



AGENDA FOR THE EXECUTIVE

Members of the Executive are summoned to attend a meeting to be held in Committee Room 4, Town Hall, Upper Street, N1 2UD on **16 June 2016 at 7.00 pm.**

John Lynch
Head of Democratic Services

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Despatched : 8 June 2016

Membership

Councillor Richard Watts
Councillor Janet Burgess MBE
Councillor Joe Caluori
Councillor Kaya Comer-Schwartz
Councillor Andy Hull

Councillor Asima Shaikh
Councillor Diarmaid Ward
Councillor Claudia Webbe

Portfolio

Leader of the Council
Executive Member Health and Social Care
Executive Member Children, Young People and Families
Executive Member for Community Development
Executive Member Finance, Performance and Community Safety
Executive Member for Economic Development
Executive Member for Housing and Development
Executive Member for Environment and Transport

Quorum is 4 Councillors

Please note

It is likely that part of this meeting may need to be held in private as some agenda items may involve the disclosure of exempt or confidential information within the terms of Schedule 12A of the Local Government Act 1972. Members of the press and public may need to be excluded for that part of the meeting if necessary.

Details of any representations received about why the meeting should be open to the public - none



Declarations of interest:

If a member of the Executive has a **Disclosable Pecuniary Interest*** in an item of business and it is not yet on the council's register, the Councillor **must** declare both the existence and details of it at the start of the meeting or when it becomes apparent. Councillors may also **choose** to declare a Disclosable Pecuniary Interest that is already in the register in the interests of openness and transparency. In both the above cases, the Councillor **must** leave the room without participating in discussion of the item.

If a member of the Executive has a **personal** interest in an item of business they **must** declare both the existence and details of it at the start of the meeting or when it becomes apparent but may remain in the room, participate in the discussion and/or vote on the item if they have a dispensation from the Chief Executive.

- *(a) Employment, etc** - Any employment, office, trade, profession or vocation carried on for profit or gain.
- (b) Sponsorship** - Any payment or other financial benefit in respect expenses in carrying out duties as a member, or of election; including from a trade union.
- (c) Contracts** - Any current contract for goods, services or works, between the Councillors or their partner (or a body in which one has a beneficial interest) and the council.
- (d) Land** - Any beneficial interest in land which is within the council's area.
- (e) Licences** - Any licence to occupy land in the council's area for a month or longer.
- (f) Corporate tenancies** - Any tenancy between the council and a body in which the Councillor or their partner have a beneficial interest.
- (g) Securities** - Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

NOTE: Public questions may be asked on condition that the Chair agrees and that the questions relate to items on the agenda. No prior notice is required. Questions will be taken with the relevant item.

Requests for deputations must be made in writing at least two clear days before the meeting and are subject to the Leader's agreement. The matter on which the deputation wants to address the Executive must be on the agenda for that meeting.

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D. Urgent non-exempt matters

Any non-exempt items which the Chair agrees should be considered urgently by reason of special circumstances. The reasons for urgency will be agreed by the Chair and recorded in the minutes.

E. Exclusion of press and public

To consider whether to exclude the press and public during discussion of the remaining items on the agenda, in view of their confidential nature, in accordance with Schedule 12A of the Local Government Act 1972.

F. Confidential / exempt items for information

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G. Urgent Exempt Matters

Any exempt items which the Chair agrees should be considered urgently by reason of special circumstances. The reasons for urgency will be agreed by the Chair and recorded in the minutes.

The next meeting of the Executive will be on 21 July 2016

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Agenda Item 3

London Borough of Islington

Executive - 19 May 2016

Minutes of the meeting of the Executive held at Committee Room 4, Town Hall, Upper Street, N1 2UD on 19 May 2016 at 7.00 pm.

Present: **Councillors:** Watts, Burgess, Comer-Schwartz, Hull and Webbe

Councillor Richard Watts in the Chair

273 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Caluori and Shaikh.

274 DECLARATIONS OF INTEREST

None.

275 MINUTES OF PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting on 21 April be confirmed as a correct record and the Chair be authorised to sign them.

276 APPOINTMENTS TO BE MADE BY THE EXECUTIVE

Councillor Watts moved the recommendations in the revised report and made a verbal amendment that he be appointed as the Executive Member representative to LHC with immediate effect for a term of one year or until a successor is appointed. It was also noted that MAGPI is now one board rather than four separate boards. The Councillors listed in recommendation 2(c) will represent the individual areas listed.

RESOLVED:

- a) That Councillor Watts be appointed as Chair, Councillors Hull and Comer-Schwartz be appointed as members and Councillors Burgess, Caluori, Shaikh and Webbe be appointed as substitutes of the Voluntary and Community Sector Committee for the municipal year 2016/2017, or until successors are appointed, be agreed.
- b) That Councillors Spall, Hamitouche and Debono be appointed as observers of the Voluntary and Community Sector Committee, for the municipal year 2016/2017, or until successors are appointed, be agreed.
- c) That Councillors Burgess, Webbe, Caluori and Ismail be appointed to the MAGPI Board, for the municipal year 2016/17, or until successors are appointed, be agreed. Councillor Burgess will represent north Islington, Councillor Webbe south Islington, Councillor Caluori east Islington and Councillor Ismail will represent west Islington.

Executive - 19 May 2016

- d) That Councillor Comer-Schwartz be appointed to the Associated Joint Committee – London Councils' Grants Committee and Councillor Hull and Councillor Webbe be appointed as deputies, for the municipal year 2016/2017, or until successors are appointed, be agreed.
- e) That Councillor Watts and Councillor Parker be appointed as members of the London Housing Consortium for the municipal year 2016/2017, or until successors are appointed, be agreed.
- f) That Councillor Greening be appointed as the Council's representative on the London Council's Pensions CIV Sectoral Joint Committee and Councillor Hull be appointed as substitute, for the municipal year 2016/2017, or until successors are appointed, be agreed.
- g) That the appointment of Councillors Hull and Webbe as Directors of Islington Ltd (iCo) until successors are appointed be agreed.
- h) That Councillor Shaikh be appointed as Chair and Councillors Watts, Greening and O'Sullivan be appointed as members of the Finsbury Park Regeneration Board for the municipal year 2016/2017 or until successors are appointed, be agreed.

Reasons for decision – to enable the Council's representatives to participate in meetings.

Other options considered – none

Conflicts of interest / dispensations granted – none.

277 PROVISIONAL 2015-16 OUTTURN

RESOLVED:

- 1.1. That the overall provisional 2015-16 gross revenue outturn for the General Fund (Table 1 and Appendix 1 of the report) of a gross £2.9m overspend, and a net break-even position after a £2.9m drawdown from the contingency reserve (Section 3 of the report) be agreed.
- 1.2. That the departmental carry forwards and transfers to reserves detailed in Appendix 2 of the report, including the creation of a new earmarked revenue reserve for Community Infrastructure Levy funding (Section 3 of the report) be agreed.
- 1.3. That the HRA is forecast to break-even be noted, and the creation of a new earmarked HRA reserve to mitigate against the financial risks/pressures arising from legislative changes (Section 5, Table 1 and Appendix 1 of the report) be agreed.
- 1.4. That the Council delivered £89.4m of capital investment in 2015-16 be noted and the provisional funding of the programme and related reserves movements, including the creation of a new earmarked revenue reserve for Section 106 funding (Section 6, Tables 2-3 and Appendix 3 of the report) be agreed.

Executive - 19 May 2016

- 1.5. That the provisional outturn position in respect of the Council's sundry income management (Section 7 of the report) and the council tax and business rates collection (Section 8 of the report) be noted.
- 1.6. That the progress on the closing of the 2015-16 accounts be noted and that the Corporate Director of Finance and Resources be delegated authority to agree any final changes to the accounts (including capital financing and re-profiling of resources to/from future financial years) prior to their submission to the auditor by 30th June 2016 (Section 9 of the report) be agreed.

Reasons for decision – to allow Councillors to monitor the budget.

Other options considered – none

Conflicts of interest / dispensations granted – none.

278 TEMPORARY ACCOMMODATION LOCATION POLICY

RESOLVED:

That immediate implementation of the proposed Temporary Accommodation Location Policy be agreed.

Reasons for decision – to help the council meet its statutory duty to provide suitable and affordable temporary accommodation for homeless households

Other options considered – none

Conflicts of interest / dispensations granted – none.

279 INTRODUCTION OF FIXED PENALTY NOTICES FOR FLY-TIPPING OFFENCES

RESOLVED:

That the level of Fixed Penalty Notices, as provided for under Regulation 2 of the Unauthorised Deposit of Waste (Fixed Penalties) Regulations 2016, be set at £400 per penalty notice for fly tipping, reduced to £200 if paid within 10 days of issue, be agreed.

Reasons for decision – to deter fly-tipping.

Other options considered – none

Conflicts of interest / dispensations granted – none.

MEETING CLOSED AT 7.07 pm

CHAIR

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Report of: Assistant Chief Executive – Governance and Human Resources

Meeting of:	Date	Ward(s)
Executive	19 May 2016	n/a

SUBJECT: APPOINTMENTS TO BE MADE BY THE EXECUTIVE

1. Synopsis

- 1.1 This report seeks approval of the appointment of members to the following Executive and Joint committees and external organisations:
- LHC (London Housing Consortium) Joint Committee

2. Recommendations

To appoint Councillor Diarmaid Ward as a member of LHC (the London Housing Consortium) for the municipal year 2016/2017, or until a successor is appointed.

3. Background

3.1 **JOINT COMMITTEE – LHC (LONDON HOUSING CONSORTIUM)**

The LHC has existed since 1965 and was established as a Joint Committee in 2012 under section 105(1) of the Local Government Act 1972. The LHC is a self-financing organisation which provides specialist technical and procurement services for building programmes undertaken by its constituent local authorities and other public sector bodies.

This appointment is required to be made by the Executive because the exercise of functions under Section 48 of LGA 1985 is an executive function.

Membership

The LHC is governed by a Board of Elected Members which comprises two voting Councillor representatives from the eleven local authority members, one of which will be an Executive Member.

4. Implications

4.1 **Financial implications**

These are contained in the body of the report.

4.2 **Legal Implications**

These are contained in the body of the report.

4.3 **Environmental Implications**

There are no environmental implications arising directly from this report.

4.4 **Resident Impact Assessment**

The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.

The initial screening for a Resident Impact Assessment was completed on 21 April 2015 and this did not identify any negative equality impacts for any protected characteristic or any human rights or safeguarding risks.

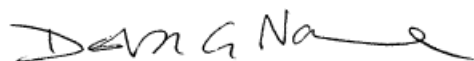
5. **Conclusion and reasons for recommendations**

- 5.1 The Executive is responsible for making two member appointments to the board of the London Housing Consortium. Councillor Ollie Parker was appointed at the meeting of the Executive on 19 May 2015.

Background papers: None.

