

## DRAFT UNRESTRICTED MINUTES OF A MEETING OF THE CABINET PROCUREMENT AND INSOURCING COMMITTEE

**MONDAY, 4 MARCH 2024**

**Councillors Present:** Councillor Robert Chapman in the Chair

Cllr Christopher Kennedy and  
Mayor Caroline Woodley

**Apologies:** Councillor Mete Coban MBE

**Officers in Attendance:** Rotimi Ajilore - Assistant Director - Procurement & Energy Services  
Jane Havemann - Head of Housing Delivery – North Housing Regeneration and Delivery  
Angela Jones - Project Manager, Housing Regeneration & Delivery  
Rabiya Khatun - Governance Officer  
Carolyn Sharpe - Consultant in Public Health  
Bronwen Thomas - Project Manager, Regeneration & Capital Programme Delivery

**Also in Attendance:** Merle Ferguson - Procurement Strategy and Systems Lead  
Leila Gillespie - Procurement Category Lead for Corporate Services  
Divine Ihekwoaba - Procurement Category Lead for Construction  
Timothy Lee - Procurement Category Lead for Health and Social Care  
Patrick Roger - Lawyer

### **1 Apologies for Absence**

1.1 Apologies for absence were received on behalf of Cllr Coban.

### **2 Declarations of Interest**

2.1 There were no declarations of interest.

### **3 Urgent Business**

3.1 There was no urgent business to consider.

**4 Notice if Intention to Conduct Business in Private and Representations Received**

4.1 There were no representations to consider.

**5 Deputations/Petitions/Questions**

5.1 There were no deputations, petitions or questions to consider.

**6 Unrestricted Minutes of the Cabinet Procurement and Insourcing Committee held on**

6.1 Members considered the previous unrestricted minutes of the Cabinet Procurement and Insourcing Committee held on 5 February 2024.

**RESOLVED**

**That the unrestricted minutes of the Cabinet Procurement and Insourcing Committee held on 5 February 2024 be agreed as a true and accurate record of the proceedings.**

**7 AHI S248 School Based Health Service for City and Hackney - Contract Award**

7.1 Carolyn Sharpe, Consultant in Public Health introduced the report seeking approval for an award of the City and Hackney School Based Health Service (SBHS) contract to Provider A for a period of up to five years from September 2024 for a total maximum contract value of £7.3m. The service redesign and recommissioning of the City and Hackney School Based Health Service would help ensure that Hackney Council and the Corporation of London continued to fulfil its legal obligation of providing public health services for school-age children, bring the service in line with the most up to date guideline for the national based The Healthy Child Programme (HPC), and children's health needs would be effectively addressed by the most suitable healthcare practitioners as identified through the consultation undertaken with local partners and the Joint Strategic Needs Assessment.

7.2 Following the introduction, Members of the Committee asked questions which were responded to as follows:

- With regard to how other health system partners would be held to account for providing the additional health resources to support the children in schools, it was stated that despite the drop in the number of students and no reduction in spending, the inflexibility of the previous contract meant that school nurses were providing support for young people in special schools when they did not have the full capacity or appropriate training to meet the full breadth of complex needs. Some of the support needed should have been provided by appropriate healthcare professionals within the NHS and Children's Community Nursing Teams. An external partner and the current provider had undertaken audits of the health needs of children in special schools and clear recommendations were now set out on the appropriate professions to meet the young people's health needs. Ongoing conversations were being held with the NHS to ensure there were no

commissioning or provider gaps and therefore no breaks in continuity of care.

- It was emphasised that the sustainability element of the contract was strong.
- In terms of taking a broader strategic approach of the school nursing service following various crisis and in particular the impact of the housing crisis on health and wellbeing, it was clarified that the neighbourhood configuration would allow a team within the school based health service to operate at a neighbourhood level so that more cover and support could be provided that aligned with health visiting and other partners moving towards working at neighbourhood levels. Working at neighbourhood configuration level would facilitate improvements in the link between school nurses and primary healthcare professionals and importantly more conversations through the Neighbourhood Steering Groups and Children and Family hubs.
- In response to concerns about the workforce capacity and the ageing cohort of school nurses and mitigating against recruitment challenges, it was emphasised that school nurses would lead in the school based service and a blended mix of skills would be provided at neighbourhood level from the team and other practitioners appropriately trained to deliver support. The provider awarded this contract had extensive experience in this area including offering training placements, apprenticeships and also offering trainees new nursing roles within the service on a yearly basis. The workforce challenge was a national crisis and the School and Public Health Nurses Association (SAPHNA) were providing incentives to bring new school nurses into the system and how this could further assist with promoting training opportunities and apprenticeships for the blended mix of health practitioners.
- With regard to setting targets for holding providers to account and monitoring sustainability area, it was explained that the sustainability elements had been included as part of the tendering process and scored but no targets had been stipulated within the specification. The providers would be held to account and a narrative could be included in the table.
- The contract had been awarded to the strongest provider and innovation had been a general issue for most bidders. School nurses would be able to move from the traditional role and provide more support to teaching staff and engage with parents at coffee mornings.

