

## CABINET PROCUREMENT & INSOURCING COMMITTEE

### CONTRACT AWARD REPORT

Contract Award Report	
<b>Title of Report</b>	Lime Tree Court & St Peter's House
<b>Key Decision No.</b>	AHI S222
<b>CPIC Meeting Date</b>	3 July 2023
<b>Classification</b>	Open with exempt appendices
<b>Ward(s) Affected</b>	All wards
<b>Cabinet Member</b>	Cllr Christopher Kennedy, Cabinet Member for Health, Adult Social Care, Voluntary Sector and Culture
<b>Key Decision</b>	Yes  _____ Significant in terms of its effects on communities living or working in an area comprising two or more wards.
<b>Group Director</b>	Helen Woodland, Adults, Health & Integration
<b>Contract value, <u>both</u> Inclusive of VAT and Exclusive of VAT (for the duration of the contract including extensions)</b>	£3,126,340 Exc VAT £3,751,608 Inc VAT <i>Based on full length of contract</i>
<b>Contract duration (including extensions e.g. 2 yrs + 1 yr + 1 yr)</b>	2 yrs (+1 yr +1 yr)

#### 1. Cabinet Member's Introduction

- 1.1. Housing with Care (HwC) is designed with the needs of frailer older people in mind, who require varying levels of 24 hour care and support available on site. People who live in HwC have their own self contained homes, their own front doors and a legal right to occupy the property. This type of provision means that people can retain their independence for longer, delaying and often completely avoiding the need for residential

care. This model promotes the Council's vision to promote independence and ensure that people are valued members of their community.

- 1.2. Limetree Court and St Peter's House are two purpose built buildings of a high specification, demonstrating the Council's commitment to Hackney residents having options to plan ahead for their future care needs in high quality surroundings, that will be their homes for as long as they need them.
- 1.3. The preferred supplier detailed in this report will provide Housing with Care (HwC) services at Lime Tree Court and St. Peter's House which meets the needs of all Hackney residents that require 24 hour on site care and support.
- 1.4. Care and support will be delivered at both HwC schemes in a manner that meets the planned and unplanned care needs of all tenants and promotes community integration.

## **2. Group Director's Introduction**

- 2.1. This report seeks approval for the award of a contract to **Supplier A** who will support independent living and provide on site personal care and wellbeing services to all tenants of Limetree Court and St. Peter's House HwC schemes.
- 2.2. The contract is due to commence in November 2023, and will be let for two years, with the option to extend for up to a further two years (one plus one options).
- 2.3. The proposed service delivery model allows for an agile workforce delivering the planned and unplanned care elements, as well as the potential to pool the planned and unplanned care hours. This demonstrates the Council's commitment to supporting residents for as long as possible while also achieving best value by avoiding higher cost placements in residential care.

## **3. Recommendations**

- 3.1. **Cabinet, Procurement and Insourcing Committee is recommended to award the contract for the delivery of Care and support at Limetree Court & St Peters House to Supplier A for a period of up to four years in total (2+1+1) commencing in November 2023 at a maximum cost of £3,126,339.**

#### **4. Related Decisions**

- 4.1. The Business Case for the Housing With Care Support Service for Limetree Court & St Peter's House was taken to Hackney's Cabinet Procurement & Insourcing Committee in October 2022. Link to [LTC SPH Business Case October 2022](#)

#### **5. Reason(s) For Decision / Options Appraisal**

See Business Case above.

- 5.1. This report asks CPIC to approve the award of contract for the delivery of Care and support at Limetree Court & St Peters House to **Supplier A**.
- 5.2. Local Authorities, under the Care Act 2014, have a duty to promote wellbeing. The Act highlights the importance of preventing or delaying the development of needs for care and support and the importance of reducing needs that already exist. This service is designed to reduce the need for individuals to go into residential or nursing care homes wherever possible and to promote independence and self care.
- 5.3. The contract will deliver care and support at both HwC schemes to meet the local need.

#### **5.4. Alternative Options (Considered and Rejected)**

- 5.5. The following 4 options were appraised for the future of the provision in the borough:

- Option 1: Insourced provision of care
- **Option 2: Commissioned 24 hour scheme (preferred)**
- Option 3: Commissioned Non-24 hour scheme
- Option 4: Commissioned rebranded sheltered scheme

- 5.6. Option 2 was agreed as the preferred option by the Cabinet Procurement and Insourcing Committee in October 2022. Options 3 and 4 were considered as potential routes to savings but were not considered practical at this time (see section 5.9 of the Business Case Report).
- 5.7. Insourcing was considered as an option, however at present this is not a viable option as the capacity to insource is currently interdependent upon the completion of the Council's HwC review and redesign. Until the review and the outcome of the CQC inspection is favourable the continuation of commissioned provision for care and support is considered to be the best option in order to ensure and maintain service stability and value for money.