Final report clearance:

Signed by:



Assistant Chief Executive – Governance and
Human Resources

2 June 2016

Date



Report of: Executive Member for Children, Young People and Families

Meeting of	Date	Ward(s)
Executive	16 June 2016	All

Delete as appropriate	Exempt	Non-exempt
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SUBJECT: Progress on the Provision of Sufficient School and Childcare Places

1 Synopsis

- 1.1 Local authorities have a statutory duty under Section 14(1) of the Education Act 1996 to ensure that there are enough school places available to local children and young people and a statutory duty under Section 6 of the Childcare Act 2006 to secure sufficient childcare provision for working parents. The statutory entitlement to 15 hours of free childcare per week for all 3 and 4 year olds is being extended to 30 hours for working households from September 2017.
- 1.2 The role of local authorities in ensuring sufficient provision of school places remains unchanged following the recent publication by the DfE of the White paper 'Educational Excellence Everywhere' on reforming the schools system in England.
- 1.3 This report provides the Executive with an update on progress to provide sufficient school and childcare places and seeks to address the funding gap that currently exists between capital funding allocations from the Education Funding Agency (EFA) and the estimated costs of provision.
- 1.4 The provision of sufficient school and early years places meets the criteria for Community Infrastructure Levy (CIL) funding and therefore provides an option to meet the shortfall in funding for places. Investment of the CIL in this way has been recognised as a priority by the Council, however if funding is not formally agreed soon it will impact our ability to meet our statutory requirements to provide sufficient places in line with need. Consideration could also be given to using unallocated S106 funding for some of the schemes if they are in the right location and fit the S106 conditions. Borrowing provides a further option, but this carries a direct revenue cost to the Council.

2 Recommendations

- 2.1 To note that following the publication of the white paper on reforming the schools system in England the role of the local authority in ensuring sufficient provision of school places remains unchanged (paragraph 1.2).
- 2.2 To note the School Roll Projections Report 2014 identified the need to create an additional 91 primary places by September 2019 (paragraph 3.6) and the School Roll Projections Report 2015 identified the need to create 74 secondary places by September 2018 (paragraph 3.11).
- 2.3 To note that while there is the potential for Free Schools to open in the borough and meet some of the shortfall there are currently no firm proposals to do so (paragraph 3.10).
- 2.4 To note that the DfE estimates that up to 1,072 2 year olds are entitled to 15 hours free early years provision per week (paragraph 3.14) and the Council is currently on course to deliver 883 places (paragraph 3.15).
- 2.5 To note that the impact of the Government's commitment to increase entitlement for free childcare provision for 3 and 4 year olds from working households is not yet known (paragraph 3.17).
- 2.6 To note that the need for sufficient childcare places will be reviewed again in light of the forthcoming reconfiguration of early years provision (paragraphs 3.16 and 3.18).
- 2.7 To note the estimated shortfall in funding of £24.4m if all schemes are required and the estimated revenue cost of borrowing if there is insufficient CIL / S106 to meet the shortfall is £1.9m per annum (paragraph 3.24).
- 2.8 To agree the proposed prioritisation schemes for funding from CIL / S106 or borrowing (paragraph 3.30).
- 2.9 To agree funding for priorities 1 and 2, this is required from June 2016 to enable new provision to come on stream at primary level by September 2019 and secondary level by September 2018 and in line with the Children's Centre transformation programme (paragraph 3.30).

3 Background

Meeting the Need for Sufficient 0-19 Places in Islington

- 3.1 The Council has a statutory duty to provide sufficient places for children and young people across all age ranges, including the 40% most deprived 2 year olds in the borough. The statutory duty to ensure provision of 15 hours per week of free childcare for all 3 and 4 year olds is being extended to 30 hours for those from working households from September 2017.
- 3.2 In order to make the best use of funding and make best use of the school estate it is essential that the provision of sufficient places across all age ranges is brought together. In many cases the same institutions will be used to create 2 year old, 3 and 4 year old and primary places. Furthermore this also acts as an opportunity to address maintenance needs in the institutions concerned. The Council is also working with the Education Funding Agency (EFA) to ensure that any Free Schools or new academies that open in the borough include 2 year old provision.

- 3.3 The Council receives Basic Need capital funding allocations from the EFA to provide new school places and has received funding in previous years to provide 2 year old places. However both funding streams are significantly less than the costs of provision.
- 3.4 No funding is currently available from the EFA to meet the capital costs of providing additional places at Special Schools, however a fund of “at least £200m” was announced by the EFA as part of the consultation on reform to school and high needs funding on 7 March. Little detail is yet known except that funding will be available for new Special Free Schools (in line with need as determined by the local authority) and expansion of existing provision. All our Special Schools are currently at capacity. Without additional capital funding the pressure on the High Needs budget (DSG funded) and SEN transport (General Fund) will increase as more children and young people with SEND are placed out of borough.

Creating Sufficient Places at Primary Level

- 3.5 Some of the need to create places at primary level will be met by existing schemes in the Children’s Services capital programme.
- 3.6 The School Roll Projections Report 2014 indicated that an additional 91 reception places would be needed by September 2019 after taking into account the potential development of the new two form entry City of London Primary Academy (COLPA) with the City of London Corporation that is due to open in temporary accommodation in September 2017. Since then a short term reduction in births in 2013 and delayed housing development in the borough have fed through into the school place planning data showing a potential over capacity in the short term. Despite this, expansion continues to be needed in school place planning areas that are at risk of a shortfall in the immediate term and to meet rising demand, as shown in Appendix 1.
- 3.7 Feasibility studies were undertaken for schemes at three schools to provide sufficient places: St John Evangelist; St John’s Highbury Vale; and Tufnell Park. This followed a process with primary schools to identify potential opportunities for expansion at good or outstanding popular schools. The cost of providing these places was provisionally estimated at £26m in June 2015. Building in a 10% contingency for construction price inflation (averaging at around 2% per annum, although a recent briefing from the Royal Institution of Chartered Surveyors indicated that tender price rises have recently been as high as 5.4% per annum) and unknowns would bring the estimated cost to £28.6m.
- 3.8 The cost estimates were desktop exercises by quantity surveyors based on detailed feasibility studies. At this point, detailed site surveys have not been undertaken to identify abnormal costs, nor has an assessment of utilities capacity been completed. Initial discussions have been had with the Local Planning Authority and feedback on each scheme has been provided. It is important to note that planning requirements have contributed to cost pressures on recent schemes. Assumptions were made around the treatment of VAT for the two VA schools which will need formal advice from the Council’s VAT advisors. A more detailed analysis of these schemes is provided in Appendix 2, including different options at Tufnell Park to deliver reduced schemes that provide fewer places.

<u>1. Potential schemes for primary expansion at feasibility stage</u>	New reception places	Estimated cost incl. contingency* £m	
Tufnell Park	45	15.4	New build to provide 3FE and 60 place nursery. Other options exist for reduced schemes that provide fewer places.
St John Evangelist	20	6.1	Extension and refurbishment to provide 2FE. Includes element of VAT as is a VA school.
St John's Highbury Vale	30	7.1	Extension and refurbishment to provide 2FE. Includes element of VAT on refurbishment works as is a VA school.
	95	28.6	Note: this equates to 665 new school places

* See Appendix 2 for a more detailed analysis of the schemes and alternative options at Tufnell Park.

- 3.9 The Children's Services Capital Asset Management Team will continue to look at all opportunities to value engineer costs down, including looking at a modular approach to the proposed new build option at Tufnell Park subject to planning agreeing this type of build. It should be noted that locally imposed planning restrictions have added to costs current school related capital schemes, such as the rebuild of Moreland Primary School and Children's Centre and re-provision of New River College Primary Pupil Referral Unit (PRU) at Dowrey Street.
- 3.10 There is the potential that some of the need for places may be met by a free school opening in the borough, however we are not currently aware of any firm proposals to do so. St Mary Magdalene Academy and the Silver Birch Multi Academy trust have both expressed an interest in doing so but neither have identified secured a site. The EFA have recently purchased the former London Met building on Highbury Grove. The EFA have indicated that there are no plans at present to locate a primary or secondary school on the site, but further details will be provided over their intended use of the site when the Council next meets with the EFA.

Creating Sufficient Places at Secondary Level

- 3.11 Identifying the need to create places at secondary level is more complex due to the small geographical size of the borough, large differences in popularity of secondary schools and the significant inter-borough movement of pupils at secondary level. The School Roll Projections Report 2015 projects a need for 74 year 7 places by September 2018 increasing to 125 places by September 2019 as shown in the table below.

<u>2. Year 7 capacity</u>	Academic year	Reception roll & projections	PAN (capacity)	Surplus / shortfall
Roll projections	2015/16	1,537	1,635	98
	2016/17	1,545	1,635	90
	2017/18	1,623	1,635	12
	2018/19	1,709	1,635	-74
	2019/20	1,760	1,635	-125
	2020/21	1,808	1,635	-173
	2021/22	1,878	1,635	-243

3.12 The Council wrote to all good and outstanding secondary schools asking if they were interested in expanding. Discussions have since taken place with four schools which have agreed in principle to expansions: Highbury Grove, Central Foundation Boys School, Arts and Media School and St Mary Magdalene Academy. Expansion at Arts and Media School represents a cost effective method of increasing provision as the school was built to accommodate 900 pupils but currently has a planned admission number of 750 pupils and only minor work is required. Central Foundation's expansion is part of a larger project to modernise the school being developed directly between the school and EFA, therefore the Council will only be required to make a contribution to the cost of the project. A modular approach will be taken to expansion at Highbury Grove to minimise costs but this will carry increased planning risk therefore this cost estimate is ambitious.

3.13 A contingency line of £2m has been added to reflect the increased risk in some of the cost estimates at secondary level. Regard is also being given to sub-regional planning. An opportunity may arise for the provision of a new secondary school on the Holloway Prison site when this is disposed of by the Ministry of Justice for redevelopment.

<u>3. Potential schemes for secondary expansion</u>	New Year 7 places	Estimated cost £m	
Central Foundation	30	2.7	Council contribution to a broader scheme to modernise the school being developed by the school and EFA. Places due to come on stream in September 2018.
Highbury Grove	30	3.2	Extension. Places due to come on stream in September 2018.
Arts and Media School	30	0.1	Temporary expansion from September 2017. Permanent expansion from September 2018.
St Mary Magdalene Academy	12	0.0	Expanding from September 2017. There are no capital costs for the Council for this small scale expansion.
Contingency		2.0	Some cost estimates are ambitious at secondary level and carry increased risk.
	102	8.0	Note: this equates to 510 new school places

Creating Sufficient 2 Year Old Places

- 3.14 The statutory entitlement for 15 hours free 2 year old provision was introduced over two phases: the 20% most deprived families being entitled to free provision from September 2013; and the next 20% most deprived from September 2014. Other groups of children including those with SEND, Children Looked After, adopted or subject to Child Protection are also eligible for a funded place. The true underlying demand / eligibility for 2 year old places is difficult establish with certainty; the latest DfE / DWP estimate is that up to 1,072 children are entitled to free provision in Islington under the economic criteria – a reduction of 119 on previous estimates.
- 3.15 The Council has undertaken substantial investment in new provision to meet need however there is insufficient funding to provide sufficient places. The total investment so far is £3.5m (consisting of £600k from Schools Forum, £800k government grant, £1.1m of Council funding and consent was received from the Secretary of State for Education in June 2015 to transfer a £1m contribution from the 2014/15 DSG underspend). This is on course to deliver in the order of 783 places with scope to deliver further places. Another 100 places (approx.) are being provided through child-minders and private and voluntary nurseries on an ad-hoc basis bringing total places to 883. It is estimated that a further £500k may be needed to meet our target.
- 3.16 This should however be treated with some caution as while we are currently being held to account by the DfE against their estimate of entitlement in the borough we only want to provide sufficient places to meet underlying demand. Reconfiguration of early years provision as part of the children's centre transformation programme may also release space in existing

settings to provide further places. It is not yet clear whether the additional funding will actually be required.

