

Strategic Commissioning & Investment
222 Upper Street, London, N1 1XR

Report of: Director of Adult Social Care

Meeting of: Corporate Management Board

Date: 29th November 2022

Ward(s): All

Subject: Procurement Strategy – Supported Living Accommodation for Service Users with Learning Disabilities – Dingley Road (formerly known as City Forum/ City Road)

1. Synopsis

- 1.1. This report seeks pre-tender approval for the procurement strategy in respect of the care and support element of Supported Living Accommodation for Service Users with Learning Disabilities - Dingley Road in accordance with Rule 2.8 of the Council's Procurement Rules.
- 1.2. The contract is for the provision of care and support for ten people with a low to moderate learning disability living at an established supported living service at Dingley Road.

2. Recommendation

- 2.1. To approve the procurement strategy for care and support at Dingley Road as outlined in this report.

3. Date the decision is to be taken

- 3.1. 14 December 2022.

4. Background

4.1. Nature of the service

- 4.1.1. Dingley Road is a supported living scheme for people with learning disabilities which supports Islington's adult social care vision for Islington to be a place made up of strong, inclusive and connected communities, where regardless of background, people have fair and equal access to adult social care support that enables residents to live healthy fulfilling and independent lives. The scheme consists of ten self-contained flats within a general needs block as well as access to a shared communal space.
- 4.1.2. The London Borough of Islington (LBI) has nomination rights for the ten flats allocated for supported living and the support is commissioned using a 'core and flexi' model. This means that LBI pays a fixed 'core' fee per person as well as a flexible rate paid as an Individual Service Fund (ISF) to meet service user's individual care and support needs.
- 4.1.3. The current provider is both the landlord and the care and support provider and have been delivering the service since November 2018.
- 4.1.4. On 11 August 2022 the current provider for the scheme informed commissioners of their intention to give notice on the contract for delivery of care and support at Dingley Road. The main reason cited is that they intend to consolidate their business, recognising that most of their learning disability services are outside of London. The current provider has indicated that they will continue to deliver the housing management function at the scheme following re-procurement of the care and support element.
- 4.1.5. Under the terms of the current contract either party can give six months' notice to terminate the contract. The current provider has agreed to work in partnership with LBI to achieve a safe and realistic timeline for exiting the contract and this is estimated to take approximately nine months allowing sufficient time for LBI to run a competitive procurement exercise and to mobilise a new contract for the provision of care and support at the scheme.
- 4.1.6. In line with Islington's vision for adult social care the re-commissioning of this care and support contract will ensure that residents residing at the scheme are supported appropriately with their health, wellbeing, and safety in the community. The service will also ensure that they can stay in the borough and are close to their family support networks.
- 4.1.7. In line with other commissioned learning disabilities supported living services in Islington the intention is to procure a service with a 'core and flexi' model to

support individuals' choice, freedom, and control. This is in line with both the local and national learning disability and autism vision.¹

- 4.1.8. The successful provider delivering this contract will provide care and support to ten adults residing at the scheme who will have a learning disability but may, in addition, have additional needs.
- 4.1.9. [Islington's Strategic Commissioning and Adult Social Care Market Position Statement 2021-2024](#) sets out its commitment to ensuring that people with learning disabilities are supported to live as independently as possible, in their local communities and close to friends and family.
- 4.1.10. The re-commissioning of the care and support contract for Dingley Road will ensure that a new provider will be able to provide continuity of support for existing tenants alongside offering high quality care and support for any new residents who move into the scheme.
- 4.1.11. It is envisioned that through the provision of this scheme, service users' lives will be improved, and the costs associated with inappropriate care will be avoided.

4.2. **Estimated value**

- 4.2.1. The proposed new contract duration will be for six years with break clause options available for the council to terminate the contract annually after year two. The contract will be funded through existing social care budgets on a core contract value. The current core contract value for the service is £177,040 per annum. Therefore, the maximum estimated total cost of the core contract for Islington Council will be £1,062,240.
- 4.2.2. In addition to the core annual budget the successful provider will be responsible for managing the individual service funds (ISFs) for residents residing at the scheme. The current annual budget for ISF's for residents residing at the scheme is £109,565. However, the amount paid to the provider is based on the actual need of the client and the ISF budget will be subject to change (both up and down) according to subsequent changes in need for each client. The ISF (lead) provider can charge up to £20 per month per client to manage their ISF. The allowance for this is already calculated within the current ISF budget for residents residing at the scheme of £109,565.
- 4.2.3. This service is a direct replacement, and it is not anticipated that it will result in a cost pressure as it will be using money from existing budgets.

