

## LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Deputy Leader, Cllr Ben Coleman

**Date:** 29/06/2022

**Report Title:** Award of Emlyn Gardens: Adults with learning disabilities supported living contract

**Responsible Director:** Lisa Redfern Strategic Director of Social Care

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### SUMMARY

Emlyn Gardens is a new building in the White City area with 8 flats, three of which are wheelchair accessible. This report seeks approval to award the Emlyn Gardens: Adults with learning disabilities supported living contract to Metropolitan Housing Trust (MHT) for three years with an option to extend for a further two years, to commence on 11 July 2022, following a clear, fair, and robust procurement process.

This contract will support the councils' vision of independent living for disabled people.

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### RECOMMENDATIONS

1. To approve the award of a contract to Metropolitan Housing Trust (MHT) for the delivery of a supported living service for adults with learning disabilities. The initial term of the contract will be for three-year commencing 11 July 2022 to 10<sup>th</sup> July 2025 (with the option to extend for up to a further period of two years). The core value of this contract over the five-year term is £1,624,770. The estimated core cost over the initial three-year period is £974,862. The estimated core cost of the two-year extension period is £649,908. Over the lifetime of the contract there will also be an additional annual cost of flexible hours at the hourly rate of £17.87. The number of flexible hours will vary and is dependent on residents' needs. The current estimate of flexi hours over the 5-year contract is 69,086 which equates to a cost of £1,234,558.
  2. To approve the expenditure of £33,145, through the Disabled Facilities Grant (DFG), which includes a payment of £17,145 to MHT to cover set up costs for the new building and a payment directly to the eight residents and their families to assist in furnishing their new flats of £2,000, a total of £16,000.
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Wards Affected: All

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## H&F PRIORITIES

Our Priorities	Summary of how this report aligns to the H&F Priorities
Building shared prosperity	<p>The council is working in partnership with Shepherds Bush Housing Group to maximise the supply of affordable housing in the borough, both general needs and specialist housing for residents with learning disabilities</p> <p>A demonstration of better use of assets of both the council and of community resources.</p> <p>Development of new support models; better promoting social inclusion and parity of esteem for adults with learning disabilities.</p>
Creating a compassionate council	<p>The provision of eight high specification units for adults with learning disabilities, will enable several residents to remain and/or move back into borough to be closer to their families/networks of support and to live a more independent life.</p> <p>It will address the lack of suitable specialist housing units within the borough for adults with learning disabilities with a range of complex needs including physical, sensory and needs relating to behaviours that challenge.</p>
Doing things with local residents, not to them	<p>Residents with learning disabilities and their families will be involved in the design layout and furnishing of the units to ensure they meet their needs and to support independence.</p> <p>Residents have been involved with the design of the new tenant hall. Co-produced social inclusion events and activities within the hall, when it opens, will support the eight residents to become active citizens in the Emlyn Gardens Tenant and Resident Association and their local community.</p> <p>The service specification will ask that the new provider ensures that co-production with residents, their families and circles of support is at the heart of service design and delivery and ongoing review/improvement.</p>

Being ruthlessly financially efficient	<p>The development will reduce the pressure on the placement budgets, particularly in terms of high cost, out of borough placements.</p> <p>By bringing packages of care that are negotiated individually back into borough the council will utilise the economies of scale of the residents being in one building, ensuring that core cost savings can be achieved.</p>
Taking pride in H&F	<p>It will create opportunities for residents with learning disabilities to be integrated into and to be active participants in their local community. There will be a high specification new tenants hall and function room to be used by the residents and other local community groups to enhance community cohesion and social inclusion.</p>
Rising to the challenge of the climate and ecological emergency	<p>The winning provider has made climate change commitments within their social value commitments.</p>

## Financial Implications

### Revenue Costs

The total estimated revenue spend over the 5 years of the contract is £2,859,328. This is split between core costs and flexi costs.

The **core cost** is £1,624,770 over the 5-year contract. This is fixed based on a yearly cost of £324,954 which consists of 14,599 hours per year. This covers the essential elements of the service including night cover and the scheme manager.

The **flexi costs** are variable and paid based on assessed need and occupancy levels. The estimated flexi costs over the 5-year contract are £1,234,558, which is based on delivering support of 265 hours per week per person using an hourly rate of £17.87, based on the profile of residents likely to move into the accommodation.