**RESOLVED:**

**That the Cabinet Procurement & Insourcing Committee agrees an award of the City and Hackney School Based Health Service contract to Provider A for a period of up to five years (3+1+1) from the 1st of September 2024. The total value of the contract will be a maximum of £7,300,000 (an average of £1,460,000 per year).**

The Decision Notice sets out the decision, reasons for the decision and the alternative options considered.

**8 CHE S306 Procurement of a Design and Build Contractor for the Development of Mixed Tenure Housing at Frampton Park Estate, E9**

8.1 Angela Jones, Project Manager within Housing Regeneration and Delivery introduced the report seeking approval to commence the procurement process for a

principal contractor for the development of mixed tenure housing on the Frampton Park Estate in Victoria Ward.

8.2 Following the introduction, Members of the Committee asked questions which the Project Manager Housing Regeneration and Delivery, and Head of Housing Delivery, North (Housing Regeneration and Delivery) responded to as follows:

- In terms of the liaison with the Tenants' and Residents' Association (TRA) and Ward Councillors, officers had broadly discussed the scheme including reasons why the Council would now be prioritising the delivery of Phase 1 of the scheme - the Atrium Building - which would be of mixed tenure, constructed on the Frampton Park Community Hall site only. Officers had discussed with Councillors the background and reasons for the use a two-stage procurement. This level of detail had not been available to residents since there had been issues reconstituting the new TRA since the last meeting in September 2023 but officers would be attending the next TRA meeting in April 2024 to update residents on the scheme.
- In response to a question regarding the Council's commitment to affordable homes, it was explained that to deliver a planning policy compliant tenure mix on this particular site there would be 50% affordable housing including 30% social rented housing. A further challenge politically had been splitting the site and deferring Phase 2, due to a combination of financial viability and building regulatory challenges. Because Phase 2 contained 13 units for sale, the tenure mix for Phase 1 has to be rebalanced to provide a planning compliant tenure mix in its own right. This has resulted in a slight reduction in the number of social rented homes in the Atrium Building, but this was necessary for the scheme to be financially viable.
- The delegated authority being sought within the report was to ensure that the Council could respond quickly to market challenges and minimise the likelihood of delays to the delivery of the programme. If officers had to proceed through the London Borough of Hackney's governance process this could lead to a 12 week delay in entering the contract which could lead to a potential rise in the costs of the contract from the impact of contractors being unable to hold the tendered prices, thereby leading to further delay to the delivery of the homes. In addition, the reason for having a reserve bidder appointed as part of the Pre-Construction Services Agreement was to retain some level of competitiveness and ensure that the contractor offered the Council the most competitive and affordable prices. It was indicated that an update on progress with regards to procuring a main contractor could be provided, for information, at a future meeting.

**ACTION:** The Project Manager of Housing Regeneration and Delivery to provide an update at a future meeting on the progress of the project at the end of the PCSA stage, for information.

**RESOLVED:**

**1. Agree to the use of a two-stage tender with a Pre-Construction Services Agreement (PCSA) via the Find a Tender Restricted Procedure, for the selection of a main contractor to deliver a mixed tenure housing development of up to 55 new homes on the Frampton Park Estate.**

**2. Delegate authority to the Group Director, Climate Homes and Economy, in consultation with the Group Director of Finance and the Director of Legal, Democratic and Electoral Services to:**

**a) Enter a Pre-Construction Services Agreement (PCSA), which may include but is not limited to work relating to design, value engineering, surveys, utilities, demolition and enabling works.**

**b) Enter a main building contract and if appropriate any preceding or parallel demolition or enabling works contract with the preferred contractor or one or more suitable specialist early works contractors, upon satisfactory completion of the Pre-Construction Services Agreement (PCSA stage).**

**c) Should a position representing acceptable performance and/or value for money not be reached by the preferred contractor at any point during or upon conclusion of the Pre Construction Services Agreement (PCSA) stage, to enter into the contracts described at (a) and (b) above, as appropriate, with the reserve bidder appointed during the first stage of the two stage tender.**

The Decision Notice sets out the decision, reasons for the decision and the alternative options considered.

