

Notice of KEY Executive Decision

Subject Heading:	Approval to award five contracts for the provision of Preventative Services.
Cabinet Member:	Councillor Jason Frost, Cabinet Member for Health and Adult Care Services
SLT Lead:	Barbara Nicholls, Director of Adult Social Care
Report Author and contact details:	Sandy Foskett, Commissioner and Project Manager T: 01708 434742 E: sandy.foskett@havering.gov.uk
Policy context:	The contract supports the prevention duties under the Care Act 2014.
Financial summary:	<p>The contracts will be funded through the Better Care Fund.</p> <p>The value of the five contracts awarded is £2,409,451.19, which includes an optional 1 year extension (4 + 1 years).</p> <p>The total funding of £400k allocated for Lot 5 will be reinvested to address the failed procurement. (see section 5 of the report)</p>
Reason decision is Key	Expenditure of £500,000 or more
Date notice given of intended decision:	13 October 2021

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Relevant OSC:	Individuals
Is it an urgent decision?	No
Is this decision exempt from being called-in?	No

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

1. To agree to award the following contracts for Havering Voluntary and Community Prevention Services:
 - Lot 1: Wellbeing, Sustainability and Social Inclusion (Physical Disability and Sensory) contract award to Havering Association for People with Disabilities for the total sum of £399,897.95 for the period of four (4) years and one (1) year optional extension
 - Lot 2: Wellbeing, Sustainability and Social Inclusion (Dementia) contract award to Alzheimer's Society for the total sum of £391,136 for the period of four (4) years and additional one (1) year optional extension
 - Lot 3: Wellbeing, Sustainability and Social Inclusion (Mental Health) contract award to Havering Mind for the total sum of £382,703.47 for the period of four (4) years and additional one (1) year optional extension
 - Lot 4: Wellbeing, Sustainability and Social Inclusion (Older Frail) contract award to Age UK Barking, Havering and Redbridge for the total sum of £392,450 for the period of four (4) years and additional one (1) year optional extension
 - Lot 6: Sustaining Carers contract award to Carers Barking and Dagenham for the total sum of £843,263.77 for the period of four (4) years and additional one (1) year optional extension; and
2. To note that Lot 5 of the Prevention Services tender opportunity Learning difficulty and autism is not to be awarded and will be re-tendered for the reasons set out in this report.

Note. Gateway Stage 2 approval on 29.09.2021.

AUTHORITY UNDER WHICH DECISION IS MADE

Power to authorise the award is delegated to members of the Senior Leadership Team under Part 3 (Responsibility for Functions), Paragraph 3.3 of the Council's Constitution as follows:

Contract Powers

(b) To award all contracts with a total contract value of between £500,000 and £5,000,000.

STATEMENT OF THE REASONS FOR THE DECISION

1. Background

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Prevention Services fulfil the Council's obligations under the Care Act (2014). The services provide support that prevents or reduces the need for statutory support, avoiding unnecessary costs. The services are assets that Havering residents can access for support in their communities. Funding for these services is from the Better Care Fund (BCF), with spending plans agreed at a partnership level with Barking Havering and Redbridge Integrated Care Partnership (formerly BHR CCG's). The annual costs of the contracts are slightly higher as the funding saved in previous years for dementia services has been reinvested into the new prevention services for this service area.

The main aim of the Council's prevention services is to meet the objectives below:

- Promote social inclusion, develop community resilience and improve wellbeing
- Carers are supported to sustain their role to continue caring, improve their wellbeing, and maintain a life of their own
- People are more independent and better able to manage their daily lives (this is sometimes achieved through Community Advocacy)

A procurement process was undertaken inviting providers to bid for up to six (6) service categories/Lots for Havering Prevention Services. The contracts commence on 1st February 2022 with a total maximum cost of £2.9 million over 5 years. All contracts were advertised with maximum prices envelopes as stated below::

- 1- Physical Disability and Sensory for the sum of £80,000 per annum
- 2- Dementia for the sum of £80,000 per annum
- 3- Mental Health for the sum of £80,000 per annum
- 4- Older Frail for the sum of £80,000 per annum
- 5- Learning Difficulty and Autism for the sum of £80,000 per annum
- 6- Sustaining Carers for the sum of £180,000 per annum

2. Procurement Approach

This procurement was subject to and adhered to the Council's Contract Procedure Rules. The procurement was a light touch, open tender process followed in accordance with the Public Contracts Regulations 2015.