¹ National Plan – Building the Right Support (2015), Valuing People (2001), Valuing People Now (2009), National Autism Strategy (2021), Autism Act (2009), NHS Long Term Plan (2019), NCL LDA Programme.

4.2.4. This service will be procured with a ‘core and flexi’ model which will offer the opportunity for in contract savings if a service user’s care and support needs decrease.

4.2.5. London Living Wage will be a condition of this contract.

4.3. **Timetable**

4.3.1. The anticipated timetable is as follows:

Key milestone	Date
Strategy approved	December 2022
Invitation to Tender Published	December 2022
Tender Return Deadline	January 2023
Evaluation/ Moderation	February 2023
Contract award	March 2023
Mobilisation commences	April 2023
Start date for new contract	June 2023

4.3.2. We anticipate that the contract will be advertised on Find a Tender service (FTS) in December 2023 but the market will be prepared through an engagement session and the issue of a Prior Information Notice (PIN).

4.3.3. We anticipate that the contract for care and support services will be awarded by the end of March 2023 and the service will start on 1 June 2023. TUPE liabilities will apply to this contract as it will be a new provider.

4.4. **Options appraisal**

4.4.1. An appraisal has been undertaken to identify the best route to deliver care and support at Dingley Road. Per the Council’s Progressive Procurement Strategy, due regard has been given to insourcing.

Options	Benefits	Drawback
<p>1. Reprocurer the service using a competitive tender (above FTS threshold for light touch)</p> <p>Recommended</p>	<ul style="list-style-type: none"> Retain a mixed market of providers External providers are more experienced and agile in providing supported living services and can provide significant value for money Will offer a variety of options for social value External organisations can provide additional resources 	<ul style="list-style-type: none"> Not consistent with LBI’s commitment to in-sourcing Risk that no suitably qualified bidders apply delaying the contract start

	<p>from charitable funds which are at no charge to the council</p> <ul style="list-style-type: none"> • Longer contract length supports sustainable market development, to mitigate recruitment and retention workforce issues in the sector. 	
<p>2. Reprocure the service below key decision and FTS threshold for light touch following the process as outlined in the council's Procurement Rules.</p> <p>Not recommended</p>	<ul style="list-style-type: none"> • Quicker process and less resource intensive to carry out from a commissioning and procurement perspective • Known quality providers can be directly invited to tender. 	<ul style="list-style-type: none"> • Due to the maximum contract value for option 2, the length of contract would be under three years; this short contract length is likely to reduce the number of interested providers and may result in a failed procurement exercise • Additionally, the short contract length would not mitigate against recruitment and retention workforce issues in the sector as outlined in the recommended option above. • Continuity of support and service user outcomes may be affected by a short contract length and further re-procurement process.
<p>3. Bring the service in-house</p> <p>Not recommended</p>	<ul style="list-style-type: none"> • The Council is committed to delivering services in-house wherever feasible • Potential for closer relationships between statutory agencies • The Council would have greater control over the quality of provision • The Council retains full control to drive efficiencies/economies of scale 	<ul style="list-style-type: none"> • External providers are more experienced and agile in providing supported living services and can provide significant value for money • Financial modelling indicates that delivery of the service in house would be more expensive to the council. • Transformation and staff consultations are underway within Adult

		<p>Social Care in-house provider services. The service is currently undergoing significant change and an additional change at this time risks the positive transformations underway.</p> <ul style="list-style-type: none"> • Due to the transformation, management capacity is already stretched and the safe mobilisation of a new in-sourced service would be a significant risk. • Risk of increased safeguarding risks and being non CQC compliant if we overstretch our in-house capacity affecting our CQC Good ratings
<p>4. Novate the contract to another provider</p> <p>Not recommended</p>	<ul style="list-style-type: none"> • Less resource intensive for commissioning and procurement 	<ul style="list-style-type: none"> • Responsibility for finding a suitable provider for the new contract would predominately lie with the incumbent provider; this means the council will have less assurance of the suitability of the provider sourced • Novation of this type would only allow an 18-month contract to be awarded meaning similar drawbacks to those in option 2 would apply.

4.4.2. After considering the above options, the conclusion is that option 1, to reprocure the service using a competitive tender is the recommended route.

