

<b>Item No.</b> N/A	<b>Classification:</b> Open	<b>Date:</b> 8 March 2023	<b>Decision taker:</b> Cabinet Member for Communities, Equalities & Finance
<b>Report title:</b>		Gateway 2 - Contract Award Approval Coroner Removals Contract	
<b>Ward(s) or groups affected:</b>	All		
<b>From:</b>	Strategic Director of Finance and Governance		

## RECOMMENDATION(S)

That the Cabinet Member for Communities, Equalities & Finance:

1. Approves the award of the coroner removals contract on behalf of the Inner South London Coroner's Court Consortium (ISLCC) to Dignity Funerals Limited for the estimated maximum sum of £400k per annum for a period of four years from 26 March 2023 with the option to extend up to four years (in two year increments) making a maximum estimated contract value of £3.2m.
2. Notes that the ISLCC comprises of four local authorities and as such, the operating costs of the coroner's court including the cost of this contract are apportioned based on population, with the London Borough of Southwark contributing approximately 26% of the total costs and that the London Borough of Southwark receives a management fee of 10% of overall expenditure from the consortium.
3. Notes that the Gateway 1 was approved by the now Strategic Director of Housing previously the Strategic Director of Housing and Modernisation for an estimated total value of £1.92m in line with Contract Standing Orders.

## BACKGROUND INFORMATION

4. A coroner is an independent judicial officer who has a duty under the Coroner's and Justice Act 2009 to investigate violent or unnatural deaths, sudden deaths of unknown causes and deaths which have occurred in prison or custody.
5. Once a death has been reported to a coroner, the coroner has legal possession of the body until it is released to the next of kin and may instruct that the body be transferred to a public mortuary facility for a post mortem examination by a pathologist.
6. The ISLCC is funded by a consortium of four local authorities, the London Boroughs of Southwark, Lambeth and Lewisham and the Royal Borough of

Greenwich with the London Borough of Southwark acting as the lead authority on behalf of the consortium.

7. A Gateway 1 procurement strategy report was approved on 19 October 2022 by the now Strategic Director of Housing (previously the Strategic Director of Housing and Modernisation) to advertise the contract following an Open Tender procedure and for an estimated total value of £1.92m.
8. The new contract is for a period of four years from 26 March 2023 with the option to extend up to four years (in two year increments).

### Procurement project plan (Non Key Decision)

9.

Activity	Completed by/Complete by:
Forward Plan for Gateway 2 decision	24/02/2023
Briefed relevant cabinet member (over £100k)	13/07/2022
Approval of Gateway 1: Procurement Strategy Report	19/10/2022
Invitation to tender	21/10/2022
Closing date for return of tenders	30/11/2022
Completion of evaluation of tenders	12/01/2023
Briefed relevant cabinet member (over £100k)	08/03/2023
DCRB Review Gateway 2:	23/02/2023
CCRB Review Gateway 2:	02/03/2023
Notification of award	07/03/2023
Approval of Gateway 2: Contract Award Report	13/03/2023
Debrief Notice and Standstill Period (if applicable)	13/03/2023
Contract award	24/03/2023
Add to Contract Register	24/03/2023
Contract start	26/03/2023
Find a Tender Notice	24/03/2023
Publication of award notice on Contracts Finder	24/03/2023
Contract completion date	25/03/2027
Contract completion date – if extension(s) exercised	25/03/2031

## **KEY ISSUES FOR CONSIDERATION**

### **Description of procurement outcomes**

10. This contract is for the provision of a service to transfer the body of a deceased person whose death has been referred to His Majesty's Coroner for Inner South London from the place of death to a designated public mortuary as instructed by His Majesty's Coroner for Inner South London.

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

11. This report deals with a non key decision.

### **Policy framework implications**

12. There are no identifiable policy implications.

### **Tender process**

13. The opportunity was advertised on Find a Tender Service (FTS).
14. Further details of the tender process are noted in the closed version.

