activities, Domiciliary Care & Overnight Services, which will align with the current Dynamic Purchasing System (DPS) for Short Breaks and expire simultaneously.

The support will be for children and young people with a disability under the age of 18.

It was initially agreed for Disabled Children's Service and Adults Services to commission Homecare Services collaboratively to achieve economies of scale, reduce duplication and manage resources effectively. However, having reviewed the DCS provision more critically and assessing the magnitude and complexity of the Adults Service provision in comparison to DCS, it was decided that DCS should commission its provision separately in order to ensure the needs of children are met. Within the model one lot was allocated to the Disabled Children's services and further subdivided into two (2) further lots to capture leisure activities and domiciliary care. There was no scope to include the overnight provision and it was decided that a separate procurement was required to capture this service.

Implementing the DCS procurement strategy allows the unit to focus on specific support for children whilst engaging providers that are more suited to delivering services that meet the ever changing and complex needs of children and young people.

Commissioning services specifically for the Disabled Children's Services would be beneficial for the following reasons:

- Providers would meet the specified criteria that will support children with disabilities.
- Eliminate ambiguity from the providers on the type of support required.
- Allow flexibility with care plans and packages of support
- Increase the number of providers directly available for children's services.

Monday 13 June 2022

As part of our efforts to streamline DCS, the management of Overnight Short Breaks which was previously held by the Placement Management Unit (PMU) will now be managed by DCS as this service will form part of an ongoing package delivered to children and families.

The requests for overnight support have continued to increase year on year and due to the lack of Short Break overnight providers, children are currently waiting for support to commence.

As stated above, the new service will be complementary to the existing Short Break provision and will only be accessed by the children and young people who have the greatest need and a service will only be allocated following an assessment by a social worker and agreement by the Disabled Children's Resource Panel.

Children with a disability experience challenges in achieving their potential. Therefore, the aim of this new service is to improve the outcomes of these children by giving them access to services to enhance equality of opportunity and increase their involvement and inclusion in society and mainstream services. The provision will enable communities to benefit from the contribution that disabled children and their families can make by harnessing their talent and fostering tolerance, diversity and difference.

The services will give disabled children and young people an opportunity to meet new people and enjoy different experiences whilst also providing families with a break from their caring responsibilities.

The Children and Families Act 2014 and associated statutory guidance places a responsibility on the Authority to commission care and support based on taking full account of:

- The views, wishes and feelings of the child and his or her parent(s), or the young person.
- The importance of the child and his or her parent(s) or the young person participating as fully as possible in decisions.
- The importance of the child and his or her parent(s) or the young person being provided with the information and support necessary to enable participation in those decisions.
- The need to support the child and his or her parent, or the young person, in order to facilitate the development of the child or young person and to help him or her achieve the best possible educational and other outcomes.

At present there are 360 children and young people accessing the service through a combination of commissioned services and direct payments.

The support services are currently being provided by 5 organisations within the current framework and 20 organisations on a spot purchase basis for all aspects of the service.

The new Framework Agreement will enable Hackney to increase the number of providers delivering support to children and young people who have been allocated DCS service thereby increasing choice.

8 BRITANNIA PHASE 2B - SALES AGENT CONTRACT AWARD RECOMMENDATION

8.1 The Project Director introduced the report outlining the process followed to select a preferred bidder for the provision of Sales Agent services for LBH Britannia Phase 2b during the Strategy, Pre-Sales and Sales Phase of the project's delivery. The Committee noted that the difference between the framework and open tender service had been considered during the business case and it had been found that the timeline to procure in the framework had been more efficient as well having the appropriate expertise in relation to international sales. With regard to the 50% notional split for international and domestic units, this split had been determined for financial cost comparison purposes and the percentage of domestic units was expected to be higher in the sales strategy due to be submitted in the next few months.

RESOLVED:

1. To award the contract for Sales Agent services for Britannia Phase 2b to Bidder E by way of a call off from the Notting Hill Genesis Estate Agents' Framework in line with the fee set out in Exempt Appendix A - Tender Evaluation Detail, and

2. To enter into a call off contract and any other ancillary legal documentation necessary relating thereto with Bidder E for the Services under such terms as shall be agreed by the Director of Legal, Democratic and Electoral Services, and authorise the Director of Legal, Democratic and Electoral 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 which has been followed to select a preferred bidder for the provision of Sales Agent services for LBH Britannia Phase 2b during the Strategy, Pre-Sales and Sales Phase of the project's delivery.

