

For General Release

REPORT TO:	CABINET
SUBJECT:	Cycle Training for Children, Young People and Adults
LEAD OFFICER:	Shifa Mustafa - Executive Director of Place
CABINET MEMBER:	Councillor Scott – Cabinet Member for Environment, Transport & Regeneration (Job Share)
WARDS:	All

CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON

Include here a brief statement on how the recommendations address one or more of the Council's Corporate Plan priorities: [Corporate Plan 2018-22](#)

The provision of cycle training supports the council's Corporate Plan priorities by helping to ensure that:-

- People live long, healthy, happy and independent lives
- Our children and young people thrive and reach their full potential
- Everyone feels safer in their street, neighbourhood and home
- Provides a cleaner and more sustainable environment

FINANCIAL IMPACT

Costs for all cycle training in Croydon is met by Local Implementation Plan Funding (LIP Funding) which Croydon Council receives from Transport for London. Funding is currently £135k per year whilst the funding for 2018/19 has been secured, the funding for future years is not guaranteed.

FORWARD PLAN KEY DECISION REFERENCE NO.: 0119ETR

This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.

The Leader of the Council has delegated to the nominated Cabinet Member the power to make the decisions set out in the recommendations below:

1. RECOMMENDATIONS

The Nominated Cabinet Member for Environment, Transport & Regeneration in consultation with the Nominated Cabinet Member for Finance and Resources is recommended

- 1.1 to approve the award of a contract for the delivery of Cycle Training for Children, Young People and Adults for an initial term of five years, with the option to

extend for up to two further years, to the contractor named, and for the contract prices specified, in the associated Part B report.

- 1.2 to note that the name of the successful contractor and price will be released once the contract award is agreed and implemented.

2. EXECUTIVE SUMMARY

- 2.1 This report confirms the procurement process followed and recommends a contract award to the preferred supplier following an EU Open tender process.
- 2.2 The contract term will be for up to a total of seven years with an extension option after year five.
- 2.3 This contract will replace the Council's existing contract and will ensure continuation and growth of Bikeability cycle training level 1 - 3 plus balance bike and scooter training in Croydon for all ages and abilities.
- 2.4 The new contract supports Croydon's corporate plan, the Mayors Strategy and Vision Zero. It also includes support of school travel plans, sustainable travel and transport with links to the obesity agenda and cleaner air.
- 2.5 The Cycle training contract is funded by TfL and the amount of funding is currently £135k per annum. The contract manager will monitor this contract to ensure it is kept within the financial constraints.
- 2.6 The strategy for the approach to market was approved by the Contracts and Commissioning Board on 27 November 2017 reference number CCB1298/17-18.
- 2.7 The content of this award report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
04/02/2019	CCB1454/18-19

3. DETAIL

- 3.1 It is a statutory duty of local authorities to carry out a programme of education and training measures to promote road safety, as required by section 39 of the Road Traffic Act 1988. It is known that the education and training provided to children in those informative younger years can help to influence behavior that will last a life time. The cycle training programme is a key part to the Council's duties to provide this important life skill.
- 3.2 Croydon, like all local authorities, is facing the challenge of how to accommodate the growing demand for travel on a limited highway provision. This problem can only be resolved through a modal shift from car usage to

more sustainable travel choices such as walking and cycling. The need to tackle obesity in our community and promote healthy lifestyles also leads to the need to promote these sustainable travel choices. The cycle training programme is a key product in the Council's aspirations of promoting a healthy and safe community.

3.3 The overarching aim of the Mayor for London's Transport Strategy is for 80% of all journeys in London to be made by sustainable means (namely on foot, by cycle or public transport) by 2041. Croydon is currently at 49%. TfL estimates that Croydon needs to reach a 63% sustainable mode share by 2041 if the London-wide target is to be achieved. Of all the London boroughs Croydon is believed to have the greatest potential to increase the levels of walking and cycling. This is because a great many short journeys in Croydon that are made by car could easily be walked or cycled. The cycle training programme will help to promote cycle usage which is key to the Council's aims of providing healthy streets and liveable neighbourhoods across the borough.

