

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 2 February 2023	<b>Meeting Name:</b> Cabinet Member for Communities, Equalities and Finance
<b>Report title:</b>		<b>Gateway 1- Procurement Strategy Approval</b> Delivery/distribution supplier for awards under the Cost of Living Fund Local Welfare Assistance Scheme	
<b>Ward(s) or groups affected:</b>		Southwark residents facing a crisis or emergency.	
<b>Cabinet Member:</b>		Councillor Stephanie Cryan- Cabinet Member for Communities, Equalities & Finance	

## RECOMMENDATION

1. That the Cabinet Member for Communities, Equalities and Finance approves the procurement strategy outlined in this report to enter into single supplier negotiations with the registered charity, Family Fund Business Services, for the procurement of a delivery partner for grant awards made under the Cost of Living Fund Local Welfare Assistance Scheme from 4 March 2023 until 3 March 2025, with an option to extend for a further two years at an estimated total value over the maximum four years of £2.8 million.

## BACKGROUND INFORMATION

2. The Cost of Living Fund Local Welfare Assistance Scheme, previously known as the Southwark Emergency Support Scheme, was introduced in 2013 and provides support, primarily in the form of grant awards of goods or services, to residents facing a crisis or emergency. Typical awards are;
  - food/supermarket gift cards
  - pre-pay energy Paypoint vouchers
  - retail gift cards
  - furniture
  - white goods
  - other essential household items
  - carpets and/or flooring
3. The demand for additional support of this nature to vulnerable residents remains significant in light of the current economic climate.
4. The Cost of Living Fund Local Welfare Assistance Scheme is a discretionary scheme and is funded directly from the council's General Fund, from an earmarked budget allocation of £700k per annum over the next four years, shared between Cost of Living Fund Local Welfare Assistance Scheme and the Hardship Fund scheme.

5. The council has been delivering awards through Family Fund Business Services since 2013, originally through an umbrella contract with Community Southwark and subsequently directly contracted to Family Fund Business Services since 4 January 2021.
6. Performance monitoring of the existing provider has been carried out and Family Fund Business Services are meeting all performance targets in terms of provision of services, speed of delivery and customer satisfaction levels as well as proving excellent value for money.
7. The current contract expires on 3 February 2023. Therefore work is being undertaken to extend the contract by one month until 3 March 2023.
8. Prior to this procurement, an internal review of scheme policy and design was carried out to determine the direction of the Cost of Living Fund Local Welfare Assistance Scheme provision over the coming years. The outcome of this was that the council remain committed to continuing the scheme with the existing approach of providing applicants with a wide range of goods and services over just cash-based alternatives as the most effective way of supporting applicants in crisis or emergency.
9. A large proportion of applicants to the scheme are vulnerable or find themselves in vulnerable circumstances and direct delivery of the required items is the safest way of guaranteeing applicants obtain the goods most crucial to their needs.
10. Award recipients often have additional support needs, as a result of mental impairment, physical disability or old age, and the ability to provide goods directly to eligible residents is essential in supporting those less able to self-serve and those with mobility problems. The option of direct delivery of goods ensures that the scheme is accessible to all.
11. The council requires a provider who is able to build, fit or install goods on behalf of eligible residents, where there is a need for this service, which eliminates the burden on those less able.
12. Managing financial hardship can be extremely challenging. The council recognises that budgeting for essentials such as food and furniture, whilst balancing competing demands from creditors with home life commitments can sometimes result in monetary awards not being used for their intended purpose. There is a similar risk for residents in vulnerable domestic situations, who may be coping with issues such as domestic violence or addiction. The ability to deliver goods directly ensures that the awards being provided attain their full benefit and are not lost to bank debts or fees or misspent.
13. In order to ensure the scheme achieves maximum impact, is accessible to all and safeguards applicants the council will seek a distribution provider who is able to provide distribution of the items listed in paragraph 2.

