

LONDON BOROUGH OF CROYDON

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STATEMENT OF EXECUTIVE DECISIONS MADE BY THE CABINET MEMBER FOR FINANCE & RESOURCES ON 17 SEPTEMBER 2018

This statement is produced in accordance with Regulation 13 of the Local Authorities (Executive Arrangements) Meetings and Access to Information) (England) Regulations 2012. Further to the associated public notice of key decisions no scrutiny call-in has been received, and therefore the following decisions can be implemented.

The following apply to the decisions listed below:

Reasons for these decisions: are contained in the Part A report attached

Other options considered and rejected: are contained in the Part A report attached

Details of conflicts of Interest declared by the Cabinet Member: none

Note of dispensation granted by the head of paid service in relation to a declared conflict of interest by that Member: none

The Leader of the Council has delegated to the Cabinet Member the power to make the executive decision set out below:

CABINET MEMBER'S DECISION REFERENCE NO. 2818FR

Decision title: Extension of Adult Social Care Preventative Third Sector Contracts

Having carefully read and considered the associated Part A report, including the requirements of the Council's public sector equality duty in relation to the issues detailed in the body of the report, the Cabinet Member for Finances & Resources in consultation with the Leader of the Council has:

RESOLVED

In accordance with Regulation 29 of the Council's Contracts and Tenders Regulations to approve an extension by way of contract variation of the 21 preventative third sector contracts listed in the table at paragraph 3.2 of the report, a further 6 months, from April 1st 2019 to September 30th 2019, resulting in a new contract term of exactly 5 ½ years, for a maximum combined contract value of £2,676,125, which includes the additional 6 month combined contract value of £224,875.00.

Date: 25 September 2018

For Publication

For General Release

REPORT TO:	Councillor Simon Hall Cabinet Member for Finance and Resources
SUBJECT:	Extension of Adult Social Care Preventative Third Sector Contracts
LEAD OFFICER:	Guy Van Dichele, Executive Director Health, Well-being and Adults Matt White, Head of Service Older People Commissioning and Brokerage
CABINET MEMBER:	Councillor Simon Hall Cabinet Member for Finance and Resources
WARDS:	All

CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON

1. Adult social care preventative support services play a significant role in relation to the following priorities of the Independence Strategy

Priority 1 – Empower individuals and communities to be better able to take more responsibility for themselves and each other.

Priority 2 – Enable residents to make informed choices about how to meet their needs, and how to live healthy lives, through the provision of high quality information, advice and guidance.

These services will enable service users to receive information, advice, low level advocacy and a range of support services that reduce social isolation, increase health and wellbeing and prevent people needing to access statutory services.

2. The Care Act 2014 set out the responsibilities of local authorities to ensure that people have access to a wider range of services to improve individuals' wellbeing and give them more control and personal choice over their care. In addition to this, Croydon's Joint Strategic Needs Assessment and the Opportunity & Fairness Commission report clearly set out priorities to support people to live independently within their community, promote social inclusion and support residents towards better times. Commissioning these services will support the Council to meet the requirements set out in the Care Act whilst supporting our own corporate priorities.
3. The Preventative contracts for Adult Social Care sets out our commissioning priorities and puts delivery of outcomes at the heart of the decision making process. The Preventative Contract will support the following outcomes of the Community Strategy 2016-2021.

The Community Strategy is the overarching strategy for the borough. It sets our overall

Strategic direction, the outcomes and priorities we will focus on.

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- A place of opportunity for everyone through better education, health promotion, supporting independence and resilience, and tackling poverty deprivation and homelessness
- A place with a vibrant and connected community and voluntary sector through enabling communities to connect, collaborate and take responsibility where they see a need and have the capacity and commitment to provide for it.

FINANCIAL IMPACT

Extending the 21 existing preventative third sector contracts as detailed in this report for an additional term of 6 months from April 1st 2019 to September 30th 2019, will contribute an additional combined contract value of £224,875.00 and increase the aggregate total value to £2,676,125.00

FORWARD PLAN KEY DECISION REFERENCE NO.: 2818FR

This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.

1. RECOMMENDATION(S)

The Leader of the Council has delegated to the Cabinet Member for Finance and Resources in consultation with the Leader the power to make the decisions set out in the recommendations below

- 1.1 In accordance with Regulation 29 of the Council's Contracts and Tenders Regulations to approve an extension by way of contract variation of the 21 preventative third sector contracts listed in the table at paragraph 3.2 of this report, a further 6 months, from April 1st 2019 to September 30th 2019, resulting in a new contract term of exactly 5 ½ years, for a maximum combined contract value of £2,676,125, which includes the additional 6 month combined contract value of £224,875.00.

2 EXECUTIVE SUMMARY

- 2.1 It is recommended that an extension of 6 months, from April 1st 2019 to September 30th 2019, by way of variation of the existing preventative contracts is agreed with the existing Preventative providers listed in the table at paragraph 3.2 below to ensure alignment of the preventative contracts and community fund and avoid successive tenders.