3.4 Bikeability cycle training in Croydon is designed to include anyone who lives works or studies in the borough and available to all regardless of age or ability, individual/group courses can be tailored to meet all needs. A brief example of extra cycling courses and training on offer are:

- Referral by GP and mental health practitioners
- Training at the Arena in Croydon for those trainees with special needs with many types of bicycles available to use which can be adapted to suit the trainee by instructors.
- Refugee cycle training courses with bi lingual instructors
- Family cycle training which can include family members with special needs
- Route training confidence builder to enable trainee to cycle to work, college, school and for leisure.

3.5 In accordance with the approved procurement strategy; the procurement was undertaken in compliance with the Public Contracts Regulations 2015 'Open' procurement procedure and in response to the published OJEU notice (2018/S 162-370613) two compliant responses were received.

Approach

3.6 Two compliant bids were received and evaluated by an evaluation panel in accordance with the published evaluation methodology and scoring tables.

Price 60%
Quality 40%

3.7 Both bidders passed the compliance stage of the evaluation process by self-certifying they have insurance, are 'Bikeability' registered organisations, use only National Standard Certified Instructors, and meet the Council's H & S policy and Business continuity requirements. Both providers are SME's.

3.8 The table below shows the quality and price evaluation results.

	Bidder A	Bidder B
Price	42.61%	58.30%
Quality	30.00%	37.20%
Total	72.61%	95.50%
Rank	2	1

3.19 The result of the evaluation concluded that Bidder B submitted the most economically advantageous tender and is therefore the preferred bidder.

4. CONSULTATION

4.1 There hasn't been any consultation as the importance of cycle training forms part of The Mayor's Transport strategy and Vision Zero.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 The Head of Finance and Deputy Section 151 Officer has issued guidance for drafting financial and risk assessment considerations. Please refer to these at <http://intranet.croydon.net/finance/fra/>

1 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Revenue Budget available				
Expenditure	135			
Income	(135)			
Effect of decision from report				
Expenditure		125	135	135
Income		(135)	(135)	(135)
Remaining budget	<u>0</u>	<u>0</u>	<u>0</u>	<u></u>
Capital Budget available				
Expenditure				
Effect of decision from report				

Expenditure

Remaining budget

2 The effect of the decision

To continue using TfL LIP funding of £135k p.a. to fund Bikeability cycle training over the 3 year period of the MTFS. The contract price of £135k is determined by the annual LIP funding currently available as in paragraph 2.5 of the Executive Summary.

3 Risks

The main risks are the ability to secure TfL funding for the length of the contract and to maintain contract spend within the funding received. The contract is to be awarded on the basis that for each year delivery of the contract is dependent on TfL funding having been secured and the Council will have the option to terminate with 6 months' notice.

4 Options

No other options are being considered.

5 Future savings/efficiencies

No future savings or efficiencies are resulting from the award of the contract as the training budget is expected to be fully spent.

Approved by: Flora Osiyemi, Head of Finance Place, Gateway, Engagement & Strategy.

6. LEGAL CONSIDERATIONS

- 6.1 The Director of Legal and Governance comments that the procurement process as detailed in this report is in accordance with the Council's Tenders and Contracts Regulations and seeks to support the Council's duty to secure best value under the Local Government Act 1999.

Approved by: Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer

7. HUMAN RESOURCES IMPACT

- 7.1 There are no immediate Human Resources considerations arising in respect of this contract.

Approved by: Sue Moorman on behalf of the Director of Human Resources.

8. EQUALITIES IMPACT

- 8.1 An initial Equality Analysis was undertaken and its findings were that no further analysis was required. It is anticipated that there will be no significant

change or negative impact on any protected groups arising from the award of this cycle training contract.

9. ENVIRONMENTAL IMPACT

- 9.1 The provision of cycle training will encourage and increase the level of cycling within the borough and elsewhere, which will have a positive impact on the environment by helping to shift road users from motorised vehicles to non-polluting non-motorised bicycles. These benefits include a reduction in congestion, air and noise pollution, and improvements in health.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no crime and disorder impacts arising from this contract.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 The recommendation to award this contract is based on value for money for the Council based on the agreed evaluation criteria and meets service requirements and provides the opportunity for an enhanced service.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 Alternative options were considered and rejected in the Procurement Strategy Report. The Council has received a bid capable of meeting the requirements therefore no other options are being considered.

CONTACT OFFICER: Susan Martin Road Safety Officer 0208 726 6000 x62512.

