

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 22 July 2021	<b>Meeting Name:</b> Deputy Leader and Cabinet Member for Children, Young People and Education
<b>Report title:</b>		Gateway 1 Children and Family Centres Procurement Strategy	
<b>Ward(s) or groups affected:</b>		All Wards	
<b>From:</b>		Strategic Director of Children's and Adults' Services	

## RECOMMENDATIONS

1. That the Deputy Leader and Cabinet Member for Children, Young People and Education approve the procurement strategy outlined in this report for the delivery of the Children and Family Centres programme via four Single Supplier Negotiations (SSN) with the lead agencies listed in table 1 for a period of 2 years from 30 November 2021 at an estimated aggregated annual value of £1,740,000 making an estimated total aggregate cost of £3,480,000 over two years.
2. That the Deputy Leader and Cabinet Member for Children, Young People and Education delegate the Gateway 2: Contract Award Decision to the Strategic Director of Children's and Adults' Services.

## BACKGROUND INFORMATION

3. Children and Families Centres (CFC) in Southwark are currently delivered by five lead agencies (three maintained schools, two voluntary sector organisations) across four Southwark localities and they are currently funded via a grant award. The total 2020/21 annual budget for CFC's is £2,335,114. This report refers to the contracts related to the Peckham, Peckham Rye and Nunhead, Bermondsey and Rotherhithe and Borough, Bankside and Walworth localities with a combined annual budget of £1,740,151.

**Table 1: CFC's locality, lead agency and annual budget**

<b>Locality</b>	<b>Lead Agency</b>	<b>Annual Budget</b>
Borough, Bankside and Walworth	1st place Children and Parents Centre	£420,463
	Coin Street Centre Trust	£133,966
Peckham, Peckham Rye and Nunhead	Ivydale Primary School	£652,487
Bermondsey and Rotherhithe	Pilgrim's Way Primary School	£533,235

4. CFCs are places where families with children under the age of five can access a range of services and information and get help and advice from health, education, and social care professionals. Their core purpose is to improve outcomes and reduce inequalities.
5. CFCs support outcomes across child development, school readiness, health outcomes and life chances.
6. In addition, CFCs host partner services, the delivery and resource of which is outside of the funding scope of the grant award. However, it remains an expectation of the CFCs arrangement with the council that they support the wider delivery of health and social care services to improve outcomes of residents.
7. In 2015, Children's Centres, as they were called then, were invited to submit formal application to become a lead agency for their locality and due approval process was completed. The new arrangements were implemented from 1 April 2016 and the lead agencies were agreed.

**Table 2: CFC's locality and lead agency**

<b>Locality</b>	<b>Lead Agency</b>
Borough, Bankside and Walworth	1st place Children and Parents Centre
	Coin Street Centre Trust
Peckham, Peckham Rye and Nunhead	Ivydale Primary School
Bermondsey and Rotherhithe	Pilgrim's Way Primary School
Camberwell and Dulwich	Dulwich Wood Primary School

8. Discussions regarding the provision of Children and Family Centres with Camberwell and Dulwich are ongoing and separate procurement strategy will be brought forward and reported in due course.
9. Each CFC lead agency employs a manager and staff team with a mixture of administrative support, family support and early year's practitioner roles. Services delivered from CFCs include:

- a. Family Support - 1:1 casework for families with complex needs who are referred by partners or stepped down from Children's Social Care.
  - b. Parenting programmes to support attachment and improve family relationships.
  - c. Targeted groups to meet identified needs e.g., domestic abuse, low-income families or fathers' group.
  - d. Play, learning and development – including baby and toddler groups, stay and play (universal and targeted).
  - e. Bookstart sessions and promotion of Dolly Parton's Imagination Library.
  - f. Education, Skills and Training, in partnership with Southwark Works, Department of Works and Pensions (DWP) and other employment support services, to support parents into employment, including English for Speakers of Other Languages (ESOL)
  - g. Basic/functional skills, volunteering opportunities, vocational accredited skills, GCSEs/NVQs, and First Aid.
  - h. Advice and guidance on issues affecting children and families.
  - i. Health services currently hosted by CFCs but funded by South East London Clinical Commissioning Group include antenatal and postnatal groups and activities, support for mental health and post-natal depression; nutrition/dietetics; breastfeeding support, speech and language support.
10. To date CFCs have demonstrated effective working with the Family Early Help service and are integral to the delivery of the Keeping Families Strong approach.
11. The 2017 Ofsted Inspection of Local Authority Children's Services (ILACS) highlighted that "Younger children who have emerging and additional needs are helped through an extensive range of services clustered around children's centres". The 2020 Ofsted focused visit again recognised CFCs as part of the local alliance to provide a safety net for vulnerable children as part of the COVID-19 pandemic response. These reports demonstrate effective cross system working and the role of CFC in supporting children and families.

