

Appendix 1

Health, Adults and Community Directorate

Contract Ref & Title	HAC5382 Mental Health Recovery, Wellbeing and Employment Service (Lot 1 Connecting Communities & - Lot 2: One to One Community Support)		
Procurement Category:	Health & Care	Contract Duration & Extensions:	3+1
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	33201-R5600-A2395		
Value Total:	£4,243,170 over the maximum contract period (£3,339,451 LBTH funding) (£903,719 ICB funding)	Statutory / Non-Statutory	Statutory
Value Per Annum:	£999,464 (year one with assumed 6% uplift on current contract value to address LLW increases)	Budget	23/24 budget £942,891 (£716,961 LBTH funding) (£225,930 ICB funding)
Current annual value	£942,891 per Year	Revised Annual Contract	£999,464 year one including as assumed 6% uplift to meet LLW and inflationary pressures (and maximum annual assumed uplifts of 5% in year 2, 3% in years 3 and 4) This equates to an average annual contract value of £1060,792 per Year
Savings Annual Value	Not Applicable		
Summary of how savings will be achieved			
<p>The Community Recovery and Wellbeing Service will be procured as a stand-alone contract. A range of pre-procurement activities including co-production events, performance and cost-benefit analysis will inform the final model as well as opportunities for savings will also be considered as part of this exercise.</p> <p>In addition, the Mental Health Recovery and Wellbeing Service aims to deliver support components which focus on delivering statutory duties, supporting mental health recovery, maintaining good mental health and keeping people out of hospital where possible. Increased independence and wellbeing results in less dependence on statutory social care and health systems, impacting on overall Council spend.</p>			
Background			
Approval is being sought to go out to tender for the provision of a Community Recovery and Wellbeing Service to include an Information, Advice and Navigation service, Day Opportunity service and One to One			

Community Support for people with lived experience of mental health, to commence from 24th August 2024.

The proposed tender for a Community Recovery and Wellbeing service will enable the continuation of an integrated, coordinated, outcomes focused, community-based system of recovery focused mental health provision based around the service user. The service aims to provide the right support at the right time, according to personal wellbeing goals. This will have a positive impact for individuals and the wider health and social care economy by reducing avoidable and prolonged reliance on statutory social care and health systems, and reduction of negative health and social outcomes associated with poor mental health and will provide meaningful opportunities for individuals with mental health needs for whom the local authority has a statutory duty under the Care Act . The service is currently delivered as below:

Hestia - One-to-One Community support offering:

- Personalised one to one medium term confidential support virtually and face to face in the community.
- Assessments and co-produced support planning
- Support includes both mental health and non-mental health issues which positively impact on recovery such as support with accommodation, increased social contacts and physical health linked to healthy eating, smoking cessation, and alcohol awareness etc.
- Access to wider services to increase social-inclusion

MIND - Connecting Communities -with staff and volunteers working across the borough delivering a community based integrated service, working closely with carers, primary care and secondary statutory health and social care services. The service offers:

- Advice and information and a specialist support service) both on the phone and face to face which facilitates access and connection to the correct community, health or social care resources.
- Specialist welfare advice support
- Access to a range of recovery-based groups and activities
- Delivery of service user co-produced programme of classes and sessions
- Provision of a community 'place of safety' in the form of a drop in bi-monthly café in their premises.

The Community Recovery and Wellbeing Services also works in partnership with other commissioned services, including the Working Well Trust Employment Hub and the ELFT Recovery College. The Recovery and Wellbeing partnership has a joint governance and delivery approach aiming to ensure local services are better connected to support the holistic needs of our local residents with lived experience in the community.

The procurement of this contract is aligned with several strategies and commitments and will perform as a deliverable to achieve key outcomes within those strategies:

- The Council's Strategic Plan priority to provide early support for adults at risk of poor mental health and loneliness.
- It addresses the main themes highlighted by residents, service users and professionals in the TH Adult Mental Health Strategy around the need to tackle stigma, increased focus on prevention and holistic flexible support for people with their mental health.
- The service is essential to the borough's wider strategic plans enabling delivery against three of the four themes of the Tower Hamlets Community Plan (2018-23) and TH Health and Wellbeing Strategy

The services support the local authority to meet its statutory duty under the Care Act to provide prevention services, promote wellbeing, support meaningful day opportunities and keep people out of hospital where possible.

