

Item No. 15.	Classification: Open	Date: 4 February 2020	Meeting Name: Cabinet
Report title:		Gateway 2 – Contract Award Approval Local Community Offer (VCS Hubs)	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Jasmine Ali, Children, Schools and Adult Care	

FOREWORD – COUNCILLOR JASMINE ALI, CABINET MEMBER FOR CHILDREN, SCHOOLS AND ADULT CARE

I am pleased to report good progress on the procurement strategy for a new older people's hub.

This follows the Gateway One report I brought to Cabinet on 24 July 2018 introducing new ways of working based on a new model for older people and people with disabilities.

With each of the hubs comes significant investment in the local voluntary sector: approximately £1.1m allocated for the Older People's Hub and £400,000 for the Disability Hub.

The following Gateway Two proposes that we award the contract for the information and support hub for older people to Age UK Lewisham and Southwark. Age UK will lead and work with a wide range of voluntary sector organisations (many of whom we are already working with) to enable the council to better manage increasing demand at its "front door". They will assist individuals living within the borough to access information, advice and support, linking to community opportunities and services to support independence and wellbeing.

As lead councillor for adult care, I am familiar with many of the organisations supporting our older people. From the attached report, and from what I have seen of Age UK here in Southwark and the effective way they work with smaller providers, I am satisfied that this partnership will realise new ways of working to benefit all older people and staff involved in this exciting new hub. This will activate our positive policy of 'no wrong door', so that people who need our services only have to tell their story once to access them.

This new collaborative model will see the co-location of some Southwark council operational staff alongside workers from key Voluntary and Community Sector organisations, which are already providing many of the existing advice and signposting services through grant arrangements.

The fact that the Mental Health and Wellbeing Hub has been so successful in achieving our vision to raise quality for our service users fills us with confidence that the new Older People's Hub with Age UK at the helm will drive up the quality of care and enable a greater preventative approach that will benefit our older residents.

At the time of writing the council is unable to propose a contract award for the People with Disability Hub. It was disappointing that those who came forward to lead this hub were wide of the mark. They did not meet our minimum standards so the prospect of delivering the hub model and vision was out of the question.

There will be a seamless service for older people, as existing arrangements will continue until the new contract begins and TUPE arrangements are place in June 2020. Existing arrangements for People with Disabilities services will continue while the department, in partnership with key stakeholders including service users, will consider the way forward. New market stimulation or even the combination of future contracts on the mental health and wellbeing hub will be under consideration.

In the meantime I ask Cabinet to support the following Gateway Two paper on the contract award for a new hub for our older people in this borough.

RECOMMENDATIONS

1. That cabinet approves the award of Lot 2 contract for the Local Community Offer (Information and Support Hub) for older people and their carers to Age UK Lewisham and Southwark for a period of 3 years from 1 June 2020 with an option to extend for a further 2 years (1+1) for a maximum contract value of £5,444,030.
2. That cabinet notes that Lot 1 contract for Local Community Offer (Information and Support Hub) for All Age Disabilities and Carers approved in the gateway 1 report will not be awarded at this time and a further review of the required service is being explored with a timescale of March 2020 for agreeing next steps.
3. That cabinet note that the current arrangements expire on the 31 March 2020 and will be extended until 31 May 2020 to cover the period until the new contract starts on the 1 June 2020.

BACKGROUND INFORMATION

4. A Gateway 1 (GW1) procurement strategy report had been submitted and approved in July 2018 for the Southwark Local Community Offer (Information and Support Hub) services. The GW1 set out the council's intention to create two Hub models that will support the council to manage its "front door" by assisting individuals living within the borough to access information, advice, navigation and facilitation support that will link with preventative community opportunities across Southwark to support independence and wellbeing.
5. The procurement strategy proposed two new hubs, one which will support people with disabilities and their carers and one which will support older people and their carers will work closely with the Wellbeing Hub for people with mental health, a service that is already established.
6. The development of the two new hubs will provide more coordinated and tailored access to support and advice for Southwark residents.
7. Southwark Council has a number of older person and disability providers delivering various information, advice, navigation, befriending and social interaction services through grant arrangements. The grants have been

extended for a period of one year from 1 April 2019 to 31 March 2020 with an option to extend for a further two months up until 31 May 2020.

