



CABINET

7.30 pm	Wednesday 10 January 2024	Council Chamber - Town Hall
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Members 9: Quorum 3

Councillor Ray Morgon (Leader of the Council), Chairman

Cabinet Member responsibility:

Councillor Keith Darvill	Lead Member for Climate Change & Housing Need
Councillor Gillian Ford	Lead Member for Adults & Wellbeing
Councillor Oscar Ford	Lead Member for Children and Young People
Councillor Paul McGeary	Lead Member for Housing & Property
Councillor Paul Middleton	Lead Member for Digital, Transformation & Customer Services
Councillor Barry Mugglestone	Lead Member for Environment
Councillor Christopher Wilkins	Lead Member for Finance
Councillor Graham Williamson	Lead Member for Regeneration

Zena Smith
Head of Committee and Election Services

For information about the meeting please contact:
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Webcast

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Members of the public who do not wish to appear
in the webcast will be able to sit in the balcony,
which is not in camera range.

Under the Committee Procedure Rules within the Council's Constitution the Chairman of the meeting may exercise the powers conferred upon the Mayor in relation to the conduct of full Council meetings. As such, should any member of the public interrupt proceedings, the Chairman will warn the person concerned. If they continue to interrupt, the Chairman will order their removal from the meeting room and may adjourn the meeting while this takes place.

Excessive noise and talking should also be kept to a minimum whilst the meeting is in progress in order that the scheduled business may proceed as planned.

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Members of the public are entitled to report on meetings of Council, Committees and Cabinet, except in circumstances where the public have been excluded as permitted by law.

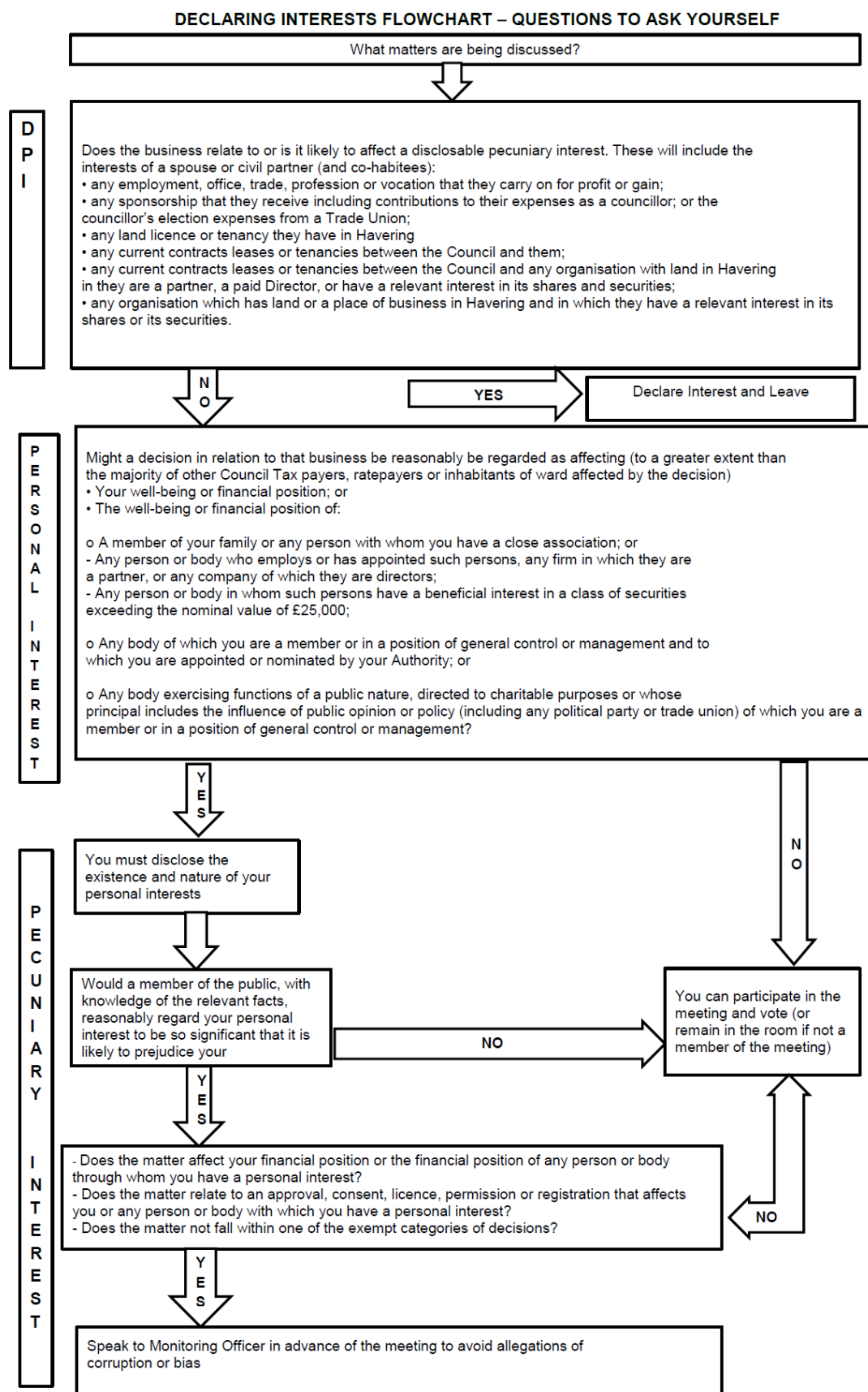
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- filming, photographing or making an audio recording of the proceedings of the meeting;
- using any other means for enabling persons not present to see or hear proceedings at a meeting as it takes place or later; or
- reporting or providing commentary on proceedings at a meeting, orally or in writing, so that the report or commentary is available as the meeting takes place or later if the person is not present.

