

## MUNICIPAL YEAR 2017/18 REPORT NO. 135

**MEETING TITLE AND DATE:**  
Cabinet, 24<sup>th</sup> January  
2018

**REPORT OF:**

Executive Director of Health,  
Housing and Adult Social  
Care/Executive Director of  
Finance, Resources and  
Customer Services

**Agenda – Part: 1**

**Item: 6**

**Subject: Addressing Review of Prevention  
and Early Intervention contract award for  
Outcomes 3 and 6.**  
**Wards: All**

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### 1. EXECUTIVE SUMMARY

The existing Adult Social Care Voluntary Sector funding arrangements have been the subject of a commissioning and procurement process with new contracts due to commence in December 2017. At a meeting on the 15<sup>th</sup> October 2017, Cabinet approved the appointment of the following organisations/consortia across 6 outcomes:

- Outcome One: Helping People Continue Caring: Enfield Carers Centre (consortium lead) up to a value of £350,000.
- Outcome Two: Supporting vulnerable adults to remain living healthily and independently in the community including avoiding crises: Age UK (consortium lead), up to a value of £270,000.
- Outcome Three - Supporting people to improve their health and wellbeing/improving self-management: CommUNITY Barnet, up to a value of £130,000.
- Outcome Four - Helping Vulnerable Adults to have a voice: Enfield Disability Action, up to a value of £170,000.
- Outcome Five: People recover from illness, safe and appropriate discharge from hospital to Greek and Greek Cypriot Community of Enfield (consortium lead) up to a value of £120,000.
- Outcome Six: Increased and improved information provision to CommUNITY Barnet up to a value of £220,000.

Post approval it was agreed with Overview and Scrutiny that the decision to award the contracts to CommUNITY Barnet is referred back to Cabinet for further consideration. This was due to Members identifying potential concerns regarding the validity of the sub-contracting arrangements detailed within CommUNITY Barnet's ITT submission.

A summary of the response from Officers to the concerns raised by Members is detailed in Part 2 of this report.

## **2. RECOMMENDATIONS**

- 2.1 To confirm the decision (KD4555) of Cabinet to award the Prevention and Early Intervention funding contract to CommUNITY Barnet for Outcomes 6 (Increased and improved information provision) to deliver the service in line with their proposals submitted in their tender submission.**
- 2.2 To abandon the procurement process for Outcome 3 (Supporting people to improve their health and wellbeing/improving self-management).**

## **3. BACKGROUND**

- 3.1 Enfield has a diverse and well-established VCS, accommodating over 650 voluntary organisations, community groups, faith groups, sports clubs, and uniformed groups across the borough. The Council recognises the unique position of local voluntary and community groups in supporting residents, and the value of this sector in contributing to the capacity and cohesion of the community.
- 3.2 The Council remains committed to supporting the VCS to continue to thrive. However, the demographics and needs of Enfield have changed and it is essential that our funding streams are targeted towards areas most in need. Enfield Council is now operating with increasingly reduced resources and it is essential that local funding is used effectively and efficiently. With this in mind, HHASC is now commissioning using an outcome-based approach with a focus on prevention and early intervention.
- 3.3 The budget for this funding stream was been reduced by £500,000.00 in 2017/8 consistent with the Medium Term Financial Plan agreed by Cabinet.
- 3.4 Commissioning a new programme of preventative support in Enfield around outcomes a central part of Enfield's response to the Care Act and the commitment to improve preventative and early intervention services and ensure the changing needs of the Enfield population are met. It is acknowledged that earlier support benefits service users, carers and can provide significant cost-savings to statutory services.
- 3.5 The evaluation part of the procurement process for the commissioning of these services concluded on the 30<sup>th</sup> August 2017. A recommendation was made to Cabinet on the 18<sup>th</sup> October 2017 for approval of the organisations/consortia across the 6 lots agreed for this tender. Cabinet approved the contract awards with a contract length of 3 years (plus 2 plus 2 dependent on performance) to the following organisations/consortia:

- Outcome One: Helping People Continue Caring: Enfield Carers Centre (consortium lead) up to a value of £350,000.
- Outcome Two: Supporting vulnerable adults to remain living healthily and independently in the community including avoiding crises: Age UK (consortium lead), up to a value of £270,000.
- Outcome Three - Supporting people to improve their health and wellbeing/improving self-management: CommUNITY Barnet, up to a value of £130,000.
- Outcome Four - Helping Vulnerable Adults to have a voice: Enfield Disability Action, up to a value of £170,000.
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- Outcome Six: Increased and improved information provision to CommUNITY Barnet up to a value of £220,000.

