

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

Report of: Executive Member for Health and Social Care

Meeting of: Executive

Date: 9 February 2023

Ward(s): All

Subject: Procurement Strategy – Supported Living Accommodation for Service Users with Learning Disabilities – Windsor Street

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 – Windsor Street 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 11 people with a learning disability who may have additional needs who will live at the new build supported living service based at Windsor Street which is due to be completed, by the end of September 2023.

2. Recommendations

- 2.1. To approve the procurement strategy for care and support at Windsor Street as outlined in this report.
- 2.2. To delegate authority to award the contract to the Director for Adult Social Care following consultation with the Executive Member for Health and Social Care.

3. Background

- 3.1 Islington Council intends to procure a new service to provide care and support for adults with learning disabilities within a new development being built on Windsor Street.
- 3.2 The proposed new service will provide 24-hour support for adults with a learning disability, some of whom may also have additional needs including physical disabilities, behaviour that challenges and/ or profound and multiple learning disabilities.
- 3.3 The purpose-built accommodation at Windsor Street will provide 11 new homes for residents with a learning disability and the scheme will be utilised to provide; appropriate accommodation for individuals currently placed in out of borough spot placements, young people transitioning to adults' services and, for service users where it is no longer suitable for them to continue to live with their family carer.
- 3.4 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.
- 3.5 The Windsor Street supported accommodation scheme 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.
- 3.6 The contract being procured for the provision of care and support at the scheme will ensure that service users are supported appropriately for their health, wellbeing, and safety in the community and ensure, that residents can stay in the borough and are close to their family support networks
- 3.7 In line with other commissioned supported living services in Islington the intention is to procure the 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. 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.
- 3.8 In 2016 a procurement strategy for care and support at Windsor Street was approved. However, there have been several delays in the planning and procurement processes around the Windsor Street development which have

delayed the project. Therefore, the Strategic Commissioning and Investment Team are seeking approval to proceed with procurement for a care and support provider for Windsor Street through this updated procurement strategy.

3.9 Key events relating to the Windsor Street development are outlined below:

- 2018 - Planning permission for the scheme was granted and the New Build team sought to procure a contractor to build the service. The procurement did not result in the appointment of a contractor as the tender return did not represent VFM for the council.
- 2020 - Using the New Build Team's new contractor framework, the project was tendered for a second time and Roof Ltd was the selected contractor with works commencing in January 2022.
- 2022 - Work began on the site and works are planned for completion in September 2023.

4 Nature of the service

4.1 The design brief for the accommodation at Windsor Street was co-produced with the Islington Learning Disability Partnership, family carers, service users and through public consultation.

4.2 The building has been designed to accommodate people with a range of support needs including those who have additional physical disabilities, are wheelchair users and may need a high level of individual support and care with managing their daily lives.

4.3 The scheme will be comprised of four fully wheelchair accessible units at ground floor level sharing a combined living, kitchen, dining room with additional assisted bathroom and seven self-contained flats (two fully wheelchair-accessible; five wheelchair-adaptable) on the upper levels.

4.4 It is anticipated that adults living at the scheme will be tenants and Islington Council will be their landlord. The benefits of the Council building this provision and acting as the landlord for the scheme include: -

- the council being able to ensure the high-quality maintenance of the building
- the council owning another high-quality community asset within the borough
- helping to address demographic pressures for housing within Islington
- helping to ensure people with care and support needs in the borough are able to live as independently as possible

- 4.5 The contract for care and support will ensure that there is 24-hour support at the service and the intention is to procure this service with a 'core and flexi' model to support individuals' choice, freedom, and control. This is aligned with both the local and national learning disability and autism vision.¹
- 4.6 In line with Islington's vision for adult social care 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.
- 4.7 The successful provider delivering this contract will provide care and support to 11 adults residing at the scheme who will have a learning disability but may, in addition, have additional needs.
- 4.8 The procurement of the care and support contract for Windsor Street will ensure that high quality care and support for residents who move into the scheme is provided.
- 4.9 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.

5 Estimated value

- 5.1 The proposed new contract duration will be for nine years with break clause options available for the council to terminate the contract annually after year three. This gives time for a provider to embed their care and support provision but also the flexibility to account for any changes in priority and direction at a local or national level.
- 5.2 The contract will be funded through existing social care budgets on a core contract value. The estimated maximum core annual contract value for the service will be £587,276 per annum. Therefore, the maximum estimated total global cost of the core contract for Islington Council will be £5,285,490.
- 5.3 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. The estimated annual individual service fund (ISF) for residents residing at the scheme is £467,296. 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

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.