### Capital Costs

Capital costs total £33,145, which will be funded via the Disabled Facilities Grant (DFG). This consists of a payment of £17,145 to MHT as a capital grant to cover fixtures, furniture and equipment of communal areas and a payment directly to the eight residents and their families to assist in furnishing their new flats of £2,000,

totaling £16,000.

The total spend over the 5-year contract for revenue and capital is £2,892,473. The budget over the same period is £2,892,473 resulting in a variance of 0.

The table below apportions the contract costs over the five financial years.

**Table 1: Emlyn Gardens: Adults with learning disabilities support living contract costs 2022/23-2027/28**

Financial Year	2022/23 Part Year	Annual	2027/28 Part Year	Total
	11 <sup>th</sup> July – 31 <sup>st</sup> March	1 <sup>st</sup> April - 31 <sup>st</sup> March	1 <sup>st</sup> April – 10 <sup>th</sup> July	
	£	£	£	£
Revenue Costs				
Core Cost	235,035	324,954	89,919	1,624,770
Flexi Costs (estimated variable cost based on proposed residents)	178,586	246,912	68,324	1,234,558
Total Revenue Costs	413,622	2,287,464	158,242	2,859,328
Budget	413,622	2,287,464	158,242	2,859,328
Revenue Variance	0	0	0	0
Capital Costs				
Implementation Costs	17,145	0	0	17,145
Capital for resident's	16,000	0	0	16,000

Total Capital Costs	33,145	0	0	33,145
DFG Budget	33,145	0	0	33,145
Capital Variance	0	0	0	0

*Implications completed by: Lydia Nevitt, Principal Accountant.*

*Implications verified by: Emily Hill, Director of Finance, dated 26 May 2022.*

### **Legal Implications**

This report recommends awarding a contract for supported living services at Emlyn Gardens to Metropolitan Housing Trust ('MHT') for £1,641,915 over a potential 5 years (3 plus 2 years). MHT will occupy the site at Emlyn Gardens under the terms of a lease from Shepherd's Bush Housing Association as part of its housing management functions.

The value of the contract is above the threshold for 'Social and other Specific Services' (light touch procurements) under Public Contracts Regulations 2015 ('PCRs'). The PCR required the contract to be procured following a competitive process and the publication of a contract notice in Find a Tender. The Council approved a procurement strategy for such a procedure (as published on 12th April 2021) and this report confirms that the procurement was carried out in accordance with that procedure.

The value of the proposed contract is a High Value under the Council's Contract Standing Orders. The approval process for HVCs requires that the Cabinet Member approves the award (CSO 21.1).

Where the award report concerns the award of contract in excess of £300,000 in value or the expenditure is otherwise significant, then it is a Key Decision (see Article 12 of the Constitution) and must be submitted to Committee Services for publication on the Council's website. The award decision cannot be implemented without the expiry of the call-in period for that decision as shown on the website and expiry of the Standstill Period (CSO 21.7). The contract must be sealed by Legal Services as it has a value over £100,000.

An electronic copy of the completed (dated) Contract must be uploaded to the Contracts Register along with a copy of the award report.

*Implications verified by: Angela Hogan Chief Solicitor (Contracts and Procurement)*

*Legal Services, date signed: 24th May 2022*

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## **BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

None

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## **DETAILED ANALYSIS**

### **Proposals and Analysis of Options**

1. This is a new building providing eight new, high-quality homes for residents with learning disabilities within the borough, three of which are wheelchair accessible. To facilitate residents moving into the building, the care and support contract needs to be awarded to ensure that there is 24-hour, seven day a week support for residents. If adaptations are required to accommodate residents needs, this will be organised through the council's Aids and Adaptations Team.

### **Options**

#### **Option 1**

2. Do Nothing - Not recommended. This does not support the council's long-term commitment to increase the supply of disabled, accessible housing within the borough. This is also not deemed as a viable option as there are residents waiting to move in. A care and support service needs to be place before this happens.

#### **Option 2**

3. To award a five-year contract to MHT following a robust procurement process – Recommended. This option is recommended as will ensure the provision of good quality, long-term homes for residents with learning disabilities within the borough, close to their family and their circles of support. It will also ensure that the successful provider, the Council and other partners all facilitate an Independent Living approach, providing greater choice and control for our residents.
4. The service will deliver a better quality of outcomes and improved value for money by the use of:
  - assisted technology, travel training and pooled budgets
  - local community assets
  - peer support.