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

14. The council does not have the resources in-house to manage the delivery of the wide range of goods and provisions awarded under the Cost of Living Fund Local Welfare Assistance Scheme. The need for this is ever more important in the light of the cost of living crisis and high inflation being faced at present.
15. In order to distribute awarded goods to eligible residents in the most efficient and cost effective way the council will need to engage the services of an external distribution provider.
16. The nature of the scheme, in that the recipients are facing immediate crisis, places significant importance on speed of delivery. Working with a specialist partner organisation will enable the council to ensure the awards reach their intended recipients as quickly and efficiently as possible.
17. The council is seeking to procure a delivery partner through which it can offer a wide range of goods and services. As a minimum the supplier should be able to offer access to food and retail gift cards, pre-pay energy vouchers, furniture and white goods and other essential household items.

## **Market considerations**

18. The market for grant award distribution providers is known to be small, with many providers offering only a single type of award, most popularly e-vouchers or cash only schemes.
19. Ahead of this procurement, the council has carried out market research to look at potential distribution providers operating in the market. Enquiries were made directly with potential suppliers to ascertain the types of services they offer for clients.
20. The council also met with multiple other councils offering similar emergency support schemes and gained valuable feedback of their experiences with current and previous distribution providers.
21. Several local authorities the council met with had recently scaled down their emergency support schemes, doing so as a means of increasing efficiency, as opposed to prior arrangements where they were arranging the purchase of goods and managing deliveries in-house.
22. The one other London borough the council spoke to which was still providing goods, as well as a range of other awards, to customers was similarly using Family Fund Business Services to fulfil the distribution requirements.
23. To complete its market research, the council published a Prior Information Notice (PIN) on the Find a Tender service to advertise the potential opportunity and invite contact from providers in the market who may be able to offer the

required services. Respondents were asked to complete and return a questionnaire providing full details on the services they were able to offer.

24. The PIN notice generated engagement from four potential providers. Of the four responders, only Family Fund Business Services were able to meet the council's requirements in full, primarily the ability to provide distribution of all of the required types of awards. Two of the providers were only able to offer distribution of a range of vouchers and one provider offered solely cash distribution services.
25. Overall, findings revealed that the number of providers offering distribution of goods as well as voucher based awards is extremely limited. The council's market research concluded that, similarly to what other local authorities have found, Family Fund Business Services is the only provider able to meet the council's specific requirements for this service, as further detailed below.
26. Family Fund Business Services was the only respondent to our advertised PIN notice that was able to offer supermarket gift cards, pre-pay energy (Paypoint) vouchers, retail gift cards, furniture, white goods, other essential household items and carpets/flooring, all through a single point of contact via an online portal.

## KEY ISSUES FOR CONSIDERATION

### Options for procurement route including procurement approach

28. The options for the procurement route for this procurement are outlined below:

Options	Details
Do nothing	This is not an option for the council, as the council would be unable to deliver awards following expiration of the current contract in February 2023. The resulting closure of the scheme would be detrimental to those in the borough facing crisis, an emergency or extreme hardship.
In-house provision	In-house delivery is not an option. The council does not currently possess the staffing resource required to administer the distribution in-house and such an arrangement would offer poor value in comparison to the expected management fees incurred with external providers.
Competitive tendering exercise process	This option was rejected as pre-market engagement with suppliers in the field revealed that only one provider was able to meet the deliverables that the council has set out; primarily the ability to provide the range of goods and services the council wish to offer.
Framework agreements	No appropriate framework agreement exists that would allow the council to award to a supplier

	able to meet the specifications of providing a range of goods and services and gift cards and e-vouchers.
Separate procurements for providers of each type of award offered under the scheme	Multiple procurements and contracts with different suppliers would widen the field of potential suppliers. However, this option has been discounted due to the efficiencies that would be lost in terms of processing time and contract/performance management across multiple different suppliers.
Single supplier negotiation	Only one prospective supplier, Family Fund Business Services was able to meet the council's deliverables. The council aims to carry out due diligence on the proposed supplier and negotiate directly. This course of action also has the advantage of securing continuity of service.

### Proposed procurement route

29. Although the value of the contract is above the threshold stipulated in the Public Contract Regulations 2015 for a requisite publicly advertised competitive tendering process, it is proposed that the council undertake a single supplier negotiation with Family Fund Business Services for the following reasons.

