

Item No. 14.	Classification: Open	Date: 9 March 2021	Meeting Name: Cabinet
Report title:		Gateway 2 – Contract Award Care at Home and in the Community for Children & Young People	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Jasmine Ali, Children, Young People and Education	

FOREWORD – COUNCILLOR JASMINE ALI, DEPUTY LEADER AND CABINET MEMBER FOR CHILDREN, YOUNG PEOPLE AND EDUCATION

Southwark Council prides itself on delivering great outcomes for all Southwark children and young people. We therefore do all that we can to guarantee the best possible services - including our young residents with special educational needs and or disabilities.

The report sets out the commissioning arrangements to provide children and young people with special educational needs or disability and their families with seamless, personalised support from child to adulthood. Giving our young people the necessary support to make their transition in these important life stages as successful as possible.

The legal and professional frame works can be found in the *Children and Families Act 2014* and the *Southwark Council's Children and Young People's Plan*.

The attached Gateway two report - outlines the steps taken by the commissioning team to get the commissioning framework where we are today and proposes a contract award to six already established service providers who according to our commissioning team did well in the final evaluations, their final scores ranged from 85 to 95 with 89% reaching the top scores.

The service providers that make up this contract are all established in supporting children and young people and enabling them to live, work and study as independently as possible. The move to this new framework is beneficial for our children, young people using the service as it moves away from the old 'spot purchasing' method so helps with continuity of care. This procurement is also beneficial for the frontline practitioners engaged in this work as it enables all services to adopt the Southwark Ethical Care Charter which will of course benefit the workforce and the children, young people and families that use this service.

There is one difference between the earlier *gateway one* report and this *gateway two*: It was initially agreed that the contract would be a joint venture between the council and the Clinical Commissioning Group (CCG) as documented in *gateway one*. This is no longer the case and this gateway reflects that the CCG will no longer be partners for this contract on this occasion.

I have no hesitancy in recommending that the cabinet agree to award the contract so that our services for children and young people with special education needs and or disabilities can continue to get the best possible support.

The social value from this procurement includes apprenticeships and other opportunities for young people, as a corporate parent, I expect the providers to ensure that our care leavers are prioritised for such opportunities.

The financial value of the contract is £4.8m and is scheduled to begin in May 2021, will now last for four years and will be managed by the All Age Disability Team.

RECOMMENDATIONS

1. That cabinet approves the establishment of a single-lot Framework Agreement for the provision of Care at Home and in the Community for Children & Young People (CYP Care at Home) for a period of up to four (4) years from 3 May 2021 for an estimated total value of £4.8m and approves the deviation from the original Gateway 1 namely that Southwark Clinical Commissioning Group (CCG) had given notice that it did not wish to further its participation in a joint procurement process.
2. That cabinet approves the six named providers for the single-lot CYP Care at Home Framework Agreement as set out in the closed report.

BACKGROUND INFORMATION

3. Care at Home for Children and Young People is managed by the All Age Disabilities team in Adult Social Care to support their development throughout their lives to support them living as independently as possible within the community.
4. A Gateway 1 (GW1) procurement strategy report for Care at Home for Children and Young people with Special Educational Needs and Disabilities (SEND) was approved by Cabinet in March 2018, proposing a three year framework (two years + one year) in partnership with NHS Southwark CCG (CCG) with an estimated total contract value of £13.8 million.
5. The procurement strategy also provided an opportunity to adopt the Southwark Ethical Care Charter for this area of spend and the workforce

and this provides an opportunity to improve stability in the workforce and therefore the satisfaction/experiences of CYP and their families

6. At the time of drafting this report, the estimated value of services purchased by the council through the framework was anticipated to be £2.6 million per annum, making a total contract value of £7.8 million.
7. Council-provided care packages are currently purchased on an ad hoc basis as required from a number of providers that were on a now expired framework. These care packages provide care and support for approximately 239 children and young people and their families so that independent living at home can be optimised.
8. The proposed framework would ensure that children and young people and their families get the very best care and support. The care should meet their needs, enable a better quality of life and should offer seamless and personalised support from childhood to adulthood. In addition, the procurement was also underpinned by a commitment to improve the outcomes for Southwark children and young people and to put the child or young person and their family right at the centre of the commissioning of care packages, so that they are empowered to have choice and control over their care.
9. Since the GW1 procurement strategy was approved, the CCG reconsidered their position with regards to the purchasing of packages and concluded that they would continue to procure them on an ad hoc basis. Reasons cited by the CCG for taking this decision were:
 - A desire to continue with their existing providers and continue to procure on an ad hoc basis, and;
 - A desire to maintain clear and distinct pathways between the CCG and Southwark Council.
10. A further review of the council purchased care at home packages identified that the contract value of £2.6m in the GW1 required an adjustment down to approximately £1.2m per annum. This adjustment followed a further review of the demand and needs within this section of our population.
11. In addition to the contract value amendment, the framework term was extended from three to four years so that the benefits secured through this procurement strategy are available for longer and as permitted under Public Contract Regulations (PCR) 2015.