Provision of Full-time 3 and 4 Year Old Places

- 3.17 The government are committed to increasing free childcare provision for 3 and 4 year olds from 15 hours per week to 30 hours per week for children from working households from September 2017. How this policy is implemented and funded will impact on the need for new places in the borough (little is so far known). This policy may not require the Council to create a significant number of new places as most of the families that this policy change will affect are already accessing more than 15 hours of childcare at subsidised rates in the Borough. However, the offer of 30 hours as opposed to just 15 hours is likely to have more impact on families taking up work and if flexible take-up is built into the Government's policy there could be a need to create more capacity. This policy development is being monitored closely and the impact on capacity will be assessed when more detail is known.
- 3.18 A cost estimate of up to £2m is currently assumed, however the DfE is likely to make some capital funding available to create additional places. Similarly to 2 year old places reconfiguration of early years provision as part of the children's centre transformation programme may also release space in existing settings to provide further places and it is not yet clear how much additional funding will actually be required.

Funding the Estimated Costs of Provision

Basic Need Funding

- 3.19 The Council receives Basic Need capital funding allocations from the EFA based on their assessment of the need to create new pupil places at primary and secondary level using the annual School Capacity Survey submitted by local authorities in March each year. The EFA is confirmed the 2016/17 Basic Need capital allocations and provisional 2017/18 and 2018/19 allocations in March in line with their estimates of future shortfalls in provision due to increasing numbers of young people attending schools in Islington. The latest allocations are shown in the table below. While allocations for 2016/17 to 2018/19 are provisional they are unlikely to change.

<u>4. Basic Need Allocations</u>	Allocation	Committed	Available
	£k	£k	£k
2015/16	6,519	4,014	2,505
2016/17	6,845	0	6,845
2017/18 (Provisional)	3,833	0	3,833
2018/19 (Provisional)	2,069	0	2,069
	19,266	4,014	15,252

- 3.20 The 2015/16 and 2016/17 allocations are based on the EFA's assessment that the Council needs to provide 723 places at primary level and 15 places at secondary level. This takes into account additional places provided by Whitehall Park Free School for reception to year 4. The 2017/18 allocation is based on the EFA's estimate of a shortfall of 196 places at secondary

level (211 in total). The allocation for 2018/19 was announced on 17 March 2016 and the basis of allocation is unclear, however it is likely that it is based on a shortfall of secondary places.

- 3.21 The City of London Academy Primary development on the former Richard Cloudesley site will not start to impact the Council's Basic Need allocations until 2018/19. It is unlikely that we will see significant allocations for primary Basic Need beyond 2017/18 unless pupil numbers increase substantially.
- 3.22 The longer-term outlook for basic need funding is uncertain given the government's drive to expand the Free Schools programme. The DfE have stated that they are reviewing their overall approach and funding methodology in light of the Government's commitment to deliver 500 free schools, and further plans will be set out in due course.
- 3.23 Basic Need funding is not ring-fenced and while provisional allocations for 2016/17, 2017/18 and 2018/19 are not guaranteed they are unlikely to change. £15.2m currently remains uncommitted, with a potential further call of £500k against this sum if S106 / CIL funding is not forthcoming for the New River College Primary PRU on the Dowrey Street site.
- 3.24 The table below summarises the overall shortfall of £24.4m in the cost of providing sufficient school and childcare places. If sufficient resources cannot be allocated from CIL / S106 funding for the provision of places the alternative option is to undertake borrowing instead. Assuming a cost of borrowing of 8% per annum (4% interest and repayment over 25 years), the cost of providing sufficient places is £1.9m per annum if all schemes are required.

<u>5. Estimated costs of provision</u>	£k
New River College Primary PRU	0.5
Primary Places	28.6
Secondary Places	8.0
Estimated provision for 2 and 3 & 4 year old places	2.5
Total cost estimate	39.6
Funding	
Unallocated Basic Need funding	15.2
Shortfall	24.4

Proposed funding of new primary places

- 3.25 The uncommitted Basic Need allocations for 2015/16 and 2016/17 have been earmarked for the provision of new primary places as the allocations from the EFA are based on their assessment of a shortfall in provision mainly at primary level. The proposed allocation is shown in the table below. The table includes New River College Primary PRU to take into account the uncertainty around CIL / S106 funding for this scheme.

<u>6. Proposed funding of new primary places</u>	Estimated cost	Basic Need	Shortfall from CIL / S106	Equivalent revenue cost of borrowing
	£k	£k	£k	£k
New River College Primary PRU*	500	0	500	40
Tufnell Park	15,400	9,350	6,050	484
St John Evangelist	6,100	0	6,100	488
St John's Highbury Vale	7,100	0	7,100	568
	29,100	9,350	19,750	1,580

* If CIL / S106 is not forthcoming for New River College Primary PRU it will need to be funded from Basic Need instead, which in turn will increase the call on CIL / S106 for Tufnell Park. The re-provision of the PRU is part of a wider scheme to redevelop the Dowrey Street site that is already underway. Only the request for CIL / S106 is shown as the rest of the scheme is fully funded.

- 3.26 A decision on funding for Tufnell Park is required in June 2016 to enable new provision to come on stream in September 2019 in line with the project timeline in Appendix 3. If sufficient resources cannot be allocated from CIL / S106 funding for the provision of primary places the alternative option is to undertake borrowing instead. This would have an estimated revenue cost of £1.6m per annum if all schemes are required.

Proposed Funding of New Secondary Places

- 3.27 The uncommitted Basic Need allocation for 2017/18 has been earmarked for the provision of new secondary places as the allocations from the EFA are based their assessment of a shortfall in provision at secondary level. The proposed allocation is shown in the table below.

<u>7. Proposed funding of new secondary places</u>	Estimated cost	Basic Need	Shortfall from CIL / S106	Equivalent revenue cost of borrowing
	£k	£k	£k	£k
Central Foundation	2,700	2,700	0	0
Highbury Grove	3,200	3,200	0	0
Arts and Media School	100	2	98	8
Contingency	2,000	0	2,000	160
	8,000	5,902	2,098	168

3.28 If sufficient resources cannot be allocated from CIL / S106 funding for the provision of secondary places the alternative option is to undertake borrowing instead that would have an estimated revenue cost of £168k per annum. A decision on funding is required urgently to establish a contingency budget that will enable new provision to come on stream from September 2018. A timeline for the scheme at Highbury Grove that the Council is managing is shown in Appendix 3.

Proposed Funding for 2 and 3&4 Year Old Places

3.29 The estimated net shortfall in funding for 2 year olds is £0.5m and a provisional rough estimate of £2m has been made of the costs of providing sufficient fulltime 3 and 4 year old places. Funding has been sought from CIL / S106 to meet these costs if they materialise. The alternative option is to undertake borrowing instead that would have an estimated revenue cost of £200k per annum.

Prioritisation of Schemes for Funding from CIL / S106

3.30 It is proposed that CIL / S106 funding is prioritised for schemes as follows:

- Priority 1: New River College Primary PRU (£500k), provision of secondary places (£2.1m) and Tufnell Park (£6.05m).

New River College Primary PRU (£500k): this scheme is underway. If CIL / S106 funding is not forthcoming it will reduce the level of Basic Need funding for Tufnell Park and in-turn increase the shortfall in funding for that scheme. A funding decision required in June 2016.

Provision of secondary places (£2.1m): the need for additional capacity is most pressing at secondary level and given the nature of secondary education expansion is more complex. A decision on funding is required urgently to establish a contingency budget that will enable new provision to come on stream from September 2018.

Tufnell Park (£6.05m): This scheme provides the most new places in a planning area with the greatest need. Governors are keen to expand but CIL or S106 funding is required. In order for new provision to come on line by September 2019 funding will need to be in place as soon as possible to provide sufficient lead in time for planning, procurement and an 18 to 24 month build. A funding decision is required in June 2016 to enable new provision to come on stream in September 2019 in line with the project timeline in Appendix 3.

- Priority 2: Provision of 2 and 3&4 year old places (£500k estimate) as part of reconfiguration of early years provision as part of the children's centre transformation programme planned for 2017/18.
- Priority 3: St John Evangelist (£6.1m) and St. John's Highbury Vale (£7.1m). While we currently need this provision, if the EFA open a new school on the former London Met site then this provision may no longer be required. We hope to know more when the Council next meets the EFA.
- Priority 4: Provision of remaining 2 and 3&4 year old places (£2m estimate). Additional capacity is required; however there is not an immediate shortfall in capacity. Further work needs to be undertaken to assess the need for additional places in light of the forthcoming transformation of the children's centre offer which is likely to create additional places at low cost. It is not yet clear how much additional funding will actually be required.

3.31 Potentially some of the maintained school condition funding that the Council receives from the EFA to improve and maintain the school estate (including Sure Start Children's Centres) could be used to meet some of the shortfall. A provisional allocation of £1.676m for 2017/18 is

currently uncommitted but this would leave nothing for essential maintenance such as urgent health and safety works. Maintained community schools in Islington are in the third worst quartile for condition nationally based on EFA analysis of school condition surveys.

4 Implications

Financial Implications

- 4.1 Basic Need funding allocations from the EFA for the provision of 723 places at primary level and 211 places at secondary level total £17.197m. A further £2.069m has been allocated for 2018/19 but the basis is currently unknown. Of this funding £4.014m has already been committed and £12.747m across 2016/17 to 2018/19 is a provisional allocation. Setting aside the £5.902m provisional allocation for 2017/18 and 2018/19 for expansion at secondary level leaves £9.35m to meet the costs of providing sufficient places at primary level and to cover the shortfall in funding for the provision of sufficient 2 and 3&4 year old places.
- 4.2 The total funding shortfall for the provision of sufficient school and childcare places is estimated at £24.4m broken down as follows:
 - £2.1m at secondary level
 - £19.75m at primary level (including £0.5m for New River College PRU)
 - £2.5m for 2 and 3&4 year old places
- 4.3 CIL and S106 offer an alternative opportunity to meet the shortfalls in funding for school and childcare places. If this funding is insufficient the Council could borrow instead. Assuming a cost of borrowing of 8% per annum (4% interest and repayment over 25 years), the cost of providing sufficient places is £1.9m per annum if all schemes are required and there is no contribution from CIL / S106.
- 4.4 Previously Schools Forum have made contributions towards the costs of the capital programme, however this is no longer allowed under the School and Early Years Finance Regulations except in very limited circumstances with the consent of the Secretary of State for Education.
- 4.5 All costings of primary places are desktop exercises by quantity surveyors using detailed feasibility studies and don't include site investigations, asbestos demolition and refurbishment surveys, assessments of the capacity of utilities / services or in-depth consultation around planning requirements which have led to cost pressures on previous schemes. Assumptions have been made around the treatment of VAT for the two VA schools which will need formal advice from the Council's VAT advisors. The cost of providing 2 year old places is based on the average cost of providing places from recent schemes.
- 4.6 In terms of the costs of secondary expansions: there is no cost to the Council for the expansion of provision at St. Mary Magdalene; expansion at Arts and Media School requires only minor works; Central Foundation's expansion is part of a larger project to modernise the school and requires a contribution from the Council; and a modular approach will be taken to expansion at Highbury Grove to minimise costs but this will carry increased planning risk.
- 4.7 Further work is being undertaken to get a better understanding of the underlying demand for free 2 year old places – the need for an additional £0.5m is currently assumed. We do not yet know the impact of the Government's commitment to expand free nursery provision for 3 and 4 year olds to 30 hours per week on the need for new places but a cost estimate of £2m is assumed. It is not yet clear how much additional funding will actually be required.

