

Cabinet Contracts Forward Plan – Appendix 1 Q2

Contract Ref & Title	CS5386 – Holiday, Weekend and After School club Lot 1,2,3		
Procurement Category:	Health & Social Care	Contract Duration & Extensions:	Extension to Existing Contract 11 months from 01/01/2023 to 30/11/2023
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	84705		
Value Total:	Up to 11 Months Extension of current contract for £322,667	Statutory / Non-Statutory	Statutory
Value Per Annum:	£352,000 per Year	Budget	£352,000 per Year
Current annual value	£352,000 per Year	Revised Annual Contract	11-month extension: £322,667
Savings Annual Value	There will be no savings during the extension period.		
Summary of how savings will be achieved			
Not Applicable for the Contract extension			
Background			
<p>The short breaks holiday scheme (Holiday/Saturday/After school) Services contract is a mandated/ statutory service and is delivered to some of the most vulnerable, high-risk children in Tower Hamlets.</p> <p>The request to Cabinet is to extend the contract for the provision of Short Breaks (Holiday/Saturday/After school) services for 11-months to ensure that appropriate time can be given to reviewing and designing this area of service, including engagement with residents and service providers which will help us identify future levels of need and demand which will inform the development of the specification. This is set out in more detail under 'contracting approach' below.</p> <p>It would be in the best interest of the Council to extend this contract as it ensures continuity of statutory service provision to vulnerable children and their families, 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 Provider to be commissioned and mobilised.</p> <p>The resource implication and the required work to enable the commencement of a new Service from the 1st of December 2023 has been carefully and realistically considered and this is set out in the recommissioning plan within the 'Contracting Approach'</p>			

Scope of Contract

The contract contains essential services that enable and support children and young people with a disability to live ordinary family lives, to have fun, try new activities, gain independence, and make friends. The service also provides parents and carers with a much-needed short break from their caring responsibilities.

The schemes are utilised by the CSC Children with Disabilities (CWD) team and offer holiday schemes for children and young people (CYP) aged 5 to 18 who live in Tower Hamlets with either Autistic Spectrum Disorder (ASD) and severe learning difficulties and/or have complex health needs (including those with physical and/or learning disabilities).

The contract is a vital support service for children with disabilities and their families and is part of a range of short breaks offered by Tower Hamlets Council for children and families that fulfil the eligibility criteria.

Contracting Approach

The current contract contains 3 service Lots:

CS5386	Lot 1 Holiday Scheme for CYP with ASD
CS5386	Lot 2 Holiday Scheme for CYP with Complex Needs
CS5386	Lot 3 Saturday Club Provision (ASD/Complex)

All 3 service Lots are delivered by the provider, Tower Project. The services are delivered in a combination of block and spot arrangements across the three lots which have a total annual value of £352,000 P/A.

In March 2022 a 9-month extension up to 31st December 2022 was approved at cabinet to undertake a robust service review to ensure that Tower Hamlets can deliver sufficient short breaks placements to meet the increase in demand within the current model and budget. This was triggered by the termination of The Whoosh scheme, a separate complex needs holiday provision provided through Stephen Hawkins School which resulted in a cohort of children with complex needs needing a service and a potential surge in demand for the council.

The re-procurement exercise has unfortunately been delayed due to staff changes/absences within the Children's Integrated Commissioning Team (CICT) as well as other teams such as Legal and Procurement. A new Commissioning Manager has been appointed who will oversee the work going forward, however it will not be possible to complete the procurement in the time left available. Consequently, the new contracts under the re-procurement exercise will not be in place before the expiry of the current contracts on 31st December 2022.

To ensure the continued and uninterrupted service delivery of this critical service in the interim, this report seeks approval to extend (under waiver) the current Short Breaks (Holiday/Saturday/After school) Services contract with Tower Project, for a period of 11 months (1st January 2023 – 30th November 2023), at a cost of £322,667.

