

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Councillor Alex Sanderson, Deputy Leader (with responsibility for Children and Education) and Councillor Andrew Jones, Cabinet Member for the Economy

Date: 16/12/2024

Subject: Contract award for semi-independent Living (SIL) services for children looked after, care experienced and young people at risk

Report author: Sophie Veitch – Senior Commissioning and Transformation Lead

Responsible Directors: Jacqui McShannon, Executive Director of People's Services and Bram Kainth, Executive Director of Place

SUMMARY

This report seeks approval to award semi-independent living (SIL) services for young people looked after, 16 years old and over, and young people at risk (YPAR) of becoming homeless across London Borough of Hammersmith and Fulham, including granting the leases of four Council owned properties.

RECOMMENDATIONS

That the Deputy Leader (with responsibility for Children and Education) approves:

1. That the approximate contract value, tender results and property addresses for the leases included in this award, are outlined in Appendices 2-4 and are not for publication on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
2. The award of a contract to Centrepont Soho, for the provision of semi-independent living (SIL) services for young people for an initial term of three years from 1st May 2025, with the option to extend for a further two periods of two years up to a total contract term of seven years (3+2+2), at an annual contract cost of approximately £2,656,819.
3. The decision to extend this contract or vary it in accordance with current need be delegated to the Executive Director of People's Services.

That the Cabinet Member for Economy approves:

4. The Council granting leases of four council owned properties to Centrepont Soho for the provision of semi-independent living (SIL) services for young people.
5. To delegate authority to the Executive Director of Place in consultation with the Director of Legal Services to negotiate and execute the leases and all necessary agreements in order to implement recommendation 4 above where the rental income exceeds the value delegated to officers in accordance with Section 123 of the Local Government Act 1972.

Wards Affected: ALL

Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	Supporting young people to develop the skills and resilience to be independent in adulthood.
Creating a compassionate council	Having sufficient provision in borough enables young people to live locally while they prepare to move on, rather than being placed out of borough and further away from their support networks and local services.
Doing things with local residents, not to them	Our care experienced young people have told us that they want to live locally, close to friends and family and connected to local services.
Being ruthlessly financially efficient	Commissioning a block SIL contract offers better value for money than spot purchased placements.
Taking pride in H&F	Creating high quality local SIL provision for young people from H&F and supporting them to become healthy, thriving adults.
Rising to the challenge of the climate and ecological emergency	Having sufficient local provision will reduce usage of spot-purchased out-of-borough placements. This in turn will lead to lower CO2 emissions by reducing the need for staff and young people to travel across London.

Financial impact

The financial implications of the proposed contract award are detailed in Appendix 2, the contents of which are exempt for commercial reasons.

Tony Burton, Head of Finance Children's Services and Education, 27 November 2024.
Verification by: James Newman, 5 December 2024.

Legal implications

Contracts and Procurement Legal Implications

This report recommends that the Cabinet Member approves the award of a contract for the provision of semi-independent living (SIL) services for young people to the incumbent provider, Centrepont Soho. The contract will be for up to seven years and have an annual value of approximately £2,656,819. The report also recommends that any decision to extend the contract (as permitted under the contract which is a 3 + 3 +2 contract) be taken by the SLT Member and that any decision to vary the contract be taken by the Executive Director of People's Services in consultation with the Operational Director for Children and Young People.

The contract is an above threshold contract for light touch services under the Public Contracts Regulations 2015 ('PCR'). The Council have carried out an open procurement in accordance with the Cabinet decision of 2nd September 2024 and the PCRs. The award must be made on the basis of the most economically advantageous tender.

The appropriate decision maker is the Cabinet Member.

The decision is a Key Decision (see Article 12 of the Constitution) and the report must be submitted to Committee Services for publication on the Council's website.

Details of all contracts that have a value of £5,000 or greater must be published by the SLT Member in the Corporate Contracts Register on the e-tendering system in accordance with the Transparency Regulations 2015 and the Local Government Transparency Code 2015 published by the Department for Communities & Local Government.

Angela Hogan, Chief Solicitor (Contracts and Procurement) 19 November 2024

Property Legal Implications

The grant of the leases of the properties is part of the contract award to Centrepont Soho, for the provision of semi-independent living (SIL) services for young people.

Section 1(1) of the Localism Act 2011 confers a general power of competence on the Council and provides that a local authority may do anything that individuals generally may do, even though they are in nature, extent or otherwise;

- a) unlike anything the authority may do apart from subsection (1); or
- b) unlike anything that other public bodies may do.

Further, Section 111 of the Local Government Act 1972 ("**1972 Act**") provides that a local authority shall have the power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

For properties held in the general fund, the Council has a general power to dispose of land held by it, in any manner it wishes, in accordance with section 123 of the **1972 Act**. However, it must be for the best consideration that can reasonably be achieved (except for a short tenancy not exceeding seven years), otherwise the consent of the Secretary of State must be obtained. Evidence of best consideration must be ascertained through an independent valuation.

However, the General Disposal Consent 2003 permits the Council to dispose of land at below market value, without the Secretary of State's consent, provided that:

- i) the disposal of the land will contribute or promote the economic, social or environmental well-being of the area; and
- ii) the undervalue is not more than £2 million.

The rental values of each lease will not be an undervalue of more than £2 million and the grant of the leases will contribute to the social well-being of the community as it will ensure young people are provided with safe accommodation.

The lease of the property held in the Housing Revenue Account is permitted under the General Consent for the Disposal of Land held for the purposes of Part II of the Housing Act 1985 – 2013, as it is a short-term lease of less than 7 years.

As stated above, the decision is a Key Decision and the report must be submitted to Committee Services for publication on the Council's website.

Implications provided by Afshan Ali-Syed, Senior Property Solicitor, Property and Planning Team 07887651197 on 21 November 2024

Background Papers Used in Preparing This Report: None

DETAILED ANALYSIS

Proposals and Analysis of Options

1. Officers have undertaken an open tender via the CapitalESourcing portal for the procurement of semi-independent living (SIL) services. Tenders have been evaluated and moderated by a selected panel, including representation from Housing, Leaving Care and the People's Commissioning services.
2. Tenderers were required to provide 134-135 bedspaces across the borough. 121 bedspaces were included as part of the tender across 13 buildings. Four of these are owned by the Council and nine are either leased by the Council or owned by Registered Providers (RP). The leases for the four Council-owned properties will be agreed with Centrepont following contract award, as will the Housing Management Agreements (HMA) between the RPs and Centrepont. The remaining bedspaces were to be provided by the successful provider across a minimum of two properties. Site visits were undertaken on Friday 18th November 2024 to quality assure the standard of the properties to be provided by Centrepont Soho. The visits confirmed that the proposed properties met the requirements outlined in the information for tenderers.

3. Two bids were received on time on Monday 4th November 2024. All bids were evaluated against a pass/fail criterion for the qualification envelope. Two bids were received however one bid was disqualified at this stage for failing to meet the minimum requirements.
4. The remaining bid was assessed at 60% quality and 40% price. An assessment of Social Value was also considered, forming 20% of the overall score. The social value commitments for this contract total £392,652 in proxy value.
5. Having completed this competitive process, it is recommended that the SIL services contract be awarded to Centrepont Soho.

Reasons for Decision

6. The purpose of SIL services is to provide young people with a supportive home within their local community whilst they build a range of life skills to enable them to make a successful transition to living independently when they feel ready to do so.
7. Our Placement Sufficiency Strategy sets out how we are meeting our statutory duties as a Corporate Parent and is underpinned by Section 22 of the Children Act 1989 (as inserted by the Children and Young Persons Act 2008) and the Children (Leaving Care) Act 2000, which places a general duty on local authorities to secure sufficient accommodation to meet the needs of children looked after and support young people leaving care.
8. Housing Services also have statutory duties under the Homeless Reduction Act 2017 and the Housing Act 1996 to prevent homelessness and provide assistance to people threatened with or actually homeless. Young people which would be considered to have 'priority need' for housing are those aged 16-17 or care leavers aged 18-21, however locally we have also adopted the guiding principle that care leavers up to the age of 25 should, if possible, be found as being in 'priority need'.
9. Commissioning a SIL block contract ensures that we have access to high-quality in-borough SIL accommodation, with improved access to local services, family and community network.
10. Having sufficient in-borough provision also reduces our reliance on higher cost, spot-purchased SIL placements which are out of borough, as well as delivering value for money through the award of a single block contract with 134-135 bedspaces, creating economies of scale and leveraging additional investment from the provider.
11. The provider will continue to be well-supported by the Children's Commissioning team, Children Looked After and Leaving Care service, and Supported Housing Advisor (Housing), to ensure that utilisation of the provision is maximised and that the service adapts to emerging needs, delivering positive outcomes for young people in their transition to living independently.

Equality Implications

12. The recommendations outlined will have positive equality implications for care experienced young people and young people at risk (YPAR) of homelessness (up to the age of 25). Care experienced young people and YPAR face significant barriers that impact them throughout their lives and outcomes for this cohort are often worse than to their peers who do not become cared for. Recognising and making allowances for this by investing in supportive, local SIL services will positively impact on this cohort young people and support them to become thriving adults. An Equalities Impact Assessment (EIA) has been completed and is attached in Appendix 1.