### **Summary of the business case/justification for the procurement**

12. Southwark's Borough Plan (2020–2022) sets out an ambitious plan to build a better future for the people of Southwark includes commitments across eight themes guided by Southwark's values which help Southwark achieve the vision of a fairer and more just society. Of the eight commitments within the Borough Plan the CFCs services contribute considerably to the new priority themes, which are:
- a. Tackling health inequalities
  - b. Great start in life
  - c. Thriving neighbourhoods

13. There is an intention to move from grant-funded arrangements to individual formal service contracts from 30 November 2021. The benefits of moving to a contract arrangement are:
  - a. Improved outcomes for families, demonstrated by standardised use of information systems and key performance reporting.
  - b. Provide certainty of funding to not-for-profit organisations.
  - c. Gain oversight and transparency regarding CFC building utilisation by wider council and NHS funded services.
  - d. Build strategic management, leadership, and accountability to support provider readiness for a competitive procurement process.
14. The funding allocation is based on the health and care needs of the locality areas covered by the CFC programme. The funding commitment has been maintained from 2016 to 2021. The financial envelope for these services remains the same as set out in Table 1.
15. The Family Early Help team carried out an operational review of the CFC provision in preparation for moving to a contractual arrangement and identified the following areas for development:
16. Development and implementation of a borough wide early years support that, ensures early help at the very earliest opportunity, in the right place and at the right time. This includes:
  - a. Enhancing the existing universal stay and play based offer with a 1:1 provision at the very earliest opportunity
  - b. suitable levels of support for those experiencing low level difficulties
  - c. To optimise the use of the current integrated data system improving recording and reporting of service performance and outcomes
  - d. Transparency on building utilisation by the council and NHS funded services
  - e. Provide equitable service access between localities to children and families leading to demonstrable outcomes.
  - f. Ensure value for money for the council and residents.
17. The Council began engaging informally with providers in quarter one 2020-21, to explore the potential of a procurement process. At the same time the council began market research and benchmarking. Delivering both in parallel allowed the council to jointly consider provider readiness to procurement and market recommendations before progressing with a procurement option.
18. This process has been delayed, predominantly by the COVID-19 pandemic, which has limited the council's and provider's ability to engage in formal negotiations. CFC's have been focused on the identification of vulnerable families and ensuring delivery via alternative methods (i.e. virtual or face to face following COVID safe practice).

19. The council re-engaged with providers in 2020/21 quarter three to inform and agree a service development plan and operational aspects of the service. This has helped the Council and providers understand readiness for delivery against operational requirements.
20. Parallel to this paper a separate report has been put forward to the relevant decision maker to formalise approval for the extension of the grant arrangements. Meaning that the grant arrangements, for the localities listed in this procurement strategy will run until 30 November 2021 to enable providers to continue delivery up to a point where contracts are in place across all localities.

### **Market considerations**

21. Benchmarking carried out in January 2021 found 12 local authorities had either carried out or were preparing for a procurement exercise for Early Years provision, including CFCs between 2018 and 2021. Of these 12 local authorities, four were exercises comparable to Southwark, as they were specifically focused on Children and Family Centres. Others included integration with other provisions, significant redesigns and / or were seeking multiple providers across disciplines.
22. Comparable service elements included:
- a. Children and Family centre model only
  - b. Value
  - c. Locality based model
23. Key findings, relating only to comparable procurements with regards to CFC's, showed (see Appendix 1 for further details).
- Providers in the market are mainly voluntary and community sector, with a mix of national and local providers
  - Contract values varied; all were in excess of £2 million.
  - There was a total of four tenders published for Children and Family Centres services since 2018.
  - In January 2021, a local authority published a contract award that followed a single supplier negotiation.
24. One Local Authority pursued a single supplier negotiation (SSN) in 2020 after a failed tendering exercise for a service advertised as two lots but to be awarded as three contracts. In this case, the SSN was justified on the basis that:
25. *“The incumbent economic operators own the buildings where the services are delivered from, which are required to be located within specific geographic areas. New suppliers would incur prohibitive accommodation costs and not deliver best value, as current suppliers cannot be required to vacate the buildings. Previous competition indicated no other interested suppliers. Competition is therefore considered to be absent for technical reasons”.*