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Members of the public are asked to remain seated throughout the meeting as standing up and walking around could distract from the business in hand.



AGENDA

1 ANNOUNCEMENTS

On behalf of the Chairman, there will be an announcement about the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE

(if any) - receive

3 DISCLOSURES OF INTEREST

Members are invited to disclose any interests in any of the items on the agenda at this point of the meeting. Members may still disclose an interest in an item at any time prior to the consideration of the matter.

4 MINUTES (Pages 5 - 10)

To approve as a correct record the minutes of the meeting held on **13th December 2023** and to authorise the Chairman to sign them.

5 ORACLE FUSION CONTRACT RENEWAL (Pages 11 - 16)

6 CONTRACT AWARD - HAVERING REABLEMENT SERVICE (Pages 17 - 26)

7 AWARD OF STREET FURNITURE ADVERTISING CONTRACT (Pages 27 - 38)



MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 13 December 2023
(Times Not Specified)

Present:

Councillor Ray Morgon (Leader of the Council), Chairman

Cabinet Member responsibility:

Councillor Keith Darvill	Lead Member for Climate Change & Housing Need
Councillor Oscar Ford	Lead Member for Children and Young People
Councillor Paul McGeary	Lead Member for Housing & Property
Councillor Paul Middleton	Lead Member for Digital, Transformation & Customer Services
Councillor Barry Mugglestone	Lead Member for Environment
Councillor Christopher Wilkins	Lead Member for Finance
Councillor Graham Williamson	Lead Member for Regeneration

In attendance:

Councillor Keith Prince (Group Leader – Conservatives)

Councillor Martin Goode (Group Leader – EHRG)

Also, in the chamber Cllr Matthew Stanton (Labour).

136 ANNOUNCEMENTS

Members were advised of the Fire Safety procedures in the Council Chamber.

137 APOLOGIES FOR ABSENCE

Apologies received from Councillor Gillian Ford.

138 DISCLOSURES OF INTEREST

There were no disclosures of interest.

139 **MINUTES**

The minutes of the meeting held on **8th November 2023**, were agreed as a correct record and the Chair signed them.

140 **SERIOUS VIOLENCE DUTY STRATEGY**

Report: **Serious Violence Duty Strategy**

Presented by **Councillor Barry Mugglestone, Cabinet Member for Environment**

The Serious Violence Strategy focuses on addressing serious violence, including youth violence and exploitation, weapon-enabled crime, domestic and sexual violence. A thorough Strategic Needs Assessment has been completed to drive our actions to prevent and reduce violence over the next three years.

1.1 This Strategy document has been produced as part of the requirements of the Serious Violence Duty, introduced by the Police Crime Sentencing and Courts Act 2022.

1.2 The duty places several requirements upon local areas, including agreeing

a local partnership arrangement to lead on the duty, agreeing a definition of serious violence, having consistent data sharing, analytical processes to produce a Strategic Needs Assessment (SNA), and production of a Strategy to set out how the duty will be implemented locally.

1.3 A thorough needs assessment has been completed by a multi-agency working group of analysts; a summary is included within the Serious Violence Strategy. There is no requirement under the duty that we publish the full needs assessment; this will be made available to professionals and organisations working in the borough where requested.

1.4 The needs assessment outlines the key findings, gaps and makes five recommendations for tackling violence in the borough. These, and the views of the partnership gathered through a workshop in September 2023 have driven the eight initial actions set in the strategy. These are as follows:

Cabinet **approved** the Serious Violence Duty Strategy 2024-2027.

141 **PROPOSED DE-DESIGNATION AND CLOSURE OF CHIPPENHAM ROAD CHILDREN'S CENTRE**

Report: **Proposed De-Designation and Closure of Chippenham Road Children's Centre**

Presented by **Councillor Oscar Ford, Cabinet Member for Children & Young People**

The purpose of this report is to recommend the permanent closure and de-designation of Chippenham Road Children's Centre, as outlined in the 2023-24 Council budget setting report.

Service delivery at the site stopped in March 2020 due to restrictions created by the Covid-19 pandemic and the centre has not reopened. All services previously delivered from Chippenham Road Children's Centre are now delivered from Ingrebourne Children's Centre (approx. one mile away), where we have seen a sustained increase in footfall over the last three years.

When a decision is taken to de-designate or repurpose a Children's Centre, the local authority is required to notify the Department for Education.

The Cabinet **agreed** the permanent closure and de-designation of Chippenham Road Children's Centre (Heaton Ward).

