

Cabinet Q1 Contracts Forward Plan – Appendix 1

Contract Ref & Title	Hostel Services: (A) AHS 5128 - Dellow Centre (B) HAC 5326 - Riverside House (C) HAC 5360 - Founders House (Previously known as Hopetown)		
Procurement Category:	Care and Commissioning	Contract Duration & Extensions:	Extension To Existing Contracts A. 12 months (01/10/22 – 30/09/23) B. 8 months (01/02/23 – 30/09/23) C. 4 months (01/06/23 – 30/09/23)
One-Time / Recurrent	Recurrent	Funding Source:	<input type="checkbox"/> Capital <input type="checkbox"/> On Going <input type="checkbox"/> HRA <input type="checkbox"/> Grant <input checked="" type="checkbox"/> General Fund <input type="checkbox"/> S106 <input type="checkbox"/> Reserves
Value Total:	£1,149,797 (Total value of all proposed extensions)		
Value Per Annum:	A - £493,285 B - £364,346 *(Extension value is 8-month pro-rata value) C - £292,167 **(Extension value is 4-month pro-rata value)	Statutory / Non-Statutory	Non Statutory
Cost Code	10600 R5500 A1593	Budget	£1,149,797
Current annual value	A - £464,137 B - £514,226 C - £824,708	Revised Annual Contract	A - £493,285 B - £546,519 *(Extension value is 8-month pro-rata value) C - £876,500 **(Extension value is 4-month pro-rata value)
Savings Annual Value	No savings will be achieved for the contract extension periods.		
Summary of how savings will be achieved			
<p>Health And Communities Directorate Leadership Team recently agreed an uplift which is included within the contract values for the three schemes and will be effective from the extension date of each individual contract. This is because it is acknowledged that they had not been uplifted for up to five years. Reductions to the budgets would put the quality of service and delivery of service provision at risk, as providers will not be able to respond to present market forces, for example, the rise in inflation and wages. The extension period will allow for a robust service review to take place and for efficiencies/savings to be considered/identified as part of a new service/contract model.</p>			
<p>It is essential to extend these current arrangements, to ensure continuity of this statutory service provision to vulnerable residents, whilst the service commissioning process is completed to allow arrangements to be reviewed and for the procurement process to take place for a new Service Providers to be commissioned and mobilised.</p> <p><u>Scope of Contract</u></p> <p>The hostels sector is commissioned to support vulnerable homeless people with multiple and complex needs and serious physical and mental health needs. This includes service users who are under adult social care</p>			

and those who have a Care Programme Approach (CPA) already in place. Care leavers and high-profile ex-offenders, amputee wheelchair users, people who have experienced childhood abuse, women fleeing domestic violence or sexual exploitation, those currently or previously sleeping on the streets in the borough, those alcohol dependent and vulnerable substance misusers are also commonly found in the cohort.

Hostels provide temporary accommodation and deliver programmes of support and aim to achieve the following objectives:

- Create a place of change and progression with an emphasis on engagement with services, key work and move-on
- Accept referrals that may be deemed high risk and ensure necessary policies and procedures are in place to manage this
- Upon receipt of referrals, verify service users' eligibility: complete an assessment of needs working in partnership with key stakeholders
- Lead on/co-ordinate development, implementation of the SMART plan (applying making every adult matter (MEAM) principles)
- Improve access to health services and encourage healthy lifestyles
- Maximise and maintain income
- Maintain personal safety and security
- Minimise substance misuse and develop personalised harm reduction strategies
- Work in partnership with other agencies including in-house specialist services and external services and activities
- Facilitate access to culturally specific services and legal advice where required
- Promote social inclusion: encourage, facilitate and support continuous access to both existing and new positive social networks and activities

This is a preventative service that aims to improve the quality of life, independence and outcomes for service users and reduce reliance on further intervention/services that are also often more costly.

