

Item No. N/a	Classification: Open	Date: 13 December 2018	Meeting Name: Cabinet Member for Culture, Leisure, Equalities & Communities
Report title:		Gateway 1 – Procurement Strategy Approval Plan for Council for the Voluntary Sector (CVS), infrastructure & volunteering services and the Emergency Support Scheme 2019 – 2024	
Ward(s) or groups affected:		All	
From:		Strategic Director of Place and Wellbeing. Strategic Director of Finance and Governance	

RECOMMENDATION

1. That the Cabinet Member for Culture, Leisure, Equalities and Communities in consultation with the Cabinet Member for Finance, Performance and Brexit approves the procurement strategy in this report for the delivery of a Council for the Voluntary Sector (CVS), infrastructure and volunteering service and Southwark Emergency Support Scheme (SESS), through a single supplier negotiation with Community Southwark for a total estimated annual sum of £783,000 over a period of up to five years (3+2 years for CVS service area, 4+1 for SESS service area), from 1 April 2019 to 31 March 2024, making a total estimated contract sum of £3,915,000.

BACKGROUND INFORMATION

2. Southwark Council's current contract with Community Southwark (CS) for the CVS infrastructure and volunteering services commenced on 1 April 2016 for a three year period and ends on the 31 March 2019 with no provision for further contract extensions.
3. CS was also awarded the contract for the management of the SESS in 2013, initially for a two year period ending in March 2015; however this was then extended for a further two years until March 2017. Due to uncertainty around funding CS have continued to provide the service since March 2017 and will continue to do so until a new contract is put in place by March 2019. The proposed contract value of £400,000 is in two parts: the first is a management fee of £50,000 paid to Community Southwark for the on-going management of the appropriate third sector organisations and suppliers delivering SESS, specifically around the fulfilment of awards; and the second is £350,000 which is paid to Community Southwark to buy goods and services from a range of third party suppliers. Spend on goods and services through SESS over the last two years has been between £340,000 and £350,000 per annum.
4. A formal evaluation of the current services was carried out that included:
 - Details about the funding the council provides and its purpose
 - How the contract can future proof communities and take forward team agendas

- Engagement with the leadership to seek their views
 - A benchmarking exercise with other local authorities (LAs)
5. Specifically in relation to SESS, outcomes included;
 - The reduction of white goods prices by Family Fund following re-tendering and a reduction in delivery charges.
 - High customer satisfaction with ASDA food home deliveries through Family Fund, with people being happy with the service, feeling it promotes education around healthy eating.
 - Links with third sector providers who can provide additional services i.e. cooking lessons for people managing on a low budget and referrals to schemes funded by Save the Children and Children in Need.
 - The review identified the need to set up a broader framework of suppliers which will be held by the council and managed by Community Southwark to ensure that all requirements for emergency support are being met.
 6. The outcomes of these reviews will include a revised service specifications setting out ways in which the SESS, VCS and community needs can be future proofed.
 7. To get cross-council co-ordination on what should happen next, a report was taken to the Voluntary and Community Sector (VCS) Commissioning Board on 13 March 2018. This proposed that CVS services should continue to be commissioned and that a single supplier negotiation should be carried out with the current service provider for services from April 2019.
 8. The Board agreed to the proposed approach and asked if all CS funding could be bundled together to create efficiencies.
 9. The council has one other current contract with CS for Healthwatch Southwark (HWS), the local independent consumer champion for the delivery of quality health and social care services which local authorities have a statutory duty to provide. It is not possible to bundle HWS with this project as the current contract was repocured on 1 April 2018 for a period of four years ending in 2022.

Summary of the business case/justification for the procurement

10. There is strong cross-council agreement on the value and quality of the service. The current CVS is commissioned to support voluntary sector organisations to play a full part in the civic life of Southwark. Its leadership role in Southwark makes it a key strategic partner for both the council and CCG.
11. CS has led on the development of the tripartite VCS Strategy Common Purpose Common Cause 2017-2022. Details of the priorities set out in the strategy are set out under the Policy Implications from paragraph 30.
12. The vision for the new Place and Wellbeing Department is *ensuring that the places where people live, now and in the future, create new opportunities, promote wellbeing and reduce inequalities so people have better lives, in stronger communities and achieve their potential*. This service strongly contributes to the realisation of that vision. It contributes to the achievement of key Council Plan objectives in the areas of social regeneration, health, wellbeing, equalities, community engagement and community safety, as well as finance

and resources. The challenges of continuing austerity and the impact of Brexit are causing a high level of uncertainty. It is therefore essential that VCS infrastructure is able to play a strong leadership role in supporting the VCS, reassuring and responding to communities and building resilience.

