

## **London Borough of Hammersmith & Fulham**

**Report to:** Cllr Sanderson, Deputy Leader of Hammersmith and Fulham Council

**Date:** 27<sup>th</sup> June 2025

**Subject:** Contract extension for the delivery of the Learning Disability Flexible Support (LDFS)

**Report Author:** Tara Mullaney, Strategic Lead, Adult Social Care Commissioning

**Report of:** Jacqui McShannon, Executive Director of People and DCS

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### **Summary**

This report requests approval to extend the contract with Certitude Group for the provision of the Learning Disability Flexible Support Service (LDFS) for up to 15 months, to 30<sup>th</sup> September 2026, while the placement sufficiency review and recommissioning of supported housing provision for residents with learning disabilities is undertaken. Certitude Group have been informed that this is the final contract extension.

### **Recommendations**

That the Deputy Leader:

1. Notes that Appendix 1 is not for publication on the basis that it contains information relating to the financial or business affairs of any person (including the authority holding that information) as set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. Approves the extension to Certitude for the Learning Disability Flexible Support Service for from 1<sup>st</sup> July 2025 to 30<sup>th</sup> September 2026.
3. Notes the contract variation from 50 units to 45 units following the closure of one of the properties in the block contract.
4. Notes the contract variation novating from Yarrow Housing Limited to Certitude Group.
5. Approves the outstanding additional flexi hours payment as outlined in Exempt Appendix 1

**Wards Affected:** Askew, All

**H&F Priorities**

Our Values	Summary of how this report aligns to the <a href="#">H&amp;F Corporate Plan</a> and the H&F Values
Building shared prosperity	The council and the provider will, continue to support residents towards being engaged in meaningful activities, including volunteering and paid work. This will include addressing barriers to independent living and promoting social inclusion and parity of esteem
Creating a compassionate and inclusive council	An independent living approach, alongside coproduction processes with residents and their circles of support will enable residents to develop greater personal resilience and have more control over their lives
Doing things with local residents, not to them	Officers have added a coproduction KPI for the contract extension period. The provider has a specific action plan to increase resident, families, and circles of support engagement in the design and delivery of services in their current business plan. This will be reflected in their quarterly reporting over the extension period.
Being ruthlessly financially efficient	One of the objectives of the placement sufficiency review is to create efficiencies across the LD Supported Accommodation placements and ensure best value is achieved and maintained.
Taking pride in H&F	The council and the provider will, continue to develop opportunities for residents with learning disabilities to be integrated into and to be active participants of their local community. This will enhance community cohesion and social inclusion.
Rising to the challenge of the climate and ecological emergency	The provider has committed to: <ul style="list-style-type: none"> <li>• Reviewing staff policies to increase and promote the use of public and green transport;</li> <li>• Undertaking an environmental sustainability review of properties;</li> <li>• Creating an action plan identifying opportunities to improve recycling, carbon reduction, energy efficiency and waste reduction;</li> <li>• Improving on their current green strategy in their offices;</li> </ul>

	<ul style="list-style-type: none"> <li>• Creating an easy read information leaflet for residents on recycling waste and how to reduce the use of energy.</li> </ul>
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## Financial implications

These are contained in Exempt Appendix 1.

*Finance comments provided by: P. Daryanani, Head of Finance (Adult Social Care & Public Health)*

*10 July 2025.*

*Verified by: James Newman, AD Finance, 1 August 2025*

## Legal Implications

The Council has a duty to provide these services under the Care Act 2014.

The value of this contract means that the Public Contracts Regulations 2015 (PCR) apply to it. This means that it can only be varied without a new procurement if it falls within one of the exceptions set out in regulation 72. Under regulation 72(1)(a) a contract can be modified during its term in accordance with a clear, precise and unequivocal review clause which sets out the nature and scope of modifications and the circumstances in which they can be made. The original contract contains a clause setting out the right to extend the contract. The requirements of regulation 72 are met.

This is a high value contract for the purposes of the Council's Contract Standing Orders. Extensions are permitted but since the original report did not specifically mention the exercise of extensions beyond 2025, the extension needs to be treated as a variation under regulation 24. This can be approved if it meets the requirements of the PCR. For the reasons set out above, these requirements have been complied with so the proposed variation can be approved.

The recommendation to novate the contract to Certitude Limited also constitutes a variation under the PCR and needs to fall within one of the cases set out in regulation 72. A variation is permitted under regulation 72(1)(d) where there the new contractor is appointed because of "universal or partial succession into the position of the initial contractor, following corporate restructuring, including takeover, merger, acquisition or insolvency, of another economic operator that fulfils the criteria for qualitative selection initially established, provided that this does not entail other substantial modifications to the contract and is not aimed at circumventing the application of this Part". This fulfils the requirement of the novation to Certitude. A formal novation agreement will need to be agreed and executed to give effect to this recommendation.

The nature of the contract means that there is flexibility in relation to the numbers of units. The reduction in the number of units does not entail a formal variation to the agreement.

The flexi hours payment is a debt owed by the Council which it is contractually obliged to pay.

The recommendations in the report are key decisions and need to be included in the key decision list on the Council's website.