Contracting Approach

There are six hostel services contracts commissioned by the Council and this report seeks approval to extend (under waiver) the three contracts detailed below to align their expiry dates with the three other contracts that expire on the 30 September 2023 as follows:

- Dellow Centre which supports up to 58 people with a focus on rough sleepers. The current expiry date for the contract is 30 September 2022, a twelve-month extension to 30 September 2023 at a value of £493,285 is requested. The provider is Providence Row Housing Association.
- Founders House which supports up to 123 single homeless men. The current expiry date is 31 May 2023, and a four-month extension to 30 September 2023 at a value of £364,346 is requested. The provider is the Salvation Army.
- Riverside House which supports up to 81 homeless women. The current expiry date is 31 January 2023, and an eight-month extension to 30 September 2023 at a value of £292,167 is requested. The provider is the Salvation Army.

It would be in the best interest of the Council to extend the three contracts as detailed in this report as this would ensure service continuity whilst enabling:

- A robust review of the service pathway, service provision and emerging needs to be undertaken
- Appropriate research/consultation/engagement to be conducted
- Development of an options appraisal for the future service and contract model (with a view of transformation of service provision to achieve best outcomes for service users, efficiencies and savings).
- Development of a procurement strategy with a view to undertaking a single procurement process to cover all service provision/schemes

- New contract(s) to be mobilised.

The contracting approach for a new procurement will be finalised after completing the pre-sourcing activities. The procurement will be compliant with the Council's Procurement Procedures and The Public Contracts Regulations 2015 (as amended by the EU Exit Regulations 2020). The approval of the new procurement approach will subject to a future paper.

Community Benefits

The current community benefits will continue for the extension periods.

Contract Ref & Title	AHSCS5019 Domiciliary and Personal Care Services – Adults • Contract Extensions for Existing Domiciliary Care Contracts up to 31 December 2022		
Procurement Category:	Health & Care	Contract Duration & Extensions:	Extensions to Existing Domiciliary Care Contracts from 07 August 2022 up to 31 December 2022
One-Time / Recurrent	Recurrent	Funding Source:	<input checked="" type="checkbox"/> General Fund <input type="checkbox"/> Capital <input type="checkbox"/> HRA <input type="checkbox"/> Grant <input type="checkbox"/> Reserves <input type="checkbox"/> S106 <input type="checkbox"/> Revenue Generating
Cost Code	Various ASC Cost Centres with a Homecare Analysis Code		
Value Total:	<u>Extensions to Existing Domiciliary Care Contracts</u> £12,799,435	Statutory / Non-Statutory	Statutory
Value Per Annum:	£30,648,987	Budget	£12,799,435 (For the extension period)
Current annual value	£30,648,987	Revised Annual Contract	£30,648,987 per year
Savings Annual Value	Not applicable to the contract extension		

Summary of how savings will be achieved

Reduction to the budget would put the quality of service and delivery of service provision at risk. Furthermore, the Council is signed up to the Ethical Care Charter, to improve the expectation of quality and levels of pay & conditions for staff. There is a financial pressure within existing budgets that will need to continue to be managed – this is being addressed through the Adult Social Care Improvement Programme looking at financial sustainability in the medium term. The extension period will allow for completion of the current procurement process and savings overall will be achieved through this process as part of the improvement programme. The contract provides for home care hours which are commissioned and delivered to be paid for and therefore the actual contract sum varies according to usage.

Scope of Contracts

The Service will support the delivery of Tower Hamlet's Adult Social Care Vision and Strategy to promote choice, control and wellbeing focussing on the outcomes that are important to people. It will also support the Tower Hamlets Together Outcomes Framework so people's experience of care is positive and joined up to achieve the best health and wellbeing outcomes. The Service will enable Service Users who require Council-funded care to continue to live at home to receive ethical, high-quality care and support that promotes individual outcomes, independence, wellbeing and dignity.