142 AWARD OF CONSTRUCTION CONTRACT FOR THE FAMILY WELCOME CENTRE

Report: **Main Contract Award - Family Welcome Centre**

Presented by **Councillor Graham Williamson, Cabinet Member for Regeneration**

1. This Cabinet report provides a summary of the Family Welcome Centre project and the recommendations to award the main contract to deliver the scheme.
2. Harold Hill has for many years been one of the most deprived areas, not only in Havering but in London. In an effort to rectify this, Harold Hill was the focus of a Council regeneration programme called Harold Hill Ambitions. This programme was successful in delivering improvements to the area and local communities.
3. The Family Welcome Centre is the first phase of the wider Farnham and Hildene masterplan vision. The scheme will create an exemplar of this type of facilities for emergency accommodation for families and will provide 74 self-contained temporary homes. The scheme also includes a modern high quality new health centre.
4. Provision of this purpose-built emergency accommodation will substantially ease the financial burden currently being absorbed by the General Fund, where homeless families are being housed in hotels. In addition, the Family Welcome Centre aims to improve outcomes for the most vulnerable families and will include facilities for housing support staff and social workers who can work closely with these families.

5. The associated health centre will provide much needed high quality health facilities in the Harold Hill area. Negotiations are progressing with the NHS to utilise the facility for primary care use.
6. The demolition of the existing buildings on the site, including Abercrombie House, was completed in August 2023. The site is now ready for construction.
7. Following the single stage tender process, it is intended to appoint Bidder A to deliver the construction works under the JCT Design and Build 2016 form of Contract, as amended by the London Borough of Havering. This form of contract allows the contractor to take on part of the design risk and would also provide the Council with cost certainty in the form of a lump sum fixed price for undertaking the works.

Cabinet:

8. **Approved** the award of the construction contract for the Family Welcome Centre and Health Centre (shell and core) to Bidder A, as set out in this report.
9. **Agreed** to the Council entering into an Agreement for Lease with the NHS Health Provider for a Health Centre at the Family Welcome Centre based upon the draft Heads of Terms (provided as Exempt Appendix B).
10. **Delegated** authority to the Strategic Director of Place after consultation with the S151 Officer and the Deputy Director of Legal Services to:
 - i. Agree terms for a Memorandum of Understanding with the NHS Health Provider;
 - ii. Finalise and agree the Heads of Terms for the Agreement for Lease; and
 - iii. Execute the Memorandum of Understanding, Agreement for Lease, Lease and associated ancillary legal agreements with the NHS Health Provider for the Health Centre, as necessary and appropriate.

143 **APPLICATION TO THE SECRETARY OF STATE TO AMEND THE PARKS BYLAWS**

Report: **Application to the Secretary of State to amend the Parks Bylaws**

Presented by **Councillor Barry Mugglestone, Cabinet Member for Environment**

The Council is responsible for various parks, open spaces and public gardens in the Borough. The conduct of the public in these locations is regulated by

byelaws, which aim to ensure that everyone is reasonably able to use the spaces without unreasonably inconveniencing other users. The bylaws were last updated in the 1980's and over time the nature of park usage has altered and the expectations of park users have also changed. The proposed updated byelaws reflect the way in which the Borough's parks and open spaces are used today and the reasonable expectations of users.

A Cabinet decision was made in October 2020 to progress the process of updating the bylaws

Following a public consultation, the next step in the process is to apply to the Secretary of State (SoS) who will need to approve any amendments to DLUHC's model bylaw clauses. The Cabinet will need to agree for this application to be made.

Cabinet:

Approved the amended draft Parks Byelaws (Appendix 1) for submission to the Secretary of State for approval;

Delegated authority to the Director of Environment to take all necessary legislative and procedural steps enabling submission of the amended Parks Byelaws to the Secretary of State for approval;

Noted that following approval of the amended Parks Byelaws by the Secretary of State a report will be taken to Full Council for its approval on implementation of the Draft Byelaws.

144 BUDGET MONITORING REPORT - PERIOD 6 SEPTEMBER 2023

Report: **Budget Monitoring Report - Period 6 September 2023**

Presented by **Councillor Chris Wilkins, Cabinet Member for Finance**

This Report sets out the monitoring position for the Council for 2023/24 based on figures to period six (30th September).

The Leader on behalf of the Cabinet and Havering Council, thanked Jon Cruddas MP for raising Havering's financial situation in Westminster Hall.

The Leader and Cabinet also thanked the Strategic Director of Resources and her team for their invaluable work in the past few months.

Cabinet:

Noted the revenue financial position at Period 6 and the action taken to mitigate the overspend.

Chairman

CABINET

Subject Heading:

Oracle Fusion Contract Renewal

Cabinet Member:

Councillor Paul Middleton

SLT Lead:

Glyn Peach, Director of Technology and Innovation, onesource

Report Author and contact details:

Sean Cloake,
sean.cloake@onesource.co.uk

Policy context:

Resources - A well run Council, that delivers for People and Place.

Financial summary:

Award of a 5-year contract costing £3.015m.

Budget of £0.691m covers this contract and service support. Renewed combine spend will be £0.753m per annum requiring a budget increase of £0.62m, equal to a 9% increase.

Is this a Key Decision?

This is a key decision as the expenditure will be greater than £500,000.

When should this matter be reviewed?

February 2024

Reviewing OSC:

Overview and Scrutiny Board

The subject matter of this report deals with the following Council Objectives

People - Things that matter for residents

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place. **X**

SUMMARY

This report relates to the Council's Oracle Fusion Enterprise Resource Planning (ERP) system. The system enables key operational processes and reporting that allow the Council to effectively operate.

The system covers HR, Payroll, Procurement, Sourcing, Financial transactions, Financial Management, budgeting and forecasting.

The contract with Oracle is due to expire on the 7th March 2024 and a decision is required on how to proceed.

The report provides background to Oracle Fusion ERP, its implementation cost and timescales as well as its current use and considers risks and implications for the continued use or replacement of the Councils ERP system.

The intention is to agree how to proceed with regards to Havering's ERP system over the next 5 years.

RECOMMENDATIONS

The recommendation is:

1. To directly award a new 5-year contract to Oracle at a cost of £3.016m and continue using Oracle Fusion as the council's ERP system.
2. At the 1-year anniversary of the new contract, Officers should commence a review of the ERP market, consider alternative options and compare those to the continued operation of Oracle as the Council's ERP system.
3. Present those findings to agree future direction and either
 - a. Continue to utilise and optimise Oracle Fusion ERP
 - b. Replace all or part of Oracle Fusion with alternative solutions

REPORT DETAIL

Background

In February 2019, Cabinet approved a Project to replace the existing Oracle EBS on premise System with Oracle Fusion Cloud. The overall project and running cost was anticipated to be £11.5m over 10 years, inclusive of £4.5m in project costs for implementation.

The costs were broken down as follows:

1. £4.5m for implementation
2. £4.343m – 10-year contract with Oracle

3. £1.49m –contract for implementation services (Evosys now called Mastek)
4. £0.2m – agreement with London Borough of Lambeth to provide expert support
5. £0.3m Change Management
6. £0.67 Contingency fund

Following delays to implementation, caused by the Covid Pandemic, Fusion went live in October 2020 with an implementation cost of £6.09m.

The contract with Oracle was signed for 5 years and the agreement with Lambeth was no longer considered necessary and was not executed.

From conception to implementation, the Oracle Fusion project ran for 2 years.

Current Position

During the term of the contract, additional Oracle requirements (licences and infrastructure) have increased the annual contracted spend to £0.502m from an initial forecast of £0.434m.

Oracle Fusion licencing is relatively complex and licences are triggered, based on a user's subscribed role in the system, which gives that user specific privileges which in turn triggers a licence. Oracle measure and report on licence utilisation monthly, against licence purchases.

The current measured usage of licences shows an annual cost of £0.550m. Whilst we have been able to mitigate some of these licences and have not been charged these higher costs by Oracle under our current agreement, there will be additional costs under the new contract.

There is also an increase in costs for inflation, although there is a contractual cap of 5%, predicated on Havering signing a renewal with at least the same number of licences.

Based on usage and inflation increases, annual Oracle costs will increase to £0.603m per annum.

Due to the increase in annual cost against the original cabinet sign off and the strategic nature of the system, it was decided to bring the decision to cabinet to review future direction, regardless of the original 10-year cabinet approval.

Havering's Oracle Fusion is separate to Newham and there are no technical impacts of the oneSource separation.

REASONS AND OPTIONS

Reasons for the decision:

The original implementation of Oracle Fusion in 2019/20 took 2 years and a budget of £6m to complete from conception to go live. The existing contract expires in March 2024 and therefore, there is not the time to move to an alternative solution.

The existing contract was the first operating period of Oracle Fusion and reviewing and changing the Council ERP strategy during that term was not appropriate, given the bedding in of such a large system and having a 10-year cabinet approval in place.

Whilst the implementation took 2 years, some projects of this size can take longer and 2 years should be considered a minimum. A review of the market, 1 year into a new 5-year agreement will allow Officers time to assess all options and make a best value proposal on the Council's ERP solution. If a decision is made to move away from the existing solution, there will be sufficient time to sign contracts, align resources and implement a new solution in a timely and low risk manner and align with the end of the new contract.

Other options considered:

The options open to the Council relate to the length of the contractual term for Oracle Fusion. The alternative option is to award a shorter contract and commence a market review immediately.

Oracle Fusion is a market leading ERP system that currently meets the needs of the Council and has a continual cycle of development in place to meet changing requirements in the future.

Officers have recently implemented an improved approach to system development and a 1-year period prior to a wider review, will allow system improvements to be continually deployed and embedded, for a more effective review of the use of Fusion against possible alternatives in the future.

The current re-organisation and disaggregation of oneSource, including IT will have completed when the review of the market is undertaken, allowing focus on a new ERP system project to be completed, if a decision is made to move to an alternative solution.

For reasons of existing stability, having a system that we are able to continually develop as well as a better negotiating position with Oracle, Officers cannot identify any tangible benefit to agree a shorter term contract now, than was agreed under the original cabinet decision in March 2019.

For the reasons outlined above, the option of a shorter term has been rejected.

IMPLICATIONS AND RISKS

Financial implications and risks:

The existing budget for Oracle Fusion and service support is £0.691m. This covers both the cost of licencing and hosting with Oracle and support with Mastek.

The service support provided by Mastek under an existing agreement costs approx. £0.15m per year.

The anticipated cost payable to Oracle for licencing and hosting will be £0.603m per annum with a start date of 8th of March 2024 and therefore, there is a need to build in an additional £62k per year as part of 2024/25 budget setting processes.

Budget	£0.691m
Mastek support	£0.15m
Oracle Licencing and Hosting	£0.603m
Difference	£0.062m

Over the duration of the five-year contract this equates to a total cost of £3.015m.

Legal implications and risks:

The timescales of moving to a new system is entirely prohibitive to the Council and as such has opted to direct award a contract to Oracle for the continued use of Oracle Fusion Cloud.