## 6. Project Progress

### 6.1 Developments since the Business Case approval

There have been no unforeseen changes or developments since the business case approval.

### 6.2 Whole Life Costing/Budgets

The budget for the service is held by Care Support Commissioning service within Adult Social Care, for which funding will be available for the whole life of the contract, including any extensions.

Any changes to the funding available will be managed in collaboration with the successful provider to ensure that the service continues to deliver on the key outcomes.

The budget for this service was set at £3.2m across 4 years (2 years + 1 year + 1 year) or £800,000 per year, which bidders were made aware of throughout the procurement process. This budget was based upon the provision of a core 24-hour service plus the specific care needs of the existing service users. Changes in the care needs of service users will have an impact on the total cost of the service.

As part of the pricing schedule, bidders were asked to prepare costs should there be an increase in the number of care hours required for any new or existing service users whose individual care needs had changed. Several safeguards and mitigations have been built into the contract such as contract breaks at the end of years 2 and 3 and the requirement to remain within the agreed estimated budget.

Bidders were required to provide a cost for the main 24-hour core service and separately a cost based on the additional care hours of existing service users over and above the core service based on their needs. The two parts formed the total cost submitted by providers.

Inflationary pressures have been evaluated, such as the need to pay London Living Wage, and taken into account in the costing submitted by providers.

### 6.3 Risk Assessment/Management

Risk	Likelihood	Impact	Overall	Action to avoid/mitigate risk
TUPE implications cause a delay in timetable for	Low	Medium	Medium	The provider has detailed a robust mobilisation plan as part of their tender response - detailing engagement with existing staff at the earliest

implementation of any new contract				opportunity to ensure a full staff quota.
Cost of service exceeds available budget	Medium ▾	Low ▾	Low ▾	Expenditure against budget provision will be monitored regularly by the Quality Assurance and Compliance Officer.

## 7. Savings

No savings were required from this procurement. **Supplier A** has forecast that the contract can be delivered as required with a budget of £3,126,339 Excl VAT (*Based on full length of contract*)

## 8. Sustainability Issues and Opportunities, Social Value Benefits

Bidders were asked as part of the SQ section to submit their Carbon Reduction plans as well as their Modern Slavery statements. These were scored on a pass / fail basis to ensure that they align with the Council's ethos.

Bidders were also asked as part of the Method Statement questions within the tender response, to demonstrate how they would meet the Council's Sustainable Procurement Strategy deliverables across the three key themes.

The Commissioning and Procurement team have utilised the Council's Sustainable Benefits Tracker to identify what **Supplier A** could deliver based on the question asked within the tender document.

### 8.1. Procuring Green

There were no adverse environmental impacts highlighted within the PRIMAS document undertaken before the business case approval.

**Supplier A** stated that they would meet the objective for "Procuring Green" by:

- Invest in Green Programs: Invest in carbon sequestration projects, such as reforestation or soil carbon management, to enable the organisation to reduce its overall carbon footprint.
- Promote Company Awareness: Raise employee awareness and engagement in carbon reduction efforts through education and outreach programs.
- Employing local staff who can either walk or cycle to work

- Delivering services in an environmentally responsible way by using sustainable materials, reducing waste, encouraging staff and residents to recycle and using handheld technology to minimise the use of paper

## 8.2. **Procuring For A Better Society**

**Supplier A** detailed in their bid response the work that they would do to engage the local community throughout the contract life including:

- Encouraging staff to volunteer and support local community initiatives.
- Identifying opportunities for volunteering and providing staff with the necessary time and resources to support these.
- Developing volunteers within the workforce, enhancing their skills and encouraging them to gain valuable work experience.
- Offering a robust training and development offer to staff.
- Creating a diverse and inclusive workforce, reflecting the local community.
- Working with local organisations to provide job opportunities and training for vulnerable members of the community (those with disabilities or long term health conditions) and also the long term unemployed.

## 8.3. **Procuring Fair Delivery**

As part of the tender process, **Supplier A** submitted a robust Modern Slavery policy, with clear reporting measures, accountable officers and an in-depth training plan for staff.

**Supplier A** has committed to paying LLW as a minimum to all staff delivering this service.

## 8.4 **Equality Impact Assessment and Equality Issues**

A full Equalities Impact Assessment was undertaken, and the findings did not present any major issues. No major issues were identified.

## 8.5 **Social Value Benefits**

Please see section 8: Sustainability Issues and Opportunities, Social Value Benefits.

