

# **PUBLIC MINUTES OF A MEETING OF THE CABINET PROCUREMENT AND INSOURCING COMMITTEE**

**MONDAY 7 OCTOBER 2024**

<b>Councillors Present:</b>	<b>Councillor Robert Chapman in the Chair</b> <b>Cllr Christopher Kennedy and Cllr Carole Williams</b>
<b>Officers in Attendance:</b>	<b>Rotimi Ajilore - Assistant Director, Procurement &amp; Energy Services</b> <b>Leila Gillespie - Category Lead (Corporate Services)</b> <b>Tessa Mitchell - Governance Team Leader</b> <b>Chris Lovitt, Deputy Director of Public Health City of London &amp; London Borough of Hackney Public</b>
<b>Officers in Attendance Virtually:</b>	<b>Ola Akinbinu - Contract Delivery Manager, Capital Projects Team</b> <b>Rupinder Chahal - Category Manager (Construction and Environment Team)</b> <b>Merle Ferguson - Procurement Strategy and Systems Lead</b> <b>Daniel Hall - Capital Projects Manager (Education Property)</b> <b>Froeks Kamminga</b> <b>Opama Khan - Assistant Director, ICT &amp; Workplace Services</b> <b>Timothy Lee - Category Lead (Social Care Services)</b> <b>Abimbola Lucas - Senior Commissioning Manager (Public Health)</b> <b>Peter Nourse - Assistant Director of Housing Transformation</b> <b>Chris Pritchard - Director of Strategic Property</b> <b>Patrick Rodger - Senior Lawyer</b> <b>Michael Wiktorko - Service Area Manager - Parking Enforcement</b>

**1 Apologies for Absence**

1.1 There were no apologies for absence.

**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 2 September 2024**

6.1 Members considered the previous unrestricted minutes of the meeting of the Cabinet Procurement and Insourcing Committee held on 2 September 2024.

#### **RESOLVED:**

**That the unrestricted minutes of the meeting of the Cabinet Procurement and Insourcing Committee held on 2 September 2024 be agreed as a true and accurate record of proceedings.**

#### Matters Arising - Actions Tracker

Action no 13 - F S354 Amazon Web Services- A written response had been submitted clarifying the net cost of the service excluding Education infrastructure costs.

Action no.14 – An update was requested. A response has been circulated to Member following the meeting.

### **7 AHI S378 Commissioning of Clinical Sexual Health Services and Health Checks**

7.1 Chris Lovitt, Deputy Director of Public Health City of London & London Borough of Hackney Public introduced the report seeking the Council to proceed with the re-commissioning of clinical public health services to meet both the legal mandate and the key decision AHI S299. These services included the in and out of area specialist sexual health services including the e-service and sex workers service and Primary care based enhanced services (Community Pharmacies, GP enhanced sexual health and NHS Health checks). This would enable improvements to be made to services and savings of £2m related to MTFP agreed savings including £400k in Primary Care Based Services and a combination of different procurement methods would be used.

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

- It was clarified that the reciprocal cross charging was a legacy charging from people accessing the service out of the area due to confidentiality concerns.

However, people were now more aware of sexual health services and the associated stigma and discrimination had reduced over time. The advantages of encouraging people to access services locally were the quality of the clinical care and integration with other local services such as domestic violence and substance misuse services. To make the local services more accessible they would be based in the centre of London, in improved local clinical environments, and after the initial appointment it would be easier to make subsequent appointments. The online service would also encourage people to access the services and kits could be posted. As part of the health literacy strategy work was being undertaken with Hackney's Comms on a communications campaign to raise awareness of the different services and how to access them.

- A facility would be in place to restrict how much people could access other services by reducing the amount of money paid to those providers. All the specialists in the service areas would be seeking additional national funding from the government, which could increase values by up to 25%.
- With regard to the long term opportunities of skills and timing, the social value benefits were being obtained from Homerton as the main NHS provider in the partnership such as apprenticeships opportunities that encouraged local people to follow career pathways into medicine, clinical and other NHS services. Primary Care services were also being offered from small local community pharmacies which employed local people that had benefited from the career pathways.