The role of Sales Agent for private for sale homes of this scale and nature is a commodity service from the market, with a number of well known agents available in the market, many of whom have provided similar services to LBH on previous projects

As set out in the Business Case, the procurement for a Sales Agent was carried out using Lot 2 and Lot 3 suppliers on the Notting Hill Genesis Estate Agents' Framework. This accessed 10 suppliers who had already demonstrated the capabilities to carry out Sales Agent services for private sales.

This role will commence with a review and finalisation of the delivery phase Sales and Marketing Strategy, working with the Marketing and Branding Agent, and Development Manager to ensure a coordinated and appropriate response for the LBH Britannia Phase 2b project.

The engagement will then move into the Implementation Phase, in line with the agreed Implementation Plan and budget agreed during the Strategy Phase. This Implementation Phase will be split into the Pre-Sales Phase and the Sales Phase. A move to commence the Sales Phase of the project will be subject to Cabinet approval,

as part of the Contract Award report for the selection of a Design and Build Contractor for the Phase 2b project. This is currently programmed for January 2023.

The expedient instruction of the Sales Agent is key to ensure that this Strategy and Pre-Sales work is completed in order to enable a Sales Launch at the earliest opportunity during the construction phase - this is of particular importance given the requirement to de-risk the development by way of off plan sales. The precise nature and timing of this launch will be subject to the agreed Sales & Marketing Strategy which is the first deliverable of this appointment.

As part of the Quality bid (10% of the 60% weighting), bidders were required to commit to specific outcomes in response to Hackney's Sustainable Procurement Strategy. The response and commitments of the recommended bidder are set out in paragraph 7 to this report.

In line with industry practice, the fee for Sales Agent Services is predominantly based on a sales commission (percentage) rather than up front Fixed Price costs. To enable flexibility in the commercial models of each bidder, and to pre-empt any additional services which may be called off in the future, each bidder was also asked to submit a schedule of rates. Commission rates were requested for both domestic and international sales, and assumptions clarified to ensure normalisation across each bidder.

As the final fee for the engagement will be subject to actual gross sales achieved, the award of contract is on the basis of any up front Fixed Fees tendered, an agreed Schedule of Rates, and a domestic and international sales commission percentage. An analysis of this by bidder is set out at Exempt Appendix A - Tender Evaluation Summary

9 ADULT AND COMMUNITY LEARNING FRAMEWORK 2022-26

9.1 The Commissioning and Performance Manager introduced the report seeking authority to award a framework agreement of approved adult learning training providers. The Cabinet Member for Employment, Skills and Human Resources added that this was a significant piece of work and that the changes being made to the service would deliver excellent outcomes for Hackney's residents.

9.2 The Committee noted that there were good local providers on the list and that the mixed economy model using both commission providers and in-house direct teaching service supported a significant number of local community based providers with specific knowledge of the market and communities which resulted in better performance in delivery of the contract. This mixed model was expected to deliver well in terms of performance and meeting Ofsted expectations as the service moved towards more insourcing. In line with the Council's inclusive economy strategy, the asset based approach enabled adult learning to be delivered from council owned assets such as libraries and community halls and reach local communities and learners within Hackney. The Council would be developing the model further to deliver more partnership adult learning courses from local Council owned assets and its employment hubs.

RESOLVED:

1. To approve the award of contracts to the 22 Suppliers listed in Exempt Appendix 1 for the supply of Adult and Community Learning provision under a two year (+1+1) framework agreement from 2022-2026. The estimated value of this is £500,000 in year one and following years.

2. To note that call-off from the framework agreement will be made on an annual basis with the allocation based on service, performance, location and available budget, and delegate award of these call-off contracts to the Strategic Director Inclusive Economy, Regeneration and New Homes.

REASONS FOR DECISION

The objective is to establish a Framework Agreement for assured community providers to deliver or host a range of Adult & Community Learning accredited and non-accredited courses for a 4 year period commencing September 2022 to July 2026. This includes Family Learning, ESOL, Maths, English, ICT and vocational courses. The newly contracted providers will be utilised to continue with the Council's commitment to deliver services to communities that are currently under represented.

