

Item No.	Classification: Open	Date: 2 March 2023	Decision Taker: Cabinet Member for Communities, Equalities and Finance
Report title:		Gateway 2 – Contract Award Approval Delivery/distribution supplier for awards under the Cost of Living Fund Local Welfare Assistance Scheme	
Ward(s) or groups affected:		Southwark residents facing a crisis or emergency	
From:		Director of Customer and Exchequer Services	

RECOMMENDATION(S)

1. That the Cabinet Member for Communities, Equalities and Finance approve the awarding of the contract for appointment of a distribution supplier for grant awards made under the Cost of Living Fund Local Welfare Assistance Scheme to the registered charity, Family Fund Trading Limited (trading as Family Fund Business Services), for the period 4 March 2023 to 3 March 2025, with the option to extend for a further 24 months, at an estimated contract 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 the 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 is 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 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 which 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 sought a distribution provider who was able to provide distribution of all items listed in paragraph 2.

14. Following market engagement with several local authorities administering similar emergency support schemes and also leading providers of grant distribution solutions, it was established that Family Fund Business Services were the only provider in the market able to meet the council's requirements in full, primarily the ability to provide distribution of all of the required types of awards listed in paragraph 2. Further information on this is included in the Market Considerations section below and in the attached Gateway 1 report in Appendix 1.
15. Approval was given by the Cabinet Member for Communities, Equalities and Finance to conduct a single supplier negotiation for this contract with Family Fund Business Services.

Procurement project plan (Key Decision)

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

Activity	Completed by/Complete by:
Forward Plan for Gateway 2 decision	15/11/2022
Briefed relevant cabinet member (over £100k)	15/12/2022
Approval of Gateway 1: Procurement Strategy Report	14/02/2023
DCRB Review Gateway 2:	26/01/2023
CCRB Review Gateway 2:	02/02/2023
Notification of forthcoming decision – Five clear working days	01/03/2023
Approval of Gateway 2: Contract Award Report	10/03/2023
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	17/03/2023
Contract award	17/03/2023
Add to Contract Register	17/03/2023
Contract start	04/03/2023
Publication of award notice on Contracts Finder	17/03/2023
Contract completion date	03/03/2025
Contract completion date – if extension(s) exercised	03/03/2027

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

17. Following successful single supplier negotiations, the council now proposes to enter into a contract with Family Fund Business Services for distribution of goods and services awarded under the Cost of Living Fund Local Welfare Assistance Scheme.
18. The service will continue in its current format. The Local Support team will assess applications to the scheme and awards will then be requested via the Family Fund online portal. Following the request, all aspects of the distribution and delivery of awards will be carried out by Family Fund Business services, in co-operation with their partners.
19. Awarded goods will be delivered to recipients within specific timescales stipulated in the contract and service level agreement. Further details on this are contained in paragraph 38 of this report.
20. Payment for the services will be made to Family Fund Business Services via a combination of pre-funding and instalments, as detailed in the contract.
21. The contract will be managed and monitored by officers within Client Services, who will be working closely with the appointed supplier throughout the contract.

Key/Non Key decisions

22. This report deals with a key decision.

Policy framework implications

23. 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
24. 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.
25. 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

26. 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.

Tender process

27. A full written specification of the requirements for the contract will 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.

Tender evaluation

28. The proposed distribution partnership, provided by Family Fund Business Services was evaluated based on the following key considerations:

- range of goods and services available,
- delivery timescales and processes,
- customer experience,
- cost,
- commercial risk, and
- security.

29. The proposed service was found to meet the council's requirements in all regards. It should be noted that Family Fund Business Services were the only provider able to meet the council's requirements in terms of the range of award types available, including both fund based awards and the direct delivery of goods and services.

30. The administration cost of using Family Fund Business Services to deliver goods and services was found to be good value for money. Their fees are competitive in the market for the unique range of services they offer. See economic considerations section below and also paragraph 103 for further information on costs.

31. Meetings were held with our Family Fund Account Manager also the Head of Client Relationships. Negotiations on administration costs were conducted and the council were pleased to agree that, despite a planned increase to the transaction fee payable in respect of pre-paid energy vouchers, there are to be no other increases above those currently paid under the terms of the existing contract. It should be noted however that suppliers of white goods and furniture conduct annual reviews of costs every April and that there is

likely to be an increase in the cost of goods and services awarded to recipients due to inflation.

32. A full financial background check of Family Fund Business Services has been completed and no adverse findings were detected. The council have no concerns over the financial stability of the organisation.
33. Family fund are well-established organisation, with whom the council has a long history of working alongside. The council has no concerns over the financial stability of Family Fund Business Services and have accepted assurances from the provider that they foresee no issues in terms of managing capacity during the contracted period.
34. The council has experience of working with Family Fund Business Services since 2013 and therefore maintain a good knowledge of the service and can be confident performance expectations will be met.