*John Sharland, Special Projects Lawyer, 4 February 2025*

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## **Background Papers Used in Preparing This Report**

- Contract award for the delivery of Learning Disabilities Support Service, 2018
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## **DETAILED ANALYSIS**

1. On 5 February 2018, Cabinet approved the award for the delivery of a Learning Disabilities Flexible Support (LDFS) to Yarrow Housing Ltd. The contract commenced on 1<sup>st</sup> July 2018 for an initial period of three years with the option to extend for three further periods of two years (up to end of June 2027).
2. Certitude was formed in February 2010, with Support for Living and Southside Partnership joining as subsidiaries. In 2020, Yarrow Housing joined the Certitude Group as a wholly owned subsidiary of Certitude Group, hence the recommendation to novate the contract to the Certitude Group.
3. The original contract was for the provision of 50 supported living units for adults with learning disabilities with low to medium support needs, in 11 houses across the borough.
4. In November 2023, Metropolitan Thames Valley Housing (MTVH), the landlord of one of the properties, requested vacant possession of the property and served Section 21 eviction notices to residents. All residents were rehoused and the tenancy ended on Sunday, 26<sup>th</sup> November 2023. This effectively reduced the block contract provision from 50 units to 45 units. This will now be formalised through a contract variation as part of the extension.

## **Proposals and Analysis of Options**

5. The options are as follows:

### **Option 1 – Extend and novate the Contract for 15 months - Recommended**

This option is recommended to align this contract with similar contracts in scope of the placement sufficiency review, service redesign and re-commissioning of new supported living services from October 2026. The block contract will be novated to Certitude Group and reduced to 45 units, reflecting the change in contract arrangements in November 2023.

### **Option 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.

### **Reasons for Decision**

6. Extending the Contract will ensure that the following social care priorities are achieved:
7. Any change in the provider without a lengthy mobilisation plan would create unrest and anxiety amongst residents.
8. To enable the redesign of a fully co-produced model that is specific to the needs of residents and their circles of support in Hammersmith & Fulham in line with the findings of the placement sufficiency review.
9. Forward planning to align the recommissioning of a new service which accounts for future transition planning.
10. 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
11. To enable people to feel valued by their communities and feel like they belong
12. To ensure access to leisure and social activities to reduce social isolation and improve well-being
13. To enable people to engage in meaningful activities such as paid employment, volunteering, and life-long education
14. Supporting smooth transitioning for looked after children moving to adult social care
15. Stimulate the market to develop innovative solutions to providing homes within the borough for adults with learning disabilities.

### **Equality Implications**

16. The recommendations in this report aim to ensure continuity of service. Officers anticipate there will be no negative impact on protected groups under the Equality Act 2010. The following procurement strategy for the future service will include a full equality impact assessment.

### **Risk Management Implications**

17. There is an operational risk that the quality and delivery of the service reduces as the chosen supplier becomes aware that this is the final extension.
18. It is recommended that the service is regularly reviewed to ensure the quality is maintained, particularly in the final year of the engagement. It is further recommended that a payment structure is put in place that considers any poor delivery and reduces payments accordingly.

*Jules Binney, Risk and Assurance Manager, 5<sup>th</sup> February 2025*

## **Climate and Ecological Emergency Implications**

19. The provider has committed to:

- Reviewing staff policies to increase and promote the use of public and green transport.
- Undertaking an environmental sustainability review of properties.
- Creating an action plan identifying opportunities to improve recycling, carbon reduction, energy efficiency and waste reduction.
- Improving on their current green strategy in their offices.
- Creating an easy read information leaflet for residents on recycling waste and how to reduce the use of energy.
- All 90 staff are committed to using public transport to and from their workplace and in the course of the working day supporting residents

*Verified by Hinesh Mehta, Assistant Director Climate Change, 05/02/2025*

## **Procurement Implications**

20. As noted in the legal comments the extension of the contract is built into the contract. Upon completion of the necessary documentation copies of which should be uploaded into the contract register and the dates amended.

21. Given the limited duration of the available extension and the complexity of the re-commissioning process work on that should be started at the earliest opportunity.

*Joe Sardone Category Lead – People. Procurement and Commercial 24<sup>th</sup> June 2025*

## **Digital and Information Management Implications**

22. There do not appear to be any IT implications arising from this contract extension with Certitude Group for the delivery of the Learning Disability Flexible Support (LDFS). Digital services should be consulted if this is not the case.

23. Information Management: Certitude will be expected to have an up-to-date Data Protection policy in place and staff will be expected to have received Data Protection training. The contract with Certitude must include H&F's data protection and processing schedule. This is compliant with the UK Data Protection law.

24. H&Fs approved cyber security clauses must be incorporated into all new and renewed contracts regardless of value, or framework. Legal advice should be sought on how to incorporate the cyber security clauses into agreements which do not use our H&F contract templates.

*Implications completed by Cinar Altun, Strategy Lead – Digital Services, 11 July 2025*

## **Consultation**

25. A wider public engagement and co-production events will be undertaken as part of the placement sufficiency review to inform future commissioning of these services.

## **LIST OF APPENDICES**

- Exempt Appendix 1 - Contract extension for the delivery of the Learning Disability Flexible Support (LDFS)