3.6 Subsequently after the decision, Members identified potential concerns about the contract award to CommUNITY Barnet for Outcomes 3 & 6. Due to this, it was agreed that the decision to award the contracts for Outcomes 3 & 6 would be referred back to Cabinet for further consideration. The two concerns that Members have raised and would like Cabinet to further consider are:

- 1) *'The bids from consortia include the names of the organisations that form part of them, but CommUNITY Barnet does not provide the names of any partners or sub-contractors that they might use in order to deliver the services. It is thought that they will be using other bodies in order to deliver services, it is crucial that we are aware of any bodies helping to deliver services to vulnerable people in our borough.'*
- 2) *'Given the nature of the service provision it is important that we know and are confident in any sub-contractors working for Community Barnet but at the moment we do not know who they will be.'*

3.7 The detailed response to these concerns is provided in Part 2 of this report. However, CommUNITY Barnet throughout the procurement process demonstrated previous experience of developing and working with a supply chain. In addition, CommUNITY provided information regarding the suppliers they would to work with the deliver the services for Outcome 3 & 6.

#### **4. The Procurement Process**

- 4.1 A fair, transparent, open and legally compliant procurement process has been completed to select VCS organisations/consortia for each of the 6 outcomes, including Outcomes 3 and 6. This process is detailed below.
- 4.2 A project board of experienced officers was established to work to a project plan. This group included corporate services (P&C Hub & Legal Services in an advisory capacity), representation from the Enfield Clinical Commissioning Group (CCG) as well as relevant Council Commissioning officers. The process was carried out in accordance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015.
- 4.2 The Council advertised the tender opportunity on the London Tenders Portal in June 2017. Initially four organisations/consortia expressed an interest for Outcome 3 and two for Outcome 6, by submitting Standard Supplier Questionnaire (SQ).
- 4.3 Technical capacity in the SQ and responses to the technical questionnaire in the Invitation to Tender (ITT) were evaluated by Procurement Officers, CCG representatives and HHASC officers. Clarification meetings were held with Organisations/Consortia to gain more clarity on their proposals. The panel at these meetings, consisted of HHASC officers, CCG representatives and an independent representative. Financial viability assessments in the SQ and price evaluations in ITT responses were undertaken by Finance and Procurement Officers.
- 4.4 All 6 organisations/consortia responded to the invitation to tender after being evaluated as having both the technical capability and financial capacity to provide the service.
- 4.5 The technical evaluation of ITT responses was conducted to assess tenderers' ability to offer a quality service across the full breadth of specified requirements.
- 4.6 The key elements of their bids were evaluated based on:
  - Technical capability (Quality Score).
  - Proposed annual contract value (Price Score).
  - The blended score in relation to the above (Quality & Price Score)
- 4.8 The evaluation criteria for this tender were 60% for Quality and 40% for annual contract price, illustrating the priority attached to the quality of the service.

Please see part 2 of this report for the results of the tender evaluation.

## **5. ALTERNATIVE OPTIONS CONSIDERED**

*Please see Part 2 of this report.*

## **6. REASONS FOR RECOMMENDATIONS**

- 6.1 In light of the Council's financial position and the need to review early intervention and prevention support requirements that support independent living and hospital avoidance, the Council is abandoning the procurement process for the award of Outcome 3, Self-Management of Long Term Conditions. The Council will be doing further work in partnership with Enfield CCG and with the Council's Public Health service in order to ensure that the service specification better reflects the evidence base and strategic objectives of the Council and its stakeholders.
- 6.2 The Outcome 6 specification requires the contractor to set up a hub establishing relationships with networks of specialist and local information sources throughout Enfield to enable people to obtain information, advice and signposting in their local community.

The contract would require the Council's consent before the appointment of any sub-contractor. The decision whether to grant such consent will be subject to the overriding principles of equality, fairness, transparency and proportionality. In deciding whether to grant consent, the Council would consider whether and how the contractor could be supported to continue to fulfil its contractual liabilities, including performance of the service specification and compliance with the preferred bidder's tender submission.

In their tender submission, CommuUNITY Barnet mentioned that they would work with local suppliers to deliver the contract. Through contract management the Council would conduct due diligence to confirm that the relevant sub-contractor has the capacity and power to enter into any sub-contract and perform its obligations thereunder and whether any mandatory/discretionary grounds for exclusion under the Public Contracts Regulations 2015 exist.

