

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cabinet Member for Children and Education, Cllr Larry Culhane

Date: 02/03/2022

Subject: Semi Independent Living Contract Award

Report author: Adie Smith: Commissioning and Transformation Lead

Responsible Director: Jacqui McShannon: Director Children's Services.

SUMMARY

This report seeks approval to award a Contract for the provision of Semi-Independent Living Services for Care Leavers and Young People at Risk of Homelessness. This follows a recent successful competitive tendering exercise.

RECOMMENDATIONS

1. To approve the award of a contract to Centrepoint Soho, for the provision of semi-independent living services for a maximum period of 3 years, commencing 01 May 2022 and expiring 30 April 2025. There will be an optional break clause after 24 months in order to amend the contract in accordance with current need. The annual contract cost will be £1,447,800 with a total cost for the three-year period of £4,343,400.
 2. That the decision to amend this contract in accordance with current need and demand at the 24-month break clause be delegated to the Director of Children's Services in consultation with the Operational Director for Children and Young People.
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Wards Affected: ALL

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	By increasing the 'In Borough' provision to enable more young people to live and be supported within the borough.
Creating a compassionate council	Implementing new KPIs that will enable more vulnerable young people to develop the skills and resilience to independently succeed into adulthood.
Doing things with local residents, not to them	By preventing homelessness of people aged 16-24 years and preventing 16-17 year olds from entering care.
Being ruthlessly financially efficient	Increases sufficiency by delivering more provision for less money.

Taking pride in H&F	Creating provision for young people who are placed out of borough to return home to Hammersmith & Fulham.
Rising to the challenge of the climate and ecological emergency	Reducing CO2 emissions by reducing the need for staff and young people to travel across London.

Financial Impact

The 2022/23 full year budget provision for Semi Independent Living is £5,479,200. This budget shown in the table below includes 2022/23 inflation but excludes any budget savings to be applied.

Block contract – Care Leavers (CL) (support only)	£744,600
Block contract – CL (rent)	£555,800
Young People At Risk (YPAR)	£542,600
Spot purchase	£3,636,200
Total	£5,479,200

The re-procurement of the contracts provides opportunity to create savings by increasing capacity at a low cost, to enable further 12 Out of Area placements to return to the borough. This will reduce the spot purchase costs by approximately £547,700 per year. This includes both rent and support.

Based on the chosen tender set out here, the forecasted costs for the provision of Semi-Independent Living are:

Block contract – CL and YPAR (support only)	£1,447,800
Block contract – provision for flexible support increases	£233,100
Block contract CL (rent)	£702,600
Spot purchase reduced by £547,700	£3,050,400
Total	£5,433,900

The contractual element totals £1,447,800 per annum with a total cost of £4,343,400 over the 3-year duration.

This would create a full year effect budget saving of £45,300. However the supporting people reserve which is funding £30,200 of the budget and comes to an end in 2021/22 so the general fund minimum budget saving targeted after this reduction is £15,100.

In addition to this, when the previous Supporting People budget was transferred to Children's Services at the start of 2020/21, an annual shortfall of £22,700 existed between the SP budget and the Young People at Risk contract commitments. The recommendations of this report eliminate that shortfall and the proposal will also eliminate the £22,700 overspend which currently exists on the supporting people contract when compared to the budget.

The above costs include a provision for flexible support increases of £233,100 which upgrades the support of 45 young people from low to medium support. This is seen as a maximum figure. With 0 upgrades an additional saving of £233,100 would be made giving a total maximum saving of £248,200. Budget savings should fall between the range of £15,100 to £248,200.

	Min savings <i>(upgraded support x 45)</i>	Max savings <i>(upgraded support x 0)</i>
Budget	£5,479,200	£5,479,200
Less supporting people reserve ending	£30,200	£30,200
Forecasted cost	£5,433,900	£5,200,800
Budget saving	£15,100	£248,200
Supporting People overspend to be eliminated	£22,700	£22,700
Supporting People reserve ending	£30,200	£30,200
Cost saving	£68,000	£301,100

Factoring in the elimination of the supporting people overspend, and the facilitation of the supporting people reserve budget removal, cost savings will range between £68,000 and £301,100. This assumes all other variables remain equal and 12 average cost out of area spot purchased placements can be transferred to the block contract accommodation.

As part of the 2022/23 MTFS £341,000 has been targeted against the placements budget as whole. The savings achieved through this procurement will contribute to the delivery of this target.