13. As the council budget falls further over the next few years the council's investment in the service will contribute to VCS organisations successfully leveraging other money from trusts, businesses and individuals as well as working with organisations that want to win funding from the council or Southwark Clinical Commissioning Group (CCG). Engagement and leadership will build involvement and knowledge of key local needs, priorities and strategies for addressing them. This service's members and other VCS organisations are in a special position as they can meet needs and reach people that statutory services cannot.
14. The charity sector in Southwark has a considerable presence and contributes to the economic well-being of the borough. Southwark registered charities have around 16,500 employees. The combined income of the 1,125 charities registered in the borough is over £1.58 billion per year. The VCS generates a large proportion of its income itself, as earned income is 40% of total income.
15. Voluntary sector groups can make a real difference to reducing worklessness if given the right support. CS leads on volunteering and is well placed to provide this support both to residents and to the over 200 registered charities that support local people to improve their economic wellbeing in various ways. The VCS supports local economic wellbeing by developing the skills of volunteers as well as service users, contributing to better job prospects, personal wellbeing, and a diverse economy.
16. Regarding the SESS, in April 2013 the government devolved two elements of what was then the DWP Social Fund to Local Authorities to administer. Southwark Council reviewed various potential models and decided it would provide a grant-only scheme controlled by the council utilising Community Southwark for management and administration of a set of third sector and other local suppliers for fulfilment of goods and services. It would be targeted at the most vulnerable residents of Southwark including families with children, people with disabilities, care leavers, ex-offenders and former military personnel.
17. There is no statutory requirement for local authorities to adopt a localised welfare scheme to replace provision lost through the abolition of the above elements of the DWP Social Fund. However, since the function was devolved in 2013 and following the removal of direct funding by the DWP in 2015 the council has continued to provide this support to its most vulnerable residents through General Fund provision. The demand for additional support of this nature to vulnerable residents remains significant in light of welfare reforms, in particular the ongoing rollout of Universal Credit.

Market considerations

18. A recent market research exercise carried out regarding the CVS procurement routes and experiences of other London boroughs showed that the market for these services is still extremely limited. When the current CVS contract was tendered in 2016 following an open procurement procedure in Southwark, only one bid was received.

19. Local knowledge and effective local relationships within the VCS are critical to the effectiveness of the services to be provided. Providers from other boroughs would not be able to offer the same level of local knowledge or established relationships. Each London borough has only one CVS provider for these services. Evidence from recent similar CVS procurement exercises in other boroughs suggests no other organisations would enter the market when there is an established and well regarded service provider.
20. For the SESS there are very few options for the provision for the management of a scheme like this. Local Authorities who continue to provide a scheme like this manage it in house or manage it in partnership with neighbouring authorities. This approach would not allow for the opportunity to build capacity and links within the local third sector. It should also be noted that this service is a niche piece meal service for which there is fluctuating demand. No providers in the market place are providing both the management of a scheme as well as fulfilment of goods and services.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

21. In relation to the CVS service, the following options were considered by the council's community and voluntary sector engagement team, before determining the procurement strategy set out in this report:
 - Do nothing - this is not an option for the council as services are required as set out in business case section above approved by the Strategic Commissioning board and the Lead Cabinet Member.
 - Carrying out a competitive tender exercise was considered but rejected due to there being only one supplier in the market and the satisfaction with the current provider and the need for local knowledge. Other local authorities have been approaching the current Southwark provider due to the limited market of providers.
 - Bring these services in-house –It is essential that the services commissioned are external from and independent of the council. Providing the resource or expertise from within the council to undertake this type of service would mean that this primary objective would not be met. A key objective is that the services are able to facilitate and promote community engagement through representative bodies.
 - Use an internal or external framework agreement - the council does not have any existing framework agreements in place for these types of services that cover this area and there are no external arrangements that meet the council's requirements.
 - Shared services – it is not viable to seek a joint procurement with neighbouring boroughs as other boroughs do not procure a like for like service and there are differences in provision, budgets and timelines.
 - Single Supplier Negotiation – with the current provider which is the agreed procurement approach

22. In relation to SESS, the following options were considered by the council's Local Support Team before determining the procurement strategy set out in this report:

- Do nothing – Although a number of Local Authorities have ceased provision altogether, Southwark Council has committed to the continuation of the scheme over the next four years and this has informed the contract duration of 4 years +1 year.
- Carrying out a competitive tender exercise. The scheme is local and bespoke to the borough of Southwark. There are no other scheme managers in London and no national frameworks which offer this service. Therefore this option was rejected.
- Bring these services in house – this option offers an alternative to the use of CS and has already been adopted by a number of Local Authorities. However the scheme would require up to two members of staff to administer, offers poor value for money compared to the current management fee and given that funding is only confirmed until 2022-23 would mean a redundancy situation would occur if the scheme were to be terminated.
- Use an internal or external framework agreement – there are no framework agreements in place to deliver this type of service.
- Shared Services – although many Local Authorities have ceased to provide a scheme there could be option to share the management of schemes with another Local Authority which is continuing the service provision – an approach already adopted by some councils. LA's who could be approached include Lambeth, Waltham Forest and Sutton who administer similar schemes to Southwark. This option was rejected as it moves away from the drive to use local businesses, employers and third sector organisations which adds local social and economic value which helps with the delivery of the Council Plan.
- Single Supplier Negotiation with the current provider – which enables the on-going capacity building in the community and voluntary sector to provide emergency support to vulnerable residents.

Proposed procurement route

23. Although the value of this service is above the EU light touch threshold (£615,278) it is proposed that the council undertake a single supplier negotiation with CS for the CVS and SESS service for the following reasons:

- The lack of any viable, potential alternative suppliers in Southwark as evidenced under the Market Considerations section above. When the service was market tested in 2016 for CVS only one bid was received by the council. The marketplace for SESS services such as these has always been small and has reduced further as central government funding ceased in 2015. There is no evidence to indicate that other potential providers are entering the market to manage localised schemes of this nature.
- Recognition that it will not be possible to achieve any substantial value for money (VFM) savings by going out to the market.
- High levels of satisfaction with performance of the current provider from a wide variety of groups and organisations and through contract performance monitoring.

24. A market research exercise revealed that other London boroughs such as Haringey, Croydon and Barnet have also used their contract standing order (CSO) exemptions to procure this service via a single supplier negotiation for the same market considerations. In addition, almost half of those London boroughs who fund a CVS procured this service by direct grant funding of local organisations, for example Havering, Camden and Hammersmith & Fulham.
25. Contract standing orders (CSOs) require that for contracts above the EU threshold there is a requirement to comply with the Public Contract Regulations 2015 following a publicly advertised competitive tendering process. However CSO 6.8 provides that where there are exceptional circumstances which means that the usual procedures cannot be followed, written approval must be obtained in advance through a gateway report setting out the circumstances and why the usual requirements cannot be followed. Examples noted in CSO 6.8.2(b) include where those circumstances are covered by legislative exemptions under EU law.
26. It is proposed that the contract be composed of two service areas.
 - a. The CVS service; and
 - b. The management of the SESS.
27. The service areas will have the same contract length but different extension options and values as detailed in the table below.

Service area	Duration	Annual value	Total over 5 years
1. CVS	3 years + 2 years	£383,000	£1,915,000
2. SESS	4 years + 1 year	£400,000	£2,000,000
		Total contract sum:	£3,915,000

28. Southwark Council has committed to the continuation of the SESS scheme over the next four years and this has informed the alternative contract duration of 4 years +1 year, outlined in service area 2 above.
29. There will be one contract and two service specifications which means that if, at any point, amendments need to be made to either of the service areas these can be done independently so as not to affect the other service area.
30. The service specification for CVS will deliver on the CVS, infrastructure and volunteering service areas as detailed below:
 - Voice, representation, challenge, leadership and influence for the VCS in Southwark. It promotes social action and a voice for communities. It acts as a convening body facilitating effective communication, networking/collaboration amongst local VCS organisations and community groups e.g. Provider-Led Thematic Groups, Southwark Voice, Local Care Networks and enables the delivery of outcomes through partnerships and relationships with the council and NHS Southwark, public bodies and businesses including the development of Southwark Giving
 - Facilitating service improvement in VCS organisations/emerging groups to meet needs, build capacity and infrastructure that connects communities and delivers quality services, having robust and sustainable finances

- A co-ordinated approach to high quality volunteering opportunities for residents and other stakeholders, matching volunteers with VCS organisations, employer supported volunteering and mentoring services with professional and academic bodies