8. The GW1 procurement strategy report had set out that the hub model would consist of a separate lead provider for each of the hubs that will be responsible for offering a comprehensive range of support services through the development of a local network that connects community groups and local organisations.

Procurement project plan (Key Decision)

Activity	Completed by/ Complete by:
Forward Plan for Gateway 2 decision	11/11/2019
Briefed relevant cabinet member (over £100k) for GW1	12/06/2018
Approval of Gateway 1: Procurement Strategy Report	18/07/2018
Publication of OJEU Notice	08/04/2019
Publication of Opportunity on Contracts Finder	10/04/2019
Closing date for receipt of expressions of interest and SQ submission	08/05/2019
Completion of SQ short-listing of applicants	28/05/2019
Invitation to initial tender	29/05/2019
Closing date for return of initial tenders	27/06/2019
Completion of evaluation of initial tenders	18/07/2019
Negotiation Rounds	04/09/2019
Invitation to final tender	05/09/2019
Closing date for return of final tenders	18/09/2019
Completion of evaluation of final tenders	07/10/2019
CCRB Review Gateway 2:	28/11/2019
DCRB Review Gateway 2:	11/12/2019
Notification of forthcoming decision – dispatch of Cabinet agenda papers	28/01/2020
Approval of Gateway 2: Contract Award Report	04/02/2020
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	12/02/2020
Debrief Notice and Standstill Period (if applicable)	25/02/2020
Contract award	26/02/2020
Add to Contract Register	27/02/2020
Publication of award notice in Official Journal of European (OJEU)	28/02/2019
Publication of award notice on Contracts Finder	28/02/2019
TUPE Consultation period (if applicable)	29/05/2020

Activity	Completed by/ Complete by:
Contract start	01/06/2020
Contract completion date	31/05/2023
Contract completion date – if extension(s) exercised	31/05/2025

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

9. The procurement brings a number of provisions delivering various information, advice, navigation, befriending and social interaction services together as a joined up and holistic approach for older people and their carers in Southwark. There will be one lead provider that will deliver the hubs for older people and their carers. The lead provider is required to manage the front door service, work in partnership with the council as well as develop and manage a network of partners to deliver an information, advice and sign posting service to Southwark residents. The network is listed in appendix A.
10. The Local Community Offer (Information and Support Hubs) will deliver the following outcomes for residents which link to the Southwark Outcomes Framework:
 - Residents feel more able to access services at an early point and in times of crisis.
 - Residents have increased opportunities and support to volunteer.
 - Residents have improved access to community services.
 - Residents feel services are provided in a holistic way.
 - Residents feel that they have access to services to improve their wellbeing.
 - Residents feel more confident to maintain their independence without the need for higher levels of support.
 - Organisations can demonstrate they work more frequently in partnership across communities.

Key/Non Key decisions

11. This report is a key decision.

Policy implications

12. This contract award supports the council's statutory responsibility referenced in the Care Act 2014 to provide information advice, signposting and navigation support to enable people to remain independent, healthy and well.
13. The Care Act 2014 requires Southwark Council to:
 - Promote people's wellbeing and independence.
 - Prevent, delay or reduce care and support needs.
 - Provide information and advice on the choice of social care available.
 - Support people to fully participate in assessing their care and support needs.

14. This contract also supports Southwark's Council's commitment to a 'healthy life'. The provision of this service will contribute to the delivery of this commitment.