Under the Public Contracts Regulations 2015 Section 32.2.b.ii, the Council can undertake a direct award where the works, supplies or services can only be supplied by a particular operator. In this instance that supplier is Oracle due to their proprietary ownership of Fusion.

The Council has power to procure the contract under the general power of competence contained in section 1 of the Localism Act 2011 which allows the Council to do anything that an individual may do subject to any statutory constraints on the Council's powers. None of the constraints on the Council's s.1 power are engaged by this decision.

The Council has a fiduciary and best value duty. It must be satisfied that the extension represents best value to the Council. As set out in this report, officers have confirmed that they consider the proposed contract represents best value.

For the reasons set out above, the Council may enter into this contract.

Human Resources implications and risks:

There are no HR implications or risks as the contract award is for the continued use of externally provided and hosted software.

Equalities implications and risks:

There are no Equalities implications or risks as the contract award is for the continued use of externally provided and hosted software.

Health and Wellbeing implications and Risks

There are no Health and Wellbeing implications or risks as the contract award is for the continued use of externally provided and hosted software.

BACKGROUND PAPERS



CABINET

Subject Heading:

Contract Award -Havering Reablement Service

Cabinet Member:

Councillor Gillian Ford, Cabinet Member for Adults and Public Health

SLT Lead:

Barbara Nicholls, Strategic Director of People

Report Author and contact details:

Sandy Foskett, Senior Commissioner and Project Manager

Policy context:

Supports priorities in the Joint Health and Wellbeing strategy:

- Better integrated support for people most at risk;
- Quality of services and patient experience

Supports statutory requirement to reduce care needs (Care Act 2014)

Financial summary:

The proposed total contract value is £11,096,793.14 (based on a 3 year contract, plus two year extension option). This includes £900,000 funding from the ICB element of the Discharge Fund increase which has been agreed with NHS North East London ICB for the financial period 24/25.

Is this a Key Decision?

This is a key decision as it concerns expenditure over £500,000.

When should this matter be reviewed?

October 2024

Reviewing OSC:

People OSSC

The subject matter of this report deals with the following Council Objectives

People - Things that matter for residents **X**

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place.

SUMMARY

This report is seeking approval from Cabinet to award the Havering Reablement contract to Essex Cares Limited following a competitive tendering exercise.

The current contract ends on 31st March 2024. The service needs to be re-commissioned as it supports people to remain independent in their own home and recover effectively at home following a hospital admission.

The new contract will commence 1 April 2024 to 31 March 2027, with an option to extend for a further two years.

RECOMMENDATIONS

Cabinet is recommended to authorise the award of the Havering Reablement Contract to Essex Cares Limited, commencing on 1st April 2024 at a cost of £11,096,793.14. The contract will run for a period of 3 years, plus two year extension option.

REPORT DETAIL

1. Background

The current reablement service is delivered by Essex Cares Ltd, it provides a rapid response that focuses on supporting individuals to regain skills and confidence to enable them to remain living independently following a hospital admission or following a crisis at home.

The benefits of reablement includes:

- Improvement in residents able to remain independent with no or little need for future services
- Avoid unnecessary admission to hospital
- Links service users into other community services supporting them to remain independent at home

The service operates under the 'Home First' model which means care and support needs are assessed by the service provider in the person's own home instead of the hospital, ensuring that no long term decisions about long term care needs are made whilst in an acute setting. The process includes assessment for equipment and referral to any other required community services; this is overseen by a qualified therapist.

There are many system wide benefits to having a Home First model of discharge for reablement which include:

- Reduction in length of stay and associated decline in mobility
- Decrease in acute therapy time required to assess prior to discharge
- Decrease in unnecessary equipment being prescribed at the point of discharge
- Decrease in length of reablement package required
- Improved outcomes for service users

The reablement service is acknowledged as being an essential part of Havering's intermediate care offer ensuring people are given every opportunity to remain living independently in their own home.

2. Procurement Approach

This procurement was subject to and adhered to the Council's Contract Procedure Rules. The procurement was an open tender process followed in accordance with the Public Contracts Regulations 2015.

3. Evaluation

The tender opportunity was published on 14 September 2023 on Find a Tender and Contracts Finder. An Executive Decision seeking approval to waive the Council's Contract Procedure Rule 18.4, so that the tender can be evaluated against 80% quality weighting (including 5% attributed to Social Value) and 20% price weighting, was approved on 6 June 2023. The total financial envelope available for the procurement was £11,286,337.50 for the 5 year contract period.

The bidders were required to respond to Standard Qualifying (SQ) questions to ensure providers have the quality and experience of delivering reablement services. They were technically evaluated against 8 quality factors below, this assessed providers knowledge, expertise and reablement approach drawing on their experience in delivering a contract of this nature.

1. Service Capacity
2. Service Delivery and Quality
3. Service Principles
4. Mobilisation
5. Partnerships
6. Staffing
7. Service Outcomes
8. Social Value

29 suppliers expressed an interest in the tender. A total of 7 bids were received by the closing date on 24 October 2023. One bid was not compliant as they did not meet the SQ requirement which included having experience of two years or more of delivering reablement services at the time of completing their tender. This was a Pass/Fail question.

As a result, the provider's method statement responses were not evaluated and only 6 tenders had the quality aspect of their bid evaluated.