## **9 CHE S307 Procurement of a Design and Build Contractor for the Development of Affordable Housing at Pedro Street E5**

9.1 Bronwen Thomas, Project Manager of Housing Regeneration and Delivery introduced the report seeking approval to commence the procurement process for a principal contractor for the development of up to 26 homes for affordable housing within the Clapton Park Estate at Pedro Street. The contract signed in 2020 had been terminated following the discovery of extensive land contamination and rising inflation in 2021 after the decontamination works had been completed. The Pre-Construction Services Agreement (PCSA) approach had been proposed due to the revised building regulations and impact of high inflation on materials and labour. The contract design team would work on the revised designs and towards contract value.

9.2 Following the introduction, Members of the Committee asked questions which were responded to as follows:

- With regard to the impact of the new and emerging Building Regulations , it was stated that it was likely that four units would be lost in order to comply with the revised building regulations that required two stairways for buildings above six floors. An internal options appraisal had been undertaken but needed to be tested by the technical team. The PCSA approach had been taken for other projects and was deemed the most appropriate approach in order to bring forward a compliant and cost efficient scheme of the appropriate cost and value.
- The local Councillors and residents had been updated on the scheme and the project had been received positively at the Clapton Park Management Organisation meeting, the previous week and workshops and community events had been organised and further events were being organised with other departments and agencies.

**ACTION:** The Project Manager of Housing Regeneration and Delivery to provide an update at a future meeting on the progress of the project at the end of the PCSA stage, for information.

**RESOLVED:**

**1. Agree to the procurement of a two-stage design and build contract with a Pre-Construction Services Agreement (PCSA) via the Find a Tender service using a Restricted Procedure, for the selection of a main contractor to deliver a housing regeneration scheme of up to 26 new homes in the Kings Park Ward. The exact number of homes to be delivered may change as a result of the design development exercise.**

**2. Delegate authority to the Group Director - Climate, Homes and Economy, in consultation with the Group Director of Finance and the Director of Legal, Democratic and Electoral Services to:**

**a) Enter a Pre-Construction Services Agreement (PCSA), which may include but is not limited to work relating to design, value engineering, surveys, utilities, demolition and enabling works.**

**b) Enter a main building contract and if appropriate any preceding or parallel demolition or enabling works contract with the preferred contractor or one or more suitable specialist early works contractors, upon satisfactory completion of the Pre-Construction Services Agreement (PCSA stage), or equally;**

**c) Should a position representing acceptable performance and/or value for money not be reached with the preferred contractor at any point during or upon conclusion of the Pre Construction Services Agreement (PCSA) stage, to enter into the contracts described at (a) and (b) above, as appropriate, with the reserve bidder appointed during the first stage of the two stage tender.**

The Decision Notice sets out the decision, reasons for the decision and the alternative options considered.

**10 CHE S314 General Buildings Contract 1 for Area Surveying Managers (ASM) (General Exception)**

10.1 David Lovell, Chief Estimator and Technical Officer introduced the report which was presented following a Public Contracts Regulation 2015 compliant tender exercise using the Councils e-tender portal ProContract. As a result of the incumbent contractor failing to deliver general building works satisfactorily across building maintenance, this proposal would ensure the key elements of sustainability and social values were evaluated and also the tendered costs. The process followed to identify preferred contractors for the General Building Contract 1 was briefly outlined.

10.2 This contract would be for a duration of 8 years (4+2+2) for a value of more than £48m and was expected to provide remedial works and maintenance to the Council's existing housing stock. It consisted of two separate contract awards to 2 contractors with a 60 and 40 percentage work allocation split across the borough. Contractor 1A was Circa 15 to 20% lower than the cost of the current interim arrangement.