The co-delivery and collaboration of these voluntary sector services that make up the recovery and wellbeing service has created an agile, knowledgeable and intrinsically motivated existing workforce within the borough. This includes peer support workers with lived experience who support the delivery of community-based interventions for people with severe and enduring mental health needs. A competitive open tender therefore remains the optimal option for delivering a high-quality community based specialist Mental Health Recovery and Wellbeing service.

Spend

The calculated total contract value over the life of the new contract period, will be the maximum amount that may be considered following a decision to procure. The figures provided represent the maximum final value. Any decision to uplift the contracts will be determined through a process of negotiation and in full understanding of evidence-based cost pressures prior to any agreement, and confirmation of annual increases to LLW for year two onwards.

The current inflationary uplift has been modelled on a maximum 6% uplift in year one of the contract with further assumed uplifts of 5% in year 2, 3% thereafter to meet LLW and inflationary pressures.

The 23/24 ICB contribution for the contract is £225,930 and future NHS uplift contributions will be determined by the annually set NHS net inflator.

Procurement and Contracting Approach

The Community Recovery and Wellbeing Service will be procured as a stand-alone contract and we will look for opportunities to work with the VCSE to deliver the contract to ensure we are working together to support local residents and ensure a culturally competent model is developed by community providers.

The final contracting approach will be finalised after completing the pre-sourcing activities which may include the analysis of the business need, market analysis/market engagement and development of the sourcing strategy and opportunities for efficiencies.

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).

Community Benefits

Social Value will have 10% 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.

Examples which Suppliers may be asked to meet targets around the areas are listed below.

- Number of new contract related roles that are filled in by Tower Hamlets residents.
- Two-week paid work experience placement for Tower Hamlets residents.
- Attendance at local SME forums
- Number of Contracts let to businesses located within the geographical boundaries of Tower Hamlets.
- Commitment to provide Management time (4 - 7 years' experience) - bid writing, marketing, project management, data collection.

Contract Ref & Title	HAC5382 Mental Health Recovery, Wellbeing and Employment Service (Lot 4 Employment Hub)		
Procurement Category:	Health & Care	Contract Duration & Extensions:	3+1
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	33201-R5600-A2395		
Value Total:	£1,571,948 over the maximum contract period (£1,237,151 LBTH funding) (£334,797ICB funding)	Statutory / Non-Statutory	Statutory
Value Per Annum:	£370,267 (year one with assumed 6% uplift on current contract value to address LLW increases)	Budget	Budget 23/24 £349,308 (£265,609 LBTH funding) (£83,699 ICB funding)
Current annual value	£349,308	Revised Annual Contract	£370,267 year one including as assumed 6% uplift to meet LLW and inflationary pressures (and maximum annual assumed uplifts of 5% in year 2, 3% in years 3 and 4) This equates to an average annual contract value of £392,987.
Savings Annual Value	Not Applicable		
Summary of how savings will be achieved			
<p>The Employment Hub will be procured as a stand-alone contract which will give further consideration to opportunities for integration with the NHS IPS contracted pathways. A range of pre-procurement activities including co-production events, performance and cost-benefit analysis will inform the final model as well as opportunities for savings will also be considered as part of this exercise.</p> <p>In addition, the Employment Hub service aims to improve outcomes for individuals with lived experience of mental health by supporting people into work, vocation, learning and personal development activities. Increased independence and wellbeing results in less dependence on statutory social care and health systems, impacting overall Council spend.</p>			

Background

Approval is sought to go out to tender for the provision of a Specialist Employment Hub service for people with lived experience of mental health, commencing 1st April 2024.

The Employment Hub service aims to increase the number of people with lived experience of mental health into employment in Tower Hamlets through one-to-one support, signposting and the creation of purposeful work and vocational opportunities, alongside innovative models such as working in local social enterprises and support for self-employment opportunities.