**RESOLVED to:**

- 1. Agree to the commissioning of a local core acute clinical sexual and reproductive health (SRH) service via Direct Contract Award C for a period of up to eight years and for the reciprocal cross charging for out of area access to continue. Payment for this service is primarily based on the activity delivered. The budget for the local SRH service contract will be a maximum of £28.992m (ex VAT).**
- 2. Agree the commissioning of Open Doors, the programme that offers holistic support to on-street and off-street sex workers including sexual health services and substance misuse support via Direct Contract Award C for a period of up to eight years at a maximum cost of £2.710m (ex VAT).**
- 3. Agree to City and Hackney continuing to participate in the online sexual health e-service (see paragraph 5.6) and be named party in the recommissioning of a new service in 2026 by the City of London Corporation as part of the London Sexual Health Programme. Hackney's contribution over the anticipated contract period of 9 years will be £10.8m (ex VAT).**
- 4. Agree the recommissioning of primary care based clinical services from community pharmacies and GPs by Direct Award A for a period of up to eight years at a cost of up to £5.264m. For the GP services, this would be a single combined contract for the enhanced sexual health services and NHS Health Checks with the City & Hackney Integrated Primary Care CIC, the new name of the recently merged GP Confederation and Office of Primary Care Networks.**

5. **Agree to access third party arrangements in order to meet the open access mandate for sexual health, via contracts agreed with out of area providers by local authorities using the London Integrated Sexual Health Tariff (ISHT), or via cross charging according to tariffs published by City and Hackney. The expected expenditure on out of area provision across the eight years is £13.840m.**

**Additional funding option:**

6. **To enable rapid deployment of any additional (national government grant) funding provided to local authorities, we are seeking permission to include an option to increase the value of contracts, including NHS Health Checks, by further sums allocated to the Council, currently estimated to be approximately a further 25%, as part of the procurement options. Any such option to increase individual contract values up to £2m in value would be taken via the Hackney Procurement Board to allow suitable oversight of the option but also rapid deployment in the event that additional funding is provided. Any increase in contract value above £2m would necessitate a CPIC decision.**

The decision, reasons for decision and alternatives options considered are outlined in the Decision Notice.

## **8 AH1 S392 Commission of Sexual Health Prevention and Reproductive Health Promotion Services**

8.1 Chris Lovitt, Deputy Director of Public Health City of London & London Borough of Hackney Public introduced the report seeking authority to proceed with the re-commissioning of sexual and reproductive health promotion services and in accordance with the Hackney Labour 2022-26 manifesto ambition pledge 49. These services were key in reducing health inequalities and longer term demand for clinical services and aligning the approach across local authorities would achieve more efficiency in terms of spending less time.

8.2 The services in the report would be procured after 28 October 2024 and potentially under the new Procurement Act 2023 (PA) which had been delayed until February 2025 and this would make it easier to add additional providers on the framework.

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

- It was explained that the option to permit an increase in contract values by up to 40% over eight years for the rapid deployment of any additional national government grant funding had been included in the recommendation to take into account that the contract value could exceed £2m. The plan was to invest any additional funding in prevention to help reduce some of the need for the clinical services.
- Individual local authorities had taken different processes and approaches in the commissioning of this service but most were likely to use the North East London Framework. The previous experience of using a framework to procure services had been really positive.

**RESOLVED to:**

- 1. Prevention and Promotion: Authorise Hackney Council to be included in the new North East London framework for community and voluntary organisations working in sexual health, HIV prevention and support. This will be commissioned and managed by London Borough of Newham for all North East London local authorities commencing in 2025. The value of services to be procured by Hackney Council via the four year framework would be a maximum of £875k ex VAT.**
- 2. Prevention and Promotion: Authorise Hackney Council to be included in the London HIV Prevention Programme commissioned by Lambeth LA for a further 4 years. Hackney Council's contribution for this period will be a maximum of £200k ex VAT.**
- 3. Additional funding option: Across City, Hackney, London and nationally the need for sexual and reproductive health services is significantly increasing with rising rates of unwanted pregnancies, increasing number of terminations and increased rates of STIs. Significant cost savings have taken place across sexual health services and a number of leading agencies including the All Parliamentary Women's and Equality Group, Local Government Association and Association of Directors of Public Health have been advocating for increased national funding for sexual health services.**
- 4. To enable rapid deployment of any additional (national government grant) funding that may be provided to local authorities, permission to include an option to increase the value of contracts by further sums allocated to the Council, currently estimated to be approximately a further 40%, as part of the procurement options. Any such option to increase contract values would be taken in line with internal governance to allow suitable oversight of the option but also rapid deployment in the event that additional funding is provided.**

The decision, reasons for decision and alternatives options considered are outlined in the Decision Notice.