BACKGROUND PAPERS: None

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

DELEGATED DECISION REPORT TO:	Councillor Simon Hall, Cabinet Member for Finance and Resources
SUBJECT:	Purchase of Angel Lodge, 12 Markfield Road, South Croydon
LEAD OFFICER:	Guy Van Dichele Executive Director Health, Wellbeing and adults
CABINET MEMBER:	Councillor Simon Hall Cabinet Member for Finance and Resources
WARDS:	Sanderstead
CORPORATE PRIORITY <p>To provide a decent, safe, and affordable home for every local resident who needs one</p> <p>To help families be healthy and resilient and able to maximise their life chances and independence</p>	
AMBITIOUS FOR CROYDON & WHY ARE WE DOING THIS <p>It is proposed that the council purchase Angel Lodge 12 Markfield Road which currently has 4 vulnerable Croydon residents in occupation together with a fifth person placed by LB Sutton. This will ensure that the Council can continue care provision within the same property.</p>	
FINANCIAL IMPACT <p>The financial case shows that committing to this purchase of the care home will generate a net annual saving of c£109k for the general fund. The purchase of the asset will be funded from Capital.</p>	
KEY DECISION n/a	

The Leader of the Council has delegated to the Cabinet Member for Finance and Treasury the power to make the decisions set out in the recommendations below

1. RECOMMENDATIONS

Cabinet Member for Finance & Resources in consultation with the Leader agrees the following:

- 1.1 That the Council purchase Angel Lodge, 12 Markfield Road South Croydon CR2 0BE on the terms detailed in the Part B report.
- 1.2 Agree that, for the reasons detailed in paragraph 5.1 of the Part A Report, the Executive Director Resources be given delegated authority, in consultation with the Cabinet Member for Resources, to approve minor amendments to the terms set out in this report.

2. EXECUTIVE SUMMARY

- 2.1 The decision to purchase Angel Lodge is in the best interests of the vulnerable residents currently residing in the property to best meet their housing and care needs and reduce the risks to the Council of losing a care home provision. The decision is also of financial benefit to Croydon Council as the net purchase costs of the property will generate a significant revenue saving based upon the option of relocation or paying a third party provider.

3. DETAIL

- 3.1 Angel Lodge is a 5 bed residential care home providing residential care for 4 Croydon clients with mental health conditions, there is one out of borough client. All the Croydon clients are under 60 years and have a degree of independence although there is no expectation they could live entirely independently. Although these are “temporary” placements one of resident has been in occupation for more than ten years. There are altogether 96 Croydon clients of this type in the borough, two thirds of whom have been in their current accommodation for five years or more.
- 3.2 There is a general shortage of good quality care home properties and providers within the area and especially in Croydon. The operator for Angel Lodge, Bertinaley Care Ltd, went into receivership in August 2018 and the administrators are now seeking to dispose of the asset as although they have continued to operate it as a care home through a specialist operator, it is making a loss.
- 3.3 The property is being marketed through specialist agents and has received some interest from developers looking to refurbish the property and return it to private residential use. Should this property be sold, the Council would be faced with trying to relocate four vulnerable residents and find a new home with a private provider.
- 3.4 The property offers good quality accommodation and is currently set out with 5 bedrooms. The property benefits from a manageable low maintenance garden which is accessible for the residents. The proposed purchase price has been considered by the Head of Asset Management and is considered to be reasonable for the freehold purchase based on other recent sales in the area and allows for the repair and decoration works identified in the survey report
- 3.5 The property has been used by the Council continuously for at least 11 years and provides suitable accommodation for these residents. The property does need some internal updating and a building survey has identified some external works, mainly of a cosmetic nature and the works have been costed and reflected in the proposed purchase price. The specialist team of officers dealing with this type of provision have confirmed that the property is suitable for the proposed purpose and meets all the current standards for care accommodation.
- 3.6 Terms have been agreed for the purchase and full due diligence, including a fire risk assessment will be undertaken prior to formal commitment to the purchase. A building survey has already been undertaken and the repair issues identified have been reflected in the valuation

4 CONSULTATION

- 4.1 Not needed

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 5.1 The weekly cost per client of this kind of accommodation is between £500 and £700 per week (£26k and £37k per annum). This cost covers all living expenses, care and services and £23.40 per week pocket money. It is poor value for money for the local authority, and offers little opportunity for enablement or living independently for the client, and offers little in the way of cashable income to the private sector providers.