The service also delivers an employed peer support model, allowing local residents to utilise their lived experience to support others meet their employment goals, as well as building a culturally competent approach to mental health employment support.

It also aims to increase the numbers of people able to sustain employment despite mental health challenges and increase the ability of borough employers to support their employees and retain them in the workforce. This has a positive impact for individuals and the wider health and social care economy by reducing avoidable and prolonged reliance on statutory social care and health systems, and reduction of negative health and social outcomes associated with poor mental health.

The procurement of this contract is aligned with several strategies and commitments and will perform as a deliverable to achieve key outcomes within those strategies:

- Council's Strategic Plan priorities to increase business and jobs in the community and invest in public services by providing early support for adults at risk of poor mental health and loneliness.
- The Adult Mental Health Strategy sets out outcomes related to mental health and employment which people with mental health said were important to them. It identifies employment as the most strongly evidenced determinant of mental health.
- The commitment to improving the health and wellbeing of residents and tackling inequality through improving access to employment opportunities is further articulated in the Tower Hamlets Community Plan (2018-23) and the TH Health and Wellbeing Strategy (2021-25).
- Creating paid employment opportunities for people with mental health needs is one of the key priorities for the TH Mental Health Partnership Board.
- Nationally, the NHS Long Term plan identifies health and employment as an area of focus recognising that 'Stable employment is a major factor in maintaining good mental health and is an important outcome for recovery for people with a mental health problem.'

On average the current service has supported 254 service-users per year over the course of the contract and worked with over 50 employers to retain staff. Performance for the pre-employment support was impacted during the Covid-19 pandemic as in person training and vocational opportunities became more challenging but has subsequently seen an upward trend. The in-work support offer has significantly over-performed as more residents seek support with mental health in the workplace as we continue to deal with the complexities of new working arrangements, Long-Covid etc.

The service is currently delivered by a long-standing local Tower Hamlets VCSE provider - Working Well Trust. It is co-located and co-delivered alongside the LCF grant funded employment service Upskill, and the NHS / ICB funded employment Individual Placement Support (IPS) service. All three mental health employment services are delivered by Working Well Trust and whilst co-located within a Council building, staff work across the borough delivering a community based integrated service – the three contracts utilise different approaches based on the needs of the individual and also offer different points of connection for the service-user. The Employment Hub benefits from the expertise of a team with specialist skills, knowledge and experience of mental health and employment.

The Employment Hub also works in partnership with the other commissioned Tower Hamlets Mental Health Recovery and Wellbeing Services, including Mind Connecting Communities (Information, Advice, Navigation and Day service), Hestia 1-2-1 Recovery Support Service and the ELFT Recovery College. The Recovery and Wellbeing partnership has a joint governance and delivery approach aiming to ensure local services are better connected to support the holistic needs of our local residents with lived experience in the community.

The co-location and integration of the local employment services alongside the co-delivery and collaboration of the voluntary sector services that make up the recovery and wellbeing services has created an agile, knowledgeable and intrinsically motivated existing workforce within the borough working across established networks for the benefit of our residents. A competitive open tender therefore remains the optimal option for delivering high quality specialist mental health employment support provision.

The provision of its services supports the implementation of Care Plans and enables the local authority to meet its statutory duty under the Care Act to provide prevention services, with a link to the principle of promoting wellbeing. The Authority must ensure that people who live in its area:

- can get the information and advice they need to make good decisions about care and support (including finances, health, housing, employment)
- have a range of provision of high quality, appropriate services to choose from.

Spend

The calculated total contract value over the life of the new contract period, will be the maximum amount that may be considered following a decision to procure. The figures provided represent the maximum final value. Any decision to uplift the contracts will be determined through a process of negotiation and in full understanding of evidence-based cost pressures prior to any agreement, and confirmation of annual increases to LLW for year two onwards.

The current inflationary uplift has been modelled on a maximum 6% uplift in year one of the contract with further assumed uplifts of 5% in year 2, 3% thereafter to meet LLW and inflationary pressures.

The 23/24 ICB contribution for the contract is £83,699 and future NHS uplift contributions will be determined by the annually set NHS net inflator.