**9 CE S262 Contract Variation Mandeville Primary School - Facade Repairs Batch 3**

9.1 The Chair advised that item 9 would be moved down the agenda and considered following item 13 as a result of members' exempt questions relating to the performance of the contract which would be taken during the private session. Following the questions, the Committee would resume the public meeting and consider the recommendations.

9.2 Daniel Hall, Capital Projects Manager, Education Property introduced the report seeking retrospective approval for a record of contract variation setting out the requirement for the uplift costs of £1,840,237.07 for the original façades repair project awarded in February 2022. The urgent remedial work had been identified after damage caused from a detached roof terracotta stone corbel from the facade which had fallen on the scaffolding erected in the playground and resulted in an inspection of all terracotta stones on site.

9.3 The incident had been reported to the Health and Safety Executive (HSE) despite no person suffering any injuries, and following a further survey it found that all the terracotta stones at this school were in a similar condition and needed repairs. After discussions with the former Interim Head of Education, Property and Finance team, it was confirmed that funding had been found to address the expanded works due to the ongoing high risks confirmed by the HSE. Officers instructed the variation to the contract to undertake the removal and replacement of the terracotta stoneworks as part of the original contract however, there had been several delays such as obtaining listed building consent, and the ordering and manufacturing of the terracotta stones from the only two suppliers in the country. The works were completed in May 2024 at a total cost of £2.3m and the value of the variation at £1.8m mainly related to the costs of the terracotta stone replacements. A full list of the variations and a copy of the contract was now available for inspection.

9.4 Following the introduction and exclusion of the press and public, Members of the Committee asked questions relating to the contract within the private session and resumed the public session of the meeting to consider the recommendations.

#### **RESOLVED:**

**To retrospectively approve the Contract Variation of £1,840,237.07 which covers works that have already been completed which can be seen in section 4.4 of the report, and included replacing the failing terracotta corbel elements of the main roof at Mandeville Primary School as mentioned below in section 5 of the report.**

The decision, reasons for decision and alternatives options considered are outlined in the Decision Notice.

### **10 CHE S396 Parking Services ICT Systems Reprocurement**

10.1 Maria Korelina, Customer Journey Project Manager introduced the report seeking approval to appoint Polaris Software as the supplier of Hackney Council's parking IT systems for the next three years (2+1) via the G-Cloud 13 framework.

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

- With regard to more work being undertaken to target the jobs and skills outcomes and the encouraging use of the Council's short term employment programmes such as 100 Skills Plus and Supported Internship and Leading Inclusive Future in Technology, it was stated this was a short contract and the supplier did not have much capacity to commit to opportunities other than volunteering. However, it would be possible to work with the supplier to engage in the short term provisions and have a dedicated lead from the company leading the programme and linking between the Council and supplier and this could also be undertaken for the longer term contract.
- In terms of delivering skills outcomes for Hackney, the Procurement team worked with the Employment and Skills team to ensure delivery of employment skills by suppliers
- To address the risk of not being up to date with the advancement in technology, more agile specifications which were tailored and adaptive were being introduced that were more flexible without incurring further costs. In addition, a market analysis would be undertaken to understand the innovation that

occurred in the past and what the market would look like in future years before procuring in January 2025. Variations to contracts could be considered to deal with add-ons as technology advances and there is a requirement to add a new platform.

- The direct award tender would be undertaken to ensure the Council obtained the best price and best value. The benefits included securing the prices at the competitive tender agreed ten years previously and the migration to Azure which was the current cloud version of the current systems at Hackney and this migration would be included free of charge in the new contract.