26. This procurement is thought to be the most comparable to Southwark's as it detailed:
- Most recent procurement, with a contract start date of April 2021
  - Children's Centres operating across localities or clusters
  - Requires Children's centres to play a significant role in the interfaces between different services and integrated pathways.
  - Incumbent providers owned the buildings where services are provided from

## KEY ISSUES FOR CONSIDERATION

### Options for procurement route including procurement approach

27. Southwark's Borough Plan (2020–2022) includes commitments across eight themes guided by Southwark's values which help Southwark achieve the vision of a fairer and more just society.
28. CFCs support the delivery of three of the Borough Plan commitments: Tackling health inequalities, Great start in life and Thriving neighbourhoods.
29. The impact of CFCs was highlighted by the OFSTED focused visit in 2020, which recognised that CFCs are "part of the alliance to provide a safety net for vulnerable children as part of the COVID-19 pandemic response".
30. The council seeks to move to formalised contractual arrangements with the current incumbent providers from 30 November 2021. The contractual arrangement will allow for increased management with regards to financial controls and performance. The contracting arrangements also forms part of the council's plans to ready the market for procurement in future years.
31. The following options have been considered in relation to the procurement of this service:

<b>No.</b>	<b>Option</b>	<b>Impact</b>
1.	<b>Do nothing</b>	<p>There is a statutory duty placed on Local Authorities to provide early childhood services (which includes early-years provision and health and social services for young children, parents and prospective parents as stated in the Childcare Act 2006).</p> <p>This is not a viable option, because if the council does not provide these services it would be in breach of statutory duties.</p>

<b>Table 2: Procurement options</b>		
<b>No.</b>	<b>Option</b>	<b>Impact</b>
2.	<b>Continue with an extension of the grant award.</b>	This would maintain arrangements as they are for a set period, however, the council's ability to ensure value for money and implement the recommendations of the review in paragraph 14 would be significantly limited.
3.	<b>Conduct a competitive procurement / tender process for the service</b>	<p>A competitive tender would destabilise the current local CFC provisions (which has been established since their inception in 2005 then known as Children Centres) by local voluntary / community or school providers.</p> <p>CFC have been set up by the current lead agencies via a long history and legacy of (on-going) community engagement and development meaning services are specific to Southwark communities and partnerships across the health, education, voluntary community sector and social care landscape.</p> <p>The impact on wider partners which currently provide a range of services include health, social care and family support and outreach via CFC buildings could be:</p> <ol style="list-style-type: none"> <li>1. Unknown cost pressures for the provision of estate to deliver services, across CFCs and wider health and social care services.</li> <li>2. Reorganisation and delivery of services which are currently contributing to the response to COVID in supporting vulnerable families. A competitive tender could result in considerable service change which would impact the ability of services to respond to families' needs.</li> </ol> <p>Benchmarking in paragraphs 21 – 26 shows a mixed picture regarding the success of procurement activities.</p>

<b>Table 2: Procurement options</b>		
<b>No.</b>	<b>Option</b>	<b>Impact</b>
4.	<b>Provide the service in-house</b>	<p>This would require additional investment to set up a new team for the delivery of CFC services, with potential TUPE implications and possibly recruitment of staff to provide the service due to current capacity and resource implications. Expertise, partnerships, and competencies for CFCs has been developed externally since 2005 to support high quality service delivery. Southwark Council would have to make a significant investment upfront to build up the expertise and competencies to provide an in-house service for the CFC programme.</p> <p>Therefore, this would not generate a reasonable return on investment.</p>
5.	<b>Call off from a framework</b>	There is no existing framework currently available. A framework would have to be developed and procured by way of a competitive tendering exercise.