Procurement and Contracting Approach

The Employment Hub will be procured as a stand-alone contract which will give further consideration to integration with the NHS IPS contracted pathways. A range of pre-procurement activities including co-production events, performance and cost-benefit analysis will inform the final model as well as opportunities for savings will also be considered as part of this exercise.

The contracting approach will be finalised after completing the pre-sourcing activities which may include the analysis of the business need, market analysis/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).

Community Benefits

Social Value will have 10% 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.

Examples which Suppliers may be asked to meet targets around the areas are listed below.

- Number of new contract related roles that are filled in by Tower Hamlets residents.
- Two-week paid work experience placement for Tower Hamlets residents.
- Attendance at local SME forums
- Number of Contracts let to businesses located within the geographical boundaries of Tower Hamlets.
- Commitment to provide Management time (4 - 7 years' experience) - bid writing, marketing, project management, data collection.

Resources Directorate

***PLEASE NOTE: As requested by the Mayor, representatives of the relevant service area have forwarded a separate briefing note to the Mayor's office, which clarifies further details regarding this project including contract duration and social value.**

Contract Ref & Title	Apprenticeship Training and Skills Dynamic Purchasing System (DPS)		
Procurement Category:	Corporate	Contract Duration & Extensions:	3 +1+1
One-Time / Recurrent	One-Time	Funding Source:	Apprenticeship levy
Value Total:	£200m (combined London Borough DPS value) of which £12.5m allocated for LBTH		
Value Per Annum:	£40m (overall DPS pot) £2.5 for LBTH	Statutory / Non-Statutory	Statutory
Cost Code	Not linked to Council Budget.	Budget	No budget as such - -service funded from Apprenticeship Levy, a Central Government Fund.
Current annual value	£1.5 million per Year	Revised Annual Contract	£2.5 million per Year
Savings Annual Value	Not Applicable		
Summary of how savings will be achieved.			
<p>The Apprenticeship Levy is a tax imposed by the government on large employers who are given up to 24 months to spend the funds in their account or this is returned to the treasury.</p>			
<u>Scope of Contract</u>			
<p>Since spring 2017 large employers with a pay bill of over £3 million have been mandated to pay into a levy at a rate of 0.5% of their pay bill. The Apprenticeship Levy is to fund training and assessment costs, not salaries.</p> <p>The levy for LBTH, including schools is approx. £1.5m annually. The Register of Apprenticeship Training Providers (RoATP) has a list of all providers vetted and approved by the government who can access this funding towards the training and assessment cost of the apprenticeship. However, on procuring specific training programmes, the Council will still need to be in compliance with the Public Contract Regulations 2015.</p> <p>The project is to replace the current DPS (Dynamic Purchasing System) that's due to expire in July 2023. The DPS has been used to source approved providers to deliver apprenticeship training to new apprentices and existing staff. The new DPS will have a 60 month period of validity and it is an appropriate procurement mechanism as used by other procurement services e.g. Crown Commercial Services, Yorkshire Purchasing Organisation, etc.</p>			

A decision has been made to set up a similar DPS upon expiry that is more dynamic and allows greater flexibility taking into account the types of tender request and challenges from the current DPS.

The 60 month term of the DPS is justified because it is likely the apprenticeship levy, a central government initiative, will remain for the long term. This term mirrors that of the current DPS and is believed to be an ideal length of time, which gives the council a stable procurement platform to source suppliers.

Under the DPS, the Council does not have an obligation to award any contracts and reserves the right to terminate it at any time, should the services no longer be required. In addition, the Council may utilise this agreement to access training providers for other ad-hoc training requirements which may arise from time to time. As the DPS allows for open competition, whereby it is unrestrictive due to suppliers being able to join at any point, the 60 month term is justified as it will also save the Council's internal resource/time costs in having to reprocur training requirements within a shorter timeframe.

Contracting Approach

The DPS will allow the Council to access Skills Funding Agency approved providers in a manner compliant with the requirements of the Public Contract Regulations, Schedule 3 (Light Touch Regime). The procurement will be a collaborative exercise open to other London Borough Councils.