**ACTION:**

1. The Procurement Team is to liaise with the Employment and Skills Team to incorporate the delivery of employment skills with the suppliers in procurement contracts.

**RESOLVED:**

**To approve the direct award of a contract to Polaris Software for a total amount of £3,000,000. This contract, through the G-Cloud 13 framework, is set for an initial term of two years with the possibility of extending for an additional one-year term and covers the provision of parking permits, parking enforcement and other associated IT systems.**

The decision, reasons for decision and alternatives options considered are outlined in the Decision Notice.

**11 CHE S384 DN699359 - Lift Servicing and Repairs Contract**

11.1 Peter Nourse, Assistant Director of Housing Transformation introduced the report summarising the reasons for procuring contracts for lift replacement and maintenance to Hackney's housing stock and the proposal to appoint a contractor each covering the two geographical areas East and West for the maintenance work with the lift replacement works being competitively priced by each of the two appointed contractors. The value of each lot was up to approximately £28m and there was the ability to switch the work between the contractors if one was performing better.

11.2 In terms of contract management, a client management function would be in place and a core group that would monitor performance across the whole range of key performance indicators using a traffic light system.

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

- A flexible and pragmatic approach would be taken towards the different types of lifts and manufactures during servicing and repairs.
- The approach taken in this contract differed from the Lifts Capital Framework report submitted at the last meeting due to the equal value of the contracts between East and West areas and as a service contract the work was spread equally amongst the contractors.
- In terms of delivering employment outcomes for local people, the Council would ensure that the successful contractors worked with the social value team to provide local apprenticeships places and the Strategic Core Group would monitor

the delivery of the social value objective against the key performance indicators within the contract.

**ACTION:**

1. To provide a briefing note outlining the relationship between the lift replacement and servicing within the contract, local apprenticeship places and TUPE.

**RESOLVED:**

1. **To approve the award of contracts to the recommended skilled and experienced contractors to deliver lift servicing and repairs to residential lifts across the Hackney housing stock. Note the award of two contracts in regions, East and West.**

2. **Note the award of two contracts in regions, East and West:**

**Lot 1: Lift Maintenance Contract for Servicing and Repairs - East Area.** The contract term is a five-year contract with an option to extend for up to a further 5 years (5 years +1+1+1+1+1). The total maximum value for up to £27.9m in total across the potential 10 year period. This contract will be awarded to Supplier A.

**Lot 2: Lift Maintenance Contract for Servicing and Repairs - West Area.** This is a five-year contract with an option to extend for up to a further 5 years (5 years +1+1+1+1+1). The total maximum value for up to £27.9m in total across the potential 10 year period. This contract will be awarded to Supplier B.

3. **Note; an annual report on the performance of these contracts, as well as the tracking of the social value commitments will be presented to the Hackney Procurement Board.**

The decision, reasons for decision and alternatives options considered are outlined in the Decision Notice.

## **12 CHE S393 Planned Capital Works Contracts for Property Asset Management**

12.1 Peter Nourse, Assistant Director of Housing Transformation outlined the report which provided an overview of the capital work procurement option for the capital works programme, which would ensure ongoing service delivery of capital investment works in the Council's housing stock over the next four years. The contracts would cover external works programmes, planned internal works, and specialist fire safety works and would be awarded using the external framework. The annual value of the works was up to £45m which would be split between the four contractors. The contract was for 2 years plus 2 years but it was anticipated that the long term partnering contracts would be in place before the four years had expired.

12.2 It was highlighted that legal advice had been sought for mitigating the risk in relation to the ability to use a framework whilst being able to recover the costs from leaseholders and based on the legal advice the recommended approach had been for the Council to conduct a modified form of consultation that aligned closely with section 20 consultation requirements before entering into the contract.



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

- To minimise the risk of a challenge from a leaseholder within the borough, it was confirmed that robust legal advice had been sought over four months to ensure compliance with the consultation regulations and a robust consultation before joining the framework would ensure recovery of the costs. The Fusion 21 framework had also confirmed there had never been a successful leaseholder challenge for those using this framework.
- It was explained that the Housing Investment Board was chaired by the Group Director of Climate, Homes and Economy and it considered and agreed the capital programme for the coming year and individual schemes submitted throughout the year, and the delivery and financial out turn against the original budget and original capital programme.