### **Procurement process and method**

5. The chosen procurement route taken was considered the best commissioning option to enable the council to achieve its strategic objectives for the Emlyn

Gardens adults with learning disabilities supported living service. The duration of contract is considered to offer sufficient time to embed and build a service which can make meaningful and measurable changes in the lives of the 8 residents.

6. The Procurement Strategy recommended using an open procedure procurement route. There was a Qualification stage and only those tenderers who passed all aspects of this had their quality and price submissions evaluated. Tenders were evaluated using a quality/price ratio of 60:40 with the contract awarded to the tenderer who submitted the most economically advantageous tender (MEAT).
7. The contract is to be let on the basis of an initial term of three years with the council being entitled, at its absolute discretion, to extend the contract term for a further two years, making a maximum total contract period of five years.
8. A Contracts Notice was published on the UK's new e-notification service, Find a Tender (FTS) 7 February 2022. The opportunity was published on CapitalEsourcing, the procurement portal used by the council, on 8 February 2022. Also, on this date further notice of the procurement opportunity was published on Contracts Finder.
9. Tenderers were given from 8 February 2022 to submit tenders, with a closing date of 9 March 2022. Three tenders were received by the closing date. These were first checked against the three compliance standards. These include that a tender is compliant and bona fide, it is capable of legal acceptance, and it is complete in so far as the tenderer has undertaken to provide the services as required by the council. Two tenders satisfied this test.
10. Tenderers were required to submit three envelopes, these being Qualification, Technical and Commercial.

### **Qualification evaluation**

11. The Qualification envelope is similar to the Standard Selection Questionnaire used in the two stage Restricted procurement. Only if a tender passes all elements of the Qualification envelope will the corresponding Technical and Commercial envelopes be evaluated.
12. The Qualification envelope requires a tenderer to provide basic information about the organisation submitting the tender and be awarded a pass mark for the following sections:
  - Grounds for Mandatory Exclusion
  - Grounds for Discretionary Exclusion
  - Economic and Financial Standing
  - Technical and Professional Ability
  - Modern Slavery Act 2015
  - Insurance
  - Skills and Apprentices
  - Relevant experience (experience using an assets-based approach, experience delivering housing management in a supported living setting for people with

learning disabilities, experience of coproducing outcomes for people with learning disabilities in a 24-hour supported living setting)

13. One principle of the Standard Selection Questionnaire, here forming the Qualification Envelope, is that tenderers are allowed to self-certify they meet the requirements in addition to providing references for the Relevant Experience section of the envelope Although with regard to the Economic and Financial Standing test officers will verify, using Creditsafe and submitted accounts, that tenderers do satisfy this test.
14. Two tenders satisfied the requirements of the Qualification envelope.

### **Commercial evaluation**

15. The Commercial envelope required tenderers to submit costs for the Annual Core Charge within the range of £275,000 - £326,000 per annum.
16. The Commercial Envelope was based on the submission of the lowest annual core charge which would receive 20% of the total 40% score and the lowest flexible hourly rate which would receive 20% of the total 40% score. Thereafter the other submissions were scored on the proximity of their annual core charge and hourly flexible rate respectively. This resulted in the following scoring:

Commercial submission scoring	
Tenderer	Commercial score (out of 40)
Metropolitan Housing Trust	39.97%
Tenderer B	37.78%

### **Technical evaluation**

17. The Technical envelope required tenderers to submit ten method statements for evaluation and submit details of the Social Value measure they will provide using the Social Value portal. They were also required to submit two method statements that were not evaluated.
18. The method statement areas and their respective weightings are shown in the table below.

