

Notice of Non-key Executive Decision – Appendix 2

Subject Heading:	Support Service at Brunswick Court – Approval to proceed with the procurement of a support provider
Cabinet Member:	Cllr Jason Frost Cllr Robert Benham
SLT Lead:	Barbara Nicholls, Director Adults & Health Robert South, Director Children's Services
Report Author and contact details:	Paul Burgin, Senior Commissioner and Project Manager, Joint Commissioning Unit E: paul.burgin@havering.gov.uk T: 01708 431 092
Policy context:	Communities Theme: The needs of our most vulnerable residents are identified and met. The support service will be assisting vulnerable young people and adults to further develop their independence skills to enable them to move on to independent accommodation.
Financial summary:	Revenue expenditure to a maximum of £840,000 over the life of the four year contract.
Relevant OSC:	Individuals, Children & Learning
Is this decision exempt from being called-in?	Yes. It is a non-key decision by a member of staff

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

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

This report seeks approval to commence an open tendering exercise to procure an experienced support provider to deliver targeted, independence promoting support services for 23 vulnerable young people and adults at Brunswick Court.

AUTHORITY UNDER WHICH DECISION IS MADE

Havering Council's Constitution

Part 3.3 Powers of Members of the Senior Leadership Team

Contract powers:

(a) To approve commencement of a tendering process for all contracts above a total contract value £500,000.

STATEMENT OF THE REASONS FOR THE DECISION

1. Background

The Future Accommodation Needs in Havering report was commissioned by the Joint Commissioning Unit to estimate the future accommodation needs for the five years 2019 to 2023 for looked after children, care leavers (including mother and babies), and children and adults with disabilities. The report was completed at the beginning of 2019 and the recommendations have been picked up through the Housing and Independent Living Steering Group.

As part of this work the Housing directorate has identified the option of utilising a vacant sheltered housing scheme, Brunswick Court, as a potential medium term solution for a period of approximately four years, whilst future site redevelopment plans are developed within the regeneration programme.

Brunswick Court comprises 31x one bedroom flats, 14x studio flats (all self-contained) and a 2x bedroom house – 47 units of accommodation in total and a range of communal facilities including a large lounge, laundry room and kitchen. There is no one single entrance to access flats, instead they are grouped in fours with a communal external entrance door (mostly with two entrance doors either side of the block) with concrete stairs to the first floor flats. There are no lifts anywhere around the building.

The scheme requires minor redecoration and refurbishment works, which would be funded through the Housing Revenue Account (HRA), prior to anyone moving in.

2. Proposal

The proposal is to carry out an open tendering exercise to select an experienced provider to be based at Brunswick Court and provide independence promoting support to 23 tenants, working with individuals and relevant operational teams to develop the necessary skills to enable individual tenants to be able to manage independent accommodation in the community. The two bedroom property and 23 flats and bedsits are all co-located in one discreet section of the scheme, surrounding a central courtyard garden area. The remaining accommodation would be used to accommodate identified vulnerable general needs tenants.

The support contract would be for a period of four years and is expected to a block and flexi type contract. The proposal is for a small team of staff that would be on site seven days each week providing nearly 24 hour per day cover by means of sleep in staff overnight, all based from the two bedroom property at Brunswick Court. This will provide the additional security and peace of mind identified as required by social care teams.

The proposed service would offer low-level support with residents having their own self-contained flat or bedsit for which they will hold a Council license. It is expected that the support service would be funded through existing social care revenue budgets.

Housing management would be provided by the Housing department and is expected to consist of a dedicated housing manager / officer who would be on site during office hours, Monday to Friday to provide intensive housing management functions. A new post of Supported Housing Officer will need to be created that will sit within the existing sheltered housing team structure. This post will be funded through rent and service charges.

