

Notice of KEY Executive Decision

Subject Heading:	Approval to award contract for the provision of Pathway to Independence service, Heather Court for a period of three years, with the option to extend for a further period of two years
Decision Maker:	Robert South, Director of Children's Services
Cabinet Member:	Councillor Oscar Ford
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:	The finances are based on a three year contract with an option extension of two years (1+1). This

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	gives a total contract value of £983,251.05.
Reason decision is Key	(a) Expenditure or saving (including anticipated income) of £500,000 or more
Date notice given of intended decision:	24 th May 2022
Relevant OSC:	Individuals
Is it an urgent decision?	No
Is this decision exempt from being called-in?	No

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

To agree to award the contract for the Pathway to Independence Service at Heather Court to Centrepont Soho, operating as Centrepont, for a term of 3 years with 2 optional 12 month extension periods commencing on 1 October 2022 at a value of £196,251.05 per annum

AUTHORITY UNDER WHICH DECISION IS MADE

3.3 Powers of Members of the Senior Leadership Team

Contract powers

(b) To award all contracts with a total contract value of between £500,000 and £5,000,000 other than contracts covered by Contract procedure

Rule 16.3

STATEMENT OF THE REASONS FOR THE DECISION

Background

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 30th September 2022. 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.

On 12th May 2022 approval was given for the service at Heather Court to be re-procured.

Tender Criteria and Evaluation

The procurement was undertaken using the open competitive tender procedure under the Public Contract Regulations 2015 (PCR 2015). The service falls within the description of services as outlined by the Light Touch Regime under the Public Contract

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Regulations 2015. The value of the contract is above the PCR15 financial threshold for light touch Services. It was advertised on Fusion, Contracts Finder and Find a Tender.

Bidders were required to submit a pre-qualification/selection questionnaire as part of the initial process and were asked to provide three examples of comparable contract delivery over the last three years. The tender was advertised under the Council's standard weighting of 70% price and 30% quality.

Following extensive financial analysis and approval to tender, the tender opportunity was published on 16th May 2022. The JCU engaged in financial analysis, congruent with the method of calculation used for another semi-independent service based in Havering, feedback from the market and discussion with the incumbent provider.

Technical Evaluation

Answers to technical questions were evaluated and scored as outlined in the table below:

Scoring evaluation	Score
No evidence of how this will meet the Council's requirements.	0
Unsatisfactory response suggests the supplier would have difficulties meeting the Council's standards/requirements.	1
Some effort made to meet requirements but significant detail missing, or inappropriate.	2
Broadly meets requirements; satisfactory.	3
Good understanding and proposals.	4
Excellent; exemplary with all areas understood and covered to a very high standard.	5

Method Statement

Tenderers' scores for individual statements were calculated by dividing the Tender's moderated score by the maximum available score per section and then multiplying the outcome by the weighting percentage (30%). Key areas addressed in the method statement were:

- Service description including operating hours, staffing structure, shift structure and examples of working with the specific client group
- Plans on how to deliver, measure and track outcomes and the overall path to independence

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- The suppliers approach to safeguarding, child protection, equality and working with young people to reduce risk taking behaviour
- Knowledge and understanding of Council Priorities and how the supplier plans on building collaborative strong networks/partnerships
- How the supplier will support young people in accessing employment, training and education
- How the supplier will encourage and facilitate peer support
- Response to a described scenario

Submissions were evaluated independently by a panel and final scores agreed

One Provider (Provider B) failed to meet the minimum technical score required of 18/30 and its bid therefore did not progress past technical evaluation stage

Financial Evaluation

The maximum annual value advertised in the opportunity was £287,991.17 (based on a contract of 3 years and an extension of 1+1).