31. The service specification for the SESS will commission, manage and monitor suppliers to deliver emergency support, including the supply of food, white goods, furniture and emergency grants to the most vulnerable residents of Southwark. This includes families with children, people with disabilities, care leavers, ex-offenders and former military personnel. Demand is expected to remain high for this service during the period of transition to Universal Credit which is expected to continue until 2023-24.
32. There is an on-going drive to use local businesses, employers or third sector organisations where possible. CS is well placed to use their knowledge and expertise of the third sector and area to utilise local capacity. As part of the single supplier negotiation preparation the council has undertaken a service review analysing contract compliance, satisfaction with the service, value for money of both CS management and the providers of goods as well as a market analysis. The outcomes support the continuation of the current arrangement but recommend that a framework is let by Southwark Council for the suppliers of goods and services to ensure they cover the scope of a revised specification. It is proposed that this is let in Spring 2019 through a separate gateway process and is monitored and managed by Community Southwark.
33. A specification for the two service areas SESS and CVS is included in Appendices 1 and 2.

Identified risks for the procurement

34. The table below identifies risks associated with this procurement strategy and controls to mitigate the risks.

Risk No.	Risk Identified	Risk level	Mitigation
R1	Possible risk of challenge for not undertaking a competitive tender exercise.	Low	Market research shows the market is extremely limited for these services.
R2	Ongoing sustainability of the organisation	Low	Financial checks carried out and ongoing monitoring of governance and financial viability

A performance bond and parent company guarantee will not be required for this contract.

Key /Non Key decisions

35. This report deals with a non key decision

Policy implications

36. The delivery of this contract supports several Fairer Future commitments set out in the Council Plan. Southwark's VCS Strategy *Common Purpose, Common Cause 2017 – 2022*.
37. Priorities set out in the strategy are aligned with the following Fairer Future commitments:
- A place to call home
 - A place to belong
 - A greener borough
 - A full employment borough
 - A healthier life
 - A great start in life
 - A safer borough
 - A vibrant Southwark
38. The strategy priorities are also supported by joint work between CS and the VCS with the CCG. Work with Local Care Networks and developing social prescribing aim to prevent problems from getting worse and supporting connected and healthier communities including:
- a. Increasing healthy life expectancy
 - b. Reducing health inequalities across communities
 - c. Empowering people to live well and to take control of their lives
39. As a key partner the VCS is helping to shape local priorities and provide services to address them. This service will support achievement of the following Southwark strategies:
- a. Economic Wellbeing Strategy 2012-20
 - b. Southwark's *Joint Mental Health and Wellbeing Strategy 2018-2021*
 - c. *Creative Southwark 2017 to 2022*
40. The VCS is playing a key role in supporting communities with national policy change including Welfare Reform. The Care Act 2014 sets out a key role for the voluntary sector to support the council and local residents to meet its requirements.
41. This contract will support the council in actively promoting cohesion in the context of Southwark's diverse communities. It will also assist the council to meet its public sector equality duty (PSED) to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities.

Procurement project plan (Non Key decisions)

Activity	Complete by:
Health and Wellbeing DCRB Review Gateway 1:	04/12/2018
Finance and Governance DCRB Review Gateway 1:	06/12/2018

Activity	Complete by:
CCRB Review Gateway 1:	13/12/2018
Brief relevant cabinet member (over £100k) P+W	28/11/2018
Notification of forthcoming decision	18/12/2018
Approval of Gateway 1: Procurement strategy report	02/01/2019
Completion of documentation for SSN	07/01/2019
Issue documentation brief for SSN	07/01/2019
Completion of clarification meetings/presentations/evaluation interviews	25/01/2019
Evaluation of proposal	1/02/2019
Forward Plan (if GW2 is key decision)	29/10/2018
P + WB DCRB Review Gateway 2: Contract award report	05/02/2019
F + G DCRB Review Gateway 2: Contract award report	07/02/2019
CCRB Review Gateway 2: Contract award report	21/02/2019
Notification of forthcoming decision (if GW2 is key decision)	25/02/2019
Approval of Gateway 2: Contract Award Report	07/03/2019
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision (If GW2 is key decision)	15/03/2019
Contract award	23/03/2019
Add to Contract Register	15/04/2019
Place award notice on Contracts Finder	23/03/2018
Contract start	01/04/2019
Initial Contract completion date – CVS	31/03/2022
Initial Contract completion date – SESS	31/03/2023
Contract completion date – if extension(s) exercised	31/03/2024

TUPE/Pensions implications

42. The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) will not apply on re-procurement by a single supplier negotiation because the identity of the provider (and employer) will not change.

