



Havering
LONDON BOROUGH

Notice of Non-key Executive Decision

Subject Heading:	Approval to tender for Pathway to Independence service, Heather Court
Cabinet Member:	Councillor Robert Benham
SLT Lead:	Robert South, Director of Children's Services Barbara Nicholls, Director of Adult's Services
Report Author and contact details:	Chris Atkin, Commissioner and Project Manager, Joint Commissioning Unit Chris.Atkin@Havering.gov.uk 01708 434470
Policy context:	Corporate Forward Plan: Communities – Providing a Local Offer to young people who are leaving our care.
Financial summary:	Block funded contract at a maximum annual cost of £287,991.17. As this service is split funded, £143,995.59 would be attributable to both adult's and children's budgets. Proposed contract of 3 years with +1 +1 extensions at a cost of £1,439,955.85 for contract length.

Non-key Executive Decision

Relevant OSC:	Individuals
Is this decision exempt from being called-in?	Yes

Non-key Executive Decision

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"/>

Non-key Executive Decision

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

To agree to commence a tender to procure a contract commencing on 1 October 2022 for a term of 3 years with 2 optional 12 month extension periods for a support provider to deliver targeted, independence promoting support services for 15 vulnerable young people aged 16 to 25 at Heather Court at a maximum value of £287,991.17 per annum.

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

Background and Context

Heather Court is purpose built accommodation providing semi-independent living units to Havering's young people. The Council's contract for supported accommodation at Heather Court expires on [DATE]. The contract has already been extended and no further extension is available.

Heather Court is owned by Look Ahead Care and Support (Look Ahead). It comprises 15 self-contained units with onsite facilities for support staff. Placements at Heather Court are via referral (both from Havering's Leaving Care Team and external sources such as self-referral and other housing providers) discussed at monthly panel meetings.

The tender opportunity for a replacement contract for support at Heather Court was initially published in 2021. That tender process was discontinued as the Council wished to complete further financial analysis to ensure that the maximum price envelope available to a provider was representative and sustainable over the term of the new contract. The existing contract was extended in order to allow that further analysis to take place.

Non-key Executive Decision

As set out in this report, the requisite financial analysis has now been completed. Approval to commence a new tender process is sought.

Benefits of the service

Heather Court provides a valuable resource to support young people to achieve full independence in Havering and is an important element of the wider portfolio of options available to young people with a need for supported accommodation. Alongside Brunswick Court and Centrepoint provisions, Heather Court forms part of the pathway to independence service and adds an increased versatility in terms of options available to our young residents.

Havering has a need for supported accommodation for young people who are leaving care, at risk of offending and/or at risk of misusing substances. There is also a need for those young people who experience significant familial breakdown and/or at risk of abuse within the family home. The support model in place at Heather Court delivers:

- Development of responsibility with regard to holding a tenancy and paying rent – promoting a level of independence that should mitigate against breakdown in housing and causing homelessness/accommodation issues within Havering;
- Budgeting skills and money management;
- Assistance with access to training, employment, volunteer opportunities and education;
- Creating positive social and peer networks;
- Addressing chaotic, anti-social and offending behaviours;
- Signposting to more specialist support where required.

Heather Court is an essential part of the pathway for children leaving care and supporting those who are not leaving care but require support in building independent living skills to maintain council or independent tenancy. The service provides a cost effective mechanism to support young people in achieving positive outcomes where other provision does not provide wraparound personalised support from youth coaches.

Finance

In order to generate a cost model, the same methodology was used for the other semi-independent providers delivering services on a block contract basis in Havering – splitting the cost into:

- Hourly rate for delivering support costed per hour of support delivered
- Hourly rate for building management, admin and indirect support or “support by proxy”
- Hourly rate for night cover

In order to confirm this rationale, the JCU met with the incumbent supplier, as well as completing a short consultation with the market to understand what a sustainable rate would be for the contract. A communication was also sent to colleagues in other

Non-key Executive Decision

boroughs but we only received two replies for this request of information. A mid-range price was used in the development of pricing.