The DPS will be divided into lots that allows new suppliers to be added at any time. Option for other London Boroughs to join can remain open as a managed service subject to a fee.

The proposed lots are:

15 categories (each apprenticeship falls within those).

1. Agriculture, environmental and animal
2. Business and administration
3. Care services
4. Catering and hospitality
5. Construction and the built environment
6. Creative and design
7. Digital
8. Education and early years
9. Engineering and manufacturing
10. Hair and beauty
11. Health and science
12. Legal, finance and accounting
13. Protective services
14. Sales, marketing and procurement
15. Transport and logistics

Community Benefits / Social Value

In setting up the main DPS, the standard 'community benefit' schedule will not be appropriate as a criteria of selecting suppliers into the respective lots. However, for every call off exercise the community benefit schedule will be included and the weighting applied based on the nature of the requirement. These benefits will be directly linked to the provision of employment and upskills of the local community.

Although the DPS has an overall value in the millions of pounds, individual training and apprenticeship packages are valued between £2,500 and around £27,000. No individual package is valued at more than

£100,000 (which is the threshold for the invoking of Social Value requirements for tender processes in the council).

The service believes that through the training and upskilling of employees of the council, particularly young people, the DPS fulfils the Council's aspirations to achieve outcomes that benefit the social value in the borough. In terms of obtaining additional social value and community benefits against each apprenticeship and training packages as they are put out for further competition, the service does not believe that this is a viable approach. The reasoning is threefold:

- No package comes to more than £100,000 which is current threshold for triggering Social Value requirements in the Council's procurement processes.
- Even if the Council were to call for additional social value as a part of competitive processes for training packages – the fees involved per package would be insufficient for any firm to be able to offer a significant or effective benefit to the council.
- If the council insisted on additional benefits this could prove to be a disincentive to bidders, making training packages uncompetitive.

Children & Culture Directorate

***PLEASE NOTE: As requested by the Mayor, representatives of the relevant service area have forwarded a separate briefing note to the Mayor's office, which clarifies further details regarding this project including contract duration and social value.**

Contract Ref & Title	Supply of Fresh Fruit and Vegetables		
Procurement Category:	Corporate Services	Contract Duration & Extensions:	3+1
One-Time / Recurrent	Recurrent	Funding Source:	<input type="checkbox"/> Capital <input checked="" type="checkbox"/> On Going <input type="checkbox"/> HRA <input type="checkbox"/> Grant <input type="checkbox"/> General Fund <input type="checkbox"/> S106 <input type="checkbox"/> Reserves
Value Total:	£2,000,000		
Value Per Annum:	£500,000	Statutory / Non-Statutory	Statutory
Cost Code	R4102.87100.A0597	Budget	£5.03m
Current annual value	£500,000 per Year	Revised Annual Contract	£500,000 per Year
Savings Annual Value	Not Applicable		
Summary of how savings will be achieved			
Due to inflationary pressures on food supplies and price increased in the supply chain (many prices have risen by between 8-10%.) which have seriously affected the supplier business, there are unlikely to be savings.			
<u>Scope of Contract</u>			
<p>The Council's method for the procurement of Fresh Fruit & Vegetables for Contract Catering Services has been through Procurement Across London (PAL) group. The London Borough of Havering's Procurement Team (One Source) lead on the procurement process on behalf of the group which includes the following councils:</p> <ul style="list-style-type: none"> • Havering, • Barking & Dagenham, • Waltham Forest, • Tower Hamlets, • Thurrock Unitary Authority <p>The current Fresh Fruit & Vegetable multi-supplier framework finishes on 31st July 2023, however the call off extends beyond this date to 31st August 2023.</p>			
<u>Contracting Approach</u>			
<p>This method of procurement (through PAL contracts) has always been of great benefit to Contract Catering Services as the PAL arrangement delivers greater efficiencies through combined purchasing power and drives major economies of scale. The levels of rebates negotiated for the fresh fruit and vegetable contract contributes to an increased revenue outturn.</p> <p>The management fee which Havering earns for undertaking the procurement process is 0.5% of the total sales across the framework over its lifetime.</p>			

In line with Public Contracts Regulations 2015, the procurement process will be conducted using an open procedure advertised on the Find a Tender portal. A Prior Information Notice (PIN) will be used to alert the market of the tender opportunity, followed by a Contract Notice to advise that the opportunity has been published. The weighting to be used to evaluate the bids will be 70% price: 30% quality, of which social value forms 10% of the quality weighting. The weightings are agreed by all all participating Boroughs and are fixed.