**ACTION:**

1. The Chair requested that further information on the single procurement route be included in the contract award report.
2. To check if the Housing Investment Board had been set up in compliance of the Constitution and scheme of delegation prior to the contract award report.

**RESOLVED:**

1. **To approve the proposed procurement strategy to procure capital work contracts for planned capital works via a mini-competition off an external framework, Fusion 21 (Lot 1 – Refurbishment, Construction, New Build & Modular Buildings framework or Lot 9 - Building Improvements framework), and appoint up to 4 contractors for the contract term as set out below in Table 1.**
2. **Delegate the sign-off of the contract award for the successful contractors' call-off from the Framework to the Group Director of Climate Homes and Economy.**
3. **Delegate the subsequent approval for the individual works packages 'Commencement Agreements' to the Chair of the Housing Investment Board.**
4. **Note that the contract award report for these works will be submitted to the Cabinet Procurement and Insourcing Committee (CPIC).**

**Table 1: Framework contracts duration and estimate value**

<b>Contract Duration</b>	<b>Preferred Contractor</b>	<b>Works type</b>	<b>Estimated Value</b>
4 Year (2 years with an option to extend for up to two 12 months periods)	Up to 4 main contractors	Planned Internal and External Works	£45m/ annum

The decision, reasons for decision and alternatives options considered are outlined in the Decision Notice.

**13 F S379 Residential Concierge & Vacant Premises Security Services - Supplementary Paper**

13.1 Opama Khan, Assistant Director, ICT and Workplace introduced the report summarising the options appraisal for re-tendering the outsourcing corporate security services framework agreement which covered the security arrangements for vacant premises and residential concierge services (Security Contract Lot B & C Resident Concierge) for the Council's housing blocks. The CCTV network and infrastructure across the Council's property estate were being modernised and optimised to reduce the number of physical guards and lead to a reduction in costs. Lot C would be funded by leaseholders and tenants following completion of the consultation under section 20.

13.2 The Chair advised that a paper detailing the sustainable objectives and agreed KPIs would be submitted at a future meeting.

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

- Further investigation was being undertaken in relation to Lot A to ascertain if this service could potentially be insourced and the financial implications. The third option being investigated was potentially a hybrid service where a few key roles would be insourced such as front facing public roles.
- In terms of Lots B and C, the Council was constrained by private security Industry Act 2001 in particular the responsibilities around the provision of security and whether it could licence itself to carry out its own security provision as the body corporate would comprise Councillors and not senior leadership. In addition, there would be limitations in demonstrating that security provision was not for profit-making purposes.

**RESOLVED:**

- 1. To approve the procurement strategy for the re-tender of the security service framework for the duration of four years for regular and ad-hoc security requirements, and concierge services.**
- 2. To note that the Council's security services and housing concierge requirements will be procured as two separate lots under this procurement exercise.**

The decision, reasons for decision and alternatives options considered are outlined in the Decision Notice.

**14 Exclusion of the Public and Press**

**RESOLVED:**

**That the press and public be excluded during discussion of the remaining items on the agenda, on the grounds that they involve the likely disclosure of exempt information as defined in those paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972.**

**9 CE S262 Contract Variation Mandeville Primary School - Facade Repairs Batch 3 (Exempt)**

MONDAY 7 OCTOBER 2024

The discussion relating to this item is contained within the restricted minutes of the minutes.

**15 CHE S396 Parking Services ICT Systems Reprocurement (Exempt Appendices)**

15.1 The exempt appendices relating to item 10 were noted during the discussion of the report.

**16 CHE S384 DN699359 - Lift Servicing and Repairs Contract (Exempt Appendices)**

16.1 The exempt appendices relating to item 11 were noted during the discussion of the report.

**17 Urgent Exempt Business**

18.1 There was no urgent restricted business.

**Duration of the meeting:** 2.00 - 4.00 pm

Contact: Rabiya Khatun  
Governance Officer