### **Tender evaluation**

15. The tender evaluation panel comprised of the Head of Specialist Services (Head of Service), Specialist Services Manager (Chair) and the Coroner's Support Manager advised by a Senior Procurement Advisor and the Divisional Accountant. Consensus scoring was recorded by the panel chair.
16. Tender submissions were evaluated on the basis of the most economically advantageous tender using a weighted model of 70:30 price and quality. The price score added to the quality score resulted in a total score. The total score was then used to rank the tender submissions.
17. Three tenders were received, further details of the tender evaluation process are noted in the closed report.
18. Dignity Funerals Limited scored 20% out of a possible 30% for quality and 70% out of a possible 70% for price, and overall obtained the highest score, and on this basis, the evaluation panel recommended that the contract should be awarded to Dignity Funerals Limited.

### **Plans for the transition from the old to the new contract**

19. Dignity Funerals Limited is the incumbent provider and as such no transitional arrangements are required.

### Plans for monitoring and management of the contract

20. 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.
21. The Specialist Services Manager will monitor the contract for these services through regular site visits, reconciliation of invoices, performance monitoring data and regular contact with the appointed contractor.
22. Annual Performance Review will be carried out in line with the council's Contract Standing Orders (CSO).

### Identified risks for the new contract

23. The table below identifies risks associated with this contract, the likelihood of occurrence and the control in place to mitigate the risks:

24.

R/N	Risk Identification	Likelihood	Risk Control
R1	Poor performance	Low	<p>The supplier is established provider of funerals and associated services and provides coroner removal services to a number of local authorities in England.</p> <p>Regular meetings will be held with the supplier with feedback from the coroner.</p> <p>The council may terminate the contract at any time giving three months written notice.</p>
R2	The supplier ceases to trade	Low	<p>The successful supplier is an established funeral director in England and has been operating the current contract.</p> <p>Regular finance checks will be carried out</p>

			during the life time of the contract.
R3	Increasing costs	High	<p>Since 2018 there has been a global pandemic that saw an increase in deaths over the last few years.</p> <p>Operating costs have also increased significantly.</p> <p>The supplier completes a monthly spreadsheet and submits it as part of its payment mechanism and is only paid for actual number of body removals.</p> <p>The contract price has been fixed for a period of four years, until the contract is extended.</p>
R4	Southwark as lead authority could be subjected to a judicial review should it be considered not to have met its statutory duty to provide the coroner with the necessary resources.	Medium	By securing the provision of this contract, the authority reduces the risk of a potential judicial review.
R5	The procurement process could be challenged by unsuccessful bidders.	Low	The procurement process was completed in accordance with the council's Contract Standing Orders and the procurement regulations.
R6	Unpredictable inflationary increases may increase operating costs and therefore the cost of providing the service.	Low	The pricing submitted by the successful supplier is fixed for the initial contract of four years, extension periods are subject to inflationary linked

			increases applicable at the time of the extension.
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**Community, equalities (including socio-economic) and health impacts**

**Community impact statement**

- 25. This decision has been judged to have no or a very small impact on local people and communities.

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

- 26. The quality evaluation placed significant emphasis on treating all deceased with dignity and respect taking cultural and religious expectations into account as well dealing with bereaved family and friends with empathy. It was noted by the evaluation panel that Dignity Funerals Limited scored highly in these areas.

**Health impact statement**

- 27. The urgent and respectful transfer of a deceased will minimise the impact on the deceased’s family / friends’ mental health as well as minimise any potential public health risk.

**Climate change implications**

- 28. Dignity Funerals Limited detailed their plans to invest in hybrid and electric vehicles thereby supporting the council’s target to achieve carbon neutrality by 2030.

**Social Value considerations**

- 29. The council is an officially accredited Living Wage Employer and is committed to ensuring that, where appropriate, our contractors and subcontractors pay staff at a minimum rate equivalent to the LLW. In their submission, Dignity Funerals Limited demonstrated that they meet the LLW requirements. The payment of LLW will be monitored as part of the contract management process.

**Economic considerations**

- 30. There are no specific economic considerations relating to this contract.