Tender process

15. An advert for the contracts was placed in the following places:
 - The Official Journal of the European Union (OJEU)
 - Procontract
 - Contracts Finder.
16. The tender process took the form of a Competitive Procedure with Negotiation. As the value of these contracts was over the EU threshold for light touch services, there was a requirement to follow the Light Touch Regime prescribed by the (EU) Public Contracts Regulations 2015 and advertise the tender in OJEU.
17. The council received Selection Questionnaires (SQ) from five organisations, some of which submitted a SQ for both lots.
18. Four organisations submitted a SQ for Lot 1 All Age Disabilities Hubs and three organisations submitted a SQ for Lot 2 Older Persons Hubs.
19. The contract for Lot 1 Disabilities Hubs could not be recommended for award as the tender submissions did not meet the quality threshold in a number of key areas. Therefore, this report focuses on the tender outcome of the Lot 2 Older Persons Hubs.
20. Three organisations submitted a SQ for Lot 2 Older Persons Hubs.
21. Each SQ submission was checked first for completeness and compliance before they were submitted to finance colleagues for evaluating the organisations economic and financial standing.
22. All three organisations passed the economic and financial standing stage of the SQ. The financial assessments were carried out in three parts and against the following criteria:
 - Credit score of 40 or higher.
 - Financial risk assessment for the Council by analysis of key ratios.
 - A minimum turnover of 1.5 times the annual contract value.
23. To achieve an overall pass in the financial assessment, applicants needed to meet all of the above criteria or satisfy the council that their financial assessment (in the case of credit checks) was sufficiently stable to deliver the services required from this tender.
24. The three organisations that passed the financial assessment were then evaluated on their responses to the technical questions in Stage 3 of the SQ evaluation.
25. Technical questions for Lot 2 Older Peoples Hub were evaluated by five council officers across commissioning and adult services.

26. One bidder who had submitted a SQ failed to meet the threshold score required to be invited to tender. Two organisations passed stage 3 of the SQ evaluation for Lot 2 Older Person's Hubs and were invited to tender.

Initial tender evaluation

27. The ITT stage for the Competitive Procedure with Negotiation comprised of an initial ITT stage for each lot in which bidders were requested to submit an initial tender for the lots they were bidding for. The initial tender was evaluated by an evaluation panel of officers from commissioning and adult services.
28. The quality evaluation for the initial tender was made up of six main questions and two sub-questions, meaning eight method statement responses were evaluated. The method statements were weighted in relation to their relative importance, as was set out in the tender documents.
29. A moderation meeting took place after each evaluator had individually scored each method statement and a consensus score for each method statement was achieved following this process.
30. On completion of the initial tender evaluation, bidders were invited to participate in negotiations with a negotiation panel.

Negotiation stage

31. The purpose of the negotiation stage was to enter into dialogue with bidders to ensure they fully understood the requirements of the service specification and then provide them with an opportunity to transpose their understanding in their final bids.
32. Negotiations were conducted on aspects of a bidder's tender, specifically on their proposed:
 - Service delivery model;
 - Workforce strategy;
 - Network and partnership management: and
 - Mobilisation plan.
33. The bidders' ability to perform as a lead provider role and manage a network of partners to fulfil the service specification in its entirety was also discussed.
34. The council held two rounds of negotiations for each bidder and in agreement with the bidders, concluded the negotiation stage once all parties were fully satisfied that the discussions held had enabled the bidders to submit revised tenders that reflect the discussions at the final stage.
35. Once the negotiation stage had been concluded, both organisations were invited to tender for Lot 2 Older Person's Hub.

Final tender evaluation

36. Two final tenders were received for Lot 2 Older Person's Hub.

37. Final tenders were evaluated using a quality split of 55% method statements, 15% social value and 30% price. The total annual contract value was estimated at £1.1m per annum for Lot 2 Older Person's Hub. All bids received were within this estimated value.
38. The final quality evaluation was made up of six method statements and three sub-questions, meaning nine method statement responses were evaluated. Some of the method statements in the final ITT stage differed from the initial ITT stage. The final ITT method statements focused on the key areas:
- Service Delivery
 - Network and Partnership Working
 - Social Value
 - Mobilisation
 - Risk Assessment & Business Continuity.
39. For the method statement on social value, the new Social Value Portal was used for bidders to submit their response.
40. The final tender submissions were assessed by the same evaluation panel that had assessed the initial tender submissions and had also taken part in the negotiations.
41. A moderation meeting took place after the evaluators had individually scored the method statements and a consensus score for each method statement was achieved following this process.
42. The price evaluation weighting for this procurement was 30%. The 30% weighting was split into the following sub-weights as per Table A, to reflect the added value of bidders being able to deliver services over and above the services listed in the specification. These services are the 'Desirable Services'.