- The lack of any viable, potential alternative suppliers, as evidenced under the Market Considerations section above. The marketplace for goods provision services such as these has always been small, with the majority of providers focusing solely on voucher or cash based distributions. There are some alternative charity based suppliers who offer distribution of second-hand/recycled goods. However, this option has been discounted due to concerns over quality of goods and also capacity to meet demand.
- The council's commitment to awards of goods, gift cards and e-vouchers effectively singles out Family Fund Business Services as the only potential supplier able to sufficiently meet the appointment criteria.
- Family Fund Business Services have been the council's fulfilment partner since 2013. Throughout this time they have provided good value for money and their performance, delivery and management of the service has been excellent. Contracting with Family Fund Business Services would have the benefit of ensuring continuity of service.
- Family Fund Business Services is a well-established charity organisation and the market leader in the field of grant distribution of goods. Procuring via Family Fund Business Services would provide stability of service delivery for the full term of the contract.

- Family Fund Business Services offer discounted prices and product rebates, enabling their customers to extend their funding and increase their social value offering. Ultimately, their work secures the future of their charity, by gifting all of their profits as unrestricted funding, helping them to deliver their core objective: to support even more families raising disabled and seriously ill children and young people.

30. For these reasons single supplier negotiation with Family Fund Business Services is currently the council’s only feasible procurement route to achieve its delivery model. Further negotiations on costs and service delivery will be carried out with the supplier and will be detailed in the Gateway 2 report.

31. The proposal is to seek a two year contract, commencing 4 March 2023, with the option to extend for a further two years until a maximum end date of 3 March 2027.

### Identified risks for the procurement

32.

<b>Risk</b>	<b>Overall risk</b>	<b>Mitigation</b>
Procurement challenge	Low	Market research detailed in the above Market Considerations section justifies the council’s decision to procure via single supplier negotiation in this circumstance. See also concurrent from the Director of Law and Governance for additional information.
Risk to service provision if provider ceases operating	Medium	Ensure reputable and well established provider is appointed only following sufficient financial background checks.
Financial loss	Medium	Ensure reputable and well established provider is appointed only following sufficient financial background checks. Payments to the distribution provider to be made via combination of pre-funding and instalments and reviewed annually to minimise risk of financial loss.
Loss/corruption of personal data	Medium	Ensure provider has adequate data management and security provisions in place and is fully compliant with all aspects of the Data Protection Act 2018 and the UK General Data Protection Regulation.
Reputational damage through poor service delivery, inability of provider to manage demand levels	Medium	Thorough examination of the supplier should be carried out prior to appointment, exploring the service provided and capacity to meet demand. Should Family Fund Business Services be appointed the council has a history of working alongside them and can be confident in their

		ability to both manage demand levels and provide high levels of customer service.
Individual customer service issues	Low	Ensure adequate support mechanisms exist with provider for the quick resolution of individual problems encountered.

### Key / Non Key decisions

33. This report deals with a non-key decision.

### Policy Framework Implications

34. The council is committed to achieving a fairer future for all, as set out in the Council Delivery Plan 2022-2026. The Cost of Living Fund Local Welfare Assistance Scheme works towards the key targets detailed in that plan to;

- create a thriving and inclusive economy
- create a healthy environment
- keep residents safe
- support families

35. Officers within the Local Support team additionally work with local partners to provide wider support, beyond that offered through the Cost of Living Fund Local Welfare Assistance Scheme, to assist local people into employment and promote individual well-being and financial independence.

36. The principles of the Cost of Living Fund Local Welfare Assistance Scheme align with the council's Fairer Future promises to;

- treat residents as if they were a valued member of our own family
- be open, honest and accountable
- work for everyone to realise their own potential
- spend money as if it were from our own pocket
- make Southwark a place to be proud of

37. The council recognises that in times of reduced funding from central government, there is a need to focus resources on areas where it can make the most impact. Through the Cost of Living Fund Local Welfare Assistance Scheme the council can ensure that support is available to those most in need.