Procurement project plan (Key Decision)

12.

Activity	Completed by/Complete by:
Forward Plan (If Strategic Procurement) Gateway 2	08/12/2020
Briefed relevant cabinet member (over £100k)	13/02/2018
Approval of Gateway 1: Procurement Strategy Report	13/03/2018
Publication of OJEU Notice	06/01/2020
Publication of Opportunity of Contracts Finder	07/01/2020
Closing date for receipt of expressions of interest and SQ submission	20/02/2020
Completion of SQ short-listing of applicants	10/04/2020
Invitation to tender	24/08/2020
Closing date for return of tenders	30/10/2020
Completion of evaluation of tenders	30/11/2020
DCRB Review Gateway 2:	06/01/2021
CCRB Review Gateway 2:	14/01/2021
Notification of forthcoming decision – despatch of Cabinet agenda papers	15/02/2021
Approval of Gateway 2: Contract Award Report	09/03/2021
End of Scrutiny Call-in period and notification of implementation of Gateway 2 decision	17/03/2021
Alcatel Standstill Period (if applicable)	22/03/2021
Contract award	23/03/2021
Add to Contract Register	24/03/2021
TUPE Consultation period (if applicable)	24/03/2021
Contract start	03/05/2021
Publication of award notice in Official Journal of European (OJEU)	24/03/2021
Publication of award notice on Contracts Finder	24/03/2021
Contract completion date	02/05/2025

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

13. The council intends to move away from ad hoc purchasing arrangements to a framework agreement consisting of six providers, and the successful providers will be required to work closely with each other in a developmental way with the council to improve outcomes for Children, Young People and Families in Southwark.
14. The primary objective aims of the CYP Care at Home service are as follows:
 - To enable Children and Young People to live as independently as possible within the family environment
 - To enable Children and Young People to develop and achieve skills
 - To enable Children and Young People to maintain their own networks of support within the community
 - To ensure Children and Young People are able to access meaningful community activities which promote learning and development
 - To ensure Children and Young People have opportunities for socialising
 - To ensure Children and Young People are safe within their home and community environment
 - To ensure Children and Young People have opportunities for choice and decision-making
 - To ensure other reasonable outcomes for Children and Young People as identified in their Care and Support Plan.

Policy implications

15. Southwark Council's Children and Young People's Plan is underpinned by the Children and Families Act 2014, which outlines an expectation that children and young people and their families access a local offer of seamless, personalised support from childhood to adulthood.
16. The Children and Families Act requirement is intended to support parents or carers to continue providing care for their children at home, taking into account the parent or carers' need to engage in employment.
17. Nursing and personal care are regulated activities under Schedule 1 of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014. All providers carrying out regulated activity must be Care Quality Commission (CQC) registered.

Tender process

18. The framework was advertised in the following places:
 - The Official Journal of the European Union (OJEU)

- ProContract
 - Contracts Finder.
19. The tender process took the form of a Restricted Procedure. As the value of the framework agreement was estimated well in excess of the EU threshold for light touch services, there was a requirement to follow the Light Touch Regime prescribed under the (EU) Public Contract Regulations 2015 and advertise the tender opportunity in OJEU.
 20. All providers were required to satisfy Southwark Council's minimum requirements of a CQC rating of "Good". In the event that a provider has a rating of "Requires Improvement" they were able to submit a self-cleansing statement as evidence that they are currently working towards a rating of 'Good' via a CQC improvement plan. If a provider had yet to be inspected or has a "Good" or "Excellent" rating but has not been inspected in the last 12 months, they were able to provide a supporting statement, reflecting their current circumstances for information purposes only. Providers with an "Inadequate" rating automatically received a fail and were not permitted to participate further in the process.
 21. In addition, all providers were required to comply with the Southwark Ethical Care Charter as stipulated within the tender documents.
 22. The council received Selection Questionnaires (SQ) from 32 providers.
 23. Each SQ submission was checked first for completeness and compliance, before being passed to Finance colleagues for financial assessment; namely, looking at the economic and financial standing of each provider.
 24. The financial assessments were carried out against the following criteria:
 - Credit score of 40 or higher
 - Financial risk assessment for the council by analysis of key credit ratios
 - A minimum turnover of 1.5 times the annual contract value (in this case the estimated total annual contract value of £1.2 million was divided by six [the anticipated number of providers admitted to the framework as set out in the Invitation to Tender (ITT)] to equal an annual contract value of £200,000).
 25. To achieve an overall pass in the financial assessment, applicants needed to meet all of the above criteria or satisfy the council that their financial assessment (in the case of credit checks) was sufficiently stable to deliver the service required, as detailed in the tender.
 26. The bidders that passed the financial assessment were then evaluated on their responses to the technical questions in Stage 3 of the SQ evaluation.
 27. There were 22 SQ submissions which progressed to Stage 3.

28. The responses to technical questions from each bidder were evaluated and scored by an evaluation panel consisting of three council officers across commissioning and children's and adults' services.
29. Each submission was evaluated and scored by panel members individually, and then a collective score was agreed upon by the panel at a moderation meeting.
30. In accordance with the Invitation to Tender (ITT), thirteen bidders were shortlisted and invited to tender (this includes three Southwark incumbent ad hoc providers).
31. The CYP Care at Home tender process was paused on the advice from corporate colleagues to pause all procurements during the Covid-19 pandemic until at least 30 June 2020, which led to an extensive gap between the SQ and ITT stages.
32. A Market Sounding exercise via questionnaire was sent out to shortlisted bidders in July 2020 to gauge whether they had sufficient capacity to progress with (restart) the ITT stage in light of Covid-19 should it recommence mid/late August 2020. 11 out of the 13 bidders responded positively. Two bidders failed to provide a response (despite follow-ups being made). The decision was taken to progress the procurement.

Tender evaluation

33. Eleven bids in total were received. One bidder opted out, citing an inability to meet the requirements, and another did not respond.
34. The 11 tender submissions were evaluated on a Price 60% and Quality 40% ratio.
35. The Quality evaluation was made up of eight questions or method statements. The method statements were weighted in relation to their relative importance, as set out in the tender documents. The method statements covered the following areas:
 - Service Delivery - 50%
 - Workforce – 20%
 - User Experience – 15%
 - Partnership Working – 5%
 - Mobilisation – 5%
 - Social Value – 5%
36. The tender submissions of each bidder were evaluated and scored by an evaluation panel consisting of three council officers across commissioning and Children's and Adults' services. The panel consisted of two new panellists and one panellist carried over from the previous SQ stage.

37. A moderation meeting took place after each evaluator had individually scored each method statement and a consensus score for each method statement was achieved following this process.
38. The method statements were scored 0 – 5 and each had a minimum threshold score to ensure minimum quality thresholds of bids were upheld.
39. The Price evaluation was based on a per hour rate, which required bidders to submit a bid between floor and ceiling rates of £17.30p/h and £18.10p/h. All bids received were within these rates.
40. As outlined in the ITT, all prices submitted shall be fixed for the duration of the Framework Agreement; however, prices will be adjusted to accommodate any increases to the London Living Wage and on costs (i.e. (NI & pension contributions, travel, sick and holiday pay) at 37% of its increase.
41. Bidders were required to submit their rates via a pricing schedule issued by the council, which sought to itemise the cost breakdown, so the council could determine any apparent problematic or erroneous costs.
42. The outcome of this tender resulted in the average hourly rate of being reduced from £18.84 to £17.76. This will accrue savings of approximately £31,000 per annum and £126,000 over the total life of the contract. The achievement of this saving is dependent on the fluctuations of the demand for the service.

Final Evaluation Scores

43. The final evaluation scores for each bidder comprised of a quality score for the method statements and a price score for the per hour rate.
44. Four bidders failed to meet one or more of the minimum threshold scores and were excluded from the final evaluation.
45. Final evaluation scores achieved by the top six bidders ranged from 85.10% to 95.89%.

Plans for the transition from the old to the new contract

46. Current arrangements operate on a spot-purchase / ad-hoc basis. Packages of care will be eligible for transfer to the new framework providers except in cases where a current ad-hoc care provider is successfully appointed to the framework. Here, packages of care will continue to be administered by the same provider, albeit under the new terms (including price) of the framework agreement.
47. Service users who wish to remain with a current ad-hoc care provider not appointed to the framework will be able to do so via a Direct Payment

option in order to avoid any unnecessary service disruption. This will be determined on a case by case basis.

48. TUPE may apply upon award of framework places. However, as stated above, it is anticipated the majority of care packages will continue to be administered by their respective current care provider in order to avoid any unnecessary service disruption.
49. A six-week mobilisation period is in the procurement project plan, which will grant providers sufficient set-up time to begin receiving new care packages.

Plans for monitoring and management of the contract

50. The contract(s) will be managed by the contract management team who sit within the Children, Adults and Families Services within the Commissioning Division.
51. The monitoring arrangements will provide information on whether or not the contract(s) is performing as expected. Quarterly reports will reflect the outcomes that have been achieved against the agreed target.
52. 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

53. The following risks and associated mitigations have been identified:

Risks	Mitigation or control	Likelihood
Provider failure and / or a drop in their CQC rating to 'Inadequate'.	The council has sought to engage with six providers via a framework agreement to act as sufficient cover in the event of provider failure.	Medium
Provider accepting packages of care without the necessary infrastructure / workforce in place.	During contract mobilisation, officers will seek assurance from providers that the necessary staffing levels have been obtained prior to commencement of the contract, referrals for care packages will be evenly distributed amongst providers on a rotational basis.	Medium
Placements Team not comprehending and / or utilising the	Early engagement with the Placements Team to ensure that the call-off mechanism as detailed in the	Low

Risks	Mitigation or control	Likelihood
rotational call-off procedure.	service specification is adhered to by staff at all times.	
Continuing impact of Covid-19	Any issues will be addressed during the contract mobilisation period.	Medium

Community impact statement

54. Southwark Council's Borough Plan expresses that 'every child in Southwark deserves the best start in life...all children and young people in the borough to grow up in a safe, healthy and happy environment where they have the opportunity to reach their potential.' The procurement strategy and these contracts supports this ambition by ensuring children and young people and their families get the best care and support to meet assessed needs.
55. Southwark Council's Children and Young People's Plan, underpinned by the Children and Families Act 2014, outlines an expectation that children and their families access a local offer of seamless, personalised support from childhood to adulthood. As a result, children with disabilities are able to access care packages that enable a better quality of life. These care packages provide care and support for children, young people and their families so that independent living at home can be optimised.
56. 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; and
 - Foster good relations between persons who share a relevant protected characteristic and those who do not share it.
57. A further equality impact assessment will be undertaken at the end of February 2021 in order to ensure that the service delivery model remains appropriate for all service users. The health and wellbeing of Southwark Children and Young People will be at the core of the work for this service.

Social Value considerations

58. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well being of the local area can be secured. The social value considerations included in the tender (as outlined in the GW1) are set out in the following

paragraphs in relation to the tender responses, evaluation and commitments to be delivered under the proposed contract.

59. The council's Fairer Futures Procurement Framework requires payment of the London Living Wage (LLW), where appropriate. It is appropriate for all staff working on this contract to be paid LLW. It is expected that payment of the LLW by the successful bidder will result in quality improvements for the service users. These should include a higher calibre of multi-skilled operatives that will contribute to the delivery of the services and will provide best value for the council. It is therefore considered appropriate for the payment of LLW to be required. Following award, these quality improvements will be monitored as part of the contract review process.
60. Successful bidders were required to sign up to the Fairer Futures Procurement Framework and reiterate their commitment to pay the LLW, as well as their commitment to pursuing various other social value measures, in a Social Value method statement.
61. The successful bidders have all satisfied the requirements of the council by committing to comply with the Southwark Ethical Care Charter (SECC) which includes, but not limited to, the following:
 - Care workers will be paid at least the LLW
 - Clients will be allocated the same care worker wherever possible
 - Care workers will be paid for their travel time
 - Care workers will be covered by occupational sick pay schemes
 - Homecare workers will be trained (at no cost to individual care workers)
 - Zero hour contracts will not be used in place of permanent contracts for care workers.
62. Various other social value measures included, but not limited to:
 - Raising living standard of local residents
 - Participation and citizen engagement
 - Local recruitment
 - Volunteer mentoring
 - Environmental sustainability.
63. Some examples of social value initiatives put forward by the successful bidders include, but are not limited to, the following:
 - Four out of six bidders demonstrated their commitment to apprenticeship schemes, one of which is currently working with eight apprentices to gain the relevant NVQ qualifications.
 - CYP engagement in the community through an array of measures, including; work experience placements, career workshops and mentoring, CV and interview advice, and free social events for those social-isolated.

- Locally-recruited staff that has an understanding of Southwark and reflect the community with regard to ethnicity, language, religion and culture.
- Deploying staff in 'patches' close to home, which aim at reducing car travel and maximising either walking or cycling through cycle-to-work schemes
- Employing an energy efficient approach through the use of green energy, paperless offices, low energy consumption LED lightbulbs, the use of local supply chains wherever possible, and "clear-up days" to rejuvenate green spaces within the borough for the benefit of the community.

Economic considerations

64. This procurement aims to 'contractualise' the ad-hoc spend of the service's current spot-purchase arrangements.
65. The CYP Care at Home procurement will help Southwark Council manage budget pressures and sustainability of service by promoting clarity and regulating costs. The floor and ceiling rates used for this procurement represent an overall reduction in costs across the service.
66. The successful bidders have together demonstrated social value in their bid through their commitment to creating apprenticeships for local people and encourage the engagement of volunteers across the service.

Social considerations

67. This service supports council plan commitment objectives to promote independence and well-being by funding activities and services to facilitate community representation and voice in the areas of health and social care. This will further the aim of promoting inclusive and representative community participation in the planning, commissioning, delivery and quality of these services in Southwark.
68. Four of the six successful bidders are categorised as Small, Medium or Micro Enterprises (SMEs).
69. Five of the six successful bidders are categorised as Black, Asian and Minority Ethnic (BAME) Organisations.
70. One of the six successful bidders is categorised as a company owned & managed by women.

Environmental/Sustainability considerations

71. There are no environmental / sustainability considerations.

Market considerations

72. The market for the CYP Care at Home service is stable and well developed. There is a strong presence of providers operating within Southwark.

Staffing implications

73. Staffing and contract management resources will be met within the Children's Adults and Families commissioning team.

Financial implications

74. Annual contract value of £1.2m is based on current spending patterns. As this is a framework agreement the contract value might vary in line with demand.
75. There is sufficient funding available in the Adult Social Care budget to fund the proposed framework agreement.

Legal implications

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

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (43EN20-21))

77. The Strategic Director of Finance and Governance notes the recommendations of this report to establish a single lot framework for delivery of care at home for Children & Young People.
78. The estimated total contract value for this framework is £4.8m. The Strategic Director of Finance and Governance notes that budget for this contract has been identified in the Financial implications paragraphs (para 73 and 74) of this report.

Head of Procurement

79. This report seeks approval from Cabinet to award the Care at Home and in the Community for Children & Young People to Verity Healthcare Ltd, Supreme Care Services Ltd, De Vere Care Partnership, Contact Professionals, Diamond Resourcing Plc t/a Better Healthcare Services and Unique Personnel (UK) Ltd for a period of four years from 3 May 2021 at a cost of £1.2m per year and a total of £4.8m for the four years.
80. Cabinet notes that this procurement created a single lot framework of providers; this is allowable under EU Public Contracts Regulations 2015, the new Brexit transition and the council contract standing orders (CSO).

- 81. The procurement is detailed in paragraphs 18 to 45, management and monitoring is detailed in paragraphs 50 to 52 and the risks are detailed in paragraph 53.
- 82. Social value and payment of London Living Wage (LLW) are detailed in paragraphs 58 to 62.

Director of Law and Governance

- 83. This report seeks approval of the establishment of a single-lot Framework for the provision of care at home and in the community services for children and young people, the details of which are confirmed within the Recommendations at paragraphs 1 and 2.
- 84. Due to the nature and estimated value of these services their procurement is subject to the application of the (EU) Public Contracts Regulations 2015 as well as relevant domestic legislation and the council’s Contract Standing Orders. The report details from paragraph 18 the process which has been followed in order to observe and ensure compliance with those legislative and corporate requirements.
- 85. Paragraph 56 of this report summarises the effect of the Public Sector Equality Duty (“PSED”) contained in section 149 of the Equality Act 2010, and in making procurement decisions the council must consider and have due regard to any effects of the decision on the community at large and on people identified as possessing “protected characteristics”, as defined in the Act. Paragraph 57 notes that a further equality impact assessment will be undertaken at the end of February 2021 in order to ensure that the service delivery model remains appropriate for all service users; this will assist the council to demonstrate compliance with the PSED.
- 86. The decision to approve the recommendations in this report is one which is expressly reserved to the Cabinet under the council Constitution.

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Gateway Procurement Approval Strategy 1:	160 Tooley St, London, SE1 2QH	Cynthia Davis – Assistant Director Commissioning
<p>Link (please copy and paste into browser): http://moderngov.southwark.gov.uk/ielIssueDetails.aspx?IId=50016070&PlanId=0&Opt=3#AI48880</p>		

APPENDICES

No	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Jasmine Ali, Deputy Leader and Cabinet Member for Children, Young People and Education	
Lead Officer	David Quirke-Thornton, Strategic Director for Children's and Adults Services	
Report Author	Dan Paton, Procurement Specialist	
Version	Final	
Dated	25 February 2021	
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 Governance	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		25 February 2021