The overall aims for the Service are to achieve:

- **Outcome focused**, high quality services that deliver the best possible outcomes for Service Users. The move to an outcomes based way of working monitored by an outcomes framework coproduced with people who use services, enables a shift from time and task approaches to a focus on supporting individual outcomes.
- **Preventative Support** that enables Service Users to remain as independent as possible or to rebuild their independence and resilience so they can continue living in their own homes in their own communities. This includes developing innovative approaches and use of technology and equipment that enhance people's independence. Through this the Contract also helps the Council to manage future demands for this Service and for other services.
- **Partnership & Contract Management** – the Contract is based on sound Partnering principles (including getting the basics right) to ensure that it is effectively managed and delivered. The Contract is underpinned by high quality systems and processes to ensure that there is clarity in the performance of the Contract and the Payment Mechanism.
- **Self-directed support** - the Contract enables self-directed support so Service Users can use their personal budgets to achieve outcomes that are important to them. Service Users should be fully involved and lead, as

much as possible, in designing and agreeing their care and support on an ongoing basis. Increasingly, this will include using Service Provider managed personal budgets / Individual Service Funds (ISFs) and direct payments to facilitate maximum choice, control and flexibility over their own support arrangements.

- **Value for Money** – the Contract delivers better value for money through preventative support and more flexible and innovative support targeting support on what matters to Service Users.

Contracting Approach

There are currently 5 commissioned providers delivering domiciliary and personal care services to vulnerable adults across the borough:

- Diversity Health and Social Care
- MiHomecare
- Excel Care
- Care Solutions Bureau
- Apasen Home and Community Services

These providers are monitored closely through the Integrated Commissioning team and will continue to work to the current service specification and contract requirements for the duration of the proposed extension.

This report seeks approval to further extend (under waiver) these contracts as it is essential ensure continuity of this statutory service provision to vulnerable residents whilst the procurement process continues. These period also allows for the continuation of discussions with the Mayor regarding the current procurement approach. The initial contract expiry date for the contracts with these providers was 6th February 2022 and this was previously extended by Cabinet for six months (up to August 6th 2022) to carry out the recommissioning work and extend the level of engagement and co-production with residents.

The cost for the requested extension period is £12,799,435.

Further to the Mayor's request regarding the previously proposed longer extension period (to December 2023) note that the extension to December 2022 now proposed does not cover transition to new contracts and the transfer of cases to potential new providers. Once the procurement has progressed further, the level of change to existing providers will be known and the transition period can be planned based on the actual transfer plans. As such a further extension is likely to be required and a further report will be submitted in due course.

Community Benefits

The current community benefits will continue for the contracts being extended.