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 who will reside at the scheme of £467,296 per annum

- 5.4 This is a new service which will not create a cost pressure as it will be using money from existing budgets.
- 5.5 It is anticipated that this service will be procured with a 'core and flexi' model in line with other supported living services commissioned for adults with learning disabilities in the borough.
- 5.6 London Living Wage will be a condition of this contract.

6 Timetable

6.1 The anticipated timetable is as follows:

Task	Date
Strategy approved by Executive	February 2023
Issue Tender	February 2023
Tender Return Deadline	March 2023
Evaluation/ Moderation	April 2023
Contract award	June 2023
Start date for new contract	1 October 2023

- 6.2 The contract is due to be advertised on Find a Tender Service in February 2023 and the market will be prepared through engagement sessions and the issue of Prior Information Notice (PIN) in January 2023. The contract for care and support services will be awarded by June 2023 and the service will start in October 2023 subject to the anticipated completion of the build by the end of September 2023.
- 6.3 TUPE liabilities will not apply to this contract as it is a new service.
- 6.4 Consultation work has previously taken place with colleagues at Islington's Learning Disability Partnership, family carers, service users and providers regarding the requirements for the service at Windsor Street. Further consultation and coproduction activity is planned with regards to specification development and evaluation of tender submissions.
- 6.5 Benchmarking against existing service provision has been undertaken to inform the financial modelling for this service.

7. Options appraisal

7.1 An appraisal has been undertaken to identify the best route to deliver care and support at Windsor Street. Per the Council's Progressive Procurement Strategy, due regard has been given to insourcing.

Options	Benefits	Drawback
<p>1. Procure the service using a competitive tender</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 ensure that social value is a key component of this contract. • External organisations can provide additional resources from charitable funds which are at no charge to the council • Longer contract length supports sustainable market development, to mitigate recruitment and retention workforce issues in the sector. 	<ul style="list-style-type: none"> • Not consistent with the council's commitment to insourcing • Risk that no suitably qualified bidders apply delaying the contract start
<p>2. Collaboration with other boroughs</p> <p>Not recommended</p>	<ul style="list-style-type: none"> • Opportunity to explore innovation and approaches from other Local Authorities • Commissioners shared roles and responsibilities • Budget savings could be generated through sharing resources 	<ul style="list-style-type: none"> • Islington has a shortage of in-borough accommodation options for people with learning disabilities (140 out of borough spot placements at present); commissioning with another borough would result in a reduction in the number of placements available to Islington residents

<p>3.In-sourcing</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 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 75% more expensive to the council- and would therefore not help us to deliver MTSF savings. • Transformation and staff consultations are underway within Adult 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. • 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
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After considering the above options, the conclusion is that option 1, to procure the service using a competitive tender, is the recommended route.

8. Key considerations

8.1 Social value will be intrinsic in several quality-based 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
- Economic considerations for example the contribution to developing skills and tackling unemployment amongst Islington residents including excluded communities

8.2 We would particularly welcome innovation around employment practise – 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.

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

8.4 London Living Wage will be a condition of these contracts.

9 Evaluation

9.1 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.

9.2 It is recommended that the split for award criteria is 70% quality (including 20% on 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%

10 Business risks

Risks attached to this procurement are:

Risks	Mitigation
Insufficient interest from the market	<p>We will carry out market engagement exercises with potential providers to discuss the new service and encourage tender responses.</p> <p>A Prior Information Notice will be issued.</p>
Delays to the completion of the new build could impact on the tender timeline	<p>Commissioning attend Project and Design meetings monthly with the New Build Team and contractor to monitor any delays/ risks/ issues with the progress of the build.</p> <p>Quarterly executive meetings will be held with senior colleagues from commissioning and the New Build Team to review progress and feed this into the project planning for the procurement of care and support.</p>
Lack of clarification around the roles and responsibilities for housing management, repairs, and maintenance between LBI and the care and support provider. This could impact on the model of care and support, including whether the residents are eligible for enhanced housing management and who will provide this element of support.	<p>Meetings will be established with housing colleagues to agree the model for housing management. This will be reflected in the tender documents.</p>