Table A – Hubs price evaluation weightings

No.	HUBS Price Categories	Sub Weightings
1.	Lead Provider Management Costs	5%
2.	Essential Services	10%
3.	Desirable Services	15%
Total		30%

Note: All bidders included 'Desirable Services' in their bids.

43. The price evaluation was based on the weighted scores for the above price categories.

Final Evaluation Scores

44. The final evaluation scores for each bidder comprised of a quality score for the method statements and a price score for the contract price.
45. To pass the quality evaluation, five selected questions had a minimum score of 3 out of the available score of 5.
46. For Lot 2, one bidder failed to meet the minimum score of 3 on four of the five questions. Therefore, failed the quality evaluation for this tender having scored 9

points out of the required 15, resulting in the bidder not meeting the quality threshold for this tender and being excluded from the final evaluation.

Tender Outcome

47. The outcome of this tender has ensured that only prospective providers who have demonstrated that they can meet the requirements below are recommended for contract award:

- Past experience in delivering similar services.
- The ability to implement and execute a hub model comprising a lead provider and provider network.
- The ability to work collaboratively with the council's adult social care teams.
- The ability to manage a "front door" and information and advice service to assist individuals to maintain their independence and reduce the demand on statutory services.

Lot 2 – Tender outcome and recommendation

48. Age UK is an incumbent provider part of a consortium of six local charities called COPSINS who provide services to older people in Southwark. Having delivered services to Southwark residents for over a century, Age UK, along with its network of partners have a depth of local knowledge and understanding of the needs and requirements of Southwark's older population.

49. Through the two negotiation rounds held with Age UK and the negotiation panel comprising Assistant Director (AD) of Commissioning, AD of Older Persons and Physical Disabilities Team, Strategic Commissioning Manager and the Service Development Manager, the panel conveyed to Age UK the areas within the initial tender that needed to be strengthened, namely:

- Lead provider model needed to demonstrate how Age UK would perform as a lead provider and not as an equal partner of the COPSINS consortium.
- Partnership arrangements needed to demonstrate the processes and accountabilities in place to support the network arrangements.

50. Age UK's final tender had incorporated the required improvements by the negotiation panel and therefore could demonstrate the bidders ability to deliver the service in accordance with the specification. Their final method statements will be part of the contract documentation.

51. The recommendation is to award the Lot 2 contract, for Local Community Offer (VCS Hubs) for Older People and their Carers, to Age UK.

Plans for the transition from the old to the new contract

52. TUPE will apply upon the award of the contract. A three month mobilisation period is in the procurement project plan and it is anticipated that this will allow sufficient time to enable a smooth transfer from the existing provider to the new provider.

53. Existing contracts and grant arrangements will be extended from 31 March 2020 until 31 May 2020 to cover the period from the old to when the new contract commences.

Plans for monitoring and management of the contract

54. The contract will be managed by the contract management team who sit within the Commissioning Division.
55. The monitoring arrangements will provide information on whether or not the contract is performing as expected. Quarterly reports will reflect the outcomes that have been achieved against the agreed targets.
56. Six monthly reports and an Annual Performance Report as set out in the contract standing orders will be produced for consideration by the new Strategic Quality and Contract Review Board on behalf of DCRB.