Legal Implications

- 4.8 The council has a statutory duty under Section 14 of the Education Act 1996 to ensure that there are sufficient primary and secondary school places available to provide an appropriate education to all pupils in its area. It also has a statutory duty under Section 6 of the Childcare

Act 2006 to secure sufficient childcare provision for working parents, and under section 7 of that Act and the Local Authority (Duty to Secure Early Years Provision Free of Charge) Regulations 2014/2147 to provide free Early Years provision to some 2 year olds and all 3 to 4 year olds. The current entitlement to 15 hours of free childcare per week is being extended to 30 hours from September 2017.

- 4.9 The Council has power to enter into construction contracts to deliver the additional school places required (Section 1 Local Government (Contracts) Act 1997). The works will need to be procured in accordance with the requirements of the Public Contracts Regulations 2015 and the Council's Procurement Rules. More detailed legal advice and support will be provided as individual school schemes are developed
- 4.10 The ability to meet any funding shortfall from unspent / unallocated section 106 planning agreement contributions will depend upon the precise wording of the planning obligation provisions contained in the relevant agreements. CIL contributions may be used to help fund off site infrastructure including expanded educational facilities.

Environmental Implications

- 4.11 There are several environmental impacts associated with the works to expand schools. These include material use, energy use, waste generation and the potential for nuisance (noise and dust) during the construction process. Depending on the nature of the land used, there may be some impact on biodiversity if green space is lost. In addition, the future use of the new build has an impact in terms of energy (and possibly water) use. However, providing the new school places locally also has a positive impact, reducing the need to travel and the associated impacts, including vehicular emissions and congestion.
- 4.12 The negative impacts can be mitigated in several ways. When choosing building materials, priority should be given to materials that are renewable (such as PEFC or FSC-certified wood) and consideration should be given to an exterior that requires little maintenance (e.g. not having to be painted on a regular basis). Waste should be minimised and disposed of in accordance with the waste hierarchy, prioritising reuse and recycling. If greenspace is lost, efforts should be made to provide some kind of mitigation, such as a green roof. Any new build should also be of a high standard in terms of energy and water efficiency – e.g. well insulated with low energy/water use fittings and including renewable energy sources (e.g. solar PV) where possible.

Resident Impact Assessment

- 4.13 The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 4.14 The Council has a statutory duty to ensure the provision of sufficient school and childcare places in the borough and the proposals to create new places are located in the areas of need. Places will be filled using the Council's admission arrangements. These arrangements apply to all primary and secondary community schools in the borough. The admission arrangements for community schools in Islington was agreed by the Executive on 4 February 2016 and is designed to ensure all parents have an equal chance of securing the community school of their choice irrespective of the child's ethnicity, religion, or socio-economic group and has been subject to its own Residents Impact Assessment.
- 4.15 Voluntary Aided schools and academies set their own admissions arrangements. Similarly to local authorities these are required to be in line with the statutory guidance contained within

the School Admissions Code that came into force on 19 December 2014. The Code is designed to ensure that all school places are allocated in an open and fair way.

- 4.16 Childcare places will be filled in line with the Council's Early Years Admissions Policy designed to ensure all parents that are entitled to provision have an equal chance of securing the setting of their choice irrespective of the child's ethnicity, religion, or socio-economic group. The entitlement to free childcare for 2 year olds is targeted at the most deprived families and the increased entitlement for 3 and 4 year olds from September 2017 is targeted at working families in line with nationally set criteria.

5 Conclusion and reasons for recommendations

- 5.1 Funding allocations for the provision of sufficient school places for children and young people in the borough and for the provision of sufficient 2 year old and 3 and 4 year old places are insufficient to meet the potential costs of provision. CIL offers an opportunity to meet the costs of any shortfall.
- 5.2 Potentially unallocated school condition funding for maintained community schools could be used to meet some of the shortfall, however this would leave no further funding for capital maintenance in maintained community schools or Sure Start Children's Centres for three years. Maintained community schools are in the third worst quartile for condition nationally based on EFA analysis of school condition surveys.

Appendices:

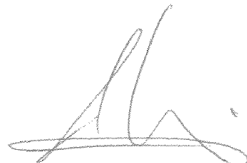
Appendix 1 – Reception class projections

Appendix 2 – Primary Feasibility Study

Appendix 3 – Projects timelines

Final report clearance:

Signed by:



Executive Member for Children and Families

Date 02/06/2016

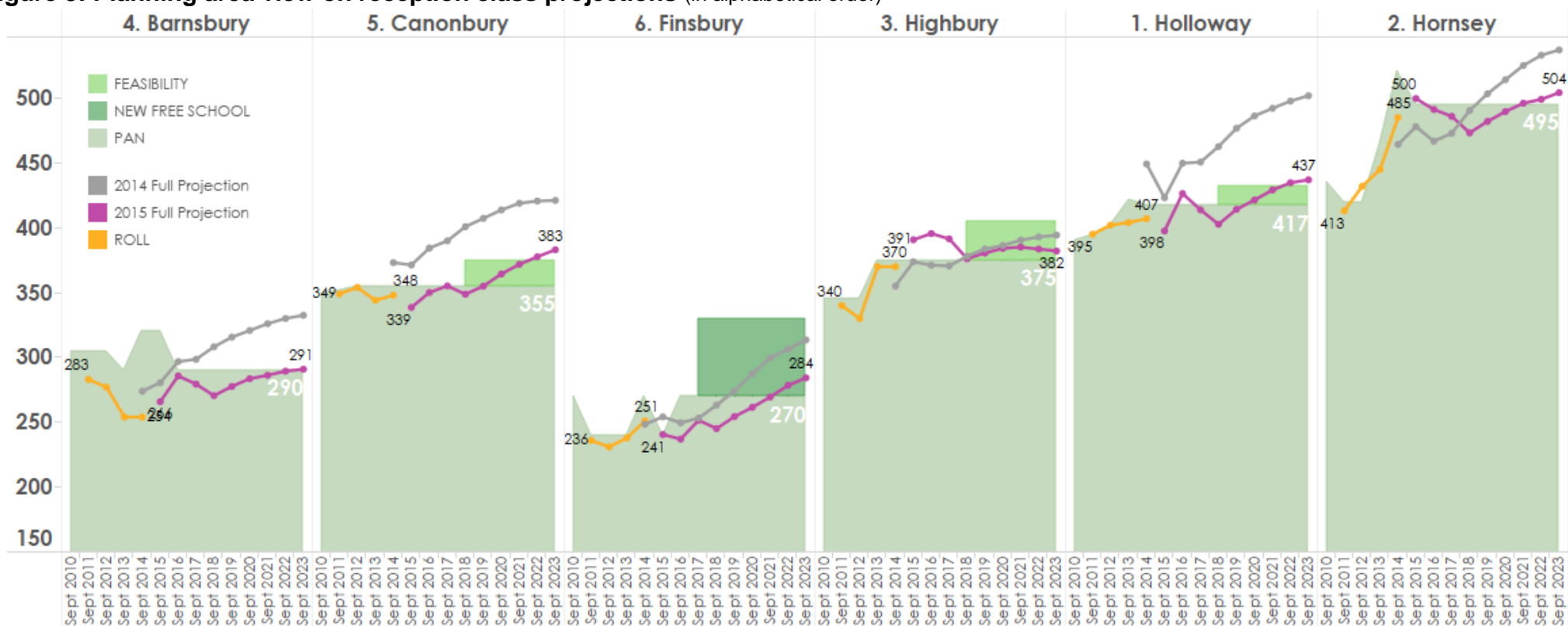
Report author: Tim Partington – Head of Finance, Children's Services & Finance and Resources

Tel: 020 7527 1851

Email: tim.partington@islington.gov.uk

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Figure 3: Planning area view on reception class projections (in alphabetical order)



<i>Feasibility studies:</i>	None	St John Evangelist (for +20 places) by September 2018	City of London Academy free school (60 places) due to open in 2017*	St John's Highbury vale (30 places) by September 2018	Tuffnell Park (15 or 45 places) by September 2018	None
<i>Potential bulge classes (not yet agreed with schools):</i>	Temporary expansion at Winton for one year only.	Immediate pressure for places to be met by planning area 6.	None required. Clerkenwell temporarily expanded (+30 places) 2014/15 only. Expansion of Moreland agreed to 60 places from September 2017.	Feasibility on 2 year old provision out to tender bulge at Newington Green (30 places). St Jude's school have offered to deliver a bulge class if required.	Immediate shortfall of places to be met by planning area 2.	St Marks' building works to enable a bulge class complete by November 2015 (30 places), not shown here, additional spaces remain available at Poole's Park

* Council Executive have agreed a 30 place free school DFE approval is for a 2 form entry school (here included as 60 places)

See also Appendix 4 for data tables

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Feasibility Study Outcomes for Creating New Primary School Places

1. Tufnell Park

Option	Cost Estimate	Notes	No. of places
Extension to provide 2FE	£3,296,600	Nursery to remain same. Excludes 2 year old provision. Impact on external play space which will require Secretary of State Consent.	15 additional per year
2FE new build	£11,125,000	60 place nursery. Figures currently exclude 2 year old provision.*	15 additional per year and additional nursery provision
3FE new build	£14,000,000	60 place nursery. Figures currently exclude 2 year old provision.*	45 additional per year and additional nursery provision
Contingency estimate	£1,400,000		

* revised design and costs including 2 year old provision in new build options are being provided with final feasibility report.

2. St John Evangelist

Option	Cost Estimate	Notes	No. of places
Extension and refurbishment to provide 2FE	£5,520,000*	VAT liabilities TBC. Includes VAT at 20% (£920k). Query rates for elements of work. Nursery to remain the same. Excludes 2 year old provision.	20 additional places per year
Contingency estimate	£550,000		

* a few outstanding queries on rates being addressed, although note m2 rates are generally low.

3. St Johns Highbury Vale

Option	Cost Estimate	Notes	No. of places
Extension and refurbishment to provide 2FE	6,425,000 *	VAT liabilities TBC. Includes VAT at 20% on refurbishment (£200k). Query rates for elements of work. Nursery to remain the same (no provision). Excludes 2 year old provision.	30 additional places per year
Contingency estimate	650,000		

* design and costs being reviewed with the school. Note, multiple design options have been produced but all relate to expansion to 2FE. Preferred option is considered above.