3. Evaluation

A request to waive the Council's Contract Procedure Rules 18.4, so that the tender can be evaluated against a price-quality ratio of 20% cost and 80% quality weighting was approved on 1st April 2021

Suppliers submitted bids that were evaluated according to the approved split. The quality factors evaluated were:

- a) Service Model and Delivery
- b) Outcomes
- c) Accessing the Service
- d) Partnership Working and Customer Involvement
- e) Safeguarding

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70 organisations expressed an interest in the tender. A total of eight (8) suppliers completed and submitted their tender documents (across all Lots) by the closing date on 18 June 2021. Tender Board members evaluated the bids over a six-week period that concluded on 31 July 2021 and moderation meetings held between August and September 2021 to conclude the evaluation of the technical bids.

The evaluation panel were able to recommend awards in Lots 1-4; and 6 as set out in Table 1 (winning bids are highlighted in green).

Table 1

Organisation	Lot	Contract	Quality	Commercial	Overall Score
Havering Association for People with Disabilities	1	Physical and Sensory Needs – Wellbeing, Sustainability and Social Inclusion	48%	13%	61% Winning Bid
Bidder A	1	Physical and Sensory Needs – Wellbeing, Sustainability and Social Inclusion	38%	20%	58%
Alzheimer's Society	2	Dementia Service – Wellbeing, Sustainability and Social Inclusion	61%	15%	75% Winning Bid
Bidder A	2	Dementia Service – Wellbeing, Sustainability and Social Inclusion	44%	20%	64%
Havering Mind	3	Mental Health – Wellbeing, Sustainability and Social Inclusion	57%	20%	77% Winning Bid
Bidder A	4	Older and Frail – Wellbeing, Sustainability and Social Inclusion	44%	20%	64%
Age UK Barking and Dagenham	4	Older and Frail – Wellbeing, Sustainability and Social Inclusion	57%	14%	71% Winning Bid
Bidder B	4	Older and Frail – Wellbeing, Sustainability and Social Inclusion	30%	14%	44%
Carers Barking and Dagenham	6	Sustaining Carers	48%	20%	68% Winning Bid

Lot 5 - Wellbeing, Sustainability and Social Inclusion (Learning Difficulty and Autism)

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The Council received one (1) tender submission which achieved a score of 34% for Quality, 20% for Price, total score of 54%. This submission failed to meet the required minimum overall combined score of 60% (quality and price) as stated in the invitation to tender, and the evaluation panel were therefore unable to recommend award for the Learning Difficulty and Autism contract.

The services delivered under Lot 5 are necessary and required to meet the need of the learning difficulty and autism community. In order to ensure quality of service and deliver clarity within the specification to suppliers as to what is required, further engagement will be undertaken with service users and providers prior to redeveloping the specification for this Lot. It is then intended to retender this opportunity. Interim arrangements will be put in place to maintain continuity of provision and this will be subject of a separate report.

Subject to approval of this recommendation for contract awards, all suppliers who submitted bids will be informed of the Council's decision in writing via the Fusion system. A mandatory standstill period of 10 days will then be observed.

4. Contract Management

Contract monitoring meetings will be held monthly for the first three (3) months and then revert to quarterly meetings. A lead Commissioner will be identified within the Council to be the key liaison officer for each service area and contract management function. The provider will also provide details of their contract managers within the terms and conditions. Each quarter, the provider will submit a pre-determined performance report ahead of each contract meeting along with an invitation to add any items to the agenda of each meeting. Each agenda will include fixed items including Management Information, Key Performance Indicators, Service Improvements, Complaints Monitoring, Risk Register, Health & Safety and Finance.

OTHER OPTIONS CONSIDERED AND REJECTED

1. Do not retender: Allowing the existing contracts to lapse would reduce the prevention offer in Havering.

The presence of an active community and voluntary sector is recognised as a vital community asset that can build community resilience and support statutory services. In practice it is likely to be the voluntary sector that will be positioned to best provide the preventative services we require. These types of services prevent the need for more costly care and support interventions, making the most of existing personal and community resources and fulfils the Council's duties under the Care Act to help vulnerable people remain safe in the community. If the funding was withdrawn demand will likely increase for statutory services, placing a significant risk on Council services.

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PRE-DECISION CONSULTATION

None

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: John Green

Designation: Head of Joint Commissioning Unit

Signature:

Date: 30 September 2021

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has power to enter into the contracts under the general power of competence contained in section 1 of the Localism Act 2011 which allows the Council to do anything that an individual may do subject to any statutory constraints on the Council's powers. None of the constraints on the Council's s.1 power are engaged by this decision.