Development of the tender documentation

43. The current CVS service specification is being updated in relation to legislative and structural changes as well as learning from stakeholder consultation, monitoring and review exercises. Activity and outcomes will also now be mapped to Southwark's Common Outcomes Framework. The draft specification is attached as Appendix 1. The services contract will be used consisting of specific terms, general terms, pricing schedule and service specification.

44. The SESS service specification is attached as Appendix 2.
45. As this is a single supplier negotiation based on updated existing contract arrangements, the documentation required is: (1) revised specification (2) revised pricing document (3) the council's standard terms and conditions. These will be drawn up and updated following advice from procurement and legal officers.

Advertising the contract

46. Not applicable.

Single supplier negotiations

47. Single supplier negotiations will take place with Community Southwark between officers and their Chief Executive. The threshold will be a fixed maximum annual value of £783,000 for both these services with the CVS fixed at £383,000 per annum and the SESS will not exceed £400,000 per annum. An evaluation meeting will be held afterwards to assess the council's satisfaction with their statements on the key areas for negotiations listed in the paragraph below.
48. The community and voluntary sector engagement division will lead the negotiations and focus on:
- Service specification and service requirements
 - Quality Assurance arrangements
 - KPIs and performance reporting format and schedule
 - Pricing schedule
 - Exit strategy

Community impact statement

49. Infrastructure services and the organisations that provide them play a key role in promoting equalities and diversity by providing a range of services to organisations meeting the needs of Southwark's diverse communities. The council recognises the importance of having organisations that support and enable emergent, excluded and minority communities to access mainstream services that enable them to fully participate as citizens. The service specification specifically refers to the ability to engage and support with groups in the protected characteristic areas.
50. Infrastructure services promote inclusive and cohesive communities by working with the VCS and supporting them to engage with the council by:
- Providing tailored capacity building including fundraising, business planning, governance and financial viability
 - Facilitating charity start-up including for emerging communities
 - Disseminating information to members
 - Delivering targeted training for VCS organisations
51. As part of having due regards to the council's PSED the effect of changes to the services to be provided to the community have been considered through consultation with a wide range of groups and networks. Particular efforts have

been made to reach those networks and organisations who are not users of the current service.

Social Value considerations

52. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well-being of the local area can be secured. The details of how social value will be incorporated within the tender are set out in the following paragraphs.

Economic considerations

53. A 2017 survey of Infrastructure and Support Services for Civil Society Organisations in London revealed that Local Authorities still provide the mainstay of CVS/volunteer centre funding.
54. Infrastructure services play a key role in supporting the capacity of the VCS to fulfil its potential to generate economic activity and benefit alongside the private and public sectors. The VCS is a major employer in Southwark and through its close links with communities offers skills training, volunteering and employment opportunities to reduce economic inactivity and promote economic independence, entrepreneurship and well being. This contract will enhance the capacity and capability of the VCS to attract inward investment and contribute to a dynamic economic landscape in Southwark. Please see paragraphs 15-16 above for information on the economic contribution to the borough.

Social considerations

55. The service will improve outcomes for residents in the areas of well-being and independence, skills, training and employment, access to justice and access to community premises.
56. The on-going roll-out of Welfare Reform is expected to increase the demand for Southwark's Emergency Support Scheme including food packages, furniture and funds. Therefore the management of SESS is a key element of supporting residents who require additional support.
57. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. It is expected that payment of the LLW by the contractor for this contract will result in quality improvements for the council. These should include continuity of service provision resulting from reduced turnover of staff and will provide best value for the council. It is therefore considered appropriate for the payment of LLW to be required. The contractor will be expected to meet LLW requirements and contract conditions requiring the payment of LLW. Following award, these quality improvements and any cost implications will be monitored as part of the contract review process.