**Environmental/Sustainability considerations**

- 31. In their submission, Dignity Funerals Limited demonstrated that they operate from several locations within the geographical boundary of the coronial area to minimise travel time and the environmental impact thereof.

### **Market considerations**

32. Coroner removal services are generally provided by locally based funeral directors.
33. The Competition and Markets Authority (CMA) Funeral Market Order 2021 prohibits funeral directors from soliciting for business from customers through the provision of services under coroner and police contracts, this is a likely reason for the limited interest in this contract and potentially increased the cost of the contract.

### **Staffing implications**

34. The contract will be monitored by officers within the Specialist Services team.

### **Financial implications**

35. Details of the financial implications are noted in the closed report.

### **Investment implications**

36. There are no identified investment implications.

### **Legal implications**

37. Please refer to the concurrent of the Assistant Chief Executive of Governance and Assurance.

### **Consultation**

38. His Majesty's Coroner for Inner South London was consulted in developing the contract specifications and will be regularly consulted for feedback as part of contract monitoring.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Finance and Governance (FIN1350 - JB)**

39. The report requests Cabinet Member approval for the award of the coroner removals contract on behalf of the ISLCC to Dignity Funerals Limited for a period of four years from 26 March 2023 with options to extend. Paragraph 1 notes the potential range of annual costs being up to £400k as the contract is subject to variations in activity.
40. Paragraph 2 notes the funding mechanism for the ISLCC and Southwark's share of costs, based on population, at 26%.

41. Using current population figures the other consortium members will contribute 74% to the revised contract cost. Contributions will be made using the existing invoicing processes.

### **Head of Procurement**

42. This report seeks approval from the Cabinet Member for Communities, Equalities and Finance to award of the coroner removals contract on behalf of the Inner South London Coroner's Court Consortium (ISLCC) to Dignity Funerals Limited for the estimated maximum sum of £400k per annum for a period of four years from 26 March 2023 with the option to extend up to four years (in two year increments) making a maximum estimated contract value of £3.2m.
43. The Cabinet Member for Communities, Equalities and Finance notes the procurement process is detailed in paragraphs 13 to 18, contract management and monitoring is detailed in paragraphs 20 to 22, the risks are detailed in paragraph 23, the impact on equalities, health and climate change are detailed in paragraphs 26 to 28, confirmation of the payment of London Living Wage is detailed in paragraph 29 and there are NO social value commitments.

### **Assistant Chief Executive Governance and Assurance**

44. This report seeks the approval of the Cabinet Member for Communities, Equalities and Finance to the award of the coroner removal contract to Dignity Funerals Limited as detailed in paragraphs 1 and 2 of this report.
45. The services are subject to the Public Contracts Regulations 2015, in particular regulations 74 to 76 (commonly known as the Light Touch Regime) and was advertised in the Find a Tender Services. The tendering process outlined in paragraphs 14 to 19 of this report meeting those requirements.
46. The costs of the coroner removal contract are to be apportioned by the ISLCC, with the London Borough of Southwark contributing approximately 26% of the total costs and receiving a management fee of 10% of overall expenditure from the consortium. Further financial implications are outlined in the closed version of this report.
47. The Cabinet Member for Communities, Equalities and Finance'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.
48. The Cabinet Member for Communities, Equalities and Finance is specifically referred to the community, equalities (including socio-economic) and health impacts at paragraphs 25 to 27 setting out the

consideration that has been given to equalities issues which should be considered when approving the recommendation in this report.

## APPENDICES

No	Title
Appendix 1	Gateway 1 - Coroner Removals Contract

## AUDIT TRAIL

<b>Lead Officer</b>	Dominic Cain, Director of Exchequer, Finance and Governance	
<b>Report Author</b>	Paul Dumke, Specialist Services Manager (Access to Information, Coroner Support and Registrars)	
<b>Version</b>	Final	
<b>Dated</b>	7 March 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
Assistant Chief Executive Governance and Assurance	Yes	Yes
Cabinet Member	Yes	Yes
<b>Contract Review Boards</b>		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
<b>Cabinet</b>	No	No
<b>Date final report sent to Constitutional Team</b>		7 March 2023