The Council also has power to enter into the contracts under s111 Local Government Act 1972 which permits the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

The Council is a contracting authority for the purposes of the Public Contract Regulations 2015 (PCR 2015). The services are light touch. The aggregated value of the procurement exceeds the PCR 2015 threshold for light touch services. Procurement of the contracts is therefore caught by the full light touch regime set out in the PCR 2015. The open tender procedure used is compliant with the requirements of the PCR 2015.

As the tender received for Lot 5 did not meet the minimum criteria for contract award set out in the tender documentation, the Council is not able to award the contract for Lot 5. Each Lot is separately evaluated and stands on its own and the Council may, if minded, award the contracts for Lots 1-4 and Lot 6 as the relevant tenders met the minimum tender requirements,

For the reasons set out above, the Council may award the contracts for Lots 1-4 and Lot 6.

FINANCIAL IMPLICATIONS AND RISKS

The report is looking to award five contracts for the provision of preventative services, all 5 contracts will commence on 1st February 2022 for four years with an optional one-year extension. Investment in Voluntary Community Sector organisations is a key preventative measure and can act as a deterrent to increased longer term community care costs

The total cost for the five contracts for the four years plus the optional one-year extension will be £2,409,451.19. This gives an approximate annual contract value of £481,890 per annum; however some of the annual contract values vary slightly each year so this annual contract value will vary year on year.

The annual costs of the current prevention contracts that are currently in place are below:

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	20/21 expenditure
Physical Disability and Sensory	79,974.00
Dementia	30,000.00
Mental Health	80,511.00
Older Frail	79,348.08
Sustaining Carers	187,305.00
Total	457,138.08

The total annual cost of the new contracts is slightly higher than the expenditure is 2020/21 due one of the dementia contracts ceasing and another reducing in value during the course of the contracts, which is to be replaced by a new contract.

All of these contracts will be funded through the Better Care Fund grant; there is currently £500,302 allocated from the Better Care Fund annually to fund the current contracts and this available funding will be sufficient to cover the new annual contract values giving rise to a small saving of approximately £20k per annum against the BCF budgets. The table below shows the current BCF budget that is allocated to fund these contracts.

	2021/22 Budget
Physical Disability and Sensory	80,150.00
Dementia	79,170.00
Mental Health	78,980.00
Older Frail	79,340.00
Sustaining Carers	182,680.00
Total	500,320.00

As the contracts are funded via Better Care funding, there is a risk that if the BCF grant ceases or reduces in the future, alternative funding arrangements may need to be identified by Havering and partner organisations.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no implications or risks anticipated to Council staff as the employees involved in the delivery of the current service are employed directly by the existing Supplier.

The tender was subject to TUPE (Transfer of Undertakings (Protection of Employment) Regulations). As such, the ITT document specified that potential contractors were

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obliged to satisfy themselves that they would be able to meet all TUPE requirements relating to this tendering exercise, including any pension provision obligations.

The bidders were provided with relevant details of all affected staff employed by the current service providers, in line with TUPE and subject to Data Protection Act principles, and their pension status.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

The following was taken into consideration during the tender process:

- a) Diversity and Equality issues were given due consideration within this project. Accessibility was explicitly referenced in the contract documents.
- b) The Council required the service to be accessible to people regardless of their disability, condition or illness. Indeed, the design of the service will address a range of disabilities and is intended to achieve benefits directly aimed at people with disabilities.
- c) The Council invited bids from established providers with trained and experienced staff able to work with clients across multiple specialist client groups.
- d) Bidders were evaluated against a specific equalities related method statement. This invited bidders to demonstrate their knowledge, skills and ability to deliver services across client groups, hard to reach groups and individual needs.
- e) The service specification requires the Providers to respond to individual needs across each of the equalities strands and will support the Council's objective of reducing negative outcomes from socio-economic disadvantage.

Equality Impact Assessments are in the process of being drafted.

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HEALTH AND WELLBEING IMPLICATIONS AND RISKS

The five services will improve the health and wellbeing, and social connectivity of the vulnerable groups and their carers. If the services are run as per the specification, this will prevent from the deterioration of both physical and mental health of the vulnerable residents and their carers. Thus the services will most likely to maintain independence, delay disability and reduce health inequalities. Ultimately, this will reduce the burden on the families and local system. To meet those intended positive outcomes, it is crucial that the services identify where and who needs the services most and work with the service users to design the services and to allow multiple ways to access the services.

BACKGROUND PAPERS

None

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Details of decision maker

Signed 

Name: Barbara Nicholls

SLT Member title: Director of Adult Services

Date: 21 October 2021

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Committee Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____