Environmental/Sustainability considerations

58. There are no environmental/sustainability considerations.

Plans for the monitoring and management of the contract

59. The service areas will be monitored and paid separately by commissioning officers in the council's community and voluntary sector engagement division and local support team.
60. The successful organisation and a commissioning officer will hold two monitoring meetings at six week intervals for the first three months of the contract. This will then be reduced to quarterly for the remainder of the year dependent upon satisfactory progress in achieving the outcomes as defined in the service specification. The council maintains the right to increase or decrease the frequency of these monitoring meetings dependent on performance. The provider will be required to inform the commissioning officer as early as possible of any reasons that may prevent it meeting the above requirements. For SESS monthly monitoring meetings will be held for the duration of the contract.
61. The successful organisation will provide monitoring reports to the commissioning officers in an electronic format agreed with the council two weeks in advance of the monitoring meeting. The timetable for monitoring meetings, returning of reports and the format of reports will be confirmed once the contract is awarded.
62. Annual performance reviews will be undertaken to CCRB annual and to DCRB six monthly.
63. As part of contract management the commissioning officers will follow good practice around proportionality and risk management and seek to minimise the burden on the service provider, while maintaining proper control of public money.
 - The monitoring and review processes will focus on collecting evidence to demonstrate delivery of outputs and the extent to which outcomes are being achieved. It will include a mix of self-evaluation and submission of mandatory monitoring data including Key Performance Information (KPIs) that will be included in the service specification.
 - Payments will be made in advance on a quarterly basis subject to satisfactory performance, reporting and evidence. Failure to meet these requirements will result in payment being withheld until such time as evidence of rectification of performance is notified.
 - A service review will be carried out 18 months before the end of the contract to inform future commissioning.

Staffing/procurement implications

64. The letting of this new contract will have no staffing implications.

Financial implications

65. The funding for this service comes from the General Fund.
66. There has been no inflationary uplift to the CVS contract since it was first let in April 2016 and there is none planned. For SESS, there was an uplift of 27% in 2018-19 of the SESS management fee bringing it to £50,000 and no further increase is planned for the duration of this contract.

67. The current budget on CE608 for the existing CVS contract for infrastructure and volunteering is sufficient to fund this component of the new strategy.
68. SESS expenditure for 2017-18 and the current financial year has been funded by an earmarked reserve. The current balance for this SESS reserve is £2,483,365, enough to fund the SESS component for the five year duration of the new strategy, at the levels proposed in paragraph 27 of this report.

Legal implications

69. Please see concurrent from the Director of Law and Democracy.

Consultation

70. Consultation on the CVS service specification for this contract has been carried out with internal and external stakeholders including:
- Children's and Adults' Services
 - Chief Executive's Office
 - Finance and Governance
 - Communities Division
 - Public Health
 - Culture, Libraries, Learning & Leisure
 - NHS Southwark CCG
 - VCS organisations including the Forum for Equalities and Human Rights (FEHRS).
71. During the current SESS contract a number of changes have been made as a result of customer feedback, which included altering the SESS food provider, working towards the LS service aims for the provision of food, a healthier alternative option was introduced and the following objectives achieved:
- Removal of stigma (if any) attached to using a food bank, working towards educating adults and children with regards to the promotion of healthy eating (menu card provided) on a low budget
 - Provision of fresh products including meat and fish, baby and vegetarian options
 - Home delivery of food provision, expanding availability to housebound customers
 - Cost savings reinvested into allocated SESS budget, providing further funding towards emergency food support and support, healthy eating & life skills (budget & cooking)
72. In March 2018, the department of education's examination of school absence data evidenced that disadvantaged girls are not attending school due to 'period poverty'. (Source: Absence rates by gender, age and free school meal status). Period poverty is a term used to explain that some people cannot afford the cost of female sanitary products. Following national interest and food provision beneficiaries' feedback, SESS introduced in June 2018 a cash award for the provision of hygiene products to meet the needs of the awarded household.
73. Demand for support, food, fuel and the management of debt has increased significantly in light of welfare reform and highlighted concerns relating to

deductions made to monthly disposable income of up to 40%, leaving recipients little or no money to feed, clothe themselves and their children or pay priority bills.

- 74. Further improvements have been identified as part of the new contract and these include improved provision for residents living within the congestion zone and fewer cash awards in favour of direct award of goods and services.
- 75. Comments raised will inform the service specifications.