Contract Ref & Title	AHS5189 - Extra Care Sheltered Housing		
Procurement Category:	Health & Care	Contract Duration & Extensions:	Extension to Existing Contract 12 months from 06/11/2022 to 05/11/2023
One-Time / Recurrent	One-Time	Funding Source:	<input checked="" type="checkbox"/> General Fund <input type="checkbox"/> Capital <input type="checkbox"/> HRA <input type="checkbox"/> Grant <input type="checkbox"/> Reserves <input type="checkbox"/> S106 <input type="checkbox"/> Revenue
Cost Code	Revenue CC 30127		
Value Total:	£3,464,330 (06/11/22 – 05/11/23) = Total Value = £1,387,094) for the period (06/11/22 – 31/03/23) = £2,077,236 for the period (01/04/23 – 5 /11 2023) which includes uplift costs	Statutory / Non-Statutory	Statutory
Value Per Annum:	£3,464,330	Budget	£3,464,330
Current annual value	£3,329,027	Revised Annual Contract	£3,464,330
Savings Annual Value	No savings will be achieved through the contract extension period.		
Summary of how savings will be achieved			
<p>The budget is required to continue to deliver the current level of service, ensure the quality-of-service provision and comply with the Ethical Care Charter during the requested extension period (06/11/22 – 05/11/23). An uplift is included for part of the extension period (effective from 01/04/23) to meet cost pressures in particular relating to staffing and inflation.</p> <p>The extension to the existing Extra Care Sheltered Housing (ECSH) contract would enable the Council to undertake a robust service review and options appraisal with a view to significantly enhancing the ECSH offer ahead of a re-procurement. Achieving best value, efficiencies and savings will be considered as part of the recommissioning work and in the development of the proposed service model.</p>			
<p>The request for a one-year extension to the contract is to ensure that appropriate time can be given to reviewing and designing this area of service, including engagement with residents and service providers. This work is just about to begin through developing our 'housing with care strategy' which will also identify future levels of need and demand and this will inform the development of the specification. This is set out in more detail under 'contracting approach' below.</p> <p>It is essential to extend these current arrangements, to ensure continuity of this statutory service provision to vulnerable residents, whilst the service commissioning process is completed to allow arrangements to be reviewed and for the procurement process to take place for a new Service Providers to be commissioned and mobilised.</p> <p>The capacity needed to undertake this work in the commissioning team and in the procurement team means that a November 2023 deadline is realistic and it would be difficult to bring this forward.</p> <p><u>Scope of Contract</u></p> <p>The Contract provides for the delivery of an extra care support service at six schemes across Tower Hamlets.</p> <p>The Council has a statutory duty to meet the eligible care and support needs of its residents. The service enables the Council to meet this duty. The aim of the service is to assist and enable service users, who need significant levels of support to remain living in the community for as long as practically possible. The service aims to increase independence, choice and control and reduce the use of more institutional forms of care. As well as improving outcomes and the quality of life for service users, the preventive nature of this service helps to reduce pressure on other services and reduces the</p>			

need for more costly interventions. The service is available 24 hours a day.

The aims/objectives of the service are to:

- Enhance quality of life for people with care and support needs;
- Delay and reduce the need for more intensive care and support;
- Ensure that people have a positive experience of care and support (support is person-centred);
- Safeguard adults whose circumstances make them vulnerable and protect them from avoidable harm;
- Empower service users to achieve maximum choice and control over their lives, whilst also ensuring service users receive the security, safety and comfort they need;
- Meets the communication needs of those accessing the service;
- Provide reliable, responsive and culturally appropriate services;
- Ensure the involvement of service users, their carers and their families in the planning, delivery and development of their services.

The current service covers extra care support for around 180 people across 214 units at the following six schemes (not all extra care scheme tenants require care and support):

- **Shipton House** is in Bethnal Green and consists of 13 units. This scheme is targeted at older people with early onset dementia.
- **Sue Starkey House** is situated in Stepney. This scheme consists of 40 units, eight of which have two bedrooms. This scheme whilst also supporting older people, supports younger adults with a range of needs including learning and physical disabilities, and mental health conditions. The scheme also includes 4 step-down beds for hospital discharge.
- **Coopers Court** is in Mile End and consists of 41 one-bedroom units. This scheme primarily supports older people.
- **Duncan Court** is situated in Poplar and consists of 40 one-bedroom units. The scheme primarily supports older people and including people who have dementia.
- **Donnybrook Court** is located in Stepney and has 40 one-bedroom units. The scheme primarily supports older people.
- **Sonali Gardens** is located in Shadwell and has 30 one bed units and 10 two bed units. The scheme primarily supports older people from black, Asian and minority ethnic communities.

There is also a 'Quality Premium' element to this contract - the service provider facilitates and delivers a range of meaningful activities in which service users engage, including scheme and community-based activities (up to 105 hours per week across the six schemes). Although this is an optional part of the contract (worth up to £90,000 per annum), it has been fully utilised during the current contract. The £90,000 per annum for this element of the contract value is included within the contract extension amount being requested for approval.

As part of this contract the service provider also undertakes the housing management functions for Shipton House and are the leaseholder for Sue Starkey House.