*Please see Part 2 of this report.*

## **7. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS**

### **7.1 Financial Implications**

*Please see Part 2 of this report.*

## **7.2 Legal Implications**

- 7.2.1 The Council has a duty under section 1 of the Care Act 2014 (the “Care Act”) to promote individuals’ wellbeing (as defined in the Care Act). The Council has a further duty under section 2 of the Care Act to provide or arrange for the provision of services, facilities or resources, or take other steps, which it considers will contribute towards preventing, delaying or reducing the development by adults and carers in its area of needs for care and support. Section 4 of the Care Act requires the Council to establish and maintain a service for providing people in its area with information and advice relating to care and support for adults and carers.
- 7.2.2 Section 2B of The National Health Service Act 2006 (as amended by the Health and Social Care Act 2012) requires local authorities to take such steps as they consider appropriate for improving the health of the people in its area. Such steps may include providing grants to voluntary sector organisations.
- 7.2.3 Section 111 of the Local Government Act 1972 permits local authorities to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of their functions. The Council has a general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals may do, provided it is not prohibited by legislation and subject to Public Law principles. The recommendations in this report will enable the Council to fulfil its duty under the Care Act and the National Health Service Act 2006.
- 7.2.4 As the anticipated contract values exceed £250,000 and/or the contracts will have a significant impact on the local community in one or more wards, this is a Key Decision and the Council must comply with the Key Decision procedure.
- 7.2.5 A tender process was undertaken as described in paragraph 4 of this Report. The Council must conduct the evaluation and award of contract process in a fair, transparent, proportionate and non-discriminatory manner. The Council must comply with all requirements of its Constitution and Contract Procedure Rules (“CPRs”). The Council must comply with its obligations of obtaining best value, in accordance with the Local Government (Best Value Principles) Act 1999. The Council must keep a clear audit trail of its decision to

award the Lot 6 contract to its chosen contractor, in order to demonstrate that best value has been and will continue to be obtained for the Council.

7.2.6 It is noted that the ITT contains a provision permitting the Council to decide not to award a contract and to withdraw from any part of the procurement procedure.

7.2.7 All legal agreements arising from the matters described in this Report must be approved in advance of contract commencement by the Assistant Director of Legal and Governance Services. Contracts whose value exceeds £250,000 are required to be executed under seal. Officers should be mindful of the requirement to obtain a performance bond or parent company guarantee for every contract exceeding £250,000 in value, except where the relevant Director and the Director of Finance Resources and Customer Services consider this to be unnecessary.

## **8.0 Property Implications**

To be sought, if appropriate, following award.

## **9.0 Human Resources Implications**

9.1 If due to the award of contracts there is a service provision change between providers, Transfer of Undertakings (TUPE) regulations may apply.

## **10. KEY RISKS**

*Please see Part 2 of the report.*

## **11. IMPACT ON COUNCIL PRIORITIES**

### **Fairness for All**

A partnership approach between voluntary sector organisations approach should result in easier and more equal access to services. For example, Outcome 6 Information Provision, the specification highlights the requirement to make information accessible to those who may face barriers – such as language, disability or age.

### **Growth and Sustainability**

By providing contracts of significant value and length, LBE are providing security and sustainability to the local voluntary and community sector. In addition, by approving the appointment of a new supplier to the borough, the Council is ensuring increased choice for residents, whilst facilitating a vibrant and competitive market.

### **Strong Communities**

The Voluntary Sector is one of Enfield's strengths, providing support to our many specific communities where statutory provision uptake is limited. Such organisations also provide a cost saving to statutory service budgets by supporting people within their community and ensure health and wellbeing are maintained and/or improved. These organisations also help prevent social isolation of some of our most vulnerable residents by providing social activities, information and face to face contact.

## **12.0 EQUALITIES IMPACT IMPLICATIONS**

**12.1** An Equalities Impact Assessment was completed at the beginning of the review of this funding stream. It highlighted a risk to smaller organisations within the Borough. With this in mind, the HHASC Service Development Team make transitional funding available to organisations who were unsuccessful in bidding for the new contracts in order to support organisations to develop and deliver new and more sustainable models of support.

**12.2** A further Equalities Impact Assessment will be carried out once the contracts are awarded and the Service Model is known. With Outcomes Based Commissioning the Service Model is not confirmed until contract award. We anticipate that there will be some organisations that have been previously funded which will no longer be funded. Support will be in place to assist organisations in looking at

ways for alternative income generation and fundraising. There will also be an amount of funding in place to ensure the transition from Council funding to a service model focused on innovative service delivery and reduced reliance on Council funding.

- 12.3 Investigate opportunities for people in receipt of direct payments to use these to access support provided by VCS organisations.

### **13.0 PERFORMANCE MANAGEMENT IMPLICATIONS**

- 13.1 The Performance Management Framework and related KPIs will be agreed jointly at the beginning of the contract. Further into the contract (possibly from Year 2) we propose to give access to CareFirst (or any potential replacement information management system) to record activity and customers, meaning that monitoring information can be run by London Borough of Enfield at any time rather than only receiving quarterly monitoring reports. This will ensure organisations/consortiums will deliver more contact with service users, by reducing the time spent on administration related to monitoring, thus providing better value for money.

### **14.0 PUBLIC HEALTH IMPLICATIONS**

- 14.1 Prevention and Early Intervention are key to the outcomes for the Public Health team. This funding stream will provide grassroots, community support to Enfield residents and compliments the work of the Public Health team. Once awarded, the lead partner will be expected to contact and collaborate with key members of the Public Health team and promote their services to their customers.

### **Background Papers**

None.