The technical envelope was a marked scoring system with bidders requiring a minimum score of 18 out of 30 to qualify for the opportunity. The weighting for the technical envelope is outlined below:

Criteria	Criteria Weighting	Sub-Criteria	Sub-Criteria Weighting
QUALITY	30%	Q1. Service Model	10%
		Q2. Service Delivery	5%
		Q3. Outcomes	5%
		Q4. Social Value	5%
		Q5. Scenario	5%
PRICE	70%	Commercial	70%

Pricing was evaluated by applying the below methodology. The lowest price bid scored 100 marks. The other offers then received scores expressed as an inverse proportion of the lowest price. All results were rounded to two decimal places. The formula used:

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$(\text{Lowest Bid Price}/\text{Bidder's price}) \times 100 = \text{Bidder's price score}$

Example: Lowest Bid Price = £1000. Bidder 1's Bid price = £1300. Bidder 1's price would attract a score of 76.92, calculated as:

$1000/1300 = 0.7692 \times 100 = 76.92$ (77).

Price scores were then multiplied by the weighting (in this case, 70%) to give a final price score.

The final overall quality + price score for each Bidder is obtained by adding the final weighted quality score for that Bidder to the final weighted price score for that Bidder, to give an overall combined quality + price score out of 100.

Final scores have been outlined below:

Provider	Technical Score (out of 30)	Pricing Score	Total (Technical Score + Price)
Centrepoint	26	70.00	96.00
Provider B (excluded as failed to meet minimum technical score)	16		
Provider C	26	48.14	74.14
Provider D	26	64.73	90.73

The successful supplier, Centrepoint, submitted a bid of £983,251.05 for the 5 year contract.

Despite a **32%** increase in contract cost for this service, the contract would still yield a **62%** saving when comparing unit cost to comparable services already in the borough. It is therefore recommended that the contract is awarded to Centrepoint.

Previous contract		Awarded contract	
Contract Cost	£747,000	Contract Cost	£983,251.05
Annual Cost	£149,400	Annual Cost	£196,650.21
Unit cost	£191.02	Unit cost	£251.44

OTHER OPTIONS CONSIDERED AND REJECTED

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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. The service provider at Heather Court is required also to enter into a housing management contract with the building owner. This type of contract was not available apart from via a standalone procurement.

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: C.Atkin

Date: 26th July 2022

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has power to enter into 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 enter into the contracts under s111 Local Government Act 1972 which permits the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

The Council is a contracting authority for the purposes of the Public Contract Regulations 2015 (PCR 2015). The services are light touch. The value of the procurement exceeds the PCR 2015 threshold for light touch services. Procurement of the contracts is therefore caught by the full light touch regime set out in the PCR 2015. The tender procedure used is compliant with the requirements of the PCR 2015.

For the reasons set out above, the Council may award the contract.

FINANCIAL IMPLICATIONS AND RISKS

Heather Court is a purpose built accommodation providing semi-independent living units to Havering's young people. The contract yearly value is c£196,650.21, and for the duration of the contract (3+1+1=5 years) comes to a total of £983,251.05. In cash terms, the contract will cost 32% more than the current contract, reflecting an upward trend in the cost of social care provision. Despite the increase in cash terms is expected that the contract will deliver non-cashable savings due to more expensive placements being avoided. If the this contract would not be in place the client cohort will have to be placed within the current semi-independent market which is running at an average cost of c62% higher than Heather Court, hence the potential non cashable saving (cost avoided) is c££121k per year.

Tender evaluation was based on Most Economically Advantageous Tender (MEAT) approach, under a weighting of 30%, which is one of the contributors to achieving value for money.

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

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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, 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.

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HEALTH AND WELLBEING IMPLICATIONS AND RISKS

There is no distinct positive or detrimental impact on health and wellbeing as a result of this decision being taken.

Young people based at the service will be supported in developing skills to better maintain their health and wellbeing, such as cooking healthily, managing their finances, understanding risk around sexual, physical and mental health and learning how to make appointments with relevant healthcare providers.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

The winning bidder has committed to improving their impact on the environment by:

- Reducing the use of halogen bulbs and using LED bulbs in shared/communal and office areas.
- Reduction in the use of paper.
- Improving use of heating and supporting tenants in understanding how they can be more efficient in their use of energy.

The winning bidder has also committed to sharing an impact assessment that outlines steps taken in reducing energy use and their success.

BACKGROUND PAPERS

N/A

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APPENDICIES

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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

Details of decision maker

Robert South, Director of Children's Services

Signed



Name: Robert South

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date: 11.08.2022

Lodging this notice

The signed decision notice must be delivered to Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____

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