<b>Technical questions areas and respective weightings</b>
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<b>Question area</b>	<b>Weighting</b>
Service delivery	12
Delivering personalised, high-quality care and support	12
Assessing quality and outcomes	10
Coproduction and social inclusion	7
Staffing	10
Health and Safety of Service Users and Staff including Safeguarding	10
Partnership working	7
Social Value Questionnaire (submitted on the Social Value portal)	8.5
Social Value Delivery Plan	8.5
Coproduction and Social Inclusion	5
Mobilisation Plan	10
Housing management	10
Dementia	Not scored
Business Continuity Plan	Not scored
Total	100
<b>Equated to a mark out of 60</b>	

19. Each method statement submitted by the two tenderers were individually evaluated by four officers using a scoring matrix of 0 to 5 with the following ratings:

- 0 – unacceptable (fail)
- 1 – poor (fail)
- 2 - fair
- 3 - satisfactory
- 4 – good
- 5 - excellent

20. The four evaluating officers met for a moderation meeting chaired by a council officer with experience in social care procurement. The purpose of the meeting was to agree a consensus score for each submission. Once the scores were agreed a

respective weighting were applied to each submission to provide a technical score out of 100. The two scores were then equated to a score out of 60 to reflect the quality/price evaluation ratio of 60:40. The total technical scores are shown in the table below:

<b>Technical submission scoring</b>	
<b>Tenderer</b>	<b>Technical score (out of 60)</b>
Metropolitan Housing Trust	41.46%
Tender B	39.24%

21. As no submission was awarded with a consensus score below 2, no tenderer was rejected from the procurement process on the grounds of submitting a failed method statement.

### **Social Value**

22. 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. Also, that the evaluation of social value accounts for a minimum of 10% of the overall evaluation methodology.

23. The Social Value offers from each supplier were evaluated by the Social Value Portal and reviewed by commissioners. Metropolitan Housing Trust's commitment of £203,069 over the three-year contract equates to 20.8% of the core funding. The assessment concluded that the method statement submitted provided a satisfactory explanation of how they will implement and achieve the social value measures.

<b>Social Value Quantitative submission scoring</b>	
<b>Tenderer</b>	<b>Social value quantitative score (out of 7.5)</b>
Tender B	7.50
Metropolitan Housing Trust	7.45

24. The highest value commitments from the winning tenderer are as follows:

- **local direct employees (FTE) hired on contract**  
They have committed to employing 4 FTE who are H&F residents. This is a commitment across the initial three-year term.
- **No. of weeks of training opportunities on the contract**

52 weeks x 3 new members of staff members undertaking level 3 in Health and Adult Social Care.

- **Equality, diversity, inclusion training for staff/supply chain staff**  
9 FTE staff will undertake 4 hours of equality and diversity training twice yearly that last 2 hours.
- **Number of voluntary hours donated to support VCSE**  
Staff will undertake the volunteer days at local VCSEs, with target hours at 135

25. Social Value commitments will be monitored through the social value portal, but the contract manager will be responsible to address any shortfalls and address them as part of the contract monitoring process.

**Final scoring**

26. A summary of the scores awarded to each of the two tenders is shown in the table below.

<b>Compilation of Technical and Commercial scoring</b>			
<b>Tenderer</b>	<b>Technical score</b>	<b>Commercial score</b>	<b>Total score</b>
Metropolitan Housing Trust	41.46%	39.97%	81.43%
Tender B	39.24%	37.78%	77.02%

27. On the basis of a most economically advantageous tender evaluation methodology it is recommended that the contract is awarded to Metropolitan Housing Trust.

**Contract price**

28. The contract price will include the annual core charge of £324,954 each year of the contract and implementation costs of £17,145 in year one, paid to MHT to cover fixtures, furniture, and equipment of communal areas.

29. The number of flexible hours will vary and is dependent on residents' needs. Flexible hours will be delivered at the hourly rate of £17.87. The current estimate of the cost of flexi hours per annum is £246,912.

30. The total contract price payable over the initial contract term of three years, including the core, flexible and implementation costs will be £1,732,743.

**Contract mobilisation**

31. As part of their commercial submission tenderers were required to submit a Mobilisation Plan detailing the measures they will implement from when the contract is awarded until six months after the contract commencement date in a phased

approach. Officers consider Metropolitan Housing Trust's Implementation Plan is achievable and will allow for the new contract commencement date.

32. Following the award of contract, a project group will be formed where officers from commissioning and social work teams will work closely and meet regularly with representatives from MHT to ensure the milestones and key dates included in their Mobilisation Plan are achieved and there is a seamless transfer to working arrangements under the new contract.