Plans for the transition from the old to the new contract

35. Not applicable as Family Fund Business Services is the current provider. Service will continue undisturbed.

Plans for monitoring and management of the contract

36. 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.
37. Bi-monthly performance monitoring meetings will be held with the supplier.
38. 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.
39. 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.
40. 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.

Identified risks for the new contract

41.

Risk	Combined risk rating	Mitigation
Procurement challenge	Low	Market research detailed in the below Market Considerations section justifies the council's decision to procure via single supplier negotiation in this circumstance. See also Gateway 1 report in appendix 1 for additional information.
Risk to service provision if provider ceases operating	Medium	Family Fund Business Services is a registered charity established in 1973. The council has been working in partnership with Family Fund Business Services since 2013. They are well established in the field of grant distribution and there are no indications that service provision could be terminated during the proposed contracted term.
Financial loss	Medium	Financial checks of Family Fund Business Services have been carried out and there are no concerns over financial instability. Funding and payments to the provider will 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. Contract terms and conditions will be reviewed to ensure compliance.
Reputational damage through poor service delivery, inability of provider to manage demand levels	Medium	Family Fund Business Services have been delivering this service on behalf of the council since 2013. Throughout this time, their delivery and management of the service has been excellent. The council is confident of their ability to both manage demand levels and provide high levels of customer service.
Individual customer service issues	Low	The council is satisfied that the provider maintains adequate support mechanisms for

		the quick resolution of individual problems encountered.
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Other considerations (For Housing Department works contracts only)

42. Not applicable.

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 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 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 has been carried out with an 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 Cost of Living Fund Local Welfare Assistance Scheme are not anticipated to disadvantage any individual or group.
52. The following areas for consideration were identified and the council has ensured sufficient support is available to mitigate any potential disadvantage.
- 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.
 - Additionally, some elderly or physically disabled recipients may be less mobile and unable to travel to collect awards from a particular location.
53. The distribution scheme selected with the contracted provider will incorporate specific provisions for these recipients.
54. 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.
55. It may also be the case that different types of awards may suit some applicant's better, dependent upon their personal circumstances, and this will be taken into consideration.
56. The appointed distribution supplier will aim 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.
57. 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.
58. It was also noted that some elderly or vulnerable recipients might 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.
59. The Joint Equality and Health Analysis, that is set out in Appendix 2 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

60. The Cost of Living Fund Local Welfare Assistance 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.
61. 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.
62. The distribution supplier for the scheme will offer provision of energy vouchers/credit to ensure fuel support can be delivered to those unable to heat their homes.
63. Additionally, awards of fitted carpets and flooring will help to keep homes warm and energy efficient longer term.
64. 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.
65. The appointed distribution provider will offer food deliveries and supermarket vouchers enabling the council to support those finding it difficult to feed themselves or their families.
66. 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.
67. The Local Support team also signpost customers to information sources providing knowledge and skills to enable people to create healthier diets.

Climate change implications

68. Climate change has been taken into consideration in the procurement of a distribution supplier for this scheme.
69. Sustainable environmental practices will be encouraged in this contract. The council will endeavour to communicate with applicants and the appointed distribution supplier by digital means.
70. Family Fund Business Services operate a digital ordering and delivery process, which reduces excess waste. For example, prioritising the use of e-vouchers over paper and plastic cards.

71. The council will aim to provide awards that enable sustainability and energy efficiency going forwards in the awarding of cookers, fridge freezers and carpeting/ flooring.

Social Value considerations

72. The Public Services (Social Value) Act 2012 requires that the council consider, 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 in Appendix 1) are set out in the following paragraphs in relation to the evaluation and commitments to be delivered under the proposed contract.

Economic considerations

73. 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 the Hardship Fund scheme.

74. 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.

75. 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.

76. 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.

77. 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.

78. 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.

79. 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.

80. 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

81. 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 below, 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.

82. On this occasion the proposed course of action is to award the contract Family Fund Business Services following negotiation on cost and service levels.

83. 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. Family Fund Business Services have confirmed staff are paid at least the LLW.

84. Family Fund Business Services will not be required to engage with apprentice schemes as part of this contract, as, whilst the contract value is £2.8 million, the vast majority of the funding goes directly to the award recipients, with Family Fund Business Services expected to receive only £15k per annum.

Environmental/Sustainability considerations

85. Sustainable environmental practices will be encouraged in this contract. The council will endeavour to communicate with applicants and the appointed distribution supplier by digital means.

86. Family Fund Business Services operate a digital ordering and delivery process, which reduces excess waste. For example, prioritising the use of e-vouchers over paper and plastic cards.