## 9. **Tender Evaluation**

- 9.1. The procurement followed a two stage tender process, under the Light Touch Regime. This meant that bidders were required to complete a Selection Questionnaire (SQ), and pass on specific criterion at this stage, before proceeding to the Invite to Tender (ITT) stage.

A full specification was made available with the tender advert, following the Public Contracts Regulations 2015. A Find a Tender notice was placed via the ProContract system, along with an advert on the Council's website. A survey was also sent out to prospective bidders who took part in the consultation stage for the service, through our ProContract system. The project sought expressions of interest from August to mid September 2022.

We engaged with Experts by Experience (service users) across both sites to devise a question they wanted to be included within the Method Statement, which formed part of the bidder presentation stage.

33 expressions of interest (EOIs) were received, 10 opted not to apply resulting in 23 SQ submissions, 14 of which went on to complete an ITT response. This complete list can be found in Exempt Appendix 1.

A total of 23 SQ submissions were received. Each SQ was assessed on technical capability, financial standing and insurance criteria. There were 5 additional project specific questions, which bidders were required to pass in order to proceed to the next stage. Bidders were required to confirm they had no less than 2 CQC ratings of 'Good' or 'Above', paid LLW, adhere to Unison Ethical Care Charter and required to submit policies relating to their Modern Slavery Policy, Health & Safety Policy, Carbon reduction plan, and Audited accounts; these were marked to check that they are robust and fit for purpose. 9 bidders were disqualified from this stage of the tender, due to not having the relevant experience and/or CQC accreditations that were below the requirement for the tender.

- 9.2. At the ITT stage, a total of 14 bid responses were received. 4 opted out & 5 disqualified suppliers were excluded at ITT stage, due to not submitting the full/correct tender documents. The remaining 5 bids were considered in full by the tender panel.

**Scoring:**

There were 4 members of a core tender panel, with various areas of expertise, and oversight given from the Adults Social Care Strategic Commissioning Manager. Below is a list of panel members and their respective organisations:

Role	Organisation
Strategic Commissioner - Older People & Long Term Conditions	LB Hackney
Commissioning Officer - Older People & Long Term Conditions	LB Hackney

Project Manager ASC	LB Hackney
Principle Therapy Lead, OT & Sensory Service	LB Hackney

The tender was evaluated on the criteria in the table below. The requirements for scoring were clearly explained within the ITT document and written into the method statement document.

Scoring Criteria	Score
<b>Quality</b>	<b>80%</b>
Service Delivery	40%
Service Quality & Outcomes	15%
Mobilisation & Transition	8%
Sustainability & Social Value	5%
Partnership Working	7%
Presentation Question	5%
<b>Price</b>	<b>20%</b>

The total percentage of the Quality aspect was marked out of 80% of the final score, with the pricing making up the additional 20%.

- 9.3. Bidders were asked to give a 20 minute presentation based on a question released with the method statement questions. A specific question was asked and scored by the core panel, including four Experts by Experience.

## 10. Recommendation

- 10.1. The tender panel recommends that **Supplier A** is awarded the contract for the service. **Supplier A** demonstrated that they could meet the full requirements of the specification, they have been established since 1988, they have qualified nurses on site, they have robust plans in place, all their CQC ratings are good and they have a current CQC rating of 'Outstanding' on Well-led. They have a staff retention rate of 94% which is maintained by value added perks, incentivised payments to staff and recognition and awards for hard work. Their financial submission was within the budget set, to include the 2 yrs (+1+1) of the contract.

**Supplier A** was the highest scoring overall in terms of quality and price. In comparison to other bidders, they demonstrated a good knowledge of addressing inequalities in the borough and produced a plan along with strong measurable outcomes.

- 10.2. The final scores are outlined in the table below:



<b>Tender Results</b>			
	<b>Quality</b>	<b>Price</b>	<b>Total Score</b>
<b>Supplier A</b>	<b>60</b>	<b>20%</b>	<b>80%</b>
Supplier B	53.4	19.54%	72.94%
Supplier C	42.4	18.94%	61.34%
Supplier D	42	19.73%	61.73%
Supplier E	42	19.62%	61.62%

10.3. **Lots:**

This procurement was not split into lots, to support an integrated service delivery model. This model was proposed, outlined and approved in the business case.

10.4. **TUPE:**

There are a number of staff eligible for TUPE through the change in service providers. This has been factored into the pricing schedule. The service has a four month mobilisation period in order to facilitate TUPE arrangements. This also means that the successful provider is able to recruit and embed staff where there are vacant posts.

10.5. **London Living Wage:**

Bidders were asked through the SQ and ITT stages whether they commit to paying London Living Wage to all employees working specifically on the contract. All bidders confirmed that they pay their employees the London Living Wage.