Contracting Approach

The current contract is delivered by Creative Support and expires 5th November 2022. This report seeks approval to extend (under waiver) this contract for 12 months (from 6th November 2022 to 5th November 2023) at a cost of £3,464,330. There are no performance issues with the incumbent provider.

It would be in the best interest of the Council and service users to extend the contract as it would provide continuity of a service meeting statutory needs whilst enabling:

July 2022 – October 2022:

- A thorough review of service provision and emerging needs to be completed
- Consultation, engagement and co-production work with services users, relevant stakeholder and the 'market'
- A review of options for alignment with other supported living arrangements
- An options appraisal to be undertaken on the future ECSH offer and service model to:
 - Improve outcomes and value delivered
 - Develop a clearer purpose and strategy for ECSH (and broader Housing & Care)

October 2022 – February 2023:

- The development of a revised service specification based on the findings of the re-commissioning work and in line with Adult Social Care priorities and innovative best practice
- Completion of all pre-sourcing activity and development of a contract model and procurement strategy

February 2023 – September 2023:

- A procurement process to be undertaken and contract award

October 2023 – November 2023:

- New contract(s) to be mobilised.

The future procurement will be compliant with the Council's Procurement Procedures and The Public Contracts Regulations 2015 (as amended by the EU Exit Regulations 2020). Approval of the new procurement approach will be the subject of a future paper to Cabinet.

Community Benefits

Current community benefits will continue for the extension period.

Contract Ref & Title	AHSCS5019 Domiciliary and Personal Care Services – Provision of Personal Care Services for Children & Young People		
Procurement Category:	Health & Care	Contract Duration & Extensions:	12 months with the option to extend for up to a further 4 months (16 months in total)
One-Time / Recurrent	Recurrent	Funding Source:	<input checked="" type="checkbox"/> General Fund <input type="checkbox"/> Capital <input type="checkbox"/> HRA <input type="checkbox"/> Grant <input type="checkbox"/> Reserves <input type="checkbox"/> S106 <input type="checkbox"/> Revenue Generating
Cost Code	R5600.89233.A1862		
Value Total:	£1,133,333	Statutory / Non-Statutory	Statutory
Value Per Annum:	£850,000	Budget	£1,133,333
Current annual value	£850,000	Revised Annual Contract	£850,000
Savings Annual Value	No savings will be achieved for the contract extension periods		

Summary of how savings will be achieved

Reduction to the budget would put the quality of service and delivery of service provision at risk. Furthermore, the Council are signed up to the Ethical Care Charter, to improve the expectation of quality and levels of pay for staff. There is a financial pressure within the existing budget that will need to be managed. The extension period will allow for a robust service review to be completed and for efficiencies/savings to be considered/identified as part of a new service/contract model.

Scope of Contract

This contract is for the provision of a high-quality personal care service to eligible Children & Young People (CYP) aged 0-18. It delivers practical, social and emotional support which is necessary to maintain an individual in health, hygiene and safety in their own home and provide a short break for their parent(s). The commissioning of this service enables the Council to meet its statutory duty under the Children & Families Care Act 2014.

The aim of the service is for children and young people to be safe and healthy, achieve their full potential, be active and responsible citizens, and emotionally resilient for their future. The key service outcomes are:

- To identify needs at an early stage and work towards developing the independence and confidence of service users
- Prevention from harm
- Supporting positive family and wider social relationships
- Promoting positive health and wellbeing
- Managing effective transition between services

Contracting Approach

The current contract is delivered by Apasen Home and Community Services. The initial contract expiry date was 6th February 2022 (with no further options to extend). The contract was extended by Cabinet for 6 months (along with the adults domiciliary and personal care services contracts) to enable joint recommissioning work. However, during this time it was identified that to conduct a thorough options appraisal with a view to; developing a service model that best meets the needs and improves outcomes for Children & Young People; is focused and aligned with the Tower Hamlets Children & Families Strategy; is of high-quality and based on best practice; and ensures value for money, that it is best to have a separate focus and process for the Children's services contract.