Notes:

1. Costs have been levelled where possible to provide a like-for-like comparison.
2. 10% contingency applied to measured works costs to account for unknowns and abnormal costs.
3. No ground investigations undertaken and so contamination/obstructions unknown.
4. No demolition and refurbishment asbestos surveys undertaken.
5. Consultation with local planning department limited in the period. NB: potential costs arising from BREAM requirements and carbon offset payments.
6. Rates utilised for new build/refurbishment areas vary depending upon consultant appointed (e.g. new build rate for St John Evangelist are 20% lower than for Tufnell Park (c. £400 lower per m²).
7. Capacity of existing services (heating, electric, ICT etc.) and incoming utilities capacity not yet checked.
8. VAT and procurement implications to be fully considered for St John's Highbury Vale and St John Evangelist. Should we manage project and directly appoint design team and contractor, we may remove VAT liability but would then accept any affordability risk with potentially no contribution from Diocese bodies.

Project Timelines**EXPANSION OF Highbury Grove**

Activity	Estimated time line	Notes
Feasibility Study	Completed	
Pre planning discussions	December 2015 to April 2016	
Consultation on Secondary school expansions	December – March 2016	Agreed by Executive
Appointment of LEP and development of design and construction proposals	May 2016 – December 2016	Procurement Strategy Approved
Planning Pre-Application Consultation	October 2016 – November 2016	
Planning Application	December 2016 to February or March 2017	
Appointment of contractor	April 2017	Recordable decision of Director of Children's Services
Start on site	May 2017	
New building opens	September 2018, (or earlier)	

Project Timelines**TUFNELL PARK NEW BUILD**

Activity	Estimated time line	Notes
Feasibility Study	Completed	
Tender process and appointment of professional advisors – through LEP or framework	July 2016	Subject to procurement strategy, to be approved by Executive
Development of design and construction proposals, including school consultation	July 2016 to February 2017	
Pre planning discussions	September 2016	
Planning Consultation	March to April 2017	Consultation with Parents, pupils and residents
Planning permission	May 2017	
Appointment of contractor	June 2017	Recordable decision of Executive
Start on site	July 2017	
New school opens	September 2019	
Final landscaping	January 2020	

Report of: Executive Member for Health and Wellbeing

Meeting of:	Date	Ward(s)
Executive	16 June 2016	All

Delete as appropriate	Exempt	Non-exempt

SUBJECT: Procurement Strategy – Care Home Beds for Older People at Cheverton Lodge Nursing Home

1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of Cheverton Lodge Nursing Home in accordance with Rule 2.5 of the Council’s Procurement Rules.
- 1.2 This report outlines the rationale for securing a new contract with Barchester Healthcare for the ongoing provision of older peoples’ accommodation and care home services at Cheverton Lodge Nursing Home in Islington. The current and final contract extension period ends 3 April 2017.

2. Recommendations

- 2.1 To approve the procurement strategy for the provision of care home beds for older people at Cheverton Lodge Nursing Home as outlined in this report.
- 2.2 To delegate authority to award the contract to the Corporate Director of Housing and Adult Social Services in consultation with the Executive Member for Housing and Adult Social Care.

3. The Nature of the Service

- 3.1 There is a slow but steady projected rise in demand for care home placements to 2018 with a significant rise expected thereafter. The Council’s preference is to meet this demand locally rather than placing out of borough, unless requested to do so by the user and their family/carer. Local block contracts enable us to build relationships with care homes, support them to deliver local provision with a commitment to continuous improvement and set bed rates and uplift processes for the life of the contract. We can achieve greater oversight and scrutiny by conducting monitoring and quality auditing visits more frequently to homes in borough.

- 3.2 A procurement exercise was carried out in 2013, to secure an ongoing supply of local care home beds for older Islington residents with complex needs who can no longer live at home. A block contract was secured with Cheverton Lodge Nursing Home, a fifty-two (52) bed home in the north of the borough owned and run by Barchester Healthcare, delivering nursing home care to older people and a small number of younger people with physical disabilities.
- 3.3 At the time of the procurement in 2013 the Council also wished to test the local market and understand if there were any:
- new providers already operating in the borough, or willing to do so, who could provide additional care home beds to Islington residents through a block contract arrangement
 - existing providers in Islington willing to enter into a block contract arrangement where previously they have only agreed to provide spot placements
 - existing providers willing to increase the number of beds available to the Council through a block arrangement.
- 3.4 The 2013 procurement exercise demonstrated that there were no new or existing providers in borough interested in either new or increased block contract arrangements with the Council. Some providers prefer to sell beds privately to individuals who fund their own care or to NHS specialist care groups (for example, continuing healthcare), as the financial return on those arrangements is better than rates secured from the Council.
- 3.5 Given the lack of a local market, the continued demand for local beds, and the fact that the building (Cheverton Lodge) is owned by the service provider, commissioners recommend that re-contracting with the provider is the most direct and cost effective way of securing a new contract term in the home.

4. Estimated Value

- 4.1 Any new contract will be funded from existing Adult Social Services resources. A benchmarking exercise has been undertaken. Consideration will be given to how the service can be delivered within the available budget parameters. The current contract value is £840k per annum. Commissioners will seek a contract for a five (5) year period (two (2) years plus two (2) years plus one (1) year); with a total estimated contract value c£4.3m, or c£860k per annum.. Contract extensions will be based on assessed performance against outcomes, and the standards of the service provided.
- 4.2 If commissioners are unable to secure agreement to a satisfactory contract price, and terms and conditions, then the existing agreement with the providers will cease. Any residents living in Cheverton Lodge when the current contracts end in April 2017 will remain within the home on a spot placement basis. This arrangement would be subject to review should the spot placement bed rate differ significantly from the previous block bed rates, a situation which is highly likely to occur and will result in a cost pressure for the Council. However, it must be noted that research suggests outcomes are poor for older frail and vulnerable adults who are moved from a settled care home environment.

5. Timetable

- 5.1 It is proposed that the procurement run from July to September 2016, with contract award in November 2016. The new contract will start in April 2017.

6. Options Appraisal

- 6.1 Option 1 - No procurement

This would result in the need to secure new placements for those residents living in Cheverton Lodge at the end of the current contract period. This action carries the following risks:

- Detrimental impact on the health and wellbeing of the affected residents, their families and relatives
- Potential lack of suitable placements causing delays in moving residents out of Cheverton Lodge

- Potential budget pressures if:
 - new placements are more expensive
 - additional resources are required to undertake resident assessments and project manage the decant
- reputational risk for the Council if there is a negative impact on residents' health and wellbeing.

6.2 Option 2 – Spot placement at Cheverton Lodge

Any residents living in Cheverton Lodge when the current contracts end in April 2017 would remain within the home on a spot placement basis with a negotiated fee. Spot fees are very likely to be higher than block fees and may be subject to annual uplifts which would result in a cost pressure for the Council.

6.3 Option 3 – Undertake procurement exercise to try and secure additional care home beds in borough

The procurement exercise in 2013 demonstrated that there was no competitive market available at that time. The position on the availability of care home beds in Islington has not changed since 2013 and therefore, there is a very real risk that the procurement would fail.

6.4 Option 4 – Re-contract with Provider at Cheverton Lodge

This is the favoured option.

7. Consideration of Social Benefit

- 7.1 The proposal is to commission fewer than half of the beds provided by the care home since the Provider will not make all beds within the home available in a block contract arrangement. In such circumstances it is not possible to require the provider to pay the London Living Wage since disaggregation of the hours of care delivered to Islington Council placed residents would be too complex. The nursing and management staff within the home are paid at or above LLW and the provider has stated that payment of LLW for all staff across the group is an aspiration.
- 7.2 Local placements enable residents to better maintain local friendship/family and community connections which can have a significant impact on quality of life.
- 7.3 Staff working in the care home are required to receive appropriate and regularly updated training and have access to the Council's training programme and that offered by Whittington Health. They are also provided with regular supervision using locally developed clinical supervision templates.

8 Evaluation Criteria

- 8.1 The contract award will be based 100% on price, subject to minimum quality standards being met.

The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to sign the Council's anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.

The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.6 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	Cheverton Lodge Nursing Home provides care home beds for older people assessed as no longer able to live independently in the community. See paragraph 3.1 to 3.4
2 Estimated value	The estimated total contract value is c£4.3m. The agreement is proposed to run for a period of 2+2+1 years. See paragraph 4.1
3 Timetable	Procurement to run from July to September 2016. Award November 2016. Contract start date in April 2017. See paragraph 5.1
4 Options appraisal for tender procedure including consideration of collaboration opportunities	1. No procurement 2. Spot placement at Cheverton Lodge 3. Undertake procurement exercise to try and secure additional care home beds in borough 4. Re-contract with the Provider at Cheverton Lodge See paragraphs 6.1 to 6.4
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	As outlined in this report. There are no TUPE implications. See paragraph 7.1 and 7.2.
6 Evaluation criteria	100% on cost. See paragraph 8.1.
7 Any business risks associated with entering the contract	As outlined throughout this report.

9 Implications

9.1 Financial implications

The recommendation of this report are to approve the procurement strategy for care homes for Older People at Cheverton Lodge Nursing Home. This service is funded from Adult Social Services base budget and will not result in a budget pressure for the Council. The annual cost of the service is £840k and the total cost over the five year contract will be c£4.3m.

9.2 Legal Implications

The Council has a duty to meet an adult's need for care and support where s/he has been assessed as satisfying the eligibility criteria. Where appropriate, that need may be met by the provision of accommodation in a care home (sections 8, 13 and 18 of the Care Act 2014). Accordingly the council may enter into a block contract with a provider(s) to secure the supply of local care home beds (section 1 of the Local Government (Contracts) Act 1997).

Individuals have a right to choose their preferred care home accommodation. This right is set out in the Care and Support and Aftercare (Choice of Accommodation) Regulations 2014. The Regulations provide that if an individual has a preference for a particular care home, the local authority is required to arrange accommodation at that home subject to certain conditions being met, namely that

- (a) the care and support plan for the individual specifies that the individual's needs are going to be met by the provision of accommodation in a care home;
- (b) the preferred accommodation is of the same type as that specified in the individual's care and support plan;
- (c) the preferred accommodation is suitable to the individual's needs;
- (d) the preferred accommodation is available; and
- (e) where the preferred accommodation is not provided by the local authority, the provider of the accommodation agrees to provide the accommodation to the individual on the local authority's terms.
- (f) If the cost to the local authority of providing or arranging for the provision of the preferred accommodation is greater than the amount specified in the individual's personal budget that relates to the provision of accommodation of that type, the additional cost will be met by a third party who enters a written agreement with the local authority in which s/he agrees to pay that additional cost.

Securing use of the care home beds at Cheverton Lodge through a block contract will enable the Council to comply with the requirement to facilitate user choice and ensure that residents who wish to remain living locally are able to do so.

The accommodation being procured is subject to the light touch regime set out in Regulations 74 to 77 of the Public Contracts Regulations 2015 (the Regulations). The threshold for application of this light touch regime is currently £589,148. The aggregate value of the proposed block contract is above this threshold. The contract will therefore need to be advertised in the Official Journal of the European Union (OJEU). There are no prescribed procurement processes under the light touch regime. Therefore the council may use its discretion as to how it conducts the procurement process provided that it discharges its duty to comply with the European Treaty principles of equal treatment and transparency

It is noted that following investigation, it has been established that there is currently no competitive market for the supply of care home beds on a block contract basis. In Islington. In these circumstances it would be reasonable for the Council to adopt Option 4 as its procurement strategy.