The Adult Learning Service has an annual target of 2,000 learning places to be provided across an OFSTED inspected curriculum structured programme and the service is grant funded by the Greater London Authority (GLA) as part of the national government strategy for adult learning provision. This also links into Hackney Council strategies such as the Single Equalities Framework priorities 1 to 3, namely :supporting residents' access to sustainable employment, improving their qualifications and wellbeing. Adult education also reduces economic inequalities which is identified as a key barrier to community cohesion in Hackney Sustainable Community Strategy (2008-2018). Having a wide range of programmes generally enables the Adult Learning Services to promote the vision of Hackney a Place for Everyone Campaign. For example, ESOL empowers people from different backgrounds to integrate in society, Family Learning programmes promote parental engagement in learning and employability programmes contribute to breaking the cycle of isolation and create links into local employment especially for residents who are semi-skilled or on low income. The Adult Learning Service has a strong track record of contributing to these strategies including the Mayor of Hackney priorities and his manifesto commitment of delivering access to quality training

Following AEB devolution in 2019/20, the Skills for Londoners' Strategy was launched to increase the number and diversity of adult learners in London gaining the skills to participate in society and progress into further/higher level learning, training and employment. As such, many of the proposed changes in this Framework will be better delivered by engagement with contracted providers.

The report is being placed before CPIC because the anticipated annual value of the subcontracted ALS provision, across the range of approved providers on the framework, is in the region of £500,000 per annum. There is a potential spend of £2,000,000 over a four year period.

The establishment of a framework of approved providers will ensure that the range of learning programmes for the target learners prescribed by the GLA can be delivered.

10 COMMUNAL ELECTRICAL SUPPLY: CONTRACT AWARD

10.1 The Interim Head of Property and Asset Management introduced the report summarising the reasons for awarding a contract for communal electrical supply works to Hackney's housing stock. The contracts would be for an initial term of five years with the option to extend up to a further five years. Referring to KPI targets in paragraph 10 of the report he explained how the targets exceeding 100% impacted on the agreed contract period for a project.

RESOLVED:

1. To approve the Award of the following contract for Communal Electrical Supply to Contractor 1 in Appendix A (Exempt) for a term of 5 years with an option to extend the contract for up to a further 5 years

2. To approve the award of contract to the named Contractor at value of £20-30M for an initial term of 5 years and a further £20-30M if the 5 years extension provision is effected.

REASONS FOR DECISION

The proposed Communal Electrical contract is required to ensure that Hackney Council meets its statutory requirements as a landlord and ensures the safety of its residents. The contract will enable Hackney to replace or upgrade its communal electrical system where necessary. The contract will also enable the necessary testing of communal electrical systems within the Borough.

The contract will cover all housing typologies although it will not be required for individual street properties that do not have communal systems.

Careful consideration has been given to the appropriate length of the contract. In reaching the conclusion thought was given to ensuring that Hackney could build a beneficial long term relationship with the successful bidders and the opportunity to ensure value for money as well as contain future procurement costs. As a result, the contract is for an initial term of 5 years with an option to extend up to a further 5 years.

RESOLVED:

1. To approve the Award of the following contract for Communal Electrical Supply to Contractor 1 in Appendix A (Exempt) for a term of 5 years with an option to extend the contract for up to a further 5 years

2 To approve the award of contract to the named Contractor at value of £20-30M for an initial term of 5 years and a further £20-30M if the 5 years extension provision is effected.

REASONS FOR DECISION

The proposed Communal Electrical contract is required to ensure that Hackney Council meets its statutory requirements as a landlord and ensures the safety of its residents. The contract will enable Hackney to replace or upgrade its communal electrical system where necessary. The contract will also enable the necessary testing of communal electrical systems within the Borough.

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11 ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT

11.1 There was no urgent business to consider.

12 DATE OF FUTURE MEETINGS

12.1 The Committee noted the date of future meetings:

18 July 2022
5 September 2022
3 October 2022
7 November 2022
5 December 2022

13 EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED :

THAT the press and public be excluded from the proceedings of the Cabinet Procurement and Insourcing Committee during consideration of Exempt items 14-17 on the agenda on the grounds that it is likely, in the view of the nature of the business to be transacted, that were members of the public to be present, there would be disclosure of exempt information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972 as amended.

14 PROVISION OF SUPPORT SERVICE FOR DISABLED CHILDREN SERVICE - EXEMPT APPENDICES

14.1 The discussion and decision are set out in item 7.

15 BRITANNIA PHASE 2B - SALES AGENT CONTRACT AWARD RECOMMENDATION - EXEMPT APPENDICES

15.1 The discussion and decision are set out in item 8.

16 ADULT AND COMMUNITY LEARNING FRAMEWORK 2022-26 - EXEMPT APPENDIX

16.1 The discussion and decision are set out in item 9.

17 **COMMUNAL ELECTRICAL SUPPLY: CONTRACT AWARD - EXEMPT APPENDICES**

17.1 The discussion and decision are set out in item 10.

18 **ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT**

18.1 There was no urgent business to consider.

Duration of the meeting: 17.30 – 18.30 hours