87. The council will aim to provide awards that enable sustainability and energy efficiency going forwards in the awarding of cookers, fridge freezers and carpeting/ flooring.

Market considerations

88. 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.
89. Ahead of this procurement, the council 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.
90. 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.
91. 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.
92. 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.
93. 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.
94. 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.
95. 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.
96. 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.

Staffing implications

97. 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.

98. Provision will continue as previously and this procurement will not affect capacity or staffing levels.

Financial implications

99. 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.

100. The budget for local support is drawn down from reserves at year-end and a nominal spend threshold is held against a line item within the Divisions overall financial monitoring. In previous years where need has exceeded the projected spend for the year, authorisation has been sought from the Strategic Director of Finance and Governance for any excess spend.

101. Delegated authority is provided to the Chief Officer to amend the eligibility criteria based on changes in local need or requirements to restrict spend based on financial pressures.

102. The cost centre for both Southwark Emergency Support Scheme /Hardship Fund is CR637

103. 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 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.

104. Estimated yearly spend through the proposed distribution supplier Family Fund Business Services is as follows:

Estimated annual cost of awards distributed	£685,000
Estimated annual administration costs	£ 15,000
Estimated Total annual cost	£700,000

Investment implications

105. Not applicable in this procurement.

Second stage appraisal (for construction contracts over £250,000 only)

106. Not applicable.

Legal implications

107. Please see concurrent from the Assistant Chief Executive – Governance and Assurance.

Consultation

108. 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 remained committed to continuing the scheme with the existing approach of providing applicants with a wide range of goods and services.

109. Several other local authorities offering similar emergency support schemes are known to have scaled down their schemes to provide solely cash either 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.

110. 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.

111. 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

112. None.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (F&G22/013)

113. The report seeks the approval of the Cabinet Member for Communities, Equalities and Finance to approve the award of the contract for

appointment of a distribution supplier for grant awards made under the Cost of Living Fund Local Welfare Assistance Scheme to the registered charity, Family Fund Trading Limited (trading as Family Fund Business Services). The contract will operate from 4 March 2023 to 3 March 2025, with the option to extend for a further 24 months.

114. The financial implications are set out in paragraphs 99 to 104.

Head of Procurement

115. This report seeks the approval of the Cabinet Member for Communities, Equalities and Finance to award the contract for appointment of a distribution supplier for grant awards made under the Cost of Living Fund Local Welfare Assistance Scheme to the registered charity, Family Fund Trading Limited, trading as Family Fund Business Services. The contract will operate from 4 March 2023 to 3 March 2025, with the option to extend for a further 24 months. The estimated contract value over four years will be an estimated maximum of £2.8 million.

116. The background to this contract and summary of the procurement strategy is set out in paragraphs 2-15.

117. The risks associated with the contract are detailed in the table at paragraph 41.

118. The Community, Equality, Health and Climate Change Impact Statements are set out in paragraphs 43-71. Social value considerations, including the confirmation that London Living Wage is paid is in paragraphs 72-87.

Assistant Chief Executive – Governance and Assurance.

119. This report seeks the approval of the Cabinet Member for Communities, Equalities and Finance to the award of contract to Family Fund for the delivery of grant awards made under the Southwark Emergency Support Scheme, as further detailed in paragraph 1. By virtue of contract standing order 6.5.2(b) the decision should be taken by the relevant individual decision maker after consideration of the report by DCRB and CCRB.

120. 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 the gateway 1, 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 41 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.

121. The Cabinet Member's attention is drawn to the Public Sector Equality duty (PSED General Duty) under the Equality Act 2010, which requires public bodies to have regard, when making decisions, to the need to eliminate discrimination, advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. The Cabinet Member is specifically referred to the community, equalities (including socio-economic) and health impacts statement at paragraphs 43- 67, setting out the consideration that has been given to equalities issues, which should be considered when approving the recommendation in this report.
122. Contract Standing order 2.3 requires that no steps are taken to award a contract unless the expenditure involved has been included in approved estimates, or is otherwise approved by the council. Paragraphs 99- 104 confirm the financial implications of this award.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
None		

APPENDICES

No	Title
Appendix 1	Gateway 1- Procurement Strategy Approval Delivery/distribution supplier for awards under the Cost of Living Fund Local Welfare Assistance Scheme
Appendix 2	Equality and health analysis – Cost of Living Fund Local Welfare Assistance Scheme

AUDIT TRAIL

Lead Officer	Director of Customer and Exchequer Services	
Report Author	Service Development Officer	
Version	Final	
Dated	2 March 2023	
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
Assistant Chief Executive – Governance and Assurance.	Yes	Yes
Director of Exchequer (for housing contracts only)	N/A	N/A
Cabinet Member	Yes	Yes
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		2 March 2023