9.3 **Environmental Implications**

There are several environmental impacts associated with the delivery of a care home service. These include energy use for heating, cooking, washing and other appliances, water use in bathrooms and kitchens, the generation of waste and the biodiversity impact of grounds maintenance.

These impacts can be mitigated by the management of the care home; energy use by ensuring the building is well-insulated and the heating system is modern and operating efficiently, and by using energy-efficient appliances and lighting (e.g. A-rated white goods or LED lights). Water usage can be moderated by measures such as tap aerators and dual-flush toilets. Waste can be managed to ensure recycling and composting is promoted, whilst biodiversity could be enhanced by a range of measures, such as bird and bat boxes.

9.4 **Resident Impact Assessment**

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A resident impact assessment was completed for the previous procurement exercise in 2013.

10 Reason for recommendations

- 10.1 There is an ongoing demand for and commitment to provision of local care home beds. There is a limited and uncompetitive local market and commissioners have demonstrated that pursuing an open procurement will be unproductive.

For these reasons it is recommended that commissioners re-contract with Barchester Healthcare for ongoing provision of care home beds at Cheverton Lodge Nursing Home.

Final report clearance:

Signed by:

Janet Burgess

Executive Member for Health and Wellbeing

Date: 24 May 2016

Report Author: Sue Newton
Tel: 020 7527 8132
Email: sue.newton@islington.gov.uk

Report of: Executive Member for Health and Wellbeing

Meeting of:	Date	Ward(s)
Executive	16 June 2016	All

Delete as appropriate	Exempt	Non-exempt

APPENDIX 2 TO THIS REPORT IS EXEMPT AND NOT FOR PUBLICATION

SUBJECT: Revised Procurement Strategy for Mental Health Housing Related Support Services

1. Synopsis

- 1.1 This report seeks pre-tender approval of the revised procurement strategy in respect of housing related support services for Islington residents with a mental health need, in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 A procurement strategy was previously approved by the Executive in November 2015 and included a decision to decommission provision delivered from Southwood Smith Street, delivering savings of £169,239 per annum. However, a review of savings plans has identified sufficient funding to preserve the service and it is therefore proposed that it be included as part of the planned re-procurement of other mental health housing related support services.
- 1.3 This report sets out the proposed revisions to the existing procurement strategy. All other elements of the strategy are to remain as previously agreed, and therefore are not set out in detail as part of this report.

2. Recommendation

- 2.1 To agree the proposed revisions to the procurement strategy for mental health housing related supported services for Islington residents as outlined within this report.

3. Background

- 3.1 This procurement is for the delivery of supported accommodation for homeless people with mental health needs, who are aged 18 years and above. It is a preventative service, aiming to mitigate the effects of harm to people who are homeless or at risk of becoming homeless. Over a period of time, residents are supported to step down to lower levels of support, with the eventual aim of living independently within the community.
- 3.2 At present, a total of seven contracts are in place, covering 12 low, medium and high-support (24-hour) services. Current contracts are due to expire on 30 June 2016.

3.3 The support services are provided across a range of properties, as detailed below:

SERVICE LOCATION	SUPPORT LEVEL	CURRENT SUPPORT PROVIDER	CURRENT LANDLORD	CURRENT CAPACITY
Arundel Place	High	SHP	Places For People	22
Ponders Bridge House	High	One Housing	One Housing	12
Barnsbury Road	High	St Mungo's	St Mungo's	21
Southwood Smith Street	High	St Mungo's	Family Mosaic	10
Court Gardens	Medium	St Mungo's	Circle 33	12
Tufnell Park Road	Medium	St Mungo's	St Mungo's	7
107 Mercers Road	Medium	One Housing	Stonham	8
104 Mercers Road	Medium	One Housing	Circle 33	6
41 Shaftesbury Road	Medium	One Housing	Circle 33	6
Vivian Comma Place	Medium	Look Ahead	ISHA	8
Peter Bedford	Low	Peter Bedford	Peter Bedford	98
New River Green	Low	Look Ahead	Southern	8
			Total Capacity	218

3.4 The original strategy to re-procure these services included a decision to decommission the high-support service located at Southwood Smith Street. This would have achieved a saving of £169,239 per annum. However, having reviewed the savings planned against these services, it has been identified that there is sufficient funding available to preserve the Southwood Smith Street service. Continuation of this high-support service will ensure that capacity within the local mental health accommodation pathway will be maintained.

3.5 The revised maximum level of savings expected across mental health housing related supported services is £106,000. Further detail relating to these savings is set out in paragraphs 3.12 to 3.15 and in the attached Appendix 2 (Exempt).

3.6 The current service provider at Southwood Smith Street is St Mungo's Broadway. The building is owned by Family Mosaic. It is possible that (as with a number of other buildings currently used to deliver this type of provision) the landlord may choose not to make the building available to an external support provider as part of this procurement. There will therefore be a requirement included in the tender documentation, specifying whether bidders will need to source an alternative building from which to deliver the service.

3.7 Timetable

The original timetable for the procurement of mental health housing related support services was set to deliver new contracts from 1 July 2017. As the procurement is currently on hold, the revised timetable is proposed as follows:

Executive approval of revised strategy	June 2016
ITT Published	July 2016
ITT Evaluation	September 2016
Executive approval of Contract award	November 2016
Contract start	1 April 2017

3.8 As stated under 3.2, the current contracts are due to expire on 30 June 2016. Contracts will therefore need to be extended in order to allow for the procurement process to be completed.

Costs

- 3.9 The current annual spend against all contracts is £1,769,275.
- 3.10 The future annual spend, anticipated to be £1,663,144 represents a 6% saving against current spend, which will contribute to the department's 2016-19 savings plan.
- 3.11 Further costings information for these services is set out at Appendix 2 (Exempt and not for publication).
- 3.12 As per the original strategy report, the proposed contract length is three years, plus three 12-month extensions, subject to performance and available funding. The total spend across the full contract period, including all extensions, is not expected to exceed £9,979,000.

3.13 Social Value

The social value to be achieved through the delivery of these services is set out within the original procurement strategy, under paragraphs 3.6.1 to 3.6.3.

London Living Wage will apply to these contracts.

3.14 Evaluation

This tender will be conducted using the Open Procedure. Tenders will be evaluated on the basis of 70% awarded on quality and 30% on cost, as set out within the original procurement strategy, under paragraph 3.7.2. Rationale for the chosen evaluation criteria is set out at Appendix 1 of this report.

3.15 Risks:

Risks in relation to this procurement are as previously set out within the original procurement strategy, and include:

- **Tender Failure**
If a competitive tender fails and/or the current service providers decide to withdraw from these services then the council may have to re-house current residents which would inflate homelessness figures and create greater demands for temporary accommodation.
- **Withdrawal of properties**
The current landlords will be aware that there is limited availability of properties of significant size with planning permission within Islington and may take the decision not to bid for the service themselves, preferring to allow the procurement to fail, and then seeking to directly negotiate new terms. To mitigate this risk, the procurement has been arranged to detail each service separately arranged into three lots; high, medium and low and which reflect where there are landlords who have stated that they would not make their properties available to another support provider, other than the current support provider or alternatively, their own in-house service. This may put the Council under greater pressure to negotiate a new contract term at significantly enhanced rates in favour of the provider.
- **Risks in the transition to the new service delivery model**
A large number of Islington residents are currently supported by the seven services. The transition to the new services will need to be carefully managed to ensure continuity of support and to manage of any service user anxieties arising from the change in support provider. Consequently, the transition to the new service delivery model will be carried out in conjunction with service users, carers and family (where appropriate), outgoing providers and the incoming provider.
This procurement provides an opportunity for bidders to source alternative properties for service as indicated. Should a bid of this be successful, contract mobilisation will involve the transfer of current service users to the new accommodation.
- **Financial Viability**
Any further savings required from the Supporting People programme during the duration of the contract will have a significant impact on the service viability.

- 3.16 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to sign the Council's anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences. The adequacy of these measures will initially be assessed by officers and the outcome of that assessment will be reviewed by the Council's Procurement Board.
- 3.17 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.6 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	Housing related support services for adults with mental health issues See paragraph [3.1 above]
2 Estimated value	The estimated value annually is £1.5 – £1.7million The agreement is proposed to run for a period of 3 years with optional extensions for a further 3 years (of separate 12-month periods) See paragraphs [3.9-3.12] above, and Appendix 2 (Exempt)
3 Timetable	See paragraph [3.7] above
4 Options appraisal for tender procedure including consideration of collaboration opportunities	See paragraph [3.5] of the original procurement strategy report
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	See paragraph [3.6] of the original procurement strategy report
6 Evaluation criteria	Cost 30% Quality 70% The award criteria price/quality breakdown is described further within the report. See paragraph [3.7] of the original procurement strategy report
7 Any business risks associated with entering the contract	See paragraph [3.15] above
8 Any other relevant financial, legal or other considerations.	See paragraphs [4.1 to 4.5] below.

4. Implications

4.1 Financial implications

The Mental Health Housing Related Support service contracts are funded from Adult Social Services base budget. The proposed tender is for the delivery of supported accommodation for homeless people with mental health needs across twelve services (mix of low, medium and high support).

The contract is for an initial three year period with the option to extend for a further three years. The recommendation of this report will not result in a budget pressure for the department. The new total annual contract value is £1,663k, and the total value over the maximum six year contract term is £9,979k. The current total annual contract is £1,769k resulting in an annual saving of £106k which will contribute towards the departments Medium Term Financial Strategy (MTFS) savings.

Payment of the London Living Wage is a requirement of the contract and will not result in any additional costs. Any TUPE cost implications that may arise from this tender will have to be met by existing funding resources.

4.2 Legal Implications

The Council has a duty to make arrangements for providing residential accommodation and care for persons who by reason of illness and disability are in need of care and attention which is not otherwise available to them ((section 21 National Assistance Act 1948 (as amended) and Secretary of State Directions (Appendix 1 to Department of Health Circular No. LAC(93)10)). The Council may discharge that duty by making arrangements with private providers of residential accommodation for those assessed to need it (section 26 of the 1948 Act). Accordingly the council may enter into contracts with provider(s) to secure the provision of mental health supported housing services for Islington residents (section 1 of the Local Government (Contracts) Act 1997).

The services being procured are subject to the light touch regime set out in Regulations 74 to 77 of the Public Contracts Regulations 2015 (the Regulations). The threshold for application of this light touch regime is currently £625,050.00. The aggregate value of the proposed contracts is above this threshold. They will therefore need to be advertised in the Official Journal of the European Union (OJEU). There are no prescribed procurement processes under the light touch regime. Therefore the council may use its discretion as to how it conducts the procurement process provided that it: discharges its duty to comply with the European Treaty principles of equal treatment, non-discrimination and fair competition; conducts the procurement in conformance with the information that it provides in the OJEU advert; and ensures that the time limits that it imposes on suppliers, such as for responding to adverts is reasonable and proportionate. Use of the Open Procedure will enable these requirements to be satisfied. Following the procurement a contract award notice is required to be published in OJEU.

4.3 Environmental Implications

An updated environmental impact assessment was carried out on 21 April 2016.

There are several environmental implications of a supported accommodation service. These include energy use in the building for heating, cooking and appliances, water use in the bathroom and kitchen facilities and waste generation by residents.