### Procurement project plan (Non Key decisions)

38. The procurement plan for this is set out below:

Activity	Complete by:
DCRB Review Gateway 1:	15/12/2022

Activity	Complete by:
CCRB Review Gateway 1:	22/12/2022
Brief relevant cabinet member (over £100k)	15/12/2022
Approval of Gateway 1: Procurement strategy report	09/01/2023
Conclude discussions with provider	16/01/2023
Forward Plan (if GW2 is key decision)	15/11/2022
DCRB Review Gateway 2: Contract award report	26/01/2023
CCRB Review Gateway 2: Contract award report	02/02/2023
Notification of forthcoming decision (if GW2 is key decision)	08/02/2023
Approval of Gateway 2: Contract Award Report	16/02/2023
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision (If GW2 is key decision)	27/02/2023
Contract award	04/03/2023
Add to Contract Register	06/03/2023
Place award notice in Find a Tender Service	08/03/2023
Place award notice on Contracts Finder	08/03/2023
Contract start	04/03/2023
Initial Contract completion date	03/03/2025
Contract completion date – if extension(s) exercised	03/03/2027

### **TUPE/Pensions implications**

39. There are no staffing implications in this contract.

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

40. A full written specification of the requirements for the contract will also be set out with KPIs and contract performance details, however full tender information is not required under a single supplier negotiation. Lawyers from the Contracts team will review the proposed terms and conditions of contract.

### **Advertising the contract**

41. Not required under the proposed single supplier negotiation.



## **Evaluation**

42. The council will conduct negotiations with Family Fund Business Services and evaluate on the basis of costs and service delivery proposals around confirming that the quality of the service can be delivered.

## **Community, equalities (including socio-economic) and health impacts**

### **Community impact statement**

43. The council must have due regard to the public sector equality duty under the Equality Act 2010 and is committed to ensuring the scheme is fair and equitable for all in the community.
44. The council worked closely with the voluntary sector in developing the eligibility criteria for the scheme and also ensures effective referral processes are in place to assist in communicating accessibility to the scheme.
45. The scheme continues to provide a vital service for those residents in the most need. High demand for the scheme is expected to continue in light of cost of living and fuel/energy crisis facing the country at present.
46. The service is accessed by some of the most vulnerable members of the community, including benefit claimants, those facing an immediate crisis, those at risk of losing their home/going into care, those leaving care/hospital and also refugees. The council remains committed to providing this service to enable residents to navigate these times of extreme hardship.
47. The procurement of a distribution supplier will be carried out with emphasis on achieving best value and high quality service for the award recipients. Ensuring awards reach recipients quickly is of vital importance.
48. The successful procurement of a distribution partner for the scheme will provide stability of service in the coming years and enable the council to continue its role in protecting the most vulnerable residents in the community.
49. Officers within the Local Support team additionally work with local partners to provide wider support, beyond that offered through the Cost of Living Fund Local Welfare Assistance Scheme, to assist local people into employment and promote individual well-being and financial independence. This will continue irrespective of the distribution partner selected for the contract.

### **Equalities (including socio-economic) impact statement**

50. Equalities data is collected at the application stage for every customer to ensure that the Public Sector Equality Duty is met.
51. The Public Sector Equality Duty has been considered and the distribution of

awards under the scheme are not anticipated to disadvantage any individual or group. For further information see the details in Appendix 1.

52. The following areas for consideration were identified and the council has ensured sufficient support is available to mitigate any potential disadvantage.
53. It has been noted that some older applicants to the scheme, or those with particular mental impairments may be less able to self-serve through digital means when receiving awards of e-vouchers or when required to book a delivery timeslot online.
54. Additionally, some elderly or physically disabled recipients may be less mobile and unable to travel to collect awards from a particular location.
55. Any distribution scheme selected with the contracted provider will need to incorporate specific provisions for these recipients.
56. The council will aim to identify customers that may require additional support during first contact and ensure that they are adequately supported through the process.
57. It may also be the case that different types of awards may suit some applicants better, dependent upon their personal circumstances, and this will be taken into consideration.
58. The appointed distribution supplier will need to be able to meet the needs of all recipients by offering a wide range of awards. Some customers may benefit from electronic awards, relieving those less mobile of the need to travel and some may benefit from having products delivered directly to their home.
59. Additionally, with awards of items such as flat packed furniture, provisions will be made with the appointed supplier to provide build, fitting or installation for any recipients who are less able. Some recipients may also need assistance with removal of old or damaged goods from their home.
60. It was also noted that some elderly or vulnerable recipients may be wary of strangers visiting their homes to provide delivery or installation of goods. The council will work to safeguard residents by stipulating that all staff working for the distribution supplier that are required to enter homes are subject to DBS checks.
61. The Joint Equality and Health Analysis, that is set out in Appendix 1 of this report, demonstrates that the policy shows no potential for discrimination and all appropriate opportunities have been taken to advance equality of opportunity and foster good relations between people with different protected characteristics.