Identified risks for the new contract

57. The following risks and associated mitigations have been identified;

Risks	Mitigation or control	Likelihood
Service pressure and increasing demand on operational colleagues.	Ensure co-location and shared working approaches are implemented during mobilisation phase.	Medium
Lot 1 All Age Disabilities and Carers contract not being awarded.	Current contracts will be extended to cover the time needed to review alternatives for Lot 1 contract. A GW3 to extend current contracts will be considered in February 2020	Medium

Community impact statement

58. The older person’s hub is intended to provide information, advice, navigation and signposting support, to some of the Borough’s most vulnerable residents, as well as supporting the council to more effectively respond to, and manage its demand for support
59. Officers are mindful of the need to have due regard to the Public Sector Equality Duty imposed by section 149 of the Equality Act 2010, which requires the council to:
- Eliminate discrimination, harassment, victimisation or other prohibited conduct
 - Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it and
 - Foster good relations between persons who share a relevant protected characteristic and those who do not share it.
60. A further equality impact assessment will be undertaken in order to ensure that the service delivery model remains appropriate for all service users. The health and wellbeing of Southwark residents will be at the core of the work for this service.

Social Value considerations

61. 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 social value considerations included in the tender (as outlined in the gateway 1 report) are set out in the following paragraphs in relation to the tender responses, evaluation and commitments to be delivered under the proposed contract.
62. The council's Fairer Futures Procurement Framework requires payment of the London Living Wage (LLW), where appropriate. It is appropriate for all staff working on this contract to be paid LLW. It is expected that payment of the LLW by the successful bidder will result in quality improvements for the service users. These should include a higher calibre of multi-skilled operatives that will contribute to the delivery of the services and will provide best value for the council. It is therefore considered appropriate for the payment of LLW to be required. Following award, these quality improvements will be monitored as part of the contract review process.
63. The successful bidder has satisfied the requirements of the council by committing to pay the LLW. The successful bidder has also committed to making other positive contributions to the wider community via the Social Value Portal scoring 8.9% out of the allocated 15% for their response to the following:

Social Value Portal

National Themes, Outcomes and Measures	Question	Proxy Value (with weightings)	Target Number	Target Social Value
NT1	No. of local people (FTE, Full Time Equivalent) employed on contract for one year or the whole duration of the contract, whichever is shorter.	£37,209.00	16	£595,344.00
NT3	No. of employees (FTE, Full Time Equivalent) taken on who are long term unemployed (unemployed for a year or longer)	£15,085.95	2	£30,171.89
NT6	No. of jobs (FTE, Full Time Equivalent) created for people with disabilities	£13,234.70	6	£79,408.20
NT8	Local school and college visits e.g. delivering careers talks, curriculum support, literacy support, safety talks (No. hours, includes preparation time)	£14.80	120	£1,776.24

National Themes, Outcomes and Measures	Question	Proxy Value (with weightings)	Target Number	Target Social Value
NT14	Total amount (£) spent with VCSEs within your supply chain	£0.44	1,559,121	£692,249.72
NT20	Demonstrate commitment to work practices that improve staff wellbeing, recognise mental health as an issue and reduce absenteeism due to ill health. Identify time dedicated for wellbeing courses (internal staff)	£97.75	320	£31,279.04
NT29	No hours volunteering time provided to support local community projects	£14.80	420	£6,216.84
SW2	Other staff/volunteer hours dedicated to health and wellbeing activities (for services user/Southwark residents) – Only in addition to the essential and desirable elements of the service specification	£14.80	63	£932.53
Total Social Value Amount				£1,437,378.46

64. The social value portal has calculated a target of £1.4m for the duration of this contract. This equates to social value worth £280k per annum (26% of annual contract value).

Economic considerations

65. The procurement of a Hub to support older people and their carers is a cost effective way of ensuring residents have equal access to preventative services, people do not wait for an assessment to find out that they are not eligible for social care services and they receive information, advice or guidance to address the issue(s) they are concerned about. This approach will also support the council to effectively manage demand so that adult social care support is received by residents with the highest level of need. The Hub model will help Southwark Council manage budget pressures and sustainability of services.

66. The successful bidder has demonstrated social value in their bid by committing to create apprenticeships for local people and encourage and fully support the engagement of volunteers across the services as stated in their Social Value “Terms of Measure” response.