The prices submitted will be held until the 1st anniversary of the new framework. Thereafter, a mini-competition will be held bi-annually. The aim of this exercise is to take advantage of variable pricing for seasonal produce.

It is proposed to appoint multiple suppliers to the framework agreement.

The contract will not include any commitment from the collaborative PAL group to volume or value of orders. PAL group members will be individually responsible for calling-off the framework via their own internal corporate governance arrangements.

A realistic timetable for undertaking this work requires tendering to commence early in 2023 and Havering's procurement team (One Source) have already started the process to update specifications to meet the latest needs of all the member authorities. The total potential period of the proposed framework agreement being prepared by PAL is for 3+1 years from 1 September 2023.

Given this is a joint procurement exercise with other Council, in the event the procurement is not concluded on time, Cabinet is being requested approve for the relevant Corporate Director to have delegated authority to undertake the approval of monthly expenditure until Havering has awarded new contracts. This will also allow London Borough of Tower Hamlets enough time to follow its own internal due processes to authorize the award and expenditure against those contracts.

Sustainable Benefits

There is a requirement that all products sourced via the framework will have come from a sustainable process and where possible locally sourced in accordance with the standards set by the Soil Food for Life organisation.

Community Benefits

Social value will have 10% overall weighting in the tender evaluation process of further competition exercises 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.

Place Directorate

***PLEASE NOTE:** As requested by the Mayor, representatives of the relevant service area have forwarded a separate briefing note to the Mayor's office, which clarifies further details regarding this project including the recommended procurement route and relative implications on project timescales.

Contract Ref & Title	St George's Leisure Centre Rebuild – Award of Main Contractor		
Procurement Category:	Construction & FM	Contract Duration & Extensions:	Circa 2 Years
One-Time / Recurrent	One-Time	Funding Source:	<input type="checkbox"/> General Fund <input checked="" 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	Project Code 600159		
Value Total:	£56m ¹	Statutory / Non-Statutory	Non Statutory
Value Per Annum:	£NA per Year	Budget	£56m (Construction Contract Total)
Current annual value	£NA per Year	Revised Annual Contract	£NA per Year
¹ The actual contract value will be confirmed on completion of the procurement of the main contractor.			
Savings Annual Value	Not Applicable		
Summary of how savings will be achieved			
<p>The construction sector is experiencing instability and economic uncertainty driven by labour shortages, price fluctuations, supply issues and the geopolitical landscape. The St George's site also has several risks and constraints. The choice of procurement route and commercial delivery model to manage these risks, to contain programme and costs, will be key to the success of this project.</p>			
Background			
<p>In August 2022, the Cabinet approved additional investment in the borough's leisure services with the creation of a new leisure centre and affordable housing on the St George's site in Shadwell alongside the Council taking direct control of its seven leisure centres, when the current contract with GLL expires. The new St George's Leisure Centre is an ambitious and high-profile project for the borough.</p>			
<p>The chosen procurement strategy has implications for almost every stage of the project, including cost, quality and, ultimately, project success. It influences multiple key decisions during the construction process, including: the stage at which the construction team is appointed, the structure of the project, design responsibility and the transfer of and management of risk.</p>			

The procurement strategy will consider the construction site risks, the design delivery constraints and the current construction market, the issues of a mixed residential and leisure centre development, the requirement for demolition prior to new build construction as well as relevant sector expertise. All of which needs to be managed within the limitations of a challenging project timeframe designed to deliver key Mayoral priorities.

The Mayor would like to consider alternative procurement processes, with particular preference for an open tender/route to market. Therefore, the open tender route to market is being considered against key project success factors, to support a successful project delivery, to manage risk and to ensure the local community is fully engaged in a potentially disruptive change to their neighbourhood.