11. **Contract Management Arrangements**

The contract will be managed within the Adults Social Care Commissioning Team, with a named Quality Assurance Officer and Compliance Officer.

Implementation of the contract will be overseen by the service Commissioner, with regular meetings and communication with the successful provider. This will include reviewing the implementation plan provided by the successful provider in their bid.

Contract performance meetings will be held each quarter with monthly meetings within the first 2 months of the contract to ensure that mobilisation is successfully embedded. This is in addition to the 3 month pre-planned mobilisation phase set by the provider. The Adults Social

Care Commissioning Team have systems for performance monitoring and reporting as well as invoicing and this will be set up for the service as standard.

11.1. **Key Performance Indicators**

The KPIs will be monitored quarterly, with these being submitted to the Council in line with the other contractual arrangements. This duty will remain with the provider and be assured by the Council, who will validate data.

The Adults Social Care Commissioning team will also request comprehensive data collection that illustrates the activity and outcomes across all areas of service provision.

A full list of the Key Performance Indicators can be found in Open Appendix 5 - Key Performance Indicators.

Alongside the service outcomes and KPIs, we have utilised the Council's Sustainability and Social Value tracker which enables us to set targets around outcomes detailed in the successful providers bid response. These will be confirmed during the mobilisation stage of the process so that we can ensure that these are viable for the provider to deliver.

11.2. **Comments Of Group Director Of Finance And Corporate Resources**

11.3. The recommendation of this report is to approve the contract award for the provision of care at the Limetree Court and St Peter's House 24 hours Care schemes for up to 4 years (2 years + 1 year + 1 year) commencing in November 2023.

11.4. The contract value is built from two parts: a planned care element where care packages are built around individuals' scheduled daily needs (and so a variable element) and an unplanned care element where permanent on-site staff respond to care calls (at a fixed annual cost). The unplanned care and planned care costs were estimated at £800k per year or £3.2m across the life of the contract. The recommended provider has bid £3.126m which is within the £3.2m budget for the service. The provider has bid a cost that increases year on year but remains within the total estimated budget of £3.2m.

11.5. The planned care element of the contract will continue to be funded from the existing home care budget within Adult Social Care. The unplanned care element of the contract will be funded by one-off resources within Adult Social Care.

11.6. Commissioning will need to consider how both elements of the contract will be managed within the existing resources of Adult Social Care. The new contract will require active management by the service and careful

monitoring to ensure the right level of care is delivered in a sustainable manner.

- 11.7. This will include ensuring that variations in the cost of the contract from the £3.126m are a result of genuine assessed increases in the care needs of the service users. This will be tracked in monthly budget monitoring as discussed with service leads.

## 12. **VAT Implications On Land & Property Transactions**

- 12.1. Not applicable

## 13. **Comments Of The Director, Legal, Democratic & Electoral Services**

- 13.1. The services in this Report were assessed as High Risk by the Council and on 3rd October 2022 Cabinet Procurement and Insourcing Committee agreed a Business Case in respect of the procurement of such services. Pursuant to paragraph 2.7.10 of Contract Standing Orders the approval to award a contract will be with Cabinet Procurement and Insourcing Committee.
- 13.2. Details of the procurement process undertaken by officers for the appointment of a provider for the delivery of Care and support at Limetree Court & St Peters House are set out in this Report.

## 14. **Comments Of The Procurement Category Lead**

- 14.1. The proposed contract is valued at a maximum of £3,126,339 which is above the relevant UK public procurement threshold (Social and Other Specific Services "Light Touch" regime). The Council's Contract Standing Orders require that the award of a contract of this value be approved by Cabinet Procurement and Insourcing Committee.
- 14.2. A competitive tender process has been carried out in compliance with Contract Standing Orders and the recommendation is to award to the provider offering the most economically advantageous tender assessed against the published criteria.
- 14.3. Relevant KPIs and performance measures are proposed and the preferred supplier will be required to meet appropriate commitments in relation to environmental sustainability and social value, including payment of the London Living Wage to all staff employed to deliver this contract. Appropriate controls have been put in place to manage the risk of additional financial pressures on the service.

## Appendices

Exempt Appendix 1 - List of Suppliers at SQ Stage

Exempt Appendix 2 - List of Shortlisted Suppliers

Exempt Appendix 3 - Breakdown of Quality and Price Scores

Exempt Appendix 4 - Price Comparison

Open Appendix 5 - Key Performance Indicators

## Exempt

By Virtue of Paragraph(s) 3 Part 1 of schedule 12A of the Local Government Act 1972 this report and/or appendices are 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.

## Background Documents

None.

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**Comments of the  
Procurement Category  
Lead**

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