<b>Table 2: Procurement options</b>		
<b>No.</b>	<b>Option</b>	<b>Impact</b>
6.	<b>Initiate service development with CFC lead agencies and conclude with the Single Supplier Negotiation (SSN) arrangement</b>	<p>The current lead agencies have a long-standing history and have been actively involved in the development and delivery of CFC service since 2005 under grant funding arrangements. They have developed the required infrastructure, expertise, community engagement and networks to deliver service at scale for their local community and are considered as a matured provider.</p> <p>CFC services are delivered from several designated buildings, which are required to be located within specific geographic areas. Four incumbent lead agencies have ownership of these buildings and the other buildings are jointly owned by primary school and the council. New agencies are likely to incur accommodation costs and not deliver best value, as current lead agencies cannot be required to vacate the buildings.</p> <p>This provides an opportunity to initiate a series of engagement meetings with the lead agencies as set out in the service development framework that examines the fitness of the lead agency to deliver the service to the specification in relation to quality and performance. Once the lead agencies satisfy the SSN requirements a contractual arrangement could then be formalised.</p> <p>The SSN provides the council the opportunity to formalise the current arrangements, ensuring financial and service delivery stability whilst contract monitoring arrangements and financial monitoring are implemented.</p>

### **Proposed procurement route**

32. Option 6: is recommended to complete service development with the four CFC lead agencies and conclude four Single Supplier Negotiations across the lead providers of the Peckham, Peckham Rye and Nunhead, and Bermondsey and Rotherhithe, and Borough, Bankside and Woolworth localities. This will allow the council to move forward with individual contractual arrangements with the lead agencies as set out in Table 1 for the delivery of the CFCs to start from 30 November 2021.

33. Taking forward four SSN and progressing with four individual contracts allows flexibility based on the current development needs of each lead agency. It also allows the council to develop suitable contracts which are responsive to the needs of each of the localities.

34. A framework for service development was compiled in advance of this report which aims to prepare, support and examine the fitness of each lead agency to deliver the service to the specification in relation to quality and performance –please see Appendix 1 for the service development framework.

35. The project board met in quarter four of 2020/21 after reviewed the supporting evidence and information submitted by all the lead agencies as set out in the service development framework and, after having considered the findings of the market research and benchmarking exercise recommended the above-named lead agencies should proceed with SSN arrangement and with the intention to conclude with direct award of contract via a Gateway 2 report in the coming months.

**Identified risks for the procurement**

36. Although the SSN approach does present a risk of challenge, it is considered that this risk is low. CFCs are often provided by voluntary community service and small medium enterprise sector which are deep rooted within local communities. The benchmarking exercise demonstrates varied procurement activity related to early years provision, highlighting that delivery is often sought through nuanced solutions which meet local needs.

37. The following risks have been identified for the CFC’s procurement:

No.	Risk	Risk Level	Mitigating Action
1.	Challenge to the SSN procurement route	Low	SSN is justified in this instance because (i) the current lead agencies have a long history of strong local community connections putting them in a unique position to provide services responsive Southwark residents’ needs; and (ii) CFC services are delivered from a number of designated buildings, which are required to be located within specific geographic areas. Four incumbent CFCs have ownership of the buildings and the other buildings are jointly owned by primary schools and the council. The current lead agencies cannot be required to vacate the building;

			<p>and the new agencies are likely to incur unaffordable accommodation costs and not deliver financially viable service.</p> <p>The risk of challenge is mitigated by establishing a formal short term contractual relationship between the council and the four lead agencies of CFCs in order to enable the council to commence a tendering exercise for a longer-term service in the near future</p>
2.	There is potential risk of poor service design and delivery	Low	<p>A project board oversees the development of this process. Members of the board include family early health team, operational leads, commissioning, and key stakeholders, to ensure the service specification is developed in line with current operational priorities, robust performance management, monitoring and reporting frameworks</p>

38. The risks and benchmarking highlight that the market is unlikely to be able to respond and mobilise service delivery within a reasonable time frame which does not:

- a. Destabilise of other public services hosted delivered in partnership within CFC buildings, which may inflate costs of provision and reduce the services currently available to Children and Families.
- b. Create a cost model which providers cannot respond to due to estate management requirements. CFC services are delivered from 16 designated buildings, which are required to be located within specific geographic areas. In the short term the market is unlikely to be able to respond due to unaffordable accommodation costs and therefore not deliver best value.