Alex Pygram, Finance Manager,

Reviewed by Tony Burton, Head of Finance Children's Services and Education,
Tony.Burton@lbhf.gov.uk 31 January 2022

Verified by Emily Hill, Director of Finance 04/02/2022

Legal Implications

The Council is under a duty to provide these services under the Children Act 1989 and the Children and Families Act 2014.

This is a public services contract for the purposes of the Public Contracts Regulations 2015 (PCR). The Council is therefore subject to an obligation to carry out the procurement in accordance with the requirements of these regulations.

The procurement was undertaken using a Dynamic Purchasing System which had been let in accordance with the PCR. Undertaking a competition in accordance with this system is in compliance with the rules.

This is a high value contract under the Council's Contract Standing Orders. The use of a suitable Dynamic Purchasing System is a permitted means of procurement under CSO 19.

Legal Officer John Sharland, Senior solicitor (Contracts and procurement) email: john.sharland@lbhf.gov.uk

Legal implications dated 28 January 2022

Background Papers Used in Preparing This Report - *PUBLISHED*

[Key Decision: SIL Procurement Strategy](#)

DETAILED ANALYSIS

Proposals and Analysis of Options

1. A decision was approved by the Cabinet Member for Children and Education on 6 December 2021 which gave officers approval to a competitive procurement exercise for Semi Independent Living (SIL) services.
2. The current service arrangements for Young People At Risk Of Homelessness (YPAR) had not been competitively tendered since approximately 2010 and as such could not demonstrate value for money.
3. In addition, the current Care Leavers contract has not been tendered since 2015 and no longer meets current demand, with an increasing number of Young People needed to be placed out of area.
4. A new bespoke service specification was designed to meet current need, with increased 'In borough' capacity and a level of flexibility to allow the services to evolve around individual needs and demands.

Procurement Route

5. The route to market to competitively tender these services was to utilise the Hammersmith & Fulham led Dynamic Purchase Vehicle (DPV) for semi-independent living services. This system is administered and managed by the Commissioning Alliance and the procurement was conducted internally, with support from the Commissioning Alliance using the Careplace Brokerage System.
6. The procurement documents were sent out via the above-mentioned brokerage system to 268 providers on 14 December 2021, who had already passed the

minimum standards and Quality Assurance thresholds required to be an approved provider on the DPV.

7. From these 268 providers, 25 responses were returned. 11 of which were received with acceptance indicating these providers were interested in delivering the service.
8. Of the 11 accepted responses, 3 returned a fully completed Tender Bid, which were reviewed by a Tender Appraisal Panel, which consisted of a Team Manager from Care Leaver Service, Commissioning and Contracts Officer from Children's Services, Housing Reviews Manager from the Economy Department and a Supported Housing Advisor. The Lead Commissioner was also present and chairing the Tender Appraisal Panel. This panel was appointed to offer a fair and balanced approach providing the views of all service areas.
9. In the table below, the Tender Bids have been anonymised and each tenderer was simply referred to in number format. This was done in order to remain impartial and unbiased within any decision making.
10. Organisations that did not submit either a price, complete all the required supported documents or answer all questions were rejected and could not be progressed to the next stage in the assessment process. These tenders were considered non-compliant.
- 11.

Tender Bid	Care Place Flag	Price Submitted	All Documents submitted	Q1	Q2	Q3	Q4	Q5	Q6
1	Red	Yes	No	No	Fail				
2	Green	Yes	No	No	Fail				
3	Red	Yes	No	No	Fail				
4	Green	Yes	Yes	Yes	Pass	16	16	16	16
5	Green	Yes	No	No	Fail				
6	Red	No	No	No	Fail				
7	Red	Yes	No	No	Fail				
8	Green	Yes	Yes	Yes	Fail				
9	Green	Yes	No	No	Fail				
10	Green	Yes	No	No	Fail				
11	Red	Yes	No	No	Fail				

12. From the 3 tender bids who had submitted all documents, only one had passed Question 2. The provider's response clearly set out the delivery requirements and as such this question was awarded a 'Pass'. Those awarded a 'Fail' answer from the panel would not be marked.
13. The Council reserved the right to seek further clarification upon the contents of a tender bid. In exercising this right, a message was sent via the messaging portal on the brokerage system requesting the other two suppliers clarify their answer for Question 2.
14. The result of which led to provider 7 also receiving a 'Pass' on Q2. Following this it was identified that this provided failed to submit their Social Value response on the Social Value Portal. This being a requirement of the

procurement and resulted in this provider not progressing to the next stage in the evaluation process.

15. This resulted in one tender submitted by provider 4 that met all of the requirements for Quality and Price, leading to assessment of all questions by the panel and scoring in accordance with the tender documents.