These can be mitigated by ensuring the building is well-insulated and uses an efficient heating system, that appliances in the building have a good energy rating, that bathroom and kitchen fittings are water efficient, and that recyclable or compostable waste is separated and disposed of appropriately.

4.4 Resident Impact Assessment

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment was completed on 3 September 2015 and did not identify any negative equality impacts for any protected characteristic or any human rights or safeguarding risks.

5. Reasons for the recommendations

- 5.1 Housing support services for vulnerable adults with mental health issues are preventative services that aim to mitigate the effects of harm to people who are homeless or at risk of becoming homeless. These services will support Islington residents to achieve greater independence, improve their health and well-being through effective engagement with community mental health services and individualised support; prevent homelessness and support individuals to be more active participants in the wider community. Additionally, this service will support the Council to create a fairer Islington, tackling poverty and inequalities faced by many Islington residents by working with partners and local people to achieve lasting improvements.
- 5.2 The original strategy to re-procure these services included a decision to decommission the high-support service located at Southwood Smith Street (SWS), in order to deliver savings against the department's Medium Term Financial Strategy. However, upon reviewing these savings, it has been identified that there is sufficient funding available to continue providing this service and it should therefore be included as part of the planned re-procurement of Mental health housing related support services.

Appendices

- Appendix 1: Rationale for evaluation criteria
- Exempt Appendix 2: Costing information

Background papers - none

Final report clearance:

Signed by:



Executive Member for Health and Wellbeing

Date: 24 June 2016

Report Author: Natalie Arthur, Joint Commissioning Manager, Mental Health
Tel: 020 7527 8175
Email: Natalie.arthur@islington.gov.uk

Rationale for evaluation criteria

	Weighting %	Rationale
Cost	30%	Price of lots across the life of the contract.
Quality is made up of:		
Proposed approach to mobilisation and implementation / change management	15%	Given the potential risks around transferring staff and service users it will be important that there are robust proposals around how the service will be implemented.
Proposed approach to service model	15%	Given the outcomes based specification it will be important for bidders to both describe their service model and how this will lead to the achievement of the outcomes. This criterion also validates outcome proposals and mitigates against bidders putting in unrealistic bids.
Proposed approach to workforce management	10%	Given the outcomes focus of the specification, we would expect high quality staff that are able to provide person centred services. This criterion ensures that bidders are able to demonstrate how they will equip their services with quality staff committed to supporting vulnerable service users.
Proposed approach to partnership working	10%	Islington has a mental health pathway delivered by a range of service providers, across statutory and voluntary sectors. It is important that these services establish strong relationships with other partners in the sector to ensure vulnerable adults are supported toward recovery, to re-engage with their local community, moving on to independence.
Proposed approach to managing performance and outcomes	10%	As the specification will be outcomes based, It is important for providers to commit to a level of outcome delivery. Performance against these outcomes will then be used to inform contract extension by results.
Proposed approach to client engagement and involvement	10%	Regular service user involvement has an important place in ensuring the quality of service delivery and supporting the achievement of service user outcomes. Given services will be expected to move toward a new model of delivery, it is also important that the bidders are able to highlight effective plans to consult and co-produce new service models.
Total	100%	

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Environment & Regeneration Department
Directorate Suite, 4th floor
222 Upper Street, N1 1XR

Report of: Executive Member for Environment and Transport

Meeting of:	Date	Ward(s)
Executive	16.6.16	All

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SUBJECT: Procurement Strategy - Parking Enforcement Contract

1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy through a joint authority framework for Parking Enforcement contract, in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 The framework will offer collaborating authorities a means to procure a variety of parking related services to suit individual needs and allow them to draw down from the framework at any point in its four year term. It is intended that all authorities would choose the same end-date for their new procurement, allowing forward planning for the group to enter a later full joint procurement.

2. Recommendations

- 2.1 To approve the procurement strategy for a Parking Enforcement Contract, as outlined in this report.

3. Background

- 3.1 The Council currently has an outsourced contract to supply a parking enforcement service. This contract is due to end on 31 August 2017 and a new contract is required to commence from 1 September 2017.
- 3.2 Whilst a re-procured contract will allow for a continuous service, we are exploring opportunities to share services with a number of other local authorities and reduce costs. To this end the Council has entered cross borough discussions with North London Boroughs on the potential for joint working, including joint procurement of an outsourced parking enforcement contract with Islington as the lead authority. Discussions are currently underway with the London Boroughs of Enfield, Waltham Forest, Barnet and Haringey.

- 3.3 The duration of the framework agreement will be four years. Different authorities may choose to opt into this contract at different times during this period, depending on when their existing contracts expire. The duration of the overall contracts will range from a maximum of seven years (for a contract entered into at the start of the framework) to a minimum of three years (for a contract entered into in the fourth and final year of the framework, such that all contracts expire at the same time). A maximum length of seven years will allow for keen competition and for market forces to deliver best pricing for the required parking enforcement model.
- 3.4 A joint specification to cover the needs for all these boroughs is yet to be finalised, along with decision on dates when each of these authorities could join the framework. However it is believed the four year framework period will be sufficient.
- 3.5 Whilst Islington is currently in discussions with these North London boroughs, provision will also be made to allow other local authorities to join the framework, including those with in-house services. The contract will encompass a schedule of services that Boroughs may wish to utilise and will include items such as off-street parking and housing estate parking.

3.6 **Nature of the Service**

The Council believes that by enforcing parking regulations motorists will be more inclined to park safely and legally. This includes enforcing against moving traffic contraventions, to encourage motorists to respect restrictions such as one way roads and no-entries. This in turn reduces traffic congestion, improves road safety, and improves accessibility for all road users, including those with disabilities. The Council will ensure advance warning and signage, including those which are disability compliant for motorists

Positive outcomes include:

- helping traffic to flow more freely
- helping buses keep to their timetable
- assisting delivery vehicles
- allowing pedestrians to feel safer crossing the road without illegally-parked cars causing obstruction
- keeping parking places reserved for Blue Badge holders for those who need to use them

- 3.7 The contract will require provision of qualified civil enforcement staff, management, equipment, car pound provision, uniforms and safety wear, consumables, recruitment training, vehicle fleet, operational and office stationery, radio equipment, telecoms, enforcement equipment and support services. It will also include the requirement for short notice deployment in order to address potential staff shortfall as a result of sickness, maternity leave or when servicing events at the Emirates stadium.

3.8 **Estimated Value**

The estimated spend for Islington Council for the seven year duration of the new contract is £50m and is based on current contract charges. It is expected that the service will continue to be funded from parking revenue budgets. Cost reductions are envisaged through the transforming the Parking Service throughout the lifetime of the contract by embracing new technology and automating services.

- 3.9 Although other boroughs will arrange for their own funding, it is estimated that the total cost of the service across all boroughs could be up to £200m.
- 3.10 Unfortunately, benchmarking with a similar service isn't possible as this particular type of model has not been developed elsewhere. However the existing contract initially cost £7.3m per annum and is currently £6.4m per annum for annual service provision charge, which, given application of year on year retail price index increments, represents a significant saving to the Council. This has been achieved through initiatives such as integrated management, which has reduced management posts, and also by introduction of technology such as lane watch unattended traffic management camera, that has driven key cost savings in staffing and further reduced support requirements.

3.11 Any surplus raised through parking enforcement is used to provide transport and environment services by the Council.

3.12 **Timetable**

The value of the contract requires advertisement in OJEU (Official Journal of the European Union).

The Key dates to be reached for procuring this service are as follows;

- Full OJEU Restricted Procedure Procurement timetable Sept 2016 – March 2017
- Joint Board for Contract Award report – April 2017
- Executive for Contract Award report – May 2017
- Mobilisation Period – June/August 2017
- Contract Start Date – 1st September 2017

3.13 **Options appraisal**

The Council has considered a number of options including bringing the service in-house, though on balance, this is not the preferred route. This industry has advanced at a rapid pace in terms of IT support and staff development. Coupled with the opportunity of an emerging shared service at a reasonable scale, this means the proposed option makes economic and service efficiency sense. The current proposed route combines the need to provide an efficient, cost effective service through a tender process, whilst collaborating with local authorities to seek further reductions in cost.

3.14 To meet the various requirements of the partner authorities, a menu of options could include but not be limited to, services for civil parking enforcement, the full range of parking back office services, off street parking enforcement, correspondence handling, permit management, IT support, signage and line marking, bailiffs, permit fraud investigation, mobile camera automatic number plate recognition systems, enforcement smart phone and android apps, pay by phone customer service, pay and display point of sale machines and maintenance, cash collection, counting and banking services and CCTV provision for moving traffic contravention.

3.15 **Key Considerations**

The London Living wage, as a minimum, is a required commitment with our existing contractor and will be embedded as a requirement. The contract will have key performance indicators (KPI) with financial costs to the contractor for underperformance, and a saving share model to encourage a continual improvement of service. Effectiveness will be measured in comparison to peer groups across a range of KPIs.

3.16 Industry and governmental standards and qualifications for economic, social and environmental sustainability will be embedded within the pre-qualification questionnaire and contractual documentation.

3.17 Tenderers will be expected to explore local routes for recruitment purposes, such as job fairs and agency bulletins and encouraged to seek equipment and resources where possible from local businesses and services. Standard TUPE and Pensions provisions will apply.

3.18 **Evaluation**

This tender will be conducted in two stages, known as the Restricted Procedure as the tender is 'restricted' to a limited number of organisations.

3.19 The first stage is to select suitable tenderers through a Pre-Qualification Questionnaire (PQQ), which establishes whether an organisation meets the financial requirements, is competent and capable and has the necessary resources to carry out the contract. The PQQ is backwards looking and explores how

the organisation has performed to date, its financial standing, information about their history and experience.

3.20 A limited or 'restricted' number of these organisations meeting the PQQ requirements as specified in the advertisement are then invited to tender (ITT). This second stage is forwards-looking.

3.21 Tenders are evaluated on the basis of the tenderers' price and ability to deliver the contract as set out in the evaluation criteria in order to determine the most economically advantageous offer. The evaluation criteria for this Procurement will be based on;

Price – 60%, Quality – 40%

3.22 Business Risks

The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities.

Following a motion to full Council on 26 March 2013, all tenderers will be required to sign the Council's anti-blacklisting declaration.

Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'.

The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.

The adequacy of these measures will initially be assessed by officers and the outcome of that assessment will be reviewed by the Council's Procurement Board

3.23 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.6 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	Provision of a Parking Services. See paragraph [3.6]
2 Estimated value	The framework agreement has an estimated value of £50m of Islington Council spend. The total estimated value of the framework agreement is £200m where the Council is acting as the central purchasing authority for framework partners. See paragraph [3.8]
3 Timetable	Full OJEU Restricted Procedure Procurement timetable Sept 2016 – March 2017 Executive for Contract Award report – May 2017 Contract Start Date – 1st September 2017 See paragraph [3.12]
4 Options appraisal for tender	A route to market via an outsourced OJEU

procedure including consideration of collaboration opportunities	Restricted Procedure is preferred. See paragraph [3.13]
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	London Living wage applies, a best value system is embedded and TUPE and pensions implications will apply to this contract. See paragraph [3.15]
6 Evaluation criteria	Price – 60% Quality – 40% See paragraph [3.18]
7 Any business risks associated with entering the contract	Ensuring continuity of service is key. Failure of partner authorities to commit to the framework would reduce effectiveness for any economy of scale saving. See paragraph [3.22]
8 Any other relevant financial, legal or other considerations.	n/a

4.