39. A short-term contract mitigates against these risks and allows the council to engage with the market to increase capacity for future procurements.

### **Key /Non Key decisions**

40. This report deals with a key decision.

## Policy implications

41. Southwark's Borough Plan (2020-2022) includes commitments across eight themes guided by Southwark's values which help Southwark achieve the vision of a fairer and more just society. The provision for under-fives and families delivered through CFCs directly supports the priority themes; tackling health inequalities, a great start in life, and Southwark Stands Together as CFCs support some of the most vulnerable families in the borough.
42. The Childcare Act 2006 ("the Act") places a range of duties on Local Authorities in relation to the provision of early childhood services (which includes early-years provision and health and social services for young children, parents and prospective parents, together with employment and other advice for parents and prospective parents).
43. The council is committed to improve the well-being of young children in their area and reduce inequalities between them, in relation to matters such as physical and mental health and emotional well-being; protection from harm and neglect; education, training and recreation; the contribution made by them to society; and social and economic well-being.

## Procurement project plan (Non Key decisions)

Activity	Complete by:
DCRB Review Gateway 1:	12/05/2021
CCRB Review Gateway 1:	20/05/2021
Brief relevant cabinet member (over £100k)	25/05/2021
Approval of Gateway 1: Procurement strategy report	06/07/2021
Forward Plan (if GW2 is key decision)	01/08/2021
DCRB Review Gateway 2: Contract award report	11/10/2021
Notification of forthcoming decision (if GW2 is key decision)	12/10/2021
Approval of Gateway 2: Contract Award Report	26/10/2021
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision (If GW2 is key decision)	04/11/2021
Contract award	22/11/2021
Add to Contract Register	23/11/2021
Place award notice on Contracts Finder	23/11/2021
Contract start	01/12/2021
Initial Contract completion date	30/11/2023

### **TUPE/Pensions implications**

44. There will not be any TUPE implications for Southwark Council staff as none currently deliver the CFC service.

### **Development of the tender documentation**

45. The SSN documents (including the service development framework) have been developed with the officers from the children's and early years services with commissioning and operational specialist knowledge. Additional support, advice and expertise will be sought from human resource, finance, procurement, legal team as appropriate.

46. The commissioner completed a benchmarking exercise to explore best practice examples, and key lessons learned have been incorporated in the development of the service specification adopted for the service.

47. The commissioning team is responsible for developing the SSN and procurement documentation with support from legal and procurement services in advance of this GW1 report. The documents will include the council's standard service contract conditions.

### **Advertising the contract**

48. Not applicable.

### **Evaluation**

49. The SSN will be based on the Service Development Framework that examines the fitness of each lead agency to deliver the service to the specification in relation to quality and performance. The providers will also have to demonstrate that they are able to meet the quality and performance requirements within the financial envelope available.

### **Community impact statement**

50. The Public Sector Equality Duty, at section 149 of the Equality Act, requires public bodies to consider all individuals when carrying out their day-to-day work – in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard when carrying out their activities to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between people with protected characteristics and those with none. The council's Approach to Equality commits the council to ensuring that equality is an integral part of our day-to-day business.

51. “Protected characteristics” are the grounds upon which discrimination is unlawful - the characteristics are age, gender, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, and sexual orientation.

52. Southwark’s Borough Plan (2020–2022) sets out an ambitious plan to build a better future for the people through various initiatives which the council will deliver such as ‘Tackling Health Inequalities’ and ‘Southwark Together’ to deliver value for money and quality services for children under-fives and their families accessing CFC service.

53. As the CFCs programme is focused on young children and their families, the decision to continue to resource them would be expected to have a particularly positive impact on:

- Children under the age of five.
- Parents of young children, in particular women who make up the highest proportion of parents using Children’s Centre services.
- The communities amongst whom young children are concentrated.
- Children from Black, Asian and Minority Ethnic (BAME) backgrounds. More than half of the population of Southwark children aged 0-4 years is of BAME background
- Children from low-income families. 24.7% of children aged 0-4 are from low-income families.

54. The impact with regards to individual groups and communities will be continually assessed throughout the lifetime of the contract. An equality impact analysis will be undertaken as part of the SSN engagement process to ensure the needs of those having a protected characteristic under the Equality Act will be fully considered. The equality impact analysis will be presented as part of the Gateway 2 documentation.