The client cohort suggested is adults with learning disabilities, those with mental health needs and young people leaving care, all of whom will be assessed as requiring support to further develop their independence skills prior to moving on to fully independent accommodation in the community. Individuals may already be accommodated within supported environments and are potentially ready to move on to a lower level of supported accommodation before taking the final step to full independence. Some individuals may be placed out of borough and be assessed as ready to move back to Havering.

3. Project Management of the Tender

Ahead of the formal approval to tender, a project initiation document has been written and a business case drafted which outlines the structure and governance of this project to tender the care and support services as well as anticipated costs and the potential for savings, dependent upon the final cohort of individuals who move into the scheme.

The project will be managed using the Joint Commissioning Unit's Project Management approach to managing projects adapted for the particular needs of this project. A formal project management structure will be established, including

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identification of peoples' roles and responsibilities.

The scope of the project will include:

- 1) Review of existing data
- 2) Production of contract and service specification, including the referral and allocations process in consultation with commissioning and operational staff
- 3) Managing the tender process
- 4) Evaluating bids
- 5) Awarding the contract
- 6) Preparing for the start of the new Contract

A Project Board is being established and will meet monthly and be responsible for seeing that the project objectives are being achieved in a timely and effective manner. The Board will comprise of a number of key stakeholders including Children's and Adult Social Care, Housing, Joint Commissioning Unit, Strategic Procurement Unit, Finance.

The aim of the Board is to act as the formal body to supervise the tendering of the service carrying out the key functions below;

- a) Develop the service specification and full set of contract documents.
- b) Support and monitor the overall development of the service, including overseeing appropriate initial referrals.
- c) Supervise activities across the tender process whilst ensuring required documentation is returned within specified deadlines.
- d) Ensure that procurement is monitored and effectively follows the project plan, ensuring the tender activities are acted upon within strict deadlines.
- e) Supervise the preparation and completion of other relevant tender documents in alignment with requirements.
- f) Evaluate tender documentation to ensure compliance with the requirements of the Council's tender.

4. Procurement Approach

This procurement will be subject to and adhere to the Council's Contract Procedure Rules. The procurement will follow a formal tender process in line with the EU procurement open process in accordance with the Public Contracts Regulations 2015, which require compliance with principles of non-discrimination, equal treatment and transparency. This service is a support only service covering young people leaving care and vulnerable adults and therefore does not meet the same specifications contained within the existing framework contracts or dynamic purchasing systems already in place.

Havering Council wishes to secure a new service that can deliver independence promoting support to enable vulnerable young people and adults in Havering to gain the level of skills needed to move on to independent accommodation. Havering Council will therefore be seeking suitably experienced organisations to bid for this

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contract. Bidders will be required to demonstrate their experience and ability to deliver an independence promoting service within the tender process.

The key issues for managing this procurement will be:

- a) Market engagement and interest from organisations to bid for the contract.
- b) Ensuring the new service has sufficient financial resources to deliver its objectives whilst remaining good value for money for the Council.
- c) Ensuring the service is aligned with the Council's strategic and corporate priorities.
- d) Ensuring the service works in close partnership with housing, children's and adult social care.

In terms of the costs of this procurement;

- a) Revenue costs will be met from existing budgets within children's and adult social care, dependent on where individual referrals originate.
- b) The service model has been estimated on an hourly rate for support ranging between £18.00 per hour and £21.00 per hour. It is believed that successful bids will fall within the mid-range.
- c) Rent and service charges fall within the acceptable range to meet the requirements of Universal Credit, and it is anticipated the majority of tenants will be eligible to claim Universal Credit.
- d) Voids will be managed by the Housing department, working in partnership with the support provider, commissioning and operational teams to minimise impact.