## **Health impact statement**

62. The scheme is targeted at vulnerable low-income households facing crisis or extreme hardship and as such should have a positive impact on the health and wellbeing of these Southwark residents.
63. Much of excess winter mortality can be attributed to cold temperatures, and a significant proportion can be attributed to cold housing caused by fuel poverty. Cold homes can exacerbate pre-existing health conditions including cardiovascular, respiratory conditions and diabetes; low room temperatures are shown to contribute to mental health issues such as anxiety and depression in adults and young people.
64. The distribution supplier for the scheme will be required to offer provision of energy vouchers/credit to ensure fuel support can be delivered to those unable to heat their homes.
65. Additionally, awards of fitted carpets and flooring can help to keep homes warm and energy efficient longer term.
66. Food poverty can lead to a wide range of health conditions. The body requires nourishment and essential vitamins and minerals to keep functioning. Long term malnourishment can lead to many serious health problems.
67. The appointed distribution provider should be able to offer food deliveries and supermarket vouchers enabling the council to support those finding it difficult to feed themselves or their families.
68. Also, awards of kitchen essentials, such as cookers, fridge freezers and saucepan sets for example, can enable recipients to create healthier and more cost effective meals at home.
69. The Local Support team also signpost customers to information sources providing knowledge and skills to enable people to create healthier diets.

### **Climate change implications**

70. Climate change will be considered in the procurement of a distribution supplier for this scheme.
71. Sustainable environmental practices will be encouraged. The council will endeavour to communicate with applicants and the appointed distribution supplier by digital means.
72. The council will seek to appoint a distribution partner who is able to operate a digital ordering and delivery processes where possible to reduce waste. For example, prioritising the use of e-vouchers over paper and plastic cards.
73. The council will seek to provide awards that enable sustainability and energy efficiency going forwards in the awarding of cookers, fridge freezers and carpeting/ flooring.

## **Social Value considerations**

74. 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 procurement are set out in the following paragraphs.

## **Economic considerations**

75. The Cost of Living Fund Local Welfare Assistance Scheme is funded directly from the council's General Fund, from an earmarked budget allocation of £700k per annum over the next four years, shared between the Cost of Living Fund Local Welfare Assistance Scheme and Hardship Fund scheme.

76. Costs incurred as part of the distribution will be incorporated and paid from the budget allocation. For this reason it is important that the council is able to achieve best value rates for the distribution supplier's transaction fees and any associated set-up/management costs, in order to maximise the funding available for recipients of awards.

77. Current estimates obtained from existing arrangements with Family Fund Business Services indicate a potential administration cost of approximately £15k per annum, which includes individual transaction fees and online portal management costs.

78. The cost of using Family Fund Business Services to deliver goods and services continues to be excellent value for money. Their fees are competitive in the market for the unique range of services they offer.

79. Additionally, Family Fund Business Services have been able to secure cashback rebate arrangements on goods purchased from some suppliers, which then feeds funds back into the core funding allocation.

80. Family Fund are a registered charity supporting disabled children and families. Engaging a charity to provide this service will have a positive economic impact for the community at large by enabling the charity to grow their organisation and further their work supporting families.

81. The Cost of Living Fund Local Welfare Assistance Scheme will provide a positive economic benefit to an estimated 3000+ households per year. The awards are aimed at low income households and vulnerable families facing crisis.