### **Social Value considerations**

55. 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**

56. The providers will be contractually required under the Fairer Future Procurement Framework (FFPF) to pay the London Living Wage where appropriate. There is an expectation that providers will seek to employ and recruit appropriate staff locally.

57. The aim of the CFC's programme is to improve the social and economic well-being of all the children under-fives and their families in Southwark. The lead agencies work with families with children under-fives who come from a wide range of social-economic groups where hard to reach/social exclusion and area of economic deprivation persist.

### **Social considerations**

58. The CFCs programme supports children under-fives and their families who come from a wide range of hard-to-reach groups where social exclusion and pockets of economic deprivation persist. This programme enables them to start well and lead a healthy life, regardless of their background, by providing easy access to pre-school, health and social services.

59. Given the nature of the work with children, families and communities apprenticeships are not considered appropriate for this contract. Therefore, training opportunities will be considered as part of the negotiations.

### **Environmental/Sustainability considerations**

60. The council will expect most of the workforce of the providers to use public transport to travel. The providers shall be expected to use digital resources, including electronic mail and databases to avoid unnecessary use of paper. The CFC services reside within the borough of Southwark and will be required to adhere to the council waste management and recycling guidance.

### **Plans for the monitoring and management of the contract**

61. The council's contract register publishes the details of all contracts over £5,000 in value to meet the obligations of the Local Government Transparency Code. The Report Author must ensure that all appropriate details of this procurement are added to the contract register via the eProcurement System.

62. The contract will be performance managed by the quality and performance team in conjunction with family early help transformation leads.

63. The contract monitoring will also include:

- Whole family, outcomes focused casework using the agreed intervention framework and tool kit, Family Star Plus assessment and support planning tool (i.e., Mosaic for Family Support service and Synergy for Early Years).
- Analysis of on-going engagement/feedback with families with children under-fives on service experience and satisfaction
- CFC visits that can be announced or unannounced.
- Agreed service development plans for continuous improvement.

64. The monitoring arrangements will provide information on whether the contract is performing as expected. The quality reports will reflect the outcomes that have been achieved against the agreed targets.

65. Annual performance reports will be prepared and presented in line with the council's Contract Standing Orders.

### **Staffing/procurement implications**

66. This will be managed within existing resources.

### **Financial implications**

67. The annual budget for CFCs is £2,330,000 and takes into account payment of the London Living Wage over the term of the contract.

68. The payments proposed in this report remain unchanged from those currently being paid to the four lead agencies. The budget for these contracts can be found on cost centre EE832 (Children & Family Centres); sufficient budget provision is available to fund the amounts proposed in this report.

### **Investment implications**

69. Not applicable

### **Legal implications**

70. Please see concurrent from the Director of Law and Governance.

### **Consultation**

71. Due to the Covid-19 pandemic, the council has not been able to carry out any public engagement, however, this will be re-established to inform the process. On-going engagement and involvement with families with children under-five regarding service provision and how to support families with their changing needs and demands are reported in quarterly and annual performance reports.

### **Other implications or issues**

72. None

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Head of Procurement**

73. This report seeks approval from the Deputy Council Leader and Cabinet Member for Children, Young People and Education for the procurement strategy outlined in this report for Children and Family Centres (CFC) via four Single Supplier Negotiations (SSN) with the lead agencies listed in table 1 for a period of 2 years from 30 November 2021 for an estimated total cost of £3.4m.
74. This report also notes the delegates approval for the gateway 2 to the Strategic Director of Children's and Adults Service.
75. Justification for the SSN is detailed in paragraphs 12 to 26, alternative procurement options are detailed in paragraphs 27 to 35, the risks are detailed in paragraph 37, paragraph 56 confirm payment of LLW, management and monitoring of the contract is details in paragraphs 61 to 65.