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- 2.2 The purpose of this report is to clearly evidence why an extension by way of variation to all 21 associated contracts is the safest option for Croydon council and its statutory responsibilities. This report will endeavour to:
- Explain why an extension in the form of a new award is required;
 - Clearly outline the pros and cons behind the recommendation for extension;
 - Clearly show what longer term solutions are currently being explored; and
 - Illustrate the financial & legal complications that have and will be encountered and how these will be mitigated;
- 2.3 The Deed of Variation would not amend the terms of the preventative contracts save in order to give effect to the extension.
- 2.4 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
28 th August 2018	CCB1388/18-19

3. DETAIL

Background of Prevent & Community fund

- 3.1 The Adult Social Care Contracts for preventative services was taken to corporate services committee on the 29th January 2014. Cabinet Member for Finance and Performance Management approved the award of the contracts listed below for the provision of community based preventative services for up to three years at an annual value of £1,020,806 pa.
- 3.2 The community based preventative services that was taken to cabinet in January 2014 was formed of main parts. These are
- **Business Support and Community Link s project-** Croydon Neighborhood Care £90,000 annually
 - **Information, advice and advocacy support services-** Age UK Croydon and their partnership arrangement with Disability Croydon and Centre of Excellence For Sensory Impairment(COESI) £374,300 annually
 - **Preventative and day opportunity services (see table) -** 24 local third sector providers at a Total Annual Value of £551,000. (in 2016 these contract were reduced to 21 contracts and an total annual value of £449,750)

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Project name	Description	Current Contract cost per annum	Current Total Contract Value	Additional 6 month extension cost	Maximum Total Contract Value (incl 6 Month extension)
St Edmunds Caring Group	Lunch club, befriending, entertainment/ outings, hospital transport, shopping	£1,350	£6,750	£675	£7,425
Shirley Neighbourhood Care Scheme	Lunch club, hospital transport, befriending	£3,500	£17,500	£1,750	£19,250
Croham Hurst Good Neighbours	Lunch club, social outings, befriending	£4,000	£20,000	£2,000	£22,000
Sanderstead Neighbourhood Care	Lunch club, befriending, home visits, hospital transport	£4,000	£20,000	£2,000	£22,000
South Croydon Centre for the Retired	Lunch club, befriending, carers respite, exercise/outings, activity classes, home visits, transport	£5,000	£25,000	£2,500	£27,500
Topcare Network	Lunch & activities club, mental health support, carers support, volunteering opportunity	£8,500	£42,500	£4,250	£46,750
Easter Oasis Luncheon Club	Lunch club, befriending, exercise classes, transport	£10,000	£50,000	£5,000	£55,000
Age UK	Café & activities	£10,000	£50,000	£5,000	£55,000
Old Coulsdon Centre for the Retired	Lunch club, activities and escorted transport for those with limited mobility.	£10,000	£50,000	£5,000	£55,000

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Selsdon Centre Trust	Lunch club, exercise classes, transport, entertainment/outings	£13,500	£67,500	£6,750	£74,250
Selsdon Contact	Lunch club, visiting/befriending, library trips, carer support, transport	£14,000	£70,000	£7,000	£77,000
Croydon African Caribbean Family Organisation (CACFO)	Lunch club, activity groups, day trips	£15,000	£75,000	£7,500	£82,500
Croydon Vision	Lunch club, counselling, IT classes	£15,000	£75,000	£7,500	£82,500
Addiscombe Neighbourhood Care Association (ANCA)	Lunch club, activity classes, transport	£16,000	£80,000	£8,000	£88,000
Purley & Coulsdon Clubs for the Elderly (PACE)	Lunch club, transport	£22,000	£132,000	£11,000	£143,000
South Norwood and Woodside Community Association	Lunch club, entertainment/outings, activity classes, library service, transport	£32,000	£160,000	£16,000	£176,000
New Addington Good Samaritans	Lunch & coffee Club, activities	£36,000	£184,000	£18,000	£202,000
Upper Norwood Association for Community Care	Lunch club, exercise classes, letter writing, carer support, shopping service, befriending	£36,900	£184,500	£18,450	£202,950
Alzheimer's Society	Support & Dementia Cafés	£52,000	£260,000	£26,000	£286,000
Westbury Community Project	Lunch club, befriending, home visits, entertainment/outings, meals on legs	£69,000	£345,000	£34,500	£379,500
The Parchmore Centre	Lunch club, activity classes, computer classes	£72,000	£360,000	£36,000	£396,000

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Annual Value	£449,750	
Total Value	2,451,250.00	End date of March 2019
6 Month Extension	£224,875.00	
New Total Value	£2,676,125.00.	Revised end Date of September 2019

- 3.3 The 6 month request to which this report refers, applies only to the 21 contracts of the preventative and day opportunity services as listed within the table of point 3.2 of this report.
- 3.4 A previous extension of the 21 preventative third sector contracts, was requested as this service now fell within scope of the OBC budget and subsequently formed part of the new care model. The extension was taken to Contracts and Commissioning Board on the 3rd of November 2018, for an additional term of 2 (1+1) years for an additional value of £899,500. (Approval reference CCB1180/16-17)
- 3.5 The Community Fund 2016-2019, was taken to the Contracts and Commissioning board on the 3rd November 2016 however the contracts commenced on the 1st October 2016. The Community fund is made up of 15 providers with an annual collective value of circa £2m (year 1 = £2,012,290, year 2 = £1,963,790 and year 3 = £1,870,790). With the 3 year contracts having an aggregated cost of £5,846,870.00.