Risk management implications

13. There is a programme risk and resulting reputational risk that the leased properties are not maintained to the standard expected by LBH&F. This would lead to a need for repair and as resulting reputational impact to the council. It is therefore recommended that regular check on upkeep of the properties is established (at a frequency of no less than bi-annually). Upkeep review recommendations should be implemented within three months.

Jules Binney, Risk and Assurance Manager, 28 November 2024

Climate and ecological emergency implications

14. This decision does not involve changing infrastructure to hard standings or buildings. However, over the lifetime of the contract the Council will work with the provider and respective landlords to ensure that measures are taken to mitigate negative impacts for the climate emergency, such as installing adaptations to buildings and improving energy efficiency. The provider will be expected to support staff and residents to understand the impact of the climate emergency and how they can take action, as outlined in the service specification.
15. The climate change toolkit has been completed for this recommission and follows the necessary guidelines in supporting the Council to meet its Climate and Ecological Emergency Targets.

Approved by Hinesh Mehta, Assistant Director Climate Change, 19 November 2024

Procurement implications

16. A Contract Award Notice must be published to Contract Finder to satisfy the requirements of the Public Contract Regulations 2015. This must be completed using the Council's eProcurement portal.
17. A Find a Tender (FTS) notice must be published on Contract Finder using the Council's eProcurement portal.

18. An electronic copy of the finalised dated contract must be uploaded to the Contracts Register along with a copy of the record referred to at CSO 10.2
19. A named contract manager must be allocated to the contract on the Council's eProcurement portal.
20. The procurement process has been moderated and verified by the procurement team.

Jacqueline Rutherford Category Specialist 26 November 2024

Local economy and social value implications

21. 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. The evaluation of social value should account for a weighting of 20% of the overall score.
22. The Social Value offers from each supplier were evaluated by the People's Commissioning team. These evaluations accounted for 20% of the score.
23. The recommended supplier, Centrepont Soho, proposed social value measures amounting to a proxy value of £392,652. The included the following commitments:
 - NT1 (local people employed or retained) – 7 FTE (£60,879)
 - NT10 (employment of new apprentices from designated groups) – 2 x 18-month Support Progression Officer (SPO) apprenticeships (£44,601.12)
 - NT18 (spend in local supply chain through the contract) – CCTV contracted with local security company (£7,668)
 - NT26 (support for community health or wellbeing initiatives – 1 FTE PIE Psychologist and 0.6FTE Art Therapist (£279,504)
24. The delivery of social value will be monitored as part of routine contract management.

Verified by David Pack, Strategic Head – Economic Growth, 19 November 2024

Consultation

25. The service specification for this contract was designed in consultation with young people living in SIL. Our care experienced young people involved in the 'Young Inspectors Programme' will also be involved in the mobilisation of the new contract.

Property Implications

26. Provisional Heads of Terms for four Council-owned properties were included as part of the procurement and leases will be agreed with the supplier prior to the contract commencing.

27. The provider will be responsible for internal repairs, maintenance, insurance and compliance. The Council will retain responsibility for the external fabric of each property. A detailed breakdown of repairing and compliance responsibilities accompanies the lease. Adherence to compliance responsibilities will be monitored by Housing and the certification format, testing schedule, quality assurance process and penalties for non-compliance will be agreed with Centrepont prior to the lease being signed. Adherence to repairs responsibilities will be monitored by Corporate Property in conjunction with Children's Commissioning as part of the contract management.
28. Rental rates have been set considering market appraisal and regulatory constraints. A standardised cost per bedroom has been agreed for consistency, though sizes of each room inevitably vary.

Jonathan Skaife, Assistant Director, Corporate Property. 29 November 2024

Digital Services and Information Management Implication

29. IT Implications: Digital Services will support the service with IT requirements arising from this contract, including but not limited to SharePoint access requirements.
30. IM Implications: A Data Privacy Impact Assessment (DPIA) will need to be completed following contract award to ensure all potential data protection risks arising are properly assessed with mitigating actions agreed and implemented. The provider will be expected to have a Data Protection policy in place and all staff will be expected to have received Data Protection training.
31. The contract will need to include H&F's data protection and processing schedule which is compliant with Data Protection law.

Implications verified by: Karen Barry, Strategic Relationship Manager, Tel: 020 8753 3481, 19 November 2022

LIST OF APPENDICES

- Appendix 1 – SIL Contract Award Equalities Impact Assessment
- Exempt Appendix 2 – Financial implications
- Exempt Appendix 3 – Procurement details
- Exempt Appendix 4 – property addresses