82. Customers accessing the scheme may also be referred to other services and support schemes, both internally and externally provided. Many customers are referred for Income Maximisation to help with claiming welfare benefits and

advice on budgeting and financial management. Customers may also be referred to the council's Hardship Fund and/or other support schemes/funds they may be able to access.

### **Social considerations**

83. It was hoped that this opportunity would be accessible to a wide range of prospective suppliers. However, following market engagement, detailed in the Market Considerations section above, the limited market for these kind of services has resulted in only one supplier, Family Fund Business Services, being able to fulfil the council's recruitment specification.
84. On this occasion the proposed course of action is to procure via a single supplier negotiation with Family Fund Business Services.
85. 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 staff at a minimum rate equivalent to the LLW rate. However as this contract does not have dedicated service provision, the definition of 'Relevant Staff' to whom LLW should be paid is not applicable. As part of the discussions with Family Fund Business Services, it will be asked if they pay their staff LLW. The outcome will be contained within the Gateway 2 report.

### **Environmental/Sustainability considerations**

86. Sustainable environmental practices will be encouraged where possible in this procurement. The council will endeavour to communicate with applicants and the appointed distribution supplier by digital means.
87. The council will seek to appoint a distribution partner who is able to operate a digital ordering and delivery processes where possible to reduce waste. For example, prioritising the use of e-vouchers over paper and plastic cards.
88. The council will seek to provide awards that enable sustainability and energy efficiency going forwards in the awarding of cookers, fridge freezers and carpeting/ flooring.

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

89. The contract will be managed and monitored by officers within the Client Services team who will be working closely with the appointed supplier throughout the contract. This will include performance monitoring, customer satisfaction surveys and key performance indicators outlined below, as well as presenting Annual Performance Reports in line with the Contract Standing Orders.

90. Bi-monthly performance monitoring meetings will be held with the supplier.
91. Performance of the supplier against the following KPIs will be reviewed.
- Food/retail gift cards - to be delivered within two working days of placing order
  - Directly supplied goods including furniture - recipient to be contacted within two working days of placing order to arrange delivery.
  - Pay Point energy vouchers - to be processed the same working day as the order is placed, unless order is placed after 4:30pm.
92. The appointed supplier will be requested to carry out and report on customer satisfaction levels each quarter. The minimum sample size for this survey should be 10% of customers.
93. 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 will ensure that all appropriate details of this procurement are added to the contract register via the eProcurement System.

**Staffing/procurement implications**

94. The Cost of Living Fund Local Welfare Assistance Scheme is operated by the Client Services Local Support team and Client Services Contact Centre team within Exchequer Services.
95. Provision will continue as previously and this procurement will not affect capacity or staffing levels.

**Financial implications**

96. The funding for the Cost of Living Fund Local Welfare Assistance Scheme comes from the council's General Fund. An earmarked reserve of £2.8 million over the next four years has been set aside to provide for awards made under the Cost of Living Fund Local Welfare Assistance Scheme and the Hardship Fund scheme.
97. Administration costs incurred as part of the distribution will be incorporated and paid from the budget allocation. For this reason it is important that the council are able to achieve best value rates for the distribution supplier's transaction fees and any associated set-up costs in order to maximise the funding available for recipients of awards.
98. Estimated yearly spend through the proposed distribution supplier Family Fund Business Services is as follows:

Estimated annual cost of awards distributed	£685,000.00
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Estimated annual administration costs	£ 15,000.00
Estimated Total annual cost	£700,000.00

### Investment implications

99. Not applicable in this procurement.

### Legal implications

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

### Consultation

101. Prior to this procurement an internal review of scheme policy and design was carried out to determine the direction of the Cost of Living Fund Local Welfare Assistance Scheme provision over the coming years. The outcome of which was that the council remained committed to continuing the scheme with the existing approach of providing applicants with a wide range of goods and services.

102. Several other local authorities offering similar emergency support schemes are known to have scaled down their schemes to provide either solely cash awards or supermarket vouchers. These options were considered, however, it was the opinion of the council that the provision of goods and services over cash based alternatives has been well received by the recipients and remains the safest way of ensuring customers receive the correct items to meet their needs.

103. Prior to determining the proposed procurement strategy the council consulted several other local authorities providing similar emergency support schemes to gain valuable feedback of experiences with current and previous distribution providers.

104. The council also explored the market for potential suppliers and issued a Prior Information Notice (PIN) on the Find a Tender service inviting contact from potential distribution suppliers. More information on this is contained in the Market Considerations section above.

### Other implications or issues

105. None

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Head of Procurement**

106. This report seeks the approval from the Cabinet Member for Communities, Equalities and Finance for the procurement strategy outlined in this report. It seeks to undertake a single supplier negotiation with the registered charity, Family Fund Business Services in relation to the procurement of a delivery partner for grant awards made under the Cost of Living Fund Local Welfare Assistance Scheme. The contract is aimed to run from 4 March 2023 until 3 March 2025, with an option to extend for a further two years at an estimated total value over the maximum four years of £2.8 million.
107. The background and business case for the procurement are in paragraphs 2-17, with the market information and details of engagement and basis of the recommendations set out in paragraphs 18-26.
108. The options are details in paras.28 and 29, with the risks in the table at paragraph 32. This contract will pay London Living Wage.
109. The Community, Equalities, Health and Climate Change Implications are set out in paragraphs 43-73 of the report.

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

110. This report seeks the approval of the Cabinet Member for Communities, Equalities and Finance to the procurement strategy to enter into single supplier negotiations with Family Fund for the delivery of grant awards made under the Cost of Living Fund Local Welfare Assistance Scheme, as further detailed in paragraph 1. By virtue of contract standing order 6.4.3(b) the decision should be taken by the relevant individual decision maker after consideration of the report by DCRB and CCRB.
111. The nature and value of these services are such that they are subject to the 'light touch' tendering requirements of the Public Contract Regulations 2015 (PCR15). It is therefore necessary to ensure that any procurement process or variation from it, is permitted within those regulations. Regulation 32 of the PCR15 permits contracting authorities to negotiate with a provider without prior publication of a tendering opportunity, in certain circumstances. This includes at Regulation 32(2)(b) where the services can only be provided by a particular economic operator as competition is absent for technical reasons. As noted in paragraphs 19-26, extensive market research has been undertaken, which has identified that Family Fund is the only organisation capable of meeting our specification needs. The Cabinet Member is advised that when relying on any ground from the requirements of PCR15, there is a potential risk of challenge on the basis that the council does not have sufficient grounds to rely on that permission. As noted in the risk table at paragraph 32 the risk is considered low due to the extensive market research undertaken. The risk is also greatly



mitigated by the limited funds received by the grant award supplier, who only retains an administrative fee for processing the grants. The council is under a Best Value duty, which requires the council to carry out its duties in accordance with those principles of best value, and to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. Procuring these services through Family Fund (who offer a range of delivery options) will allow the council to ensure that grants are distributed in the most effective way for council residents.

### **Strategic Director of Finance and Governance (F&G22/012)**

112. This report seeks the approval from the Cabinet Member for Communities, Equalities and Finance for the procurement strategy to undertake a single supplier negotiation with the registered charity, Family Fund Business Services for the procurement of a delivery partner for grant awards made under the Cost of Living Fund Local Welfare Assistance Scheme.

113. The financial implications are noted in paragraph 96 to 98.

### **APPENDICES**

<b>No</b>	<b>Title</b>
Appendix 1	Cost of Living Fund Local Welfare Assistance Scheme -Distribution-Joint-Equality-and-Health-Analysis.doc

### **AUDIT TRAIL**

<b>Lead Officer</b>	Dominic Cain, Director of Exchequer Services	
<b>Report Author</b>	Andrew Markham, Service Development Officer	
<b>Version</b>	Final	
<b>Dated</b>	9 January 2023	
<b>Key Decision?</b>	No	
<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)	No	No
Cabinet Member	Yes	Yes/No
<b>Contract Review Boards</b>		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes/No
<b>Date final report sent to Constitutional /Community Council/Scrutiny Team</b>		9 January 2023