### **Reasons for Decision**

33. Following a robust procurement and assessment process it is proposed the contract will be awarded to the provider who submitted the most economically advantageous tender (MEAT).

34. By awarding a three-year contract to MHT this will ensure that the following social care priorities are achieved:

- To provide a bespoke, community-based service that enables people to live as independently as they are able; to have real choice and control over how their needs and desired outcomes are met
- To ensure that people with learning disabilities have good opportunities; are fully engaged in their communities; have somewhere decent to live, and receive support that promotes their health and wellbeing
- That a holistic approach to supporting people will be delivered that is built around individuals, their strengths and potential and that considers housing alongside other priorities such as employment and friendships
- For the Council to co-produce design and delivery of services with residents with learning disabilities, families and carers
- To enable people to live near to their families and friends, and continue to be able to access local services and support they have previously enjoyed and benefited from
- To enable people to feel valued by their communities and feel like they belong
- To ensure access to leisure and social activities to reduce social isolation and improve well-being
- To enable people to engage in meaningful activities such as paid employment, volunteering, and life-long education
- Supporting smooth transitioning for looked after children moving to adult social care
- Ensure a ruthlessly efficient use of financial resources by bringing eight individual care packages in different settings into one building to reduce management overheads and transactional costs

- Stimulate the market to develop innovative solutions to providing homes within the borough for adults with learning disabilities.

### **Equality Implications**

35. The recommendations in this report will enable residents with learning disabilities, who will live in the building, to benefit from a new, accessible purpose-built service. Officers undertook an Equalities Impact Assessment as part of the procurement strategy for Emlyn Gardens, which considered that there are no negative implications for groups with protected characteristics, under the Equality Act 2010.

### **Risk Management Implications**

36. The report recommends awarding a three-year contract, with an option to extend, following a competitive process. This is in line with the Council objective of being ruthlessly financially efficient. The contract will provide eight high specification units for adults with learning disabilities, enabling those residents to remain and/or move back into borough to be closer to their families/networks of support and to live a more independent life.

*Implications completed by: David Hughes, Director of Audit, Fraud, Risk and Insurance, 19 May 2022*

### **Climate and Ecological Emergency Implications**

37. The Council has committed to making the borough net zero carbon by 2030. It aims to reduce greenhouse gas emissions throughout its supply chain by awarding contracts to suppliers with track records of reducing carbon and commitments to doing so in the future, and by working with existing suppliers to reduce emissions. The successful provider will seek to reduce carbon emissions from their assets and operations, within the contract, in their back office and in their supply chain.

38. As part of their social value commitments the successful provider has made only one climate and ecology commitment:

*Carbon savings from energy efficiency measures on site in the staff and communal areas.*

39. Council officers will work with the new provider during the implementation period to develop an action plan for the lifetime of the contract that will include reducing carbon emissions. The Provider will then be monitored to ensure delivery against environmental commitments developed during this period.

*Implications completed by: Hinesh Mehta Strategic Lead – Climate Emergency The Environment, 25 May 2022*

### **Procurement Implications**

40. The results of the evaluation process have been verified against the e-tendering system by Helen Byrne, Strategic Commissioner Health and Social Care.

## **Digital Services Implications**

41. IT Implications: There are no IT implications resulting from this report.
42. IM Implications: The service will need to complete a Data Privacy Impact Assessment (DPIA) to ensure all potential data protection risks in relation to this proposal are properly assessed with mitigating actions agreed and implemented. Metropolitan Housing will need to complete a (Cloud) Supplier Security Questionnaire.
43. The Metropolitan Housing will be expected to have a Data Protection policy in place and staff will be expected to have received Data Protection training
44. The contract with Metropolitan Housing will need to include H&F's data protection and processing schedule. This is compliant with the UK Data Protection law.

Implications completed by: Karen Barry, Strategic Relationship Manager, Tel: 020 8753 3481, 23 May 2022

## **Local Economy and Social Value**

45. 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 social value should account for a weighting of a minimum of 10% of the overall score.
46. The Social Value offers from each supplier were evaluated by Social Value Portal. MHT committed contributions amounting to 20.4%. The assessment concluded that the method statement submitted provided a satisfactory explanation of how they will implement and achieve the social value measures locally.
47. The main contributions will be towards jobs and accredited training for local residents.
48. 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.
49. 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, 24 May 2022*