All the ordinary living costs and the provider's surplus costs of this provision are unnecessarily carried by Adult Social Care. For the Care Home provider the rates paid, especial for smaller care homes with little opportunity of sharing overheads between clients, offer small margins and the greatest financial benefits rest in the asset value of the property when they are realised.

If the receiver had sold the business as a going concern then we would have been presented with a substantial increase in rates – with no significant increase in the quality and quantity of the provision

- 5.2 Going forward the preferred model of care for clients with the needs located in Angel Lodge is supported living, in which the clients will have an accommodation agreement (usually a licence to occupy) and receives Housing Benefit at an enhanced rate, and full benefits. The landlord receives more than the LHA rate and clients contribute to non Housing Benefit eligible service charges and utilities and the care provider is paid for delivering care and support. Where the landlord is the council or a Housing Association 100% of the Housing Benefit is refunded by the government.

The financial model separates care and support costs from accommodation cost, attracts substantial income from central government into social care so this option is immediately sustainable for the council and the care and support provider. It therefore offers a better financial opportunity, and most importantly, delivers greater independence and quality of life for clients.

- 5.3 While the private sector can currently provide cost effective high quality care and support, it cannot do this and meet the hoteling costs associated with care and accommodation in a similar cost effective way.

As the council works to build up it's capacity to deliver and manage good quality domiciliary care in supported living and extra care it may soon be able to provide care and support and accommodation. Building up its base now of directly-owned specified accommodation for which it is the landlord is an important step in this direction. The Angel Lodge purchase provides this opportunity

- 5.4 Angel Lodge is on the market for £700k, plus associated legal and moving costs. In addition there is a need for some ongoing repair and maintenance costs but as the property is already in use as a care home the cost for further adaptations are minimal as the property is already of an acceptable standard and the CQC rating for the home is overall Good. There is a risk that a home converted in this way will lose value (due to conversion costs) and be harder to sell if it becomes obsolete for this specific purpose but this is felt to be low risk.
- 5.5 The purchase will provide the tenants and the Council more security in respect of care provision for this vulnerable sector in what is becoming an increasingly volatile market.
- 5.6 If we are not successful with the purchase, the current indication is that the property will be sold to a developer for conversion back into a private residential house or flats and there would therefore be a need to rehome the 4 current Croydon tenants.

Approved by: Lisa Taylor – Director of Finance Investment and Risk and s151 Officer

6 LEGAL CONSIDERATIONS

- 6.1 The Director of Law and Governance comments that the Council has the legal power to invest in property for the desired purpose of providing housing of a suitable nature for residents with specific needs.

The relevant statutory law provides:

- (1) Section 17 of the Housing Act 1985 provides:
“A local housing authority may for the purposes of this Partacquire houses, or buildings which may be made suitable as houses, together with any land occupied with the houses or buildings”
- (2) Section 120 of the Local Government Act 1972 provides that a local authority may *“for the purposes of any of their functions under this or any other enactment, acquire by agreement any land, whether situated inside or outside their area”*
- (3) Section 12 of the Local Government Act 2003 gives local authorities power to invest for any purpose relevant to its functions under any enactment.
- (4) Section 1 of the Localism Act 2011 (‘the general power of competence’) is, the power to do anything any individual may do. The general power is not an unfettered power as it cannot override restrictions imposed by other specific application statutory provisions, but as can be seen above it is not restricted by the other enabling statutes referred to above and, therefore could be a further source of legal power for the initiative.

Approved by Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer

7 ENVIRONMENTAL IMPACT

- 7.1 No specific adverse environmental impacts have been identified resulting from the proposals contained in this report.

8 CRIME AND DISORDER REDUCTION IMPACT

- 8.1 No specific adverse crime and disorder impacts have been identified resulting from the proposals contained in this report

9 REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 9.1 To buy a property on the open market in order to provide more appropriate accommodation for vulnerable residents longer term needs and reduce costs to Croydon in excess of £109k per year

10 OPTIONS CONSIDERED AND REJECTED

- 10.1 Private rented sector –
The receiver has not been able to sell the business as a going concern as a Private Care Home.
- 10.2 The savings for Supported Living Model with a rent-to-rent or care provider landlord are not available to the Council

CONTACT OFFICER:

Name:	Michael Hughes
Post title:	Adult Social Care Commissioning Manager
Telephone number:	63717

BACKGROUND DOCUMENTS: None

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank