

Item No. 17.	Classification: Open	Date: 24 July 2018	Meeting Name: Cabinet
Report title:		Gateway 1 - Procurement Strategy Approval Local Community Offer (VCS Hubs)	
Wards or groups affected:		All Wards	
Cabinet Member:		Councillor Jasmine Ali, Children, Schools and Adult Care	

FOREWORD – COUNCILLOR JASMINE ALI, CHILDREN, SCHOOLS AND ADULT CARE

This report sets out the proposed procurement strategy for the delivery of an older people’s hub and a disability hub within the borough. It recommends that contracts are awarded to two lead providers, one for each project. Each of the hubs will be required to have a network of providers working with them.

This hub model will equip the council to manage its “front door” by assisting individuals living within the Borough to access information, advice, navigation and facilitation support that will link them with community opportunities and services across Southwark to support their independence and wellbeing. Crucially, it will bring to life our positive policy of ‘no wrong door’ so that the people needing our services only have to tell their story once to access them.

This collaborative model will see the co-location of some Southwark Council operational staff, alongside workers from key Voluntary and Community Sector organisations, which are already delivering various information, advice, navigation and signposting services through grant arrangements. The proposal uses a collaborative model across social care and the third sector to bring together these key parts of the system, so that a clearer, more cohesive response to people seeking advice and support in the borough is available.

This approach has already been tested with our existing adult mental health hub which has had positive results. It is envisaged that the two proposed hubs for people with disabilities and older people will be connected with all three providing support for carers.

This will increase the impact of preventive services making it easier to detect any health-related problems early while there is a better chance of recovery.

The current budget aligned to the hubs’ development is £1,529,344. This will be split across both of the hubs with approximately £1.1m allocated for the Older People’s Hub and £400k for the Disability Hub: a significant investment in the voluntary sector.

I recommend that Cabinet approves the procurement strategy which enables the Council to design and develop a local service offer which can meet local needs and which is delivered by providers who have knowledge, experience and expertise to deliver good quality services and value for money.

RECOMMENDATION

1. That Cabinet approves the procurement strategy outlined in this report to undertake a competitive tender for the provision of a local community offer (VCS - Voluntary Community Sector Hubs) with an estimated annual value of £1,500,000, for a period of 3 years from 2 December 2019, with the option to extend for a further two years, making an estimated cost of £7,500,000 over the total life of the contract inclusive of extensions.

BACKGROUND INFORMATION

2. Southwark Council has been planning for some time the development of two Hubs, one designed for older people and one designed for people with disabilities. The Hub model will support how the council manages its “front door” by assisting individuals to access information, advice, navigation and support that will link residents with community opportunities and services across Southwark to support independence and wellbeing.

Vision

3. For some time the council has been working with the local voluntary sector to create a model of delivering information, advice and guidance to residents that enables older people or people with disabilities to tell their story once, get the right advice or support, from the most appropriate organisation/professional whilst minimising referrals between organisations with different expertise.
4. The vision for this model of delivery is that it will support people, whether they have eligible care needs or not, to explore how they can manage the issues that they are experiencing. This can range from finding out what information or services are locally available, through to receiving an assessment under the Care Act to receive social care support. The proposed co-location of the local voluntary and community sector (VCS) with council staff makes this range of response for the local community possible. Moreover, it provides opportunities for professionals from different organisations and disciplines to develop their knowledge of the full community offer in terms of the local landscape and not just their own organisation.
5. It is envisaged that a person who is seeking advice about loneliness or help with continuing to live independently, e.g. being able to continue to doing their shopping, would contact the hub either by phone or visiting the main Hub or outreach hubs. A recent workshop explored scenarios of typical enquiries to the current provision and how the proposed model could improve the experience and outcome for residents. The workshop participants identified additional opportunities, such as that the hub model supports a holistic approach, integration of local knowledge and improved use of community assets, all of which can deliver better outcomes for people.
6. The development of the Hubs is in accordance with the joint (Council and CCG) voluntary and community sector strategy entitled ‘Common Purpose, Common Cause’. It is taking a collaborative approach to commissioning by ensuring that the model that is produced is as a result of co-production between the key stakeholders – local VCS, council officers, health partners and those likely to use services. The model is intended to deliver better outcomes for residents in accordance with Southwark’s Common Outcomes Framework, agreed by Cabinet, particularly with respect to the broad themes of Engaged, Healthier and Vibrant communities.
7. The delivery model for the hubs is the ‘Lead Provider model’ which is described in Southwark’s VCS strategy. By establishing a Lead Provider for each Hub, it is envisaged that the Lead Provider will lead a network of local VCS providers – a coalition of committed and capable community-based organisations – who will use their local knowledge to support residents to understand their options and possible opportunities to continue being as independent as possible in the borough. This model seeks to create efficiencies in delivery for residents and the council in managing services rather than financial savings. It is envisaged that by creating a network of local providers, this will create resilience amongst, and within, those providers, the capacity for continuous improvement and opportunities to support the career development within the VCS by investing efficiencies into creating apprenticeships and continuous professional development.

8. In a practical sense the location of the main hubs provides an important opportunity to showcase, and demystify, the range of services available such as day services or extra care.
9. This report seeks to identify a fair and transparent process that will support the council in identifying a lead provider capable of leading of a network of local providers with knowledge of the local community offer for local people. In selecting the process, we have carefully considered how it will ensure that the evaluation process allows for involvement of services users and dialogue to ensure a full understanding of the capabilities of the bidders.

The current context

10. At present, the council has a number of older person's and disability providers, as detailed in the table below, who are already delivering various information, advice, navigation, befriending and social interaction services through grant arrangements in Southwark. Redesigning these services to work from two distinct Hubs will ensure that residents have equal access to a range of community services which can prevent, or delay the need for adult social care support. Both hubs will work from public facing locations across the borough, as well as link and coordinate with existing community assets and resources to ensure residents can access relevant and meaningful support.
11. Information on the existing providers number of average service users per quarter and the type of support currently being delivered is shown in the table below:

	Grant funded	Contract	InfoAdvice	Wellbeing	Social Interaction	Carers	All
Age UK	☐		226	213			
Black Friars Settlement	☐			212	260		
Linkage Southwark	☐				497		
Leonard Cheshire	☐		31				
Life Long Family Links	☐			16			
Lambeth and Southwark Mencap	☐			36			
Southwark Disablement Association	☐		156				
Southwark Pensioners Centre	☐			210			
Southwark Carers		☐				675	
Time and Talents	☐				179		
Total			413	687	936	675	2116

12. It is proposed that this procurement brings these provisions together, as a joined-up and holistic approach for disabled and older people in Southwark, in accordance with the above vision. The Hubs will work in collaboration with Southwark Council operational staff, with some staff relocating to the Hub locations, alongside workers from key voluntary and community sector organisations. Colocation of London Borough of Southwark staff with key voluntary and community sector staff will facilitate the sharing of local knowledge and skills, and ensure prospective clients are matched with appropriate resource.
13. The proposed project plan includes two 'test and learn' periods commencing from August and September 2018 respectively with evaluation complete in January 2019. 'The 'test and learns' will provide further opportunity for the council to define the exact requirements for its local community offer. The performance and evaluation measures of the 'test and learns' will be developed and determined by the finance and performance work stream. Further information regarding the work streams roles and responsibilities can be found in paragraph 54. The 'test and learns' are being designed and implemented to inform the development of the service specification. The detail of the structure and approach of the test and learns' will be developed through the commissioning and procurement and

operational management work streams. There will not be a lead provider during the test and learn phase as this will be managed through the children, adults and families commissioning team.

14. Early work on the project had seen the development of two sets of voluntary sector partnerships. For the older peoples hub the COPSINS partnership has emerged (Age UK, Alzheimer's Society, Southwark Pensioners Centre, Blackfriars Settlement, Link Age Southwark & Time and Talents). For the Disability Hub the current providers that are engaged are Leonard Cheshire, Lifelong Family Links, Lambeth Mencap and Southwark Disablement Association. Further engagement is taking place to ensure that there is wider engagement and involvement of disability providers, including learning disability providers as the work progresses
15. This work will have close links with the existing mental health wellbeing hub ensuring that the older people's and disabilities hub work complements the existing wellbeing hub.
16. It is recognised that carers play a critical role in supporting the people they care for to maintain independence and wellbeing, and with this in mind a more accessible carer's offer will be built into the hub model and will also be rolled out across all of the Hubs, including the existing wellbeing hub to ensure consistency of this service and support.
17. In order to ensure continuity of service delivery to people across the Borough, the existing grant and contractual arrangements have been extended to 31 March 2019. Officers will be seeking permission for further extensions in subsequent Gateway 3s to cover the proposed commencement dates of the new arrangements.

Summary of the business case/justification for the procurement

18. Demand for adult social care services is increasing, whilst the budget available is not. This continued increase is creating pressure across the whole health and social care system. With demand expected to continue to rise, it will become increasingly more difficult to resource and manage access effectively.
19. Whilst a wide range of preventative services including information, advice and support services are commissioned to support older people and people with disabilities in the borough, they are fragmented and distributed across Southwark and neighbouring boroughs and don't always work together as an effective system. This can mean that these important community services are not used to best advantage to support the council in managing demand and access.
20. The proposal to create two Hubs using a collaborative model across social care, the third sector and health, aims to bring together these key parts of the system, so that a clearer, more cohesive response to people seeking advice and support in the borough is available. This will ensure that those individuals who are able to manage their health and wellbeing themselves are effectively provided with the tools to be able to do so, thereby delaying or preventing their route into the adult social care or health system. Introduction of older persons and disability hubs in Southwark will ensure adult social care assessments and resources are reserved for clients with the highest needs, and will reduce the demand on council services.
21. Development of an older persons and disability hub in Southwark links with the Fairer Future Procurement Strategy commitments; value for money, and health for all, and the need for an age-friendly Borough.
22. Given that this model relies on a strong local network of providers, with well developed relationships and reaches into grass roots community groups and organisations, the option to undertake a single supplier negotiation has been explored as this was the

original preferred option to secure the provision of services to meet the local need. However, following legal and procurement advice it has not been possible to identify such a route to market that complies with legislative requirements. Therefore, following full consideration and discussion, it is recommended that a Lead Provider model through a competitive procedure with negotiation process is undertaken to secure lead providers for each of the hubs.

Market considerations

23. Market intelligence indicates that there are a sufficient number of potential providers to achieve an appropriate level of response to such a process. The existing providers include a range of small, medium and large organisations who operate both on a national and local level. However, only a small number are likely to be in a position to deliver the 'Lead Provider'; model required in this procurement.
24. Whilst a number of other local authorities have significantly reduced their funding to the community and voluntary sector in response to central government funding cuts and the need to protect statutory services, the sector in Southwark remains vibrant, for example, Blackfriars Settlement and Time and Talents have provided services for older and disabled people in the Borough for approximately 130 years. Several of the providers have invested in fundraising resource to reduce the reliance on local authority funding.
25. With the local market including established specialist organisations, and a national market of wide reaching older and disabled support providers, it is expected that there will be a high level of interest in this proposed procurement.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

26. The nature and value of these services means that they are above the light touch threshold and as such the Public Contract Regulations 2015 and Public Sector Directive 2014/24/EU would apply. The following options have been considered in relation to the procurement of this service:
27. **Option 1 – Continue with existing arrangements:** The current inconsistent options can lead to a poor experience for people who may require support and their carers. The current spread of services across the borough means that clients who could benefit from community services are not always aware of what is available, thus negatively impacting on choice. The option to continue with existing arrangements is not recommended as the demand for Adult Services continues to increase, but the budgets are not increasing in line and the current model does not allow for effective signposting meaning that inappropriate referrals are artificially inflating demand. The current arrangements are fragmented and not equitable for residents
28. **Option 2 – Single Supplier Negotiation:** Officers initially explored this option in line with the Southwark Common Outcomes Framework commitment, working collaboratively with local people and providers. Due to the nature and value of this procurement and the possibility of there being more than one provider that can deliver the service, the public contracts Regulations 2015 (EU procurement) regulations do not allow for a single supplier negotiation approach to be undertaken. Therefore this option is not recommended.
29. **Option 3 – OJEU Procurement:** A common procurement route is to use the restricted procedure however, this procedure is primarily suitable if the council is able to clearly define its required output as only minimal 'clarifications' are allowed. An alternative

procurement route is to follow a competitive procedure with negotiation (option 3c below) which would allow the council:

- to reserve the right to evaluate and award a contract based on initial tenders (as if it was a restricted procedure); or
- to have some negotiations to clarify aspects of the initial tender with a limited number of bidders.

30. **Option 3a - Single provider through restricted tender:-** Using a single provider is unlikely to achieve the reach and provide the diversity capacity to manage the range and level of demand that is anticipated. The utilisation of the expertise of a range of providers and partners will ensure important reach across the borough and into communities. This option is therefore not recommended.
31. **Option 3b – Multiple separate providers through restricted tender-** This is our current arrangement, which is not achieving the outcomes we want for our residents. This approach, whilst securing knowledge, expertise and reach, would be difficult to manage effectively, is likely to be more costly and will lead to inconsistency and fragmentation and ultimately a poor experience for people who use the services and their carers. As such this option is not recommended.
32. **Option 3c - Lead Provider model through competitive procedure with negotiation:** This is the preferred option and supports the council in working collaboratively with bidders and would provide the necessary breadth of experience, expertise and reach, whilst enabling the council to have a clearly defined contractual relationship. A lead provider model through competitive procedure with negotiation has been used by other councils, including Camden to secure a similar service. A separate contract will be awarded to a single provider for each hub (the Lead Provider) who will then sub-contract the services for each hub. The lead Pprovider will be responsible for managing the front door service, as well as overseeing and co-ordinating the range of preventative services being offered across the borough. The lead provider will also be responsible for the delivery and quality of the subcontracted services and will be accountable to the council. This approach is the preferred and therefore recommended approach.
33. **Option 4 - Framework/Third Party Framework-** There are no existing frameworks and services provided through the hubs need to be specific to local requirements and as such the possibility of joining any existing framework would not be viable, and creating a framework would have the same dis-benefits as 3b.
34. **Option 5 - Joint Procurements** Camden Council is committed to developing a centre for independent living (CIL) in the borough by summer 2018. Partnership working with Camden has not been pursued as timelines are not aligned, and their procurement strategy has not been set up i.e. as a framework, to allow further partners to join. No other local authorities have been identified as suitable options to work in partnership with delivering these services. Given the local nature of the networks that local authorities will seek to establish, there are no obvious benefits for pursuing this option
35. **Option 6 - Provide in-house-** This approach would secure local knowledge and is likely to be well received by some residents who see the council as the trusted access/assessment point. However, this is not recommended as it would be a less financially viable option, and could stifle the innovation and flexibility that not-for-profit organisations can harness outside of a public sector structure. Also, in bringing these services in-house, the council would also run the risk losing the reach that Southwark's local voluntary and community sector has due to being seen as an 'honest broker' or independent body from a state agency

Proposed procurement route

36. The proposed procurement route is the “Competitive Procedure with Negotiation” option 3c. This procurement is above the EU light touch services threshold (£615,278) and subject to the light touch regime set out under the Public Contract Regulations 2015. Once the council’s test and learn period has been completed for this service model it is recommended that the council undertake a competitive tender in order to procure these services.
37. The contract will be awarded in two separate lots, one for each hub. The process will result in securing a lead provider for each of the hubs (older people and disability) who will use a network of subcontracted providers to deliver information, advice, signposting and navigation service as well as a wide range of preventative services and support.
38. The procurement will include a pre-qualification stage via a standard selection questionnaire (SQ), which will shortlist bidders before inviting bidders to submit an initial tender. After the Initial Invitation to tender has been evaluated the contract can be awarded. Alternatively, if it is not possible to award at this stage, the council can include one or more stages of negotiation as to how the service will be delivered prior to seeking final tenders.
39. The negotiation phase will take place after the Invitation to Tender is issued and will provide the opportunity to negotiate how the service will be delivered. As a minimum the following 3 key areas of negotiation focus for the council will be:
- I. Their ability to mobilise across the Borough
 - II. The composition and strength of the partnerships that support and underpin the model
 - III. The robustness of the infrastructure to support effective performance management of all providers that will be part of the delivery of the model.
40. Following the conclusion of the negotiation phase, the final tender will be submitted by bidding providers for consideration by the tender evaluation panel. The evaluation panel will be set up with representatives from across relevant service areas and will include procurement and finance officers.
41. Full details of the procurement process is set out at appendix 1 accompanying this report and officers will be working closely with legal and procurement colleagues to ensure that the process is fully adhered to.

Identified risks for the procurement

42. The following risks have been identified for this procurement:

Risk	Description	Risk Rating	Mitigation
Service pressure and demand management	Operational colleagues in Older Peoples and Disabled Persons services have restructured teams to reflect new ways of working through the hubs, which has not as yet been realised. Increasing demand is	Medium	Early co-location and shared working approaches may reduce the pressure on frontline teams

Risk	Description	Risk Rating	Mitigation
	creating pressure and impacting on their ability to deliver the service		
Poor service design and delivery	The evaluation criteria and service specification do not support the Council to clearly articulate the requirements of the service, nor understand the effectiveness of new arrangements	Low	Working closely with all key stakeholders, through the work streams, will ensure that the evaluation criteria service specifications and performance management frameworks that are developed are robust. Completing the 'test and learn' will test the service design, and minimise risk by incorporating lessons learnt.
Financial	Financial sustainability due to greater proportion of services being funded through the Better Care Fund Possible future reduction in BCF funding could result in the budget reducing following contract award.	Medium	Officers are and will continue to work with CCG colleagues and partners to ensure that the design of the model links with shared outcomes, to build a strong case and rationale for continued funding. Better Care Fund for 2019/2020 is signed off through the appropriate governance including the Health and Well Being Board
Capacity of market	Whilst there are a range of providers in the Southwark area, the option to award a higher value contract to a lead provider is untested.	Medium	A competitive procedure with negotiation will require providers to evidence their ability to deliver the services to the required standard
Timescales not being met	Further delay to the procurement could cause reputational risk to the Council	Medium	Commissioning and Procurement staff resource has been brought in to deliver a Programme Management approach to support the project and will be supported by a comprehensive procurement timetable, which is both realistic and achievable.
Lack of bids	A lack of bids could mean the council is not able to award the contract	Low	Early engagement with the market will ensure that there is a clear understanding of the market in terms of size and strength as well as likely interest in this opportunity

Risk	Description	Risk Rating	Mitigation
			A Prior Information Notice (PIN) will be published and early market engagement will be conducted to generate interest and awareness.
Lack of quality bids	A lack of quality bids could mean the council is not able to award the contract due to quality concerns	Low	A robust procurement process which includes discussions with providers and a comprehensive service specification which will outline the required standards for the delivery of the service.

Key /Non Key decisions

43. This report deals with a key decision

Policy implications

44. The Care Act 2014 references that the council has a statutory responsibility to provide information advice, signposting and navigation support to enable people to remain independent, healthy and well.

45. The Care Act 2014 requires Southwark Council to:

- Promote people's wellbeing and independence
- Prevent, delay or reduce care and support needs
- Provide information and advice on the choice of social care available
- Support people to fully participate in assessing their care and support needs and developing support plans
- Meet eligible care and support needs
- Join up health and social care services where this will help us do the above.

Provision of a Hub for Older and Disabled People in the Borough will help Southwark to meet the Care Act 2014 responsibilities.

46. The Council Plan 2018 sets out the 8 priority themes that demonstrate how the council will achieve the seven vision statements in the plan. Vision 5 states that the council aims for work towards 'A healthy borough where your background doesn't determine your life chances'. The provision of this service will contribute to the delivery of this commitment.

Procurement project plan (Key decisions)

Activity	Complete by:
Enter Gateway 1 Decision on the Forward Plan	14/05/2018
DCRB Review Gateway 1	30/05/2018
CCRB Review Gateway 1	28/06/2018
Brief relevant cabinet member (over £100k)	12/06/2018
Notification of forthcoming decision- Cabinet	01/06/2018

Activity	Complete by:
Approval of Gateway 1: Procurement strategy report	17/07/2018
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	26/07/2018
Publication of PIN in OJEU	10/09/2018
Market Warming Event/s	05/11/2018
Completion of tender documentation	07/01/2019
Publication of OJEU Notice	11/02/2019
Publication of Opportunity on Contracts Finder	13/02/2019
Closing date for receipt of expressions of interest	14/03/2019
Completion of short-listing of applicants	22/03/2019
Issue Initial tender	25/03/2019
Closing date for return of tenders*	24/04/2019
Evaluation of Initial Tender	06/06/2019
Conclusion to negotiation phase and invite final tenders	20/06/2019
Closing date for receipt of final tenders	21/06/2019
Completion of evaluation of tenders	11/07/2019
Forward Plan (if Strategic Procurement) Gateway 2	01/08/2019
DCRB Review Gateway 2:	07/08/2019
CCRB Review Gateway 2	15/08/2019
Notification of forthcoming decision – dispatch of Cabinet agenda papers	17/09/2019
Approval of Gateway 2: Contract Award Report	24/09/2019
End of scrutiny call in period and notification of implementation of Gateway 2 decision	01/10/2019
Debrief Notice and Standstill Period (if applicable)	15/10/2019
Contract award	16/10/2019
Add to Contract Register	17/10/2019
TUPE Consultation period (if applicable)	29/11/2019
Place award notice in Official Journal of European Union (OJEU)	18/10/2019
Place award notice on Contracts Finder	21/10/2019
Contract start	02/12/2019
Initial contract completion date	01/12/2022
Contract completion date – (if extension(s) exercised)	01/12/2024

47. The above timetable is indicative and outlines the competitive procedure with negotiation as outlined in the Public Contract Regulations 2015. This procurement will be conducted under the Light Touch Regime and officers will be working closely with Corporate Procurement colleagues to design the procurement process and in doing so, streamline

the timetable. Therefore the dates and length of time set out above set out above are based on a worst case scenario position.

TUPE/Pensions implications

48. This procurement may have TUPE implications for external service providers where they do not take part, or are unsuccessful in the tendering exercise. The providers and their staff could potentially be affected by the implementation of the new contracts. There will not be any TUPE implications for Southwark Council staff as none currently deliver the services to be procured.
49. Whether TUPE applies at the point of contract award will depend on whether the incumbent providers continue to be the providers with whom Southwark contracts and other prevailing circumstances.
50. Should there be a change in service provider and the service remains substantially the same it is anticipated that TUPE will apply.
51. Due diligence work will need to be carried out and staffing information sought from the current providers. Once this due diligence information is provided the full TUPE (and any pensions implications) can be more closely determined. The due diligence information will, as relevant, also be made available to bidders within the tender documentation pack.
52. The procurement project timetable will need to include sufficient timelines to ensure that the council and any affected providers are able to comply with legal obligations that could potentially arise in respect of TUPE.
53. If TUPE does apply it is anticipated that it will be the responsibility of the providers involved to resolve these issues and the council's role in this process will simply be to facilitate contact between the relevant parties and where considered appropriate factor TUPE costs into the contract price."

Development of the tender documentation

54. The development of the tender documentation will be overseen through the Programme and its respective work streams, which has been established to drive the delivery of this work. This has been in place since January 2018 and has led to a re-scoped and re-defined Programme that is underpinned by 6 work streams, with responsibilities defined below :
 - I. **Finance and Performance** – Financial modelling, demand management, key performance indicators and statutory returns requirements.
 - II. **Workforce** – Operational processes and procedures, staff co-location, training joint working protocols, upskilling etc.
 - III. **Operational Service Management** – Care pathways mapping and service design, role requirements, management of front door work and service structure.
 - IV. **ICT Systems and Infrastructure** – Buildings, telephony, systems access, self assessment tools and workflows.
 - V. **Commissioning and Procurement** – Strategic governance, stakeholder management, market engagement, service specification development and outcome measures, definition of the commissioning and procurement approach. Development of Tender documents including contract Terms and Conditions.
 - VI. **Communications** – Design and delivery a communications Strategy and Plan to ensure co-production, engagement and consultation happens in the right way, at the right time for all key stakeholders including, service users, carers and families, LBS staff and provider staff, and wider Southwark community.

55. The work streams are being overseen by a Project Board, which is chaired by the assistant director for commissioning children, adults & families.
56. Regular Board meetings are in place to provide strategic oversight and ensure delivery. The Board includes representation from commissioning, operational leads, performance, Providers from the VCS and representation from the CCG. Additional support, advice and expertise is provided by HR, Finance, Procurement, Legal and Communications etc. through the work streams
57. Separate meetings with incumbent Providers have been established and are on-going as part of the co-production phase to enable focused discussions and engagement. These meetings are underway and will be ongoing until the point at which the procurement commences. VCS providers are also involved and participating in the work stream meetings to ensure effective co-production is at the heart of the work.
58. Work Stream meetings are established and underway, with each having an associated work plan, which links to the overall Programme Plan. It should be noted that as the work has progressed, it has emerged that the work required for the flexible day care offer within the Disability Hub at Southwark Resource Centre will need to have dedicated focus and it is therefore proposed that an additional work stream is established to manage this piece of work. This will ensure that this element of the work is delivered at pace and by September 2018.
59. It is recognised that there is other work happening across the health and social care system in Southwark that has synergies with this Programme, such as social prescribing, population based segmentation and the Local Care Networks (LCNs). Officers are linking into these areas of work to ensure that opportunities for collaborative working are maximised and to reduce any risk of duplication which may lead to competition for limited funds that may adversely impact on this work and its future sustainability.
60. Officers are also looking to other Local Authorities to identify models, best practice examples and key lessons learned that will inform the development of the model and approach here in Southwark.
61. The adults, children's and families commissioning team will be responsible for developing the tender documentation with assistance from legal and procurement which will be based upon the government's Standard Supplier Questionnaire with some additional sections. The specification for which will be based on the outcome and associated learning of the 'test and learns' whilst also meeting the requirements of the Council. .

Advertising the contract

62. The contract falls within the category of services which are subject to a "light touch" regime under the Public Contracts Regulations 2015. A contract notice will be published in OJEU, Contracts Finder and on Southwark Council's e-procurement portal.

Evaluation

63. The evaluation criteria will be based on a 70:30 quality/price ratio. The proposed evaluation ratios are based on the need to ensure that high quality; experienced providers are selected to deliver these critical services. It is recognised that the providers will be working with vulnerable clients and their carers, and will include working with residents with complex needs. The high quality weighting is proposed to attract a calibre of suitably experienced and qualified providers.
64. The evaluation panel will be set up with representatives from across relevant service areas and will include procurement and finance officers.

65. Given the proposed quality/price ratio, we will use a price cap to ensure the prices that are submitted remain within budget. We will be exploring with Corporate Procurement colleagues approaches to incentivising providers to deliver a competitive price.
66. The proposed process will comprise a number of elements that will be designed to robustly test bidders' capability and suitability to deliver an effective service and will include responses to method statements, presentations to a tender evaluation panel as well as to service users and carers. The evaluation scoring methodology will be clearly set out within the tender documentation and shall be approved by the project board prior to the OJEU contract notice being published.
67. The evaluation process in full is set out at Appendix 2, accompanying this report and officers will be working closely with legal and procurement colleagues to ensure that it is fully complied with.

Community impact statement

68. These services will provide information, advice, navigation and signposting support, to some of the Borough's most vulnerable residents, as well as supporting the Council to more effectively manage its demand.
69. Officers are mindful of the need to have due regard to the public sector equality duty imposed by section 149 of the Equality Act 2010, which requires the council to:
 - Eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
 - Foster good relations between persons who share a relevant protected characteristic and those who do not share it.
70. As the work progresses the impacts with regard to individual groups and communities will be identified and assessed. This will include an equality analysis, which will be undertaken as part of this work to ensure that the needs of those having a protected characteristic under the act are fully and properly taken into account.
71. The health and wellbeing of Southwark residents will be at the core of the work for this service.

Sustainability considerations

72. The Public Services (Social Value) Act 2012 requires the council to consider a number of issues including how what is proposed to be procured may improve the economic, social and environmental well-being of the local area. These issues are considered in the following paragraphs which set out economic, social and environmental considerations.

Economic considerations

73. The procurement of a Hub to support Older and Disabled people is a cost effective way of ensuring residents have equal access to preventative services, and will support the council to effectively manage demand so that Adult Social Care support is reserved for residents with the highest level of need. The Hub model will help Southwark Council manage budget pressures and sustainability of services
74. The successful bidders will be expected to demonstrate Social Value by the promotion of apprenticeships for local people and encourage and fully support the engagement of volunteers across the services.

Social considerations

75. The successful Lead Provider will be expected to meet the London Living Wage (LLW) requirements for services provided. Given the need to recruit and retain high quality staff, it is considered that best value will be achieved by including this requirement, as well as ensuring that the Council adheres to the requirements of the "Ethical Charter". As part of the tender process, bidders will be required to confirm that they will be paying LLW and the benefits that this will provide to the council. As part of the tender process, bidders will also be required to confirm how productivity will be improved by payment of LLW. Following award, these quality improvements and any cost implications will be monitored as part of the contract review process.
76. In accordance with the council's Fairer Futures Procurement Strategy, the successful Lead Provider will be expected to recognise trade unions.
77. The design of the service will be focused around utilising and developing social capital within the sector with a focus on developing and increasing the number of volunteers, and apprentices. Volunteers and apprentices are able to add significant value to the offer as well as the experience being a positive one for the individuals.

Environmental considerations

78. Operating from two central hubs, as proposed will have a positive environmental impact.

Plans for the monitoring and management of the contract

79. Since January 2018 the council has established a Programme Board The contract will be performance managed by the contract monitoring and performance improvement team in children's & adults services in conjunction with operational service leads from Social Care. Managing and monitoring of the contract will include:
 - Compliance with the specification,
 - Performance measurement of the provider
 - Service user outcomes,
 - Service user satisfaction,
 - Stakeholder satisfaction

Staffing/procurement implications

80. The proposed procurement will have staff resource implications through the negotiation phase and evaluation panel. The assistant director for commissioning children, adults & families is responsible for resourcing this procurement process. Southwark staff involvement on the evaluation phases will be key to securing high quality service provision, which complements and supports operational delivery.
81. When the local community offer is implemented, there will be impacts, not only on VCS staff, but also on LBS staff within the operational service, as a result of their co-location and shared processes and protocols. The Workforce work stream will lead this area with representation from all key stakeholders, including staff, operational managers, VCS, HR etc. The unions will also be fully engaged as part of this process.

Financial implications

82. The services within the scope of the Hubs are predominantly funded through BCF schemes. The current budget aligned to the Hubs development is £1,529,344, this will be

split across both of the Hubs with £1.1m for the Older Peoples Hub and around £400K for the Disability Hub. The tables below set out the financial breakdown across the BCF schemes.

BCF BREAKDOWN:

Local Community Offer: £1,082,344

This is built up of the following BCF schemes:

Scheme	BCF Investment	2017-18
Scheme 2.8	Age UK Foot and Nail Care Services	£10,000
Scheme 18	Voluntary sector preventative services: existing commitments used to take an integrated approach to prevention and protect CCG and ASC funded services	£910,000
Scheme 20	Dementia - Enhanced neighbourhood support, navigators and carers support for those with dementia	£162,344
	Total:	£1,082,344

Carers Services: £400,000

This relates to the following BCF scheme:

Scheme 1.3	Voluntary sector carers work– block grants	£400,000
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General fund: £45,000 from Break for carers budget (London Borough of Southwark)

Total: £1,527,344

Legal implications

83. This procurement is governed by the EU light touch rules regime for health, social and education services (PCR Regulations 74-77). The procurement is above the light touch threshold of £615,278 therefore a contract notice advert will be placed in OJEU. It is intended that this procurement is also advertised in Contracts Finder and on Southwark's e-procurement portal.

Consultation

84. Consultation with operational colleagues and VCS Providers has been integral to this work and will be ongoing to ensure that the final specification is fit for purpose and reflects the key requirements for Southwark.

85. Consultation with residents, service users their family and carers is planned to take place and will build on previous work. Consultation, engagement and co-production will be central to this work.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (10TJ201819)

86. The strategic director of finance and governance notes the recommendation to pursue a procurement strategy to facilitate the creation of two Voluntary Community Sector Hubs. Funding for this has been identified, as detailed in the Financial Implications section of the report. The department will need to work closely with CCG colleagues to mitigate risks

and maximise opportunities in relation to the significant Better Care Fund element of the budget.

Head of Procurement

87. This report seeks the Cabinet's approval for the procurement strategy outlined in this report to undertake a competitive tender for the provision of a Local Community Offer (VCS - Voluntary Community Sector Hubs) for a period of 3 years with the option to extend for 2 additional years commencing on 02 December 2019 producing a total estimated value of £7,500,000.
88. The value of these services means that they are above the light touch threshold are therefore subject to the tendering requirements of the Public Contract Regulations 2015 (PCR15) and the council's Contract Standing Orders. The council's proposed strategy of undertaking a competitive procedure with negotiation will allow the council to engage with tenderers and find the most appropriate solution for our requirements.
89. Paragraphs 63-67 in this report detail the proposed evaluation methodology which is a 70:30 quality, price ratio. This high quality weighting is reflective of the need to ensure that high quality, experienced providers are selected to deliver these critical services as they will be working with vulnerable clients and their carers, and residents with complex needs.
90. Southwark Council's procurement officers will be advising on the tender documents to be used to ensure that all relevant statutory questions are included and due diligence to ensure the successful supplier is financially stable.

Director of Law and Democracy

91. This report seeks approval of the procurement strategy in relation to the provision of a Local Community Offer (VCS - Voluntary Community Sector Hubs) as more particularly described from paragraph 36 and in Appendix 1.
92. The report recommends the use of the competitive procedure with negotiation. This is a more flexible procedure which preserves competition between interested providers whilst allowing the council to discuss all aspects of the contract with each candidate. The (EU) Public Contracts Regulations (PCR) 2015 allow contracting authorities to use this procedure in situations where, amongst other things the needs of the authority cannot be met without adaptation of readily available solutions, and where the contract cannot be awarded without prior negotiation because of specific circumstances related to the nature, the complexity or the legal and financial make-up or because of risks attaching to them. Cabinet must be satisfied that this more unusual procurement strategy will provide best value for the council.
93. The services which comprise the proposed contracts fall within one of the categories of "light touch" services as defined in the PCR 2015. As such, the Regulations allow some flexibility in the manner in which the procedure is conducted, the details of which are set out in the Appendices to this report.
94. The proposed procurement strategy is also consistent with relevant domestic legislation and with the requirements of the council's Contract Standing Orders (CSOs). As a strategic procurement (as defined in the CSOs) the decision to approve the procurement strategy is one which is reserved to Cabinet.
95. Paragraphs 68 - 71 of this report [which note the community impact statement/and the intention to undertake an equality analysis] demonstrate how the council has had due

regard to the public sector equality duty in this procurement and Cabinet should be satisfied that this duty as been complied with when considering these recommendations.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No	Title
Appendix 1	Proposed Procurement Route Stages
Appendix 2	Evaluation

AUDIT TRAIL

Cabinet Member	Councillor Jasmine Ali, Children, Schools and Adult Care	
Lead Officer	Genette Laws, Director of Commissioning Children, Adults & Families	
Report Authors	Jane Love, Programme Manager; Samantha Edwards, Procurement Specialist; Hannah Moorhouse, Commissioning Officer	
Version	Final	
Dated	12 July 2018	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		12 July 2018