Implications

4.1 Financial implications:

The framework model procurement strategy will make it easier to deliver efficiencies through collaboration. The cost of the procurement will be met through existing budgets from within the parking service. The annual value of the contract is around £6-7million and this is funded from existing budgets from within the parking account.

4.2 Legal Implications:

The Council has a duty to provide parking enforcement services pursuant to the Traffic Management Act 2004, Part 6, and related Civil Enforcement of Parking Contraventions (England) General Regulations 2007 as amended and statutory guidance on Civil Enforcement of Parking Contraventions. The Council may carry out a joint procurement exercise with other local authorities under section 111 of the Local Government Act 1972 which provides the power for the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The Council has power to enter into contracts with providers of parking enforcement services under section 1 of the Local Government (Contracts) Act 1997.

The threshold for application of the Public Contracts Regulations 2015 (the Regulations) is currently £164,176.00 for service contracts. Contracts above this threshold must be procured with advertisement in the Official Journal of the European Union and with full compliance of the Regulations. The Council's Procurement Rules also require contracts over the value of £164,176.00 to be subject to competitive tender. The proposed procurement strategy, to advertise a call for competition through OJEU notice and procure the service using a competitive tender process, is in compliance with the requirements of the Regulations and the Council's Procurement Rules.

On completion of the procurement process the contract may be awarded to the highest scoring tenderer subject to the tender providing value for money for the Council.

4.3 Environmental Implications

No negative impacts are expected.

Some positive impacts could materialise through reduction in overall resource use brought about through the introduction of new technology.

4.4 Resident Impact Assessment:

The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.

A resident impact assessment was completed on 9 May 2016 and no adverse impacts were identified. The procurement of the contract will continue to manage the availability of parking space throughout the borough for all residents and businesses alike and impact all those who wish to park on the public highway in Islington. The continuity of service benefits all road users by encouraging safer parking, as well as ensuring traffic restrictions are adhered to, i.e. banned turns. This promotes safety on the highway and ensures, for example, areas for pedestrian crossings are kept clear, increasing accessibility for any vulnerable pedestrians, and especially those with disabilities. A number of positive examples are shown below:

- discouraging pavement parking to give full access to pedestrians.
- helping buses keep to their timetable, benefitting pedestrians who do not have access to vehicles, including those with disabilities.
- assisting delivery vehicles.
- allowing pedestrians to feel safer crossing the road without illegally-parked cars causing obstruction.
- keeping parking places reserved for Blue Badge holders for those who need to use them.
- helping traffic to flow more freely.
- allowing residents, businesses and shoppers a better opportunity to park, including those with blue badge holders.

The Resident Impact Assessment did not identify any negative equality impacts for any protected characteristic or any human rights or safeguarding risks.

5. Reason for recommendations

5.1 To establish continuity of a parking service and develop business and saving opportunities.

Appendices: None

Background papers: None

Final report clearance:

Signed by:



Executive Member for Environment and Transport 6.6.16
Date

Report Author: Steven Shaw
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Joint Report of the Executive Member for Finance and Performance and Executive Member for Environment and Transport

Executive	Date: 16.6.16	Ward(s): All
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The APPENDIX TO THIS REPORT IS EXEMPT AND NOT FOR PUBLICATION

SUBJECT: Contract Award for Parks Sponsorship Services contract**1. Synopsis**

- 1.1 This report seeks approval for the contract award in respect of the parks sponsorship services contract in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 The contract is to engage a third party to establish and manage parks sponsorship opportunities. The contract is a concession agreement, will incur no costs to the Council and may enable significant income to be realised by the Council

2. Recommendations

- 2.1 To approve the award of the concession contract for parks sponsorship services to Community Partners Ltd for a period of five years, with the option to extend the contract by a further two periods of two years each.

3. Background

- 3.1 The sponsorship service will provide opportunities for businesses to be seen to be contributing to improve the local environment and it is proposed that this will result in small signs being installed at the sites being sponsored.

The Council requires a sponsorship service to manage the entire sponsorship process, including identifying potential sponsors and putting sponsorships in place. The service will generate income for the Council that will go towards meeting the parks income targets.

After advert, an open tender process was gone through, returned tenders have been evaluated and a preferred supplier chosen.

3.2 The provisional total value of this contract was £200,000 over the 60 months term of the contract. This was based on an estimated £40,000 per annum income to the Council and was based on the income generated from the last contract. In the last year of the last sponsorship contract, the Council received around £80,000 of income, though this was following a number of years of the contract being in place which had allowed sponsorship levels to build up, and was in a very different economic climate.

Due to the unique nature of each site and the service, there can be no exact income projections provided. However, further to the financial evaluation and subsequent clarification interview with the preferred supplier, it is considered possible that there could be an increase in total income in excess of the values given above, especially as recommended tender showed considerable creativity and diversity of proposals.

The tender scores are given in Exempt Appendix A. In practice, the limitations of such a sponsorship service limitations will be due to the unique nature of each site, any further permissions required such as Planning, legal issues and the acceptability of some of the proposals.

The Council as the landowner will screen all proposed sites and all sponsorship agreements will be shared with the Executive Members for Environment & Transport and Finance & Performance prior to approval. Thus, final decisions regarding signs at sites will be taken by the Landowner.

The income from sponsorship will be collected by the contractor who then pays for the signage. After this, income will be split 60:40 in favour of the Council. The contract has zero cost to the Council and there are no fees payable to the provider.

The ratio split covers the entire contract duration which includes provision for further extensions at the discretion of the Council. The contract has an initial period of five years followed by the possibility of two optional two year extensions.

This was an open tender process and both tenderers supplied details of how other Council contracts they have are managed. Islington Parks Officers attend the London Parks Benchmarking Group and have some knowledge of other Council's income is and the percentage split. As set out in 4.1 below, additional income of £40k per annum has been built into the medium term financial strategy savings plan.

3.3 Timetable

The contact was advertised on 2.11.15 with the deadline for submission of tender documents by 23.11.15. The tender evaluations were completed on 29.11.15, though there have subsequent discussions and further evaluation with the proposed contractor.

3.4 Options appraisal

The preferred procurement route was a competitive tender as agreed with the Procurement Team. It is considered that there are no benefits to collaboration with other authorities as given the nature of the service, there are no economies of scale. Each site to be sponsored is unique in terms of location, footfall and vehicular traffic, local demographics, suitability, and value to potential local and national sponsors.

3.5 The London Living Wage (LLW) will apply to staff working on this contract. In regard to environmental sustainability, the size and design of the recognition of sponsorship signs have been agreed with the Head of Strategy and Communications. There are no TUPE, pensions or other staffing implications.

3.6 Evaluation

The tender was conducted in one stage, known as the Open Procedure as the tender was 'open' to all organisations who expression their interest in the tender. The Open Procedure included minimum requirements which the organisation had to achieve before their evaluation Award Criteria was considered

The tenders were evaluated against both quality (60%) and level of achievable income (40%).

In terms of income, the two questions asked were;

1. Percentage split of income generated given to the Council. This question had a weighting of 20%.
2. Expected income to be generated for the Council per year. This question had a weighting of 20%.

In terms of quality, the three questions asked were;

1. What is your proposed approach to seeking suitable sponsorship opportunities? This question had a weighting of 30%.
2. What is your proposed approach to making full use of the varied assets available? This question had a weighting of 15%.
3. What is your proposed approach to sustaining and increasing the level of sponsorship income? This question had a weighting of 15%.

All the above questions were agreed with the Procurement Team as the best way to establish the most advantageous service provider.

- 3.7 During the period of the last contract that expired in 2010, there were numerous opportunities, both financial and non-financial to increase interaction with businesses. Income was generated over and above the initial sponsorship as relationships with local businesses were formed. Businesses also used their corporate responsibility programmes to have employee work days in the sponsored parks. All such opportunities will be managed by the Parks Service directly in collaboration with the sponsors.
- 3.8 Of the two tenders that were received, the most advantageous in terms of both possible income generated and quality of tender, was from Community Partners Ltd.
- 3.9 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.6 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	The Council requires a sponsorship service to manage the entire sponsorship process, including identifying potential sponsors and putting sponsorships in place. See paragraph 3.1
2 Estimated value	The advertised estimated value of the contract was £200k to the Council over the initial lifetime. The agreement is proposed to run for a period of 5 years with 2 optional extensions of 2 years each. There is some expectation that actual income may exceed this estimate. See paragraph 3.2
3 Timetable	The contract was advertised on 2.11.15 with submission of tender documents by 23.11.15. The tender evaluations were completed on 29.11.2015. See paragraph 3.3
4 Options appraisal for tender procedure including consideration of collaboration opportunities	The preferred procurement route was a competitive tender as agreed with the Procurement Team. Collaboration was not considered viable and not expected to yield benefits. See paragraph 3.4

5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	There are no negative issues in regard to Social benefit clauses, London Living Wage, Best value, TUPE or pensions and other staffing implications See paragraph 3.5
6 Evaluation criteria	The tenders were evaluated against both quality (60%) and level of achievable income (40%). See paragraph 3.6
7 Any business risks associated with entering the contract	As this is a concession contract, there are no business risks associated with entering the contract
8 Any other relevant financial, legal or other considerations.	See Section 4 below.

4. Implications

4.1 Financial implications:

This report identifies significant potential income streams over the life of the contract. Additional income of £40k per annum has been built into the medium term financial strategy savings plan and further income targets will be built in once these have been identified.

4.2 Legal Implications:

This report relates to a concession contract where the council will receive revenue from the concessionaire. At the time that this concession contract was procured the Concessions Regulations 2015 were not in force. However the Council's Procurement Rules require concession contracts to be procured in the same way as service contracts. Accordingly this contract was competitively procured with advertisement. Bids were subject to evaluation in accordance with the tender evaluation model and Community Partners Ltd gained the highest evaluation score. The contract may therefore be awarded to Community Partners Ltd as recommended in the report.

In deciding whether to award the contract to the recommended service provider the Executive should be satisfied as to the competence of the supplier to provide the services and that the tender represent best value for the Council. In considering the recommendations in this report members must take into account the information contained in the exempt appendix to the report.

The decision to award this contract is a key decision because the income for the Council is potentially in excess of £500,000.00. Therefore the power to make this decision is reserved for the Executive.

4.3 Environmental Implications

The most significant environmental impact of this contract is the new signage, the impact of which can be mitigated by ensuring that the signs are made of sustainable or recycled/recyclable materials.

4.4 Resident Impact Assessment:

The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment was completed on 15th March 2016 and no adverse impacts, safeguarding risks or human rights breaches were identified.

5. Reasons for the decision: (summary)

5.1 Approval of the contract award for Parks sponsorship services contract as outlined in this report will help generate income via sponsorship and meet the targets built into the Council's medium term financial strategy savings plan.

Signed by:



6.6.16

Executive Member for Finance and Performance Date



6.6.16

Executive Member for Environment and Transport. Date

Appendices

Exempt Appendix A – Tender evaluation summary

Background papers: none

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