With regards to the procurement timetable;

The key milestones (draft) include:

- Sep 20: PIN Notice published on Capital E-sourcing
- Oct 20: Checkpoint 1 approval
- Oct 20: Non-key ED approval to proceed to tender
- July / Nov 20: Contract and tender information pack developed
- Dec 20: Support tender published
- Oct 20: Refurbishment works completed
- Dec/ Jan 21: Assessments carried out
- Jan 21: All referral information provided
- Feb 21: Checkpoint 2 approval
- Feb 21: Care and support contract awarded and mobilisation period commenced
- Feb/ Mar 21: Service commences
- Feb/ Mar 21: Tenants move in

5. Key Benefits of the Scheme

- Increased low level supported accommodation capacity in Havering
- Increased local supported housing options for young mothers and babies
- Financial savings through greater control over accommodation costs

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- Improved outcomes for individuals through targeted independence skills development
- Increased pathway options for individuals ready to further develop their independence skills prior to moving on to independent living
- Reduction in numbers of individuals with learning disabilities or mental health needs living in HMO accommodation
- Facilitating improved access to local partner and community services such as mental health services, schools and colleges where individuals may otherwise have been placed out of borough.

6. Expected Costs of the Support Service

- a) Based on current market knowledge the support costs have been modelled on the assumption that tenders will be submitting an hourly rate of between £18.00 and £21.00 per hour. For modelling purposes an hourly rate of £20.00 per hour has been used with a subsequent total contract value of £802,000, however the maximum of £21.00 per hour will deliver a maximum cost across the life of the contract (4 years) of £840,000.00 and used as the maximum cost for the purposes of this decision. It is believed that successful bids will fall within the mid-range.
- b) Savings or cost avoidance associated with this service are being worked through, but will be dependent upon where the final cohorts are currently accommodated and what levels of support are being provided. A current working estimate for the level of savings / cost avoidance is £100k per annum. This is subject to change up or down as the business case is further refined and a long list of potential referrals is compiled.

OTHER OPTIONS CONSIDERED AND REJECTED

1. Option one:

Do nothing and continue to pursue existing contracting arrangements for individual placements in a range of settings. This option would include the continued use of framework contracts as well as spot purchasing arrangements, with varying levels of control over cost and quality.

2. Option two:

Procure the service through one of the existing frameworks or dynamic purchasing systems already in place within the Joint Commissioning Unit. The existing frameworks and dynamic purchasing systems in place do not currently have a category for this type of accommodation based support service.

3. Option three:

Utilise the flats at Brunswick Court for a period of approximately four years and contract an experienced provider to provide independence promoting support to tenants, working with individuals and relevant operational teams to develop the

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necessary skills to enable individual tenants to be able to manage independent accommodation in the community.

This third option presents a strategically relevant additional pathway to greater independence for vulnerable young people and adults, complementing the range of services already in place, acting as a stepping stone from foster care or other supported living service models for those that require it. This service offers the opportunity for individuals to demonstrate their ability to manage self-contained accommodation within a supported environment with supervision on site.

PRE-DECISION CONSULTATION

Members of the Supported Housing Programme Board.
Commissioning Programme Managers for Children's and Disabilities.
Service Managers, Disabilities, Mental Health.
Head of Care Resources, Children's Services
Assistant Director of Children's

Briefing for Ward Councillors has been carried out by Assistant Director for Housing, Supported Housing.
Letters to all local residents have been sent out by Assistant Director for Housing, Supported Housing

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Paul Burgin

Designation: Senior Commissioner & Project Manager, Joint Commissioning Unit

Signature:



Date: 19th October 2020

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

1. This report seeks approval to commence procurement processes for the provision of residential care and support services (together the ("Services")).
2. The Council is a local authority as defined by section 270 of the Local Government Act 1972 and has a general duty under section 1 of the Care Act 2014 to promote the well-being of individuals. "*Well-being*" in relation to an individual is defined within the 2014 Act as including suitability of living accommodation. The Council has the general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do, together with the power under section 111 of the Local Government Act 1972 to do anything ancillary to or which facilitates any of its functions, including the matters set out in this report.
3. On 16th October 2020, the (Checkpoint) Gateway Stage 01 review panel recommended approval to proceed with the intended procurement process, in accordance with paragraph 8 of the Contract Procurement Rules (CPR), under of Part 4 [Rules of Procedure] of the Council's Constitution.
4. Under paragraph 3.3 (Powers of Members of Senior Leadership Team) of Part 3 [Responsibility for Functions] of the Council's Constitution, members of the Senior Leadership Team (SLT) Director) have delegated authority to approve commencement of a tendering process for all contracts above a total contract value of £500,000.
5. The Services fall within the description of "*Health, social and related services*" under Schedule 3 of the Public Contracts Regulations 2015; and are services to which the light-touch regime (LTR) will apply. The estimated total value of the Services is £840,000, i.e. over the relevant financial EU procurement threshold for LTR services is (currently £663,540), and therefore a contract notice must be published in the Official Journal of the European Union (OJEU) as well as an advertisement on Contracts Finder.
6. The LTR affords a higher degree of flexibility in how a contracting authority may procure services, however officers must still ensure compliance with principles of the Treaty of the Functioning of the European Union relating to transparency, non-discrimination, equal treatment and proportionality; and the Local Government Act 1999, which requires the Council to make arrangements to achieve best value in the exercise of its functions.
7. There are no implications for the Council under the Transfer of Undertakings (Protection of Employment) Regulations 2006 as a result of this procurement.

FINANCIAL IMPLICATIONS AND RISKS

This decision is with regards to the approval to proceed to tender for the provision of a support provider at Brunswick Court. Current refurbishment and redecoration costs are being funded via the Housing Revenue Account, and therefore not been accounted for within this report.

The current estimated support cost is £20 per hour (or £197.53 per week) which includes housing costs not covered by Universal Credit. This will result in projected support costs of £38k in 20/21 (assuming a start date of February 2021) and £237k per annum from 21/22. The total anticipated revenue costs for the 4 financial years 20/21 to 23/24 are £748k.

The costs of this contract are to be funded via existing revenue budgets within Adult Social Care and Children's Social Care that fund current placements that would be transferred into this new provision at Brunswick Court. The split between services, based on client cohort would be £553k for Children's Services and £195k for Adult Social Care, totalling the £748k over the 4 years. The weekly support cost at Brunswick Court is expected to realise cost avoidance on current placements with external providers.

However, cost projections assume that the current support cost will remain the same for 21/22 onwards, without an inflationary uplift, and that the support service will commence in February 2021. It also assumes that a majority of housing costs and service charges will be met via Council Tax Benefit and Universal Credit claims by tenants.

The current cost avoidance modelling calculations, based on current client cohorts that could be transferred to Brunswick Court, and their current placement costs, demonstrate a possibility of total annual cost avoidance of over £150k (in a full financial year). The savings split would be based on 17 Children's placements or 74% (£111k) and 6 Adult placements or 26% (£39k). However, any cost avoidance realisation is dependent upon referrals to this service, the actual clients which are transferred into Brunswick Court and any periods of voids at the Service will impact the net cost of the provision.

Cost avoidance figures for 2021/22 onwards will need to be recalculated once the cohort of clients referred to this service are known.

The financial modelling has been based on assumptions regarding care and support costs, based on the existing identified client cohorts, and the recovery of rent and service charges through Universal credit. Any fluctuations in these variables, will have an impact on the financial outturn of this modelling, and will need to be closely monitored as the project develops.

**HUMAN RESOURCES IMPLICATIONS AND RISKS
(AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

The new post of Supported Housing Officer will be created by the Housing department in accordance with the Council's Establishment Control process.

The recommendations made in this report in connection with the procurement of a support provider do not give rise to any identifiable HR risks or implications that would directly or indirectly affect either the Council or its workforce.

EQUALITIES AND SOCIAL INCLUSION 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, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

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.

The successful provider will be required to demonstrate compliance with the council's values on equality and diversity, as per the Equality Act 2010.

BACKGROUND PAPERS

N/A

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

Details of decision maker

Signed



Name: Robert South

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date: 10.12.20

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____