The tender panel members, included stakeholders from across Health and Adult Social Care and included representation from the Joint Commissioning Unit. The evaluation took place independently over a two week period that concluded on 9 November 2023 and moderation meetings held thereafter to conclude the evaluation of the technical bids.

Following SQ, the six bids method statements were evaluated using the 0-5 scoring rationale. The ITT stated that 'Bidders who do not achieve a 3 out of 5 for each Quality question and Social value question, will not have their Price evaluated'. A score of 3 would achieve a mark of Acceptable. The final scores for each bidder were agreed by all evaluators in moderated meetings held on 16 and 20 November 2023, facilitated by the Council's procurement team. Providers B, D and E failed to score a minimum score of 3 for their technical responses and were therefore disqualified.

The bidders were asked to complete a pricing schedule for the five year contract. For year one the bidders were asked not to exceed a maximum cost of £2,977,267 which included the additional £900,000 agreed with NHS North East London ICB. This was for the delivery of 1380 reablement care hours per week.

For years two – five, bidders were asked not to exceed £8,309,070 which was for the delivery of 970 reablement hours per week.

Only three bidders passed the quality stage and had their pricing schedules evaluated.

The evaluation panel were able to recommend a contract award to Essex Cares Limited as set out in the table below (attached exempt Appendix A includes a breakdown of each provider's score).

Organisation	Total Quality Score (75% Weighting)	Total Social Value Score (5% Weighting)	Total Weighted Price Score (20% Weighting)	Total Weighted Score (100%Weighting)
Provider A	36	4	20.00	60.00
Provider B	10	1	0.00	11.00
Essex Cares Ltd	42	4	20.00	66.00
Provider D	23	3	0.00	26.00
Provider E	20	2	0.00	22.00
Provider F	37	4	19.67	60.67

4. Service Activity

The successful provider will be expected to deliver a maximum of 1380 hours per week or 123 episodes which is approx. 410 additional hours per week and 19 additional starts per month over and above the core contract levels during the first year of the contract. These levels will be achieved using the NHS ICB discharge funding until 31 March 2025. Currently this funding has only been agreed for the 24/25 financial year, however it is likely that further funding will be invested into the service during the life of the contract however this will be agreed annually and could range from £0- £1.5 million per annum fluctuating annually based on system allocation of funds.

During the first 6 months of the contract both the number of episodes and number of hours delivered will be monitored. The intelligence gathered during the 6 month period will be used to design a system that recognises that both indicators (episodes and hours) are important in understanding the delivery of service.

In the event of there being significant capacity issues with the service and the provider is unable to deliver the commissioned level of activity, the Council will need to commission this reablement support on a case by case basis from homecare providers.

Under delivery up to 10% will be managed via the performance meetings. Under delivery (due to capacity issues within the provider's control) above 10%; LBH reserve the right to withhold payment. It is agreed that a system will be developed to evidence both indicators of starts and hours, this will ensure a clear understanding of the over and under delivery of the service. The data collected in the initial 6 month period will be used to define the reporting structure and agree the parameters for the under and over delivery of care in hours.

REASONS AND OPTIONS

Reasons for the decision:

This decision is required as the current reablement contract is due to expire on 31st March 2024, therefore the Council needs to establish a new contract arrangement for the service from 1 April 2024 onwards. The Council have a statutory duty to provide this service.

Other options considered:

1. Do Nothing

This was not deemed as a viable option as the current contract expires on 31 March 2024 and doing nothing would result in LBH not having a reablement contract in

place and therefore not meeting the Care Act 2014 (section 2) statutory requirement to “provide or arrange services, resources or facilities that maximise independence for those already with such needs, for example, interventions such as reablement.”

The withdrawal of the reablement contract would have a significant impact on discharge flow at BHRUT resulting in people remaining in hospital longer than required and being at risk of a decline in their health and mobility.

2. Extend the current contract

The contract has already been extended as permitted under the terms of the contract and so this approach would contravene the Council's Contracts Procedure Rules and the Public Contracts Regulations 2015.

3. Commissioning reablement jointly with LB of Barking & Dagenham and LB of Redbridge

This was not deemed as a viable option as the other Local Authorities do not currently operate within the same service delivery parameters and our commissioning timelines do not align at this stage.

IMPLICATIONS AND RISKS

Financial implications and risks:

This report seeks authority to award a contract for the reablement service to Essex Cares Limited for a period of 3 years with the option to extend for a further two years following a full procurement process.

The new contract will commence 1 April 2024 to 31 March 2027, with an option to extend for a further two years. The total cost of the contract for the 5 years is £11,096,793.14.

The total financial envelope available for the procurement was £11,286,337.50 for the 5 year contract period and the contract being awarded is £189,544.40 less.

For year one, the bidders were asked to submit a bid to provide 1380 hours of care per week and from years 2 to 5 to submit bids for providing 970 hours per week.

The weekly hours for year one are higher due to additional funding being approved for the 24/25 financial year. The ICB element of the Discharge fund has been confirmed for 24/25 with an increase in the allocation to LBH. £900K of this funding will be made available to fund the additional hours in year one of the contract.

The annual cost for years 1-5 of the contract are detailed in the table below:

	Hours to be delivered per week	Annual Contract Value
Year 1	1380	2,821,182.14
Year 2	970	2,068,902.75
Year 3	970	2,068,902.75
Year 4	970	2,068,902.75
Year 5	970	2,068,902.75
Total		11,096,793.14

The reablement contract is funded from the Better Care Fund with an additional contribution to the Better Care Fund from Adult Social Care core budgets and this is sufficient to meet the annual costs of years 2-5 of the contract.