Social considerations

67. This service supports council plan commitments objectives to promote independence and well-being by funding activities and services to facilitate

community representation and voice in the areas of health and social care. This will further the aim of promoting inclusive and representative community participation in the planning, commissioning, delivery and quality of these services in Southwark.

Environmental/Sustainability considerations

68. There are no environmental /sustainability considerations.

Market considerations

69. The market for the Older Person's Hub is stable and well developed. There has been a strong Voluntary Community Sector presence in Southwark for a number of years. Many of the providers already work collaboratively as part of a consortium.

Staffing implications

70. Staffing and contract management resources will be met within the Children's and Adults' Commissioning Teams.

Financial implications

71. The annual contract value for the proposed new contract is £1,088,000. There is sufficient budget available to fund this from the Adult Social Care budget.

72. The Older Person's Hubs is fully funded from the Better Care Fund's through the Voluntary Sector Preventative services and the Voluntary Sector Carers schemes. Therefore it is important that the new contract fulfils BCF monitoring requirements.

73. The recent Spending Round confirmed the BCF to continue for 2020-21. However its future in the medium and long term remains uncertain.

Legal implications

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

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (52TJ201920)

75. The Strategic Director of Finance and Governance notes the contents of this report and in particular the issues addressed in the Financial Implications. Officers must work closely with CCG colleagues to ensure compliance with BCF conditions and to mitigate any future funding risks.

Head of Procurement

76. This report seeks approval from the Cabinet to award of the Local Community Offer (Information and Support Hub) for older people and their carers Lot 2 to Age UK for a period of 3 years with the possibility to extend twice by 12 months for a total cost of £5,444,030.

77. The Local Community Offer (Information and Support Hub) for older people and their carers were procured as 'light touch' services, and as the value of those services exceeds the relevant EU threshold of £615k, they have been tendered in accordance with the light touch regime under the Public Contract Regulations 2015 (PCR15). The report confirms that this procurement was conducted through an EU Competitive Procedure with Negotiation, which was advertised on OJEU, in compliance with the requirements of the EU Procurement Regulations and in accordance with the strategy proposed in the relevant Gateway 1 and the council's CSOs.
78. This report confirms the monitoring and management arrangements that will be in place during the life of the contract.

Director of Law and Democracy

79. This report seeks approval of the award of a contract for the Local Community Offer (Information and Support Hub – Lot 2) for older people and their carers, as detailed in paragraph 1.
80. The services which comprise the proposed contract fall within one of the categories of "light touch" services as defined in the (EU) Public Contracts Regulations 2015. The report describes from paragraph 16 how the contract has been procured in accordance with those Regulations, using the competitive procedure with negotiation. This is a more flexible procedure which preserves competition between interested providers whilst allowing the council to discuss all aspects of the contract with each candidate.
81. The proposed contract award is also consistent with relevant domestic legislation and with the requirements of the council's Contract Standing Orders (CSOs). As a strategic procurement (as defined in the CSOs) the decision to approve the award recommendation is one which is reserved to the Cabinet.
82. The community impact statement set out from paragraph 58 notes that a further equality analysis will be undertaken in order to assess the impact of the service delivery model on service users. This exercise will assist the council to demonstrate how officers have had due regard to the Public Sector Equality Duty in this procurement, as required under the Equality Act 2010.

APPENDICES

No	Title
Appendix A	List of providers in the network

AUDIT TRAIL

Cabinet Member	Councillor Jasmine Ali, Children, Schools and Adult Care	
Lead Officer	David Quirke-Thornton, Strategic Director for Children's and Adults' Services	
Report Author	Samantha Edwards, Procurement Manager	
Version	Final	
Dated	15 November 2019	
Key Decision?	Yes	
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
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 Team	23 January 2020	

APPENDIX A

List of Providers in the Network

Older Person's Hubs	
Lead Provider	Network of Providers
Age UK Lewisham and Southwark	<ol style="list-style-type: none">1. Blackfriars Settlement2. Link Age Southwark3. Southwark Carers4. Southwark Pensioners Centre5. Time and Talents