4.5. Key Considerations

4.5.1. Social value will be intrinsic to the method statement quality questions within the tender. Providers will be asked to outline their organisation's commitment to social value, and how this will be reflected in the delivery of the service in relation to:

- Environmental considerations, reducing environmental impact e.g., journey reduction; environmentally friendly modes of transport (cycle schemes); reduction and management of all non-recyclable waste
- Promoting healthy workplaces
- Promoting and encouraging use of the local supply chain through iWork advertising and support to the social care sector (including links with the Islington and Health and Social Care Academy)
- Economic considerations for example the contribution to developing skills and tackling unemployment amongst Islington residents including excluded communities

4.5.2. We would particularly welcome innovation around employment practice – working interviews, adjusted jobs, positions created with specific target groups in mind, and recruited via iWork. This could include residents that have protected characteristics, or who are particularly underrepresented in the sector including care leavers.

4.5.3. Providers will also be encouraged to consider peer support training and direct or seconded employment of peer workers.

4.5.4. London Living Wage will be a condition of this contract

4.5.5. TUPE will apply to this contract.

4.6. Evaluation

This contract is being procured under the light touch regime under Section 7 Social and Other Specific Services of Part 2 of the Public Contracts Regulations 2015. The tender will be conducted in one stage, known as the Open Procedure, as the tender is ‘open’ to all organisations who express an interest. The Open Procedure includes minimum requirements which organisations must meet before the rest of their tender is evaluated.

The award criteria for this contract will be 70% quality (including 20% social value) and 30% cost - there is a maximum contract price set on the core contract, and it is important that the quality is a focus of the service.

Award Criteria	Total
Cost	30%
Quality – further broken down	70%
Proposed approach to service delivery model\achieving outcomes\personalisation	20%
Proposed approach to health and safety of service users and staff (including safeguarding people who use services from the risk of abuse\danger)	20%
Proposed approach to Social Value	20%
Proposed approach to staff recruitment and retention, skills, development and supervision	10%
Total	100%

4.7. Business risks

4.7.1. Risks attached to this procurement include:

Risks	Mitigation
Insufficient interest from the market.	A Prior Information Notice will be issued and market engagement.
Delays due to shortage of internal resources to adhere to such a tight timescale	Regular project meetings will be arranged. Project plan has been developed to ensure delivery of key activity within allocated time frame.
Service users' needs may fluctuate during the life of the contract. Service users with higher/lower support needs could move into the service during the life of the contract.	The contract will use a 'core and flex' model which will allow flexibility with regards to cost.
TUPE Implications	TUPE will apply to this procurement. TUPE information will be published as part of the tender documentation to ensure transparency and we will factor in adequate time in the mobilisation period

4.8. 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 complete an 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.

4.9. The following relevant information is required to be specifically approved in accordance with rule 2.8 of the Procurement Rules:

Relevant information	Information/section in report
1. Nature of the service	<p>This service will provide a Care and Support Service for adults with a learning disability at Dingley Road.</p> <p>See section 4.1</p>
2. Estimated value	<p>The estimated core value of the service per year is £177,040.</p> <p>The agreement is proposed to run for a period of 6 years with possible break clauses available within the contract annually after year 2.</p> <p>The maximum estimated total cost of the core contract for Islington Council will be £1,062,240.</p> <p>The ISF proposed value per year is £109,565. This includes an allowance of £20 per month per client to manage the client's ISF.</p> <p>The ISF value will be subject to change (both up and down) according to subsequent changes in need for each client.</p> <p>See section 4.2</p>
3. Timetable	<ul style="list-style-type: none"> • Advert: December 2022 • Award: March 2023 • Service start: June 2023 <p>See section 4.3</p>
4. Options appraisal for tender procedure including consideration of collaboration opportunities	<p>See section 4.4</p>
<p>5. Consideration of:</p> <ul style="list-style-type: none"> • Social benefit clauses. • London Living Wage. • Best value. • TUPE, pensions and other staffing implications 	<p>Social value will be a fundamental part of the procurement and will score 20% within the quality criteria. LLW will also be a condition of the contract.</p> <p>TUPE will apply.</p> <p>See section 4.5</p>
6. Award criteria	<p>Bids will be assessed on 70% quality (including 20% social value) and 30% cost</p>

	See section 4.6
7. Any business risks associated with entering the contract	See section 4.7
8. Any other relevant financial, legal, or other considerations.	See section 5