<p>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.</p>	<p>The contract will use a 'core and flex' model which will allow flexibility with regards to cost.</p>
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- 10.1 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.
- 10.2 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</p> <p>See paragraph 4.1</p>
2. Estimated value	<p>The estimated maximum core contract value of the service per year is £587,276.</p> <p>The agreement is proposed to run for a period of 9 years with annual break clause options available after year 3 of the contract.</p> <p>The maximum estimated total global cost of the core contract for Islington Council will be £5,285,490.</p> <p>The ISF proposed value per year is £467,296. 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 paragraph 4.2</p>
3. Timetable	<ul style="list-style-type: none"> • Advert: February 2023 • Award: June 2023 • Service start: October 2023 <p>See paragraph 4.3</p>
4. Options appraisal for tender procedure including consideration of collaboration opportunities	See paragraph 4.4
5. Consideration of: <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. We do not expect that TUPE will apply.</p> <p>See paragraph 4.5</p>
6. Award criteria	<p>The award criteria: 70% quality and 30% cost</p> <p>See paragraph 4.6</p>
7. Any business risks associated with entering the contract	See paragraph 4.7
8. Any other relevant financial, legal, or other considerations.	See section 11

11 Implications

11.1 Financial Implications

Windsor Street will be 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%.

The length of the contract is for nine years with a break clause option available for the council to terminate the contract annually after year three. The cost per annum for the core contract will be £587,276. Therefore, the maximum estimated total cost of the new core contract for delivery of this service to Islington Council will be £5,285,490.

In addition to the core annual budget the successful provider will be responsible for managing the individual service funds for residents residing at the scheme. The annual budget for ISF's for residents residing at the scheme is £467,296. This includes an allowance of £20 per month per client to manage the client's ISF. The ISF budget will be subject to change (both up and down) according to subsequent changes in need for each client.

This procurement will contribute to the Learning Disability MTFs Savings 2023/24 & 2024/25.

This will not create a budgetary pressure on the Adult Social Care budget.

Payment of London Living Wage is a requirement of the contract and should not result in any additional costs.

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.

11.2 Legal Implications

11.3 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 (Care Act 2014).

- 11.4 The Council has power to enter into contracts with providers of such services under section 1 of the Local Government (Contracts) Act 1997.
- 11.5 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).
- 11.6 The value of the proposed contract is above the current threshold in the Regulations and will therefore need to be advertised on the Find a Tender Service (FTS).
- 11.7 Following the procurement a contract award notice is required to be published on FTS.
- 11.8 The council's Procurement Rules require contracts of this value to be subject to competitive tender.
- 11.9 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.
- 11.10 The Executive has power to delegate authority to award the contract to the Director for Adult Social Care in consultation with the Executive Member for Health and Social Care.
- 11.11 On completion of the procurement the contract may be awarded by the Director for Adult Social Care in consultation with the Executive Member for Health and Social Care to the highest scoring tenderer subject to the tender providing value for money for the council.
- 11.12 **Environmental Implications and contribution to achieving a net zero carbon Islington by 2030**
- 11.13 The main environmental impact from this procurement will be the use of buildings 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.
- 11.14 The council owns the building where this service will operate from. 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.

11.9 **Equalities Impact Assessment**

11.10 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.

11.11 An Equalities Impact Screening Tool was completed on 1 June 2022 which indicated; that the impact on residents would be neutral/positive and therefore a full Equalities Impact Assessment is not required.

12 Conclusion and reasons for recommendations

12.1 Due to the high needs of the client group this provision relates to and our legal responsibilities, we must ensure that we procure care and support services that can effectively meet their health and wellbeing. There is an increasing need in the borough for supported living accommodation for people with a learning disability and currently there are a high number of residents placed out of borough into supported living provision due to a lack of local provision.

12.2 This report recommends commissioning a care and support provider to deliver the care and support element for the supported accommodation scheme at Windsor Street which will support 11 residents with a learning disability who may have additional needs. Procurement of this contract will be through a competitive tender.

12.3 This procurement aims to ensure delivery of high-quality care and support for residents with learning disabilities who will reside at the scheme during the contract's duration.

12.4 The contract 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.

12.5 In line with Islington's vision for adult social care 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 residents can stay in the borough and are close to their family support networks.

Appendices:

- N/A

Background papers:

- N/A

Final report clearance:

Authorised by: **Cllr Nurullah Turan, Executive Member for Health and Social Care**

Date: 30 January 2023

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