### **Director of Law and Governance**

76. This report seeks approval of the procurement strategy for the provision of Children and Family Centres, by way of negotiation with the lead agencies listed in Table 1 under paragraph 3.
77. In view of their estimated value the services which comprise this procurement are subject to the full application of the Public Contracts Regulations (PCR) 2015 as they apply in the UK from 1 January 2021. Those Regulations require that a publicly advertised competitive tendering exercise must be undertaken unless it is possible to demonstrate and satisfy one of a limited number of grounds for exemption.
78. This Report confirms that a negotiated procedure is proposed which will comply with Regulation 32 of the PCR 2015 but will require an exemption from the publicly advertised tendering requirements of the council's Contract Standing Orders (CSOs). The negotiated procedure is permitted in a limited number of circumstances, including where the services can be supplied only by a particular economic operator, where (amongst other things) competition is absent for technical reasons, and where no reasonable alternative or substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement.
79. Option 6 in Table 2 under paragraph 31 of this report explains why single supplier negotiation is considered to be the most appropriate procurement route. Use of the negotiated procedure is always open to challenge by other providers and interested parties, and therefore the decision maker must therefore balance the advantages and disadvantages of the proposed procurement strategy as set out in this report.

80. In line with section 149 of the Equality Act 2010 the council must have due regard to the need to:

- (a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;
- (b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
- (c) Foster good relations between person who share a relevant protected characteristic and those who do not share it.

The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Marriage and civil partnership are protected in relation to (a) only.

Paragraph 54 which forms part of the community impact statement in this report (and which notes that officers will carry out an equality analysis as part of the negotiations) demonstrates how the council has had due regard to PSED in this procurement and the decision maker should satisfy him/herself that this duty has been complied with when considering these recommendations.

81. CSO 6.4.3 (b) reserves the decision in this matter to the relevant individual decision maker to authorise this proposed procurement process, after consideration of the report by the corporate contracts review board (CCRB).

**Strategic Director of Finance and Governance (01dDK2021-22)**

82. The Strategic Director of Finance and Governance notes the contents of this report, and in particular the comments within the Financial Implications section. The costs resulting from this report will be contained within the current budget available to the Children and Families Division.

**Director of Exchequer (for housing contracts only)**

83. Not applicable

## BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Grant Award to Children's Centre Providers 2020/2119-20	Children's and Adults' Services Commissioning, 160 Tooley Street, London SE1 2QH	Sau-Fun Wong 020 8167 6937
Link: <a href="http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?Id=6795">http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?Id=6795</a>		
Update on Children's Centres Programme 2015	Children's and Adults' Services Commissioning, 160 Tooley Street, London SE1 2QH	Sau-Fun Wong 020 8167 6937
Link: <a href="http://moderngov.southwark.gov.uk/documents/s62052/Report%20Childrens%20Centres%20Programme.pdf">http://moderngov.southwark.gov.uk/documents/s62052/Report%20Childrens%20Centres%20Programme.pdf</a>		
Sure Start Children's Centres Statutory Guidance 2013	Children's and Adults' Services Commissioning, 160 Tooley Street, London, SE1 2QH	Sau-Fun Wong 020 8167 6937
Link: <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/678913/childrens_centre_stat_guidance_april-2013.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/678913/childrens_centre_stat_guidance_april-2013.pdf</a>		
Southwark Council Fairer Future Commitments 2018-22	Children's and Adults' Services Commissioning, 160 Tooley Street, London, SE1 2QH	Sau-Fun Wong 020 8167 6937
Link: <a href="https://www.southwark.gov.uk/Council-and-democracy/fairer-future/fairer-future-commitments?chapter=7">https://www.southwark.gov.uk/Council-and-democracy/fairer-future/fairer-future-commitments?chapter=7</a>		
Southwark Council Budget Book 2019-20	Children's and Adults' Services Commissioning, 160 Tooley Street, London, SE1 2QH	Sau-Fun Wong 020 8167 6937
Link: <a href="https://www.southwark.gov.uk/assets/attach/9153/Children-and-Adults.pdf">https://www.southwark.gov.uk/assets/attach/9153/Children-and-Adults.pdf</a>		

## APPENDICES

No	Title
Appendix 1	Examples of Publicly Advertised CFC procurement between 2018-2021

## AUDIT TRAIL

<b>Lead Officer</b>	David Quirke-Thornton, Strategic Director of Children's and Adults' Services	
<b>Report Author</b>	Laura Saunders, CYP Programme Lead, Partnership Commissioning Southwark	
<b>Version</b>	Final	
<b>Dated</b>	22 July 2021	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Governance	Yes	Yes
Director of Exchequer (for housing contracts only)	N/A	N/A
Cabinet Member	Yes	Yes
<b>Contract Review Boards</b>		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		22 July 2021