In year one the shortfall will be funded from the ICB element of the discharge fund as the increase in funding has been confirmed for 24/25. Funding beyond 24/25 is unknown and therefore the contract will be varied annually up to the funding amount available each financial year, this could range from £0-£1.5 million per annum fluctuating annually based on system allocation of funds.

The council has a responsibility to demonstrate value for money from contract expenditure and as such close scrutiny of the unit costs and benchmarking will need to be undertaken as part of the contract monitoring processes.

Legal implications and risks:

This report seeks authority to award a contract for reablement services to Essex Cares Limited for a period of 3 years with the option to extend for a further two years.

The Council has a statutory duty under s2 of the Care Act 2014 to provide or arrange services within its area that prevents the need for care and support. The procurement and award of this contract will satisfy that duty.

The value of the contract will be in excess of £11 million, which is above the threshold for light touch services as set out in the Public Contracts Regulations 2015 (as amended) (PCR). Therefore, the procurement is subject to Part 3 of the PCR.

The body of this report confirms that officers have undertaken an open procurement in compliance with Regulation 27 of the PCR. Officers have evaluated and moderated the bids received and propose to award the contract to the Most Economically Advantageous Tender.

Human Resources implications and risks:

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

Equalities implications and risks:

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

Health and Wellbeing implications and Risks

The procurement of the re-ablement service will enable right care in the right place for the residents who have been admitted to hospital and lost the previous state of independence. The service is known to mitigate deconditioning following a hospital admission and is aimed to prevent permanent admission to a care homes if careful assessment and suitable support are provided, thus beneficial to the resident, carers and the care system. Continued monitoring of the service's output and outcomes must will support the effectiveness and cost-effectiveness of the service.

Environmental and Climate Change Implications and Risks

We are working with suppliers to minimise impact on the environment by:

- Eliminating the need for one use plastics
- Ensuring that all waste is correctly recycled
- Utilising public transport when this fits with Infection Protection Control measures
- Employing locally wherever possible to reduce the environmental impact of travelling to work

BACKGROUND PAPERS

None

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This report is part exempt and Appendix A is not available for public inspection as it contains or relates to exempt information within the meaning of paragraph 3 of the Access to Information Procedure Rules set out in the Constitution pursuant to Schedule 12A Local Government Act 1972, as amended, in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption outweighs the public interest in disclosing the information.

CABINET

Subject Heading:

Award of Street Furniture Advertising Contract

Cabinet Member:

Cllr Ray Morgon, Leader of the Council

SLT Lead:

Andrew Blake-Herbert, Chief Executive

Report Author and contact details:

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Policy context:

The new contract will support priorities in the Council's vision *The Havering You Want To Be Part Of* including engaging residents, maximising income and reducing obesity.

Financial summary:

The value of the contract based on the total turnover the concessionaire estimates over a 10-year period is £94,800,000.

The income the Council is guaranteed to receive is £4,015,000 over the same period. This could increase to £4,800,000 over 10-years with income over guarantee.

Is this a Key Decision?

Yes - expenditure or saving (including anticipated income) of £500,000 or more.

When should this matter be reviewed?

The contract will be monitored quarterly and income reported monthly.

Reviewing OSC

Overview and Scrutiny Board.

The subject matter of this report deals with the following Council Objectives

Resources - A well run Council that delivers for People and Place. **X**

SUMMARY

The report seeks to award a seven-year concession contract to provide a street furniture advertising service with the option to extend for a further three years.

The new contract seeks to update the borough's current street furniture advertising provision, replace the current paper units with digital displays and increase the amount of income coming into the Council.

The tender requires the concessionaire to adhere to Havering's new Advertising and Sponsorship Policy. This will support our strategic public health objectives to tackle obesity levels by reducing advertising of food and drink high in fat, sugar and salt (HFSS) and other advertising that could negatively impact Havering residents.

RECOMMENDATIONS

To award **JCDecaux UK Ltd** (Company No. 01679670) a seven year street furniture advertising concession contract with the option to extend for three years at a total estimated turnover of £94,800,000.

REPORT DETAIL

The street furniture estate includes 61 community information panels located across the borough and five advertising columns in RM1. The units are shown below.



Procurement



The tender expressed the council's desire to modernise the current street furniture advertising estate to digital units and required providers to detail the income they would guarantee.

This included:

- Guaranteed annual income
- Estimated revenue income above guarantee
- Sign on fee.

And additional data:

- Number of units (boards) in the new estate.

Further quality measures included:

- Board specification
- Data collection
- How the boards can support the council's strategic objectives
- Carbon footprint
- Implementation plan.

The route to market was by full competitive tender process and was advertised through the Find A Tender/ Contracts Finder on the Government's website www.gov.uk

The procurement ran for six weeks and tenders were received via the council's eProcurement tendering portal (Fusion Procurement and Contract e-sourcing system).

Over 40 questions were submitted during the period the tender was open and each question and clarification received a response.

Two full submissions were received from

1. Clear Channel UK Ltd
2. JCDecaux Ltd.

The tenders were scored on 70 per cent price and 30 per cent quality.