Other implications or issues

- 76. There are no other specific implications or issues.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

- 77. This report seeks the approval of the Cabinet Member for the procurement strategy detailed in this report for the delivery of a Council for the Voluntary Sector (CVS), infrastructure and volunteering service and Southwark Emergency Support Scheme (SESS), through a single supplier negotiation with Community Southwark with a total estimated contract sum of £3,915,000 for a period of up to five years (3+2 years for CVS service area, 4+1 for SESS service area), from 1 April 2019 to 31 March 2024.
- 78. The services to be procured are classed as 'light touch' services, and as the value of those services exceeds the relevant EU threshold of £615k, they should ordinarily be tendered in accordance with the light touch regime under the Public Contract Regulations 2015 (PCR15). However Regulation 32(2)(b) allows the council to negotiate to award a contract (without prior publication) where those services can only be supplied by a particular provider due to competition being absent for technical reasons. The cabinet member is advised that when relying on any ground for exemption from the tendering requirements of the EU procurement regulations, there is a potential risk of challenge on the basis that the council does not have sufficient grounds to justify negotiation in those circumstances. However paragraphs 21-23 set out the justification for relying on regulation 32, and officer's belief that only Community Southwark are able to provide this service.
- 79. As detailed in paragraphs 47 and 48 of the report, this procurement will be evaluated based on the service provision that will be provided against a fixed maximum annual value of £783,000 for both these services with the CVS fixed at £383,000 per annum and the SESS will not exceed £400,000 per annum.

Director of Law and Democracy

- 80. This report seeks the approval of the cabinet member to the procurement strategy for the delivery of the CVS and SESS through a single supplier negotiation with Community Southwark, as further detailed in paragraph 1. As the estimated value of the two services to be procured is £2m or more, but below £4m then the approval of the procurement strategy is reserved to the relevant individual decision maker.

81. These services are classed as 'light touch' services in accordance with the Public Contract Regulations 2015, and as they exceed the light touch threshold of £615k, they should ordinarily be tendered in accordance with those regulations. However Regulation 32(2)(b) allows the council to negotiate to award a contract (without prior publication) where those services can only be supplied by a particular provider due to competition being absent for technical reasons. The cabinet member is advised that when replying on any ground for exemption from the tendering requirements of the EU procurement regulations, there is a potential risk of challenge on the basis that the council does not have sufficient grounds to justify negotiation in those circumstances. However paragraphs 21-23 set out the justification for relying on regulation 32, and officer's belief that only Community Southwark are able to provide this service.
82. The Cabinet Member's attention is drawn to the Public Sector Equality duty (PSED General Duty) under the Equality Act 2010, and when making decisions to have regard to the need to (a) eliminate discrimination, harassment, victimisation or other prohibited conduct, (b) to advance equality of opportunity and (c) foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion, religion or belief, sex and sexual orientation. The duty also applies to marriage and civil partnership but only in relation to (a). The Cabinet Member is specifically referred to the community impact statement at paragraphs 49-51 setting out the consideration that has been given to equalities issues, and to the consultation which has taken place (noted in paragraphs 70-75) which should be considered when approving this procurement strategy.

Strategic Director of Finance and Governance (F&G18/017)

83. This report is requesting approval from the Cabinet Member for Culture, Leisure, Equalities & Communities for a new procurement strategy for the delivery of Council for the Voluntary Sector (CVS), infrastructure and volunteering services, and the Southwark Emergency Support Scheme (SESS), through a single supplier negotiation with the current provider Community Southwark (CS) for a total of a five year period.
84. The strategic director of finance and governance notes that funding for CVS element is to be met from existing service budgets and adequate funding is available providing budgets remain at current around levels throughout the five year duration of the arrangement.
85. The strategic director of finance and governance also notes that the earmarked reserve is expected to be sufficient to fund the SESS for the proposed five year period.
86. Staffing and any other costs connected with this recommendation to be met by resources identified in paragraphs 60 and 61.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
None		

APPENDICES

No	Title
Appendix 1	Draft CVS Summary Service Specification
Appendix 2	Draft SESS Service Specification

AUDIT TRAIL

Lead Officer	Kevin Fenton, Strategic Director Place and Wellbeing		
Report Author	Andy Matheson, Senior Commissioning Officer, Community & Voluntary Sector Engagement Division		
Version	Final		
Dated	13 December 2018		
Key Decision?	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title		Comments sought	Comments included
Strategic Director of Finance and Governance		Yes	Yes
Head of Procurement		Yes	Yes
Director of Law and Democracy		Yes	Yes
Cabinet Member		Yes	Yes
Contract Review Boards			
Departmental Contract Review Board		Yes	Yes
Corporate Contract Review Board		Yes	Yes
Cabinet Member		Yes	Yes
Date final report sent to Constitutional /Community Council/Scrutiny Team			14 Dec 2018