The existing St George's Leisure Centre was closed in March 2020. The delivery of the project is therefore a high priority for the Council.

Scope of Contract

Appoint an experienced, main contractor early to:

- Demolish the existing leisure centre;
- Construct the new leisure centre and affordable housing;
- Generate social value and community benefits;
- Engage with the local community.

Contracting Approach

The contracting approach will be finalised after completing the pre-sourcing activities which may include the analysis of the business need, market analysis / 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).

Community Benefits

Social Value will have a minimum 10% 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.

Place Directorate

Contract Ref & Title	Materials Sorting Facility (MRF) Service		
Procurement Category:	Corporate Services	Contract Duration & Extensions:	3+1
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:	£17.25 M		
Value Per Annum:	£4,312,267 (estimated average annual value over the contract term)	Statutory / Non-Statutory	Statutory
Cost Code	53140	Budget	£ 1,951,937
Current annual value	£2,936,989 per Year 2023-24 forecast figure for the year – overspend forecast)	Revised Annual Contract	£ 3,537,253 2024-25 (this is the year one valuation – it is anticipated that the fees will increase over the life of the contract as the tonnage of recycling increases)
Savings Annual Value	Not Applicable		
Summary of how savings will be achieved			
<p>There are no expected savings against budget for the period of this contract, due to the need to increase tonnage of recycling collected. We will be taking action to improve the quality of recycling and reduce contamination levels from 27% to below 20%. This will reduce costs, however with a projected increase in properties and tonnage we expect increased cost against budget of approx. £985K per year.</p>			
<u>Scope of Contract</u>			
<p>This project is for the re-procurement of the Materials Sorting Facility (MRF) Service contract as the current MRF contract will come to an end on 31st March 2024. The contract term is proposed to be 3 years and a further period of 12 months. The reason for this contract term is to align the end of the MRF contract with the end of the initial term of the waste disposal contract at the end of March 2027. This will also align with the replacement of the waste collections fleet and the re-development of Blackwall Depot in 2027.</p> <p>The Council has a statutory obligation to provide a recycling service and does this by collecting comingled dry recyclable material from households and businesses. The Council contracts with an established Materials Recovery Facility (MRF) operator to separate and market the recyclable materials, for onward sale and re-processing into raw material for new products.</p> <p>The cost of this contract is rate based, with the cost of the contract anticipated to increase year on year as the quantity of dry recyclable material delivered to the MRF increases.</p>			

In 2022/23 we collected approximately 14,500 tonnes of dry recyclable material that was sent to the MRF. The annual tonnage is expected to increase during the life of the contract as the number of households grow and recycling initiatives increase the household recycling rate from 18% to at least 23% by 2026-27. This will also include an increase in business waste that is recycled.

The annual value stated is expected to increase from £3.54M to £5.18M at the end of the contract. This estimated total value takes account of anticipated population growth, increased recycling performance and allowance for variation after 3 years due to changes in waste legislation (in accordance with Regulation 72 variation levels). There is a need to apply for growth against the current annual budget of £1.95 million. However, the future costs and need for growth is dependent on the impact of pending government recycling reforms. These will impact on future funding of all local authority recycling services, and revenue costs during the life of this contract. Further work will be completed to assess the financial impact on these contract costs and need for future growth funding when details are confirmed by the government later this year.

The new contract will include the requirement for London Living Wage to be paid to those individuals engaged on the delivery of the services within the contract, as stipulated in the current MRF contract.

Contracting Approach

The local market for capacity at existing facilities in London is a mature market. The contract is proposed to be procured through an Open tender process but the contracting approach will be finalised after the pre-sourcing activities, particularly market engagement. 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).

Community Benefits

Social Value will have 10% 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.

A requirement of this contract will be for the supplier to support the Council in its education and communication activities for recycling services. Beyond this, the contract will be seeking to secure a level of community benefits that are commensurate with the type of contract. The Social Value matrix will look to include benefit items that support local employment and work experience opportunities as well as benefits that will support the local supply chain and capacity building for local community groups.