Both providers wish to locate digital boards in areas of high footfall which will mean an overall reduction in the current 66 units with the switch from analogue to digital displays.

The Communications and Engagement Service will work with teams in planning and highways – along with the successful provider – to ensure planning consent

and highways licensing is received and applications are batched up where possible.

The modernised digital units also offer added value with smart city technology and the ability to measure footfall, air pollution and provide wi-fi.

Further added value will be that the council will be allocated one free advertisement on all boards at all times and access to unsold inventory. Further savings will be made with no updating costs necessary on new digital units.

Two automated public conveniences in South Street Romford and by Gidea Park Station are the property of JCDecaux and will be removed when the existing contract expires. The cost of operating and maintaining the toilets is around £70,000 per year and costs associated with removal of these units including remedial works will be the responsibility of the property owner.

REASONS AND OPTIONS

Reasons for the decision:

JCDecaux scored higher on both price and quality measures from the evaluated bids and achieved the highest score in the tender.

Other options considered:

Other options considered were to:

- Not award the contract. This was discounted as both tenders met minimum requirements on both price and quality.

IMPLICATIONS AND RISKS

Financial implications and risks:

The Communications Service is seeking to appoint a company to manage advertising on units located on pavements and in town centre pedestrian areas. It is deemed more cost efficient to employ a company to carry out this work on Havering Council's behalf rather than manage it in-house using officer time and that this approach would significantly garner better results in terms of revenue or income generated.

The income from the existing contract is approx. £9k per annum and is broadly offset by the £614 of costs incurred each time an advertisement is updated, therefore, the guaranteed income of £4.015m over the ten year contract (7+3) represents a significant increase of income averaging approx. £400k per year. Note in addition to this there is the potential for further revenue of just under £100k per year albeit this amount is not guaranteed. The profiling of income over the life of the contract varies slightly each year – full details can be found in the pricing schedule.

There are no capital implications for the Council, the provider will be responsible for the investment required to convert the furniture from the current paper-based advertisements to digital advertisements and that they will recoup the cost of this investment from the advertising revenue/income they gain over the life of the contract.

The assets/street furniture will be owned by the provider and under the terms of the new contract they will meet the cost of maintenance and utilities. The supplier will also be responsible for gaining the relevant planning approvals but the Council's planning team will work closely with them in order to achieve the necessary outcomes.

Legal implications and risks:

The Council has a general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do subject to any statutory limitations. The recommendations within this report are in keeping with this power.

This report seeks authority to award a concession contract from Cabinet.

A concession contract is a contract for the supply of works or services to the Council where the consideration for the contract consists of either the contractor's right to exploit the services with or without payment from the Council; and where the concessionaire takes some risk.

The value of the contract (based on the total turnover of the concessionaire generated) is £94,800,000 over the seven plus three year contract duration and is well above the threshold for Concession contracts. Compliance with Part 2 of the Concession Contracts Regulations 2016 was required. A Contract Notice was published on the UK e-notification service, 'Find a Tender' as well as on Contracts Finder.

The procurement process that officers followed is set out in this report and appears to be a fully compliant procedure. The tenders received were evaluated against a 70% cost and 30% quality weighting.

Human Resources implications and risks:

There are no human resources implications.

Equalities implications and risks:

An Equality and Health Impact Assessment (EHIA) is required when considering any new policy, strategy or activity.

The Council has assessed how current advertising controls support its Public Sector Equality Duty under the Equality Act 2010 and, in conjunction with the new contract, a new policy has been introduced that stipulates what advertising the Council will and will not accept on the units.

Havering's requirements include those specified by the Advertising Standards Authority UK Code of Non-Broadcast Advertising and Direct & Promotional Marketing (CAP Code). Both CAP and BCAP commit to equality and diversity through the ASA's diversity and inclusion strategy, and, consider themselves subject to the public sector equality duty. As a result, CAP and BCAP seek to ensure that the protections they provide to those sharing protected characteristics are as strong as possible.

In addition we have also outlined further measures to support the council's measures to tackle obesity with restrictions around food and drink high in fat, sugar and salt (HFSS).

You can see the EHIA here

https://www.havering.gov.uk/download/downloads/id/6348/advertising_and_sponsorship_policy_with_eqhia.pdf

Health and Wellbeing implications and Risks

The Council has recently adopted a new advertising and sponsorship policy that will come into effect for all new advertising contracts including the street furniture advertising concession.

Advertising on the new units when the contract comes into force next year is expected to impact positively on health and wellbeing by restricting the promotion of smoking, alcohol, gambling, unhealthy food and drink products, and breastmilk substitutes.

Although suppliers currently have their own policies that restrict advertising in some of these areas, the new policy restricts food and drink that is high in fat, sugar and salt that will help the council in its efforts to reduce obesity, type 2 diabetes, cardiovascular diseases, and certain types of cancer.

Environmental and Climate Change Implications and Risks

Currently Council advertisements on the street furniture units need to be manually changed each time they are updated. This means a contractor drives to over 60 sites to replace posters each time the units are updated.

The new contract will actively support a move to digital units and the contractor will be able to update the units remotely.

We also anticipate a reduction in the number of sites overall.

The carbon footprint of each digital display board has been measured and the units will not be in operation from 12am to 5am.

In addition the suppliers provided details on their measures to reduce their carbon footprint.

BACKGROUND PAPERS

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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