Reasons for Decision

16. This recommendation to award a contract following the competitive tender is based upon the three returned tenders' been assessed against the criteria set out within the Procurement Strategy and Service Specification documents.
17. As the providers are required to pass Quality Assurance measures in order to gain access to the DPV, a previous decision report was approved stipulating that a 'Call-Off' contract can be procured from this DPV with a minimum of 10% Quality. This allows the Council to focus on obtaining the best possible price in order to support the objective of being ruthlessly financially efficient.
18. The providers were first asked to set out their own specific experiences of delivering supported accommodation to vulnerable young people within the area of the London Borough of Hammersmith & Fulham. The Tender Appraisal Panel (TAP) marked this answer with a binary Pass or Fail. Those who passed this question went onto have their Quality questions including Social Value method statement marked. This section offered up to 20% of their total score.
19. Those who passed the above quality assessment were then awarded up to an additional 80% based upon the price quoted within their tender bid. Those who offered the most competitive price, were awarded the most points.
20. Up to 80% of the allocated score was based upon Price and 20% based upon Quality with 10% of Quality attributed to Social Value as per Council policy.
21. The Tender Appraisal Panel recommends that the provider evaluated as offering the most economically advantageous tender is Tender bid No 4 and this is Centrepont Soho.

Equality Implications

22. There are no anticipated negative implications for groups with protected characteristics, under the equalities act 2010, by the approval of these recommendations. Whilst there will be no reduction in capacity in the young people's pathway and increased capacity within the Children Looked After this is based on void analysis over a 3-year period and therefore reflects current demand.
23. It is anticipated that there would be no impact in relation to the protected characteristics as the services will remain in place following re-procurement, a continuing positive impact has been identified.

24. As part of the commissioning relationship with the provider, quality of service delivery and protected characteristic groups will be monitored regularly with a focus on actions required for hard-to-reach groups.

Risk Management Implications

25. The report recommends the award of a three-year contract following a compliant procurement exercise in line with the Council's Contract Regulations and the objective of being ruthlessly financially efficient. This contract supports the key service objective of preventing homelessness of people aged 16-24 years and preventing 16–17-year-olds from entering care.

David Hughes, Director of Audit, Fraud, Risk and Insurance, 31 January 2022

Climate and Ecological Emergency Implications

26. This decision does not involve changing infrastructure to hard standings or buildings. It does create additional space within the borough for the Out of Area placed Care Leavers to return to the borough. Thus, reducing the need to travel in order to connect with peers. In addition, education around Climate and Ecology Emergency have been added to the Service Specifications.
27. The climate change toolkit has been completed for this procurement and follows the necessary guidelines in supporting the Council to meet its Climate and Ecological Emergency Targets.

Hinesh Mehta, Strategic Lead – Climate Emergency, 31 January 2022

Procurement implications

28. The chair of the Tender Appraisal Panel has cross checked the scores with the Careplace platform and with the Council's Contracts and Procurement Adviser from the internal legal department on 28 January 2021. These scores are consistent with those set out within the report.

Adie Smith, Commissioning and Transformation Lead. 31 January 2022

Local Economy and Social Value

29. It is a requirement that all contracts let by the council with a value above £100,000 provide social value commitments that are additional to the core services required under the contract. In addition, the evaluation of the social value should account for a weighting of a minimum of 10% of the overall score.
30. The Social Value offers from each supplier were evaluated by the procuring team. Centrepoint Soho committed contributions amounting to 10.4%. The assessment concluded that the method statement submitted provided a

satisfactory explanation of how they will implement and achieve the social value measures.

31. The main contributions will be towards jobs and support to unemployed residents.
32. It is recommended the project lead will work closely with the council's Social Value Officer and the contractor to agree on a delivery plan, soon after the award. The supplier will be required to set targets on Social Value Portal and to pay the relevant fee for effective monitoring and reporting.
33. It is advised that the commissioner works with Legal to ensure appropriate social value clauses are included in the contract, so that the council can enforce its right to compensation if social value commitments are not delivered.

Implications completed by: Paul Clarke, Economic Development Officer 22 February 2022

Consultation

34. The 'Young Inspectors Programme' has consulted with Young People to hear their voice and to understand what improvements they want from their support services. The purpose of the programme was to create change and improve services for the benefit of young people.
35. Overall, the response was complementary towards the service and the support being delivered. With some suggested improvements facilities such as improved WIFI and decoration of communal areas. These improvements have been added into the Service Specification and Key Performance Indicators.