5. Implications

5.1. Financial Implications

- 5.1.1. Dingley Road supported living is a commissioned supported living contract within the Islington Learning Disabilities Pooled Budget, to which the London Borough of Islington contribute 87.7% and North Central London ICB (Islington) contribute 12.3%.
- 5.1.2. The current core annual budget for 2022/23 for Dingley Road is £177,040. Therefore, the maximum estimated total cost of the new core contract for delivery of this service to Islington Council will be £1,062,240.
- 5.1.3. In addition to the core annual budget the successful provider will be responsible for managing the individual service funds (ISFs) for residents residing at the scheme. In 2022/23 the current annual budget for ISF's for residents residing at the scheme is £109,565. This includes an allowance of £20 per month per client to manage the client's ISF. However, the ISF amount paid to the provider is based on the actual need of the client and the ISF budget will be subject to change (both up and down) according to subsequent changes in need for each client.
- 5.1.4. This is a continuation of the current budgeted cost and any changes to ISF cost will be met from the LD placements budget and therefore, does not create a budgetary pressure on the Adult Social Care budget.
- 5.1.5. Payment of London Living Wage is a requirement of the contract and should not result in any additional costs.
- 5.1.6. Inflation risk; any inflationary increases due to National/London Living Wage and CPI will need to be managed within the contract or efficiencies in the delivery of the service or the wider Adult Social Care budget, as any additional costs will cause a budgetary pressure.

5.2. **Legal Implications**

5.2.1. 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)). The Care Act 2014 also provides the council with duties and powers to meet the needs for care and support of eligible adults (sections 18 and 19). The Council has power to enter into contracts with providers of such services under section 1 of the Local Government (Contracts) Act 1997. The Corporate Director of Adult Social Care has authority to award contracts for using revenue money up to £2,000,000 of Islington Council spend (Procurement Rule 18.1.1).

5.2.2. 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 £663,540.00. The value of the proposed contract is above this threshold. It will therefore need to be advertised on the Find a Tender Service (FTS). 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 Treaty principles of equal treatment, non-discrimination and fair competition; conducts the procurement in conformance with the information that it provides on the FTS advert; and ensures that the time limits that it imposes on suppliers, such as for responding to adverts is reasonable and proportionate. Following the procurement a contract award notice is required to be published on FTS. In addition, the council's Procurement Rules require contracts of this value to be subject to competitive tender.

5.2.3. In compliance with the requirements of the light touch regime in the Regulations and the council's Procurement Rules the proposal outlined in the report is to advertise a call for competition on FTS and procure the service using a competitive tender process via the Open Procedure. On completion of the procurement the contract may be awarded as required to the highest scoring tenderer subject to the tender providing value for money for the council.

5.3. **Environmental Implications and contribution to achieving a net zero carbon Islington by 2030**

5.3.1. The main environmental impact from this procurement will be from the use of the building by the service provider. These will include energy and water use, consumption of materials, and the generation of waste, including clinical waste, all of which have potential carbon emissions. There will also be transport-related impacts from staff and visitors travelling to and from the service.

5.3.2. The winning bidder will be asked to support the council's zero emissions goal, including having a Service Level Agreement (SLA) with Energy Services for the purchase of renewable electricity. Providers will be required to recycle, and this will include food waste, papers, plastics, glass, metal, small electricals and textiles and careful disposal of hazardous waste.

5.4. **Equalities Impact Assessment**

5.4.1. 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.

5.4.2. An Equalities Impact Screening Tool was completed on 28 September 2022 which indicated; that the impact on residents would be neutral/positive and therefore a full Equalities Impact Assessment is not required.

6. Conclusion and reasons for the decision

6.1. This report recommends commissioning a care and support provider to deliver the care and support element for the supported accommodation scheme based at Dingley Road. Procurement of this contract will be through a competitive tender based on the open procedure.

6.2. This procurement aims to ensure continuity of high-quality care and support for residents currently residing at the scheme and for any new residents who move into the scheme during the new contract's duration.

6.3. It will deliver value for money for the council, will facilitate development of long-term relationships with the successful provider, and offer mutually beneficial stability for the local care market.

7. Record of the decision

7.1. I have today decided to take the decision set out in section 2 of this report for the reasons set out above.

Signed by: John Everson



Director of Adult Social Care

Date: 14 December 2022

Appendices:

- N/A

Background papers:

- N/A

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