10.3 Following the introduction, Members of the Committee asked questions which were responded to as follows:

- In relation to the contract management arrangements in particular quality checks, it was emphasised that within the KPI target the Council's post inspection team would carry out 10% random sampling of all completed works and the inspectors undertaking the contractors own completed works would be independent of the contractors.
- With regard to improving the quality of work from staff transferred under TUPE from the previous contractor, it was stated that under the quality assurance regime the contractors would be expected to provide as part of their contract the records of job completions, sign offs and photographic evidence as well as the Council monitoring those records as part of the KPIs.
- The team would work in conjunction with the Procurement Team to ensure that the sustainability element of the contract was captured in terms of specific KPIs and monitoring performance in relation to sustainability.

**ACTION:** The Chief Estimator and Technical Officer to provide an update on the KPIs and outcomes.

**RESOLVED:**

a) approve the award of Contract 1A for General Building Works - Area Surveying Managers, to Bidder A for an initial term of four (4) years General Buildings Contract 1 for Area Surveying Managers (ASM) - Award Report Page 128 with the option to extend for two (2) years and a further option to extend for an additional two (2) years.

b) approve the award of Contract 1B for General Building Works - Area Surveying Managers, to Bidder B for an initial term of four (4) years with the option to extend for two (2) years and a further option to extend for an additional two (2) years.

The Decision Notice sets out the decision, reasons for the decision and the alternative options considered.

**11 F S298 e5 Cedar Financial System Reprocurement**

11.1 Sabhia Malik, Head of Legacy Systems introduced the report seeking approval for the award of a 5-year contract to continue using the Council's current financial system and hosting provider. This was a direct award using Crown Commercial Service Framework RM6194.

11.2 Following the introduction, Members of the Committee asked questions which were responded to as follows:

- With regard to whether the 5 year contract was value for money, it was stated that the Council had been realising the benefits of the present incumbent supplier which had been providing a secure robust service at 99.7% of availability and the Council maintained a positive relationship and experience. Due to the delay in migration there had been insufficient time to look for alternative suppliers in the market and also to avoid the disruption of having to migrate to a new supplier. The contract length 5+1+1 had been

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bound by the framework but the supplier had offered a discount which had equated to 4.75% if the Council agreed to sign for five years. The contract commitment would allow the Council to complete a discovery exercise within the next two years and undertake a robust review of the financial and business requirements to assess if any changes were necessary to the solutions or supplier. In addition, there would be a structured set of KPIs and performance monitoring and set of service credits if the supplier fell short of their availability or performance that the Council could claw back through the monthly hosting charges.

- In terms of the benefits for the Council, it was said that in preparation of the expiry of the contract the Council had managed to negotiate a reduction in the KPIs going forward.
- In terms of social benefits of the contract for the residents of Hackney, it was emphasised that the supplier was offering an extra 300 free places for English and Math classes each year of the contract through the BKSB process, which would be managed by the Curriculum Support Team, the Curriculum Managers and teachers in the Employment Skills and Adult Learning Service.

**RESOLVED:**

**To authorise the award of a 5 year contract with a total value of £2,746,129 for the provision of hosting and maintenance of the e5 financial system and associated applications and services via the Crown Commercial Services Framework RM6194.**

The Decision Notice sets out the decision, reasons for the decision and the alternative options considered.

**12 Exclusion of the Public and Press**

**RESOLVED:**

**THAT the press and public be excluded from the proceedings of the Cabinet Procurement Insourcing Committee during consideration of Exempt items 13-18 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.**

**13 Urgent Exempt Business**

13.1 There was no urgent business to consider.

**14 AHI S248 School Based Health Service for City and Hackney - Contract Award (Exempt Appendices)**

14.1 The exempt appendices relating to item 7 were noted.

**15 CHE S306 Procurement of a Design and Build Contractor for the Development of Mixed Tenure Housing at Frampton Park Estate, E9 (Exempt Appendices)**

15.1 The exempt appendices relating to item 8 were noted.



**16 CHE S307 Procurement of a Design and Build Contractor for the Development of Affordable Housing at Pedro Street E5 (Exempt Appendices)**

16.1 The exempt appendices relating to item 9 were noted.

**17 CHE S314 General Buildings Contract 1 for Area Surveying Managers (ASM) (General Exception) (Exempt Appendices)**

17.1 The exempt appendices relating to item 10 were noted.

**18 F S298 e5 Cedar Financial System Reprocurement (Exempt Appendices)**

18.1 The exempt appendices relating to item 11 were noted.

**Duration of the meeting:** 5.00 - 6.22 pm