This report seeks to further extend (under waiver) the contract with Apasen Home and Community Service for the provision of a personal care service, to eligible Children & Young People in the borough, for 12 months for (7th August 2022 – 6th August 2023) at a cost of £850,000 with the option to extend for up to a further 4 months (7th August 2023 – 6th December 2023) at a cost of £283,333. The incumbent provider will continue to be monitored against the current service

specification and requirements during the extension period.

It would be in the best interest of the Council to extend this contract as it ensures continuity of statutory service provision whilst enabling:

- A focused review of service provision and emerging needs to continue and be completed.
- Continuation of consultation, engagement and co-production work with services users, relevant stakeholders and the 'market'
- A robust options appraisal to be undertaken on the future service model with a view to:
 - improving outcomes for Children & Young People and their families
 - embedding best practice
 - alignment with the Tower Hamlets Children & Families Strategy
 - ensuring high-quality, value for money service provision
- The development of a revised service specification based on the findings of the re-commissioning work and in line with Children's with Disabilities priorities and with best practice
- Completion of all pre-sourcing activity and development of a robust contract model and procurement strategy
- A procurement process to be undertaken
- New contract(s) to be mobilised

The contracting approach for a new procurement will be finalised after completing the pre-sourcing activities. The procurement will be compliant with the Council's Procurement Procedures and The Public Contracts Regulations 2015 (as amended by the EU Exit Regulations 2020). The approval of the new procurement approach will be subject to a future paper.

Community Benefits

The current community benefits will continue for the contracts being extended.

Contract Ref & Title	R5834 Licensing Microsoft Products to run Applications and Servers		
Procurement Category:	Corporate Services	Contract Duration & Extensions:	3 Years + 2 Years = 5 Years Total
One-Time / Recurrent	Recurrent	Funding Source:	<input checked="" type="checkbox"/> General Fund <input type="checkbox"/> Capital <input type="checkbox"/> HRA <input type="checkbox"/> Grant <input type="checkbox"/> Reserves <input type="checkbox"/> S106 <input type="checkbox"/> Revenue Generating
Cost Code	Revenue (23899)		
Value Total:	£9M	Statutory / Non-Statutory	Non Statutory
Value Per Annum:	£1.8M	Budget	£1.8M
Current annual value	£1.44M	Revised Annual Contract	£1.8M
Savings Annual Value	See comments below		
Summary of how savings will be achieved			
<p>The project team will seek to maximise the discount available on purchasing the licenses for Microsoft products. Microsoft capabilities are increasingly being adopted and optimised by the Council in support of front-line services and borough outcomes so while our consumption will increase, moving on 1st April 2023 and running a mini-competition between the Microsoft product resellers is expected to save up to 1% of the contract value. This assumes no additional Microsoft products are purchased in year one and two of the contract.</p>			
<u>Scope of Contract</u>			
<p>The current Microsoft product licenses are due to expire on 31 March 2023. The proposal is to procure licenses required for an up to 5-year term. Without the licenses, Council colleagues and members will not be able to use Outlook (email), Teams, Word, Excel, and other critical products that enable the delivery of outcomes for the borough. There is a cost increase for the new contract due to Microsoft's price rise and indexation.</p>			
<u>Contracting Approach</u>			
<p>The contracting approach will be finalised after completing the pre-sourcing activities which may include the market engagement and development of the sourcing strategy. The procurement will be compliant with the Council's Procurement Procedures and The Public Contracts Regulations 2015 (as amended by the EU Exit Regulations 2020).</p>			
<u>Community Benefits</u>			
<p>The Council's policy is to include Social Value and this will have a 5% overall weighting in the tender evaluation process with the requirements being developed and defined during the preparation of the Tender Pack. This will include consideration of Social Value benefits that can reasonably be delivered.</p> <p>However, this policy objective may be reviewed where an existing Framework or similar is used for the re-procurement and the Council must adopt the prescribed Framework arrangements.</p>			