Procurement

This procurement will be subject to and adhere to the Council's Contract Procedure Rules. The procurement is for a light touch service. It will follow a formal open tender process in line 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, young people subject to leaving care and vulnerable young adults and therefore does not meet the same specifications contained within the Council's existing contracts or dynamic purchasing systems, meaning we cannot use existing routes of procurement/contracting to meet the needs of service users.

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 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.

The proposed procurement timetable is as follows:

20/04: Gateway 1 sign off (completed)

29/04: Submission of NKED

16/05: Tender published

06/06: Tender closes

17/06: Moderation

29/06: Gateway 2

04/07: Key ED signed by SLT

28/07: Standstill ends

29/7: Award published

30/09: Implementation/Mobilisation ends

01/10: Contract start

Recommendation

Non-key Executive Decision

It is recommended that the Council pursue a re-commissioning and subsequent re-procurement for the support service based at Heather Court. Heather Court forms an important part of the route to independence for Havering's young people and provides the Council with more capacity and versatility in this area when progressing referrals.

OTHER OPTIONS CONSIDERED AND REJECTED

Option 1: Do nothing and do not contract for a replacement support service.

This option was considered and rejected. The authority has a duty to ensure that all care leavers are in priority with respect to social housing if facing the threat of homelessness. It is essential that young people within Havering have the necessary skills and experience in order to manage and maintain a tenancy and to promote independence.

Option 2: Utilise existing contracts/framework

This option was considered and rejected. Heather Court is a valuable asset within the current context of semi-independent provision in Havering. It is a unique building with a separate landlord, staffed 24 hours a day with a door entry system, a concierge, excellent local links and provides extra capacity to meet the existing demand on semi-independent services that existing contracts cannot. Utilising this provision is cost effective when comparing to non-commissioned spot purchases.

PRE-DECISION CONSULTATION

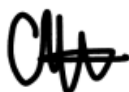
N/A

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

Name: Chris Atkin

Designation: Senior Commissioner and Project Manager, Joint Commissioning Unit

Signature:



Date: 12th May 2022

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has power to procure the contracts 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 also has power to procure the contracts under s111 Local Government Act 1972 as the contracts will facilitate the Council in discharge of its powers and duties as set out in this report.

The contracts fall within the light touch regime of the Public Contracts Regulations 2015 (PCR). The proposed open-type tender procedure is compliant with the requirements for tendering light touch services.

For the reasons set out above, the Council may commence the tender process for provision of support services at Heather Court.

FINANCIAL IMPLICATIONS AND RISKS

This is a Block funded contract at a maximum annual cost of £287,991.17, lasting 3 + 1 +1 years at a total cost of c£1,439,956. The yearly contract value has increased by c92.77% compared to the current monthly payment of £149,400. The significant increase is driven by hourly rates change. The table below shows significant hourly rate increase along the different service elements.

	Current Hourly Rates	New Hourly Rates	Hourly Rate change
Hourly rate for delivery of support	£13.45	£21	56.13%
Hourly rate for day/night management	£6.72	£18	167.86%
Hourly rate for night management	£6.72	£16	138.10%

The service covers direct and other ad hoc support for 15 service users (same as currently), split into 8 leaving care (Children's) and 7 Adults. 100 hours of direct care (down by 50 from the current level) is delivered, split into day and night and c168 hours of indirect care including management duties, all included in the rates above. The current rates have been compared against market and are found to be at a mid-point. The contract will be split 50-50 between Adults and Children's budget. The increase will be an extra pressure on the respective budgets as the 22-23 budget inflation allocated has already been committed. It is expected that the level of annual pay is the maximum payable as such; there is no significant risk the values will increase further within the life of the contract.

Non-key Executive Decision

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

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 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, 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.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

The supplier is working to minimise impact on the environment by:

- Eliminating the need for one use plastics
- Ensuring that all waste is correctly recycled
- Employing a digital solution for recording medicines, negating the need for repeat visits to customers' homes for recording purposes
- A move to a hybrid working model for office based staff reducing emissions from commuting and use of vehicles.
- Reducing energy use in communal spaces

BACKGROUND PAPERS

None

Non-key Executive Decision

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

Details of decision maker

Signed



Date 12.05.22

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 _____