The 11-month extension will:

- Ensure a seamless and uninterrupted transition from old provider to new, so that it does not interfere with service delivery. The holiday clubs operate during school holidays/half term, i.e., October, February, Easter, and Summer and so starting the new contracts in December 2023 would give a new provider sufficient time to transition both Lot 1 & 2 as the first scheme does not start until February. Lot 3 in contrast would need immediate implementation.
- On reflection of the last two procurements for this service area, there were some delays and difficulties with transition. An 11-month extension will give the necessary time to manage any issues or delays. The priority are the children, parents, and carers and the procurement timeline was established with this in mind, to assure that families receive their short breaks without any service disruption.
- The option of bringing the procurement forward was considered but with the Easter and Summer provisions being the most popular with over 300 children attending and requiring extensive preparation, to complete the tender without triggering any service disruptions was deemed to be a significant risk to

the most vulnerable children in Tower Hamlets and with the highest physical and sensory support needs.

- A robust timeline has been agreed for the re-commissioning work to achieve the new proposed service commencement date, with relevant discussions already underway with procurement/the provider/finance etc.

There are no performance concerns with the current service provider Tower Project. Monitoring returns are completed and submitted on time and targets are being met. The provider will continue to be monitored during the extension period.

Approval for the extensions (till 30th November 2023), will be in the best interest of the Council as it will ensure service continuity whilst enabling a needs/gap analysis to be drafted to inform the recommissioning which will include co-production with relevant professionals in health and social care, carers and families.

Community Benefits

The current community benefits will continue for the contract extension period.

Contract Ref & Title	P5851 Victoria Park Commercial Events Concession Contract		
Procurement Category:	Corporate Services	Contract Duration & Extensions:	4 Years + 1 Years + 1 Years = 6 Years Total
One-Time / Recurrent	Recurrent	Funding Source:	<input 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 checked="" type="checkbox"/> Revenue Generating
Cost Code	Revenue		
Value Total:	Income to the council, will be determined by a competitive procurement process.	Statutory / Non-Statutory	Non Statutory
Value Per Annum:	Income to the council, will be determined by a competitive procurement process.	Budget	Not Applicable as income that will be determined by a competitive procurement process
Current annual value	-	Revised Annual Contract	Income to the council, will be determined by a competitive procurement process.
Savings Annual Value	Not Applicable as this is an income generation opportunity		

Summary of how savings will be achieved

The service doesn't have any direct costs to the council as the contract is let as a concession, with the supplier paying the council a hire fee for use of the premises (Victoria Park) for a maximum of ten major event days per annum.

Background

Since 2014, the council has tendered out the rights to host events in Victoria Park in return for a hire fee against a set number of event days. The last concession tender was awarded in 2017.

Scope of Contract

The existing concession contract expires on 31/12/2023 and this would be a replacement concession contract that would enable the council to generate income through a limited number of commercial event days in Victoria Park. Note the value of the contract is the estimated gross income that the concessionaire could generate (before costs for delivering the event). The income range is difficult to determine at this stage due to the volatility of the live events market and market conditions. The income will also be dependent on the number of event days and capacities that bidders commit to at the point of tender.

Procurement Risks:

There is a risk that the marketplace may not support the proposed model due to the current instability of the live events sector. Therefore, the council needs to offer bidders flexibility as to how many days and at what capacity they bid for given the current marketplace conditions and risks to commercial event operators. The live events sector is still experiencing issues as a result of COVID-19 (due to limited artist availability as cancelled stadium and event dates are rescheduled) and the impact of Brexit on touring artists. The sector has also been adversely affected by significant increases in the costs of delivering events and will be further

impacted by the cost-of-living crisis, which will affect ticket sales. These factors make it higher risk for event companies to bid for tenders of this scale, particularly as the cost of establishing events requires significant investment, which may reduce the number of bids we receive. This combined with increased competition from other local authorities and venues across the UK, who are trying to generate income through events, means that the council needs to be flexible in its approach to tendering and contracting.

Contracting Approach

Measures adopted for the current contract, which have seen a reduction in complaints and more community benefits, would be incorporated into the upcoming contract including (but not limited to): councillor and resident consultations; a minimum level of stewarding and security for walking routes and external toilets to reduce anti-social behaviour, robust noise management and appropriate levels of external cleansing. Through the tender process, the Bidders (event organisers) will have to demonstrate how they would further mitigate impact to residents.

Bidders will be able to apply for up to ten major event days (six event days at a capacity of 49,999 per day and four event days at 39,999 per event day), in accordance with the major events policy update that was approved by Cabinet in January 2021. Given the current market conditions, and as with the previous tender process, bidders will not be required to bid for ten days at the full capacity. However, bidders will be required to commit to a baseline fee that they must achieve through a limited number of events per annum.

However, over the lifetime of the contract bidders will be able to increase the number of events and capacity up to the major events policy threshold if they can demonstrate that they have the resources to deliver and obtain a premises licence for their events. The council will benefit from additional income if more event days or capacities are increased during the contract period.

It is proposed to go out to the market using the Open tender process, this is based upon the experience of previous tenders where quantity of responses has been competitive but manageable. The market has not become more competitive in the intervening years. The procurement will be compliant with the Council's Procurement Procedures and The Concession Contracts Regulations 2016 (as amended by the EU Exit Regulations 2020).

Overview of Procurement Process Requirements

To enable the council to receive best value in the current climate, it is important that bidders have flexibility at the point of bidding and during the lifetime of the contract. As per the previous tender, bidders will be required to submit their event dates for the first year and thereafter they will be required to confirm their event dates by 31 October prior to the next event year. The format for the events (i.e. separate weekends or held in one block) will be at the discretion of the event organiser. However, the following requirements will need to be met by bidders:

- Bidders will be required to guarantee a minimum annual fee to secure the concession.
- Only one consecutive weekend per annum will be permitted.
- Events, subject to licence, will be permitted to operate until 23:00hrs on Fridays and Saturdays and 22:30 on other days.
- All events will be subject to licence and will be subject to a rigorous multi-agency planning process (including debrief).
- There will be a minimum requirement for external security and stewarding, toilets and cleansing to reduce impact to local residents.
- All bidders will have to pay an environmental impact fee that will go towards improving the flora, fauna and facilities in Victoria Park.

Summary of Benefits:

- Guaranteed income over the contract period providing funding to maintain the quality of the council's parks that would otherwise not be available under current budgeting arrangements.
- A consistent approach to the management of the major events programme, allowing for more effective management of the contract and event arrangements including event planning and improvements and community benefits.

- Improved local impact management and resident feedback arrangements to inform detailed planning for subsequent year's events (rather than a roster of changing event organisers).
- A more solid basis for medium term financial planning.

Community Benefits

Social Value will have 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 within the proposed contract.

Contract Ref & Title	R5853 – Right To Buy Buildings Insurance		
Procurement Category:	Corporate Services	Contract Duration & Extensions:	5 years
One-Time / Recurrent	Recurrent	Funding Source:	<input type="checkbox"/> Capital <input checked="" type="checkbox"/> HRA <input type="checkbox"/> Grant <input type="checkbox"/> General Fund <input type="checkbox"/> S106 <input type="checkbox"/> Reserves <input type="checkbox"/> NHS CCG
Value Total:	£22.5m (estimate)		
Value P/A:	£4.5m (estimate)	Statutory / Non-Statutory	Statutory
Cost Code	23334	Budget	The cost is recharged to leaseholders
Current value	£4,054,955 per annum	Revised Annual Contract	£4.5m per annum (estimate)
Savings Annual Value	Not Applicable		

Summary of how savings will be achieved

Not applicable to this report. Savings are not envisaged due to the limited number of insurers willing to bid, which is a result of the council's poor claims history which is unlikely to improve due to the nature of stock and limited THH response to identified problems. We have also considered increasing the excess to reduce the premium however we need to ensure that making a valid claim is accessible to all leaseholders especially with the impact of cost of living.

Scope of Contract

The contract provides buildings insurance for leaseholders of former Right to Buy properties as required by the terms of the lease between the council as the freeholder and the leaseholder. The current contract ends 31st March 23 and approval for insurance cover for a further 5 years is being sought.

Contracting Approach

The new contract is currently being tendered via the Insurance London Consortium (ILC).

LBTH is a member of the ILC, a group purchasing consortium. The ILC was formed in 2009 and consists of 9 London boroughs. One of the ILC's responsibilities is to undertake tenders on behalf of the consortium, LBTH is 1 of 5 ILC members partaking in this tender. The 4 remaining boroughs already have long term agreements in place which do not expire at the required time to participate. The intention is that gradually the arrangements for non-participating boroughs will fall in line with the ILC.

Tenders for the provision of insurance will be requested in accordance with the requirements of the Public Procurement Regulations 2015 (as amended for Brexit) by means of the Find a Tender Service Contract Notice. The ILC will be conducting an open tender for insurers to provide insurance cover to the consortium members.

Soft market testing is being undertaken by brokers in order to secure feedback on the ILC approach and encourage all insurers to respond whilst maintaining covers to the required level.

Community Benefits

The ILC are committed to delivering Social Value within their contracting arrangements. Tenderers are required to set out how they will support this aspiration in relation to the delivery of services required. (Examples may be apprenticeships and opportunities for 3rd Sector).

Contract Ref & Title	R5854 – Multiple Insurance Tenders		
Procurement Category:	Corporate Services	Contract Duration & Extensions:	5 years (60 Months)
One-Time / Recurrent	Recurrent	Funding Source:	<input checked="" 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:	£4,251,500		
Value Per Annum:	£850,300	Statutory / Non-Statutory	Statutory
MulCost Code	23334	Budget	Commercial Property premium is recharged to Leaseholders, School Journey is recharged to Schools
Current annual value	£708,600 per annum	Revised Annual Contract	£850,300 per annum
Savings Annual Value	Not applicable		

Summary of how savings will be achieved

Not applicable as no savings forecast. There is a hardening insurance market, our broker AON is seeing increases of 20% across the board.

Scope of Contract

Insurance London Consortium (ILC) was formed in 2009 and consists of 9 London Boroughs; Croydon, Lambeth, Harrow, Kingston, Tower Hamlets, Islington, Sutton, Camden and Haringey.

Croydon is the Accountable body for the ILC and is responsible to undertake tendering exercises on behalf of the ILC. All ILC costs, including procurement costs are shared equally amongst all the boroughs within the ILC and this is provided for in Section101 of the Local Government Act 1972.

This tender is in relation to:

- Lot1 Motor Insurance
- Lot2 Commercial Property Insurance
- Lot3 Crime Insurance
- Lot4 Engineering/Inspection Insurance
- Lot5 Business Travel/PA Insurance
- Lot6 School Journey

The LBTH Insurance Section is responsible for ensuring that suitable insurance cover is in place, including insurance for all our Commercial Property leaseholders. In order to comply with the legal requirement to procure insurance cover, permission is sought to go to tender for these contracts.

The current insurance policies expire on 31st March 2022. The new contract will be for a 5-year fixed term from 01 April 2022 – 31 March 2028.

The Council is responsible for paying the annual insurance premium to the insurer for Lot 2 and Lot 6. Commercial property owners and Schools are then re-charged for their own apportioned element of the premium.

All ILC members will partake in the procurement exercise. The new services will be in line with current insurance arrangements and prices will be for each ILC member according to their own individual insurance requirements and claims experience, therefore there is no cross sharing of risk.

Contracting Approach

The preferred procurement process is to conduct an open tender in accordance with the Public Procurement Regulations 2015 (as amended for Brexit) by means of Find a Tender Service Contract Notice.

The current potential frameworks for insurance include Crown Commercial Services (CCS), Eastern Shires Purchasing Organisation (ESPO) and Yorkshire Purchasing Organisation (YPO) but not all potential providers are on those frameworks and further consideration by the Strategic Procurement Manager, Aon our advisers and other ILC members is that in order to ensure the best outcome to cater for the needs of the nine London boroughs there is a need to undertake a full review and open tender process in acting collectively with the other boroughs. LBTH is maximising its chances of achieving the best outcome possible in a difficult insurance market.

The tender is expected to broadly follow the methodology adopted for previous London insurance consortium exercises, with an open tender and the price evaluation undertaken by Croydon procurement and commissioning team on behalf of the consortium with evaluation and scoring of quality criteria collectively undertaken by the member authorities.

Community Benefits

Community benefits commensurate with the contract size will be sought from the provider through the tender process. Benefits would be expected to include local employment opportunities, work placements and volunteer opportunities.

Contract Ref & Title	CS5732 Young People (YP) Supported Living Schemes		
Procurement Category:	Health & Care	Contract Duration & Extensions:	Six months Extension 01 February to 31 July 2023 4 Number Contracts identified within this submission
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	85059		
Value Total:	£601,323	Statutory / Non-Statutory	Statutory
Value Per Annum:	£1,202,646	Budget	
Current annual value	£1,145,322 per annum	Revised Annual Contract	£1,202,646 per annum (please note the extension is for 6 months only)
Savings Annual Value	Not applicable/No savings will be achieved for the contract extension periods		

Summary of how savings will be achieved

There are no intended savings for the purposes of these contract extensions. The extension period will allow for a robust service review to be completed and for the efficiencies/savings to be considered/identified as part of the new service/contract model which has prior approval to proceed with the procurement.

Scope of Contract

The current Supported Housing (SH) Pathway includes four block contracts (below) which are currently utilised by the Through Care Service (TCS) and Housing Options Support Team (HOST) offering support and accommodation for care leavers (CL's) and Young People (YP) age 16 to 25 who are at risk of homelessness.

The below table are the four contracts which we currently have in place:

Table 1:

CS5273	Young People Assessment & Support Service
AHS5147	Tower Hamlets North Young Persons Support Services
AHS5146	Mile End Road Young Person Support Services
AHS5145	Tower Hamlets Campbell Road Young People's Support Services

The Young Peoples Assessment and Support Service contract acts as the entrance to the SH Pathway assessing Young People unknown to Children's Social Care (CSC) to identify their support needs. The other three services' deliver a wide range of support, from high support placements, i.e. staff on site 24 hours, medium support placements, where staff are on site during the day only, and low support placements, where staff support is provided to Young People by visiting their managed properties, and lastly a floating support provision.

Contracting Approach

The value of the contract extension is above the threshold value of £189,300 for a Record of a Corporate Director Action and therefore it must be referred to Cabinet for a decision.

Earlier this year, 9 March 2022, the Cabinet at the time approved an extension for this contract for six (6) months to help drive forward the recommissioning of this service. Due to unforeseen circumstances and unexpected staff changes, the six months timeline identified previously cannot be met.

This proposal seeks the approval for an additional six-month extension to allow time for a fully reflective and evidence based recommission to be undertaken. The current contract which would have ended on 31 January 2023, will now end on 31 July 2023.

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

- A robust review of the service pathway, service provision and emerging needs to be undertaken
- Appropriate research/consultation/engagement to be completed
- 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
- Create an effective cost model for the recommission, due to new pressures in the wider system, we must ensure the contracts are priced so that any service can be sustainable for the future

The current providers have all agreed in principle that they will and can continue with the service until its re-procurement. The Council Officers have benchmarked with neighbouring London boroughs of what uplifts have been given to providers recently, Brent, Newham and Hackney.

It is recommended that Cabinet approve the values which incorporate an uplift assessment for the contracts over the extended contract period for six months, from 01 February 2023 to 31 July 2023.

Community Benefits

The existing Service Providers will be expected to maintain the Social Value benefits contained within their contracts over the period of the Contract extension.