Reason for a further 6 month extension:

- 3.6 The voluntary and community sector organisations have an important role with the One Croydon Alliance and Adult social care strategies. Through consultation with the third sector it has been requested to reduce the amount of administration that is required, especially with regards to tendering. During the development of the Local Voluntary Partnership it was made clear to members of council and the One Croydon Alliance that they could potentially be asking the sector to complete 3 tenders over a 12 month period. The solution discussed and widely agreed to support the sector would be to align the 21 contracts of the preventative and day opportunity services with the community fund.
- 3.7 The most efficient way to align the 21 contracts of the preventative and day opportunity services with community fund is to apply an extension of 6 months, from April 1st 2019 to September 30th 2019, by way of variation to all 21 contracts of the preventative and day opportunity services. This would add an additional combined contract value of £224,875.00 and increase the aggregate total value from 2,451,250.00 to £2,676,125.00.

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- 3.8 As a further extension of 6 months would exceed the 25% above the original combined contract value stated in the corporate services committee report, but does not exceed the next threshold of £5m approval of the variation by the Director of Commissioning and Procurement is required under Regulation 29 of the Tenders and Contracts Regulations .
- 3.9 The extension of 6 months would take the preventative contracts up to the end of September 2019. Starting in January 2019 the re-procurement process will begin, with the first task being to aligning and simplifying the tendering process (where possible), so that we can better support our third sector partners.
- 3.10 Alternatives options that were considered to support the third sector providers that would not require multiple tenders:
- Exploring alternatives to a formal tender that still align with PCR 2015 and internal governance. Alternatives such as Dynamic purchasing systems or funding panels that are locality based and have lower aggregate values. (The latter option is currently being explored for LVP)
 - Exploring options for Local Voluntary Partnership that would not require a formal tender, and as such would reduce the amount of tendering over this period. (this too, is currently being considered for LVP)
- 3.11 If the 6 month extension is not agreed, a programme to Re-tender the 21 preventative contracts prior to the 31st of March 2019 end of contract, using the third sector procurement route will commence immediately. The council will then support all the third sector providers as far as possible and where legally able, with the tender of the community fund, some 6 months later.

4. CONSULTATION

- 4.1 The options and proposal have been considered with Adult Social Care commissioners and service leads, Head of Adults, Health & Integration, and The One Croydon Alliance integrated management team.
- 4.2 Third sector providers were consulted on several occasions during the development of the Local Voluntary Partnership (LVP). It was during these consultations the providers themselves raised their concern at the constant tendering and the difficulty that come with this. From this the option of aligning the community fund and preventative contracts was raised to the support of the providers.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1

1 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Revenue Budget available				
Expenditure	449	224		
Income				
Effect of decision from report				
Expenditure	449	224		
Income				
Remaining budget	0	0		

2 The effect of the decision

The existing Contracts have a total contract value of £551,000.00 in the first two years and £449,750 per annum onwards. The contract extension of 6 months, from April 1st 2019 to September 30th 2019, is anticipated to be at £224,875 which will be within budgeted total currently available, from the Adult Social Care budget.

3 Risks

The risk that extending the Preventative contracts may be subject to procurement challenge, is regarded as a low one given that:

- , the current provider market is small and unlikely to attract alternative providers in the geographical areas who could deliver the services required
- a six month extension may be considered to be 'non substantial' for the purposes of the PCR 2015 Regulation 72(e)

4 Options

Option 1: Re-tender the 21 preventative contracts prior to the 31st of March 2019 end of contract, using the third sector procurement. The council will then support all the third sector providers as far as possible and where legally able, with the tender of the community fund, some 6 months later.

Implications

- i. Any re-procurement of the preventative services will include providers that are small voluntary groups, who are often run by a small number of volunteers. Therefore any tender responses require administration time that may not be readily available. If alignment with community fund is

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not agreed, these small providers will most likely have to bid for at least two separate funds within 6 months. Furthermore, a potential third tender for the local voluntary partnership may be required within the same time frame, if that service design remains unchanged. Any re-procurement of the service will need adequate lead-in time before the procurement process starts, in order to support the smaller providers to understand the process.

- ii. There is an opportunity cost associated with not aligning the preventative contracts with the community fund. Given the length of the contracts it may also be several years before another opportunity arises to align the two third sector services into a complete and unified service.

Option 2: Extend the current contracts from 1st April 2019 for a period of 6 months.

Implications

- i. Existing terms and conditions would be extended to the contracts;
- ii. The existing contracts did not allow for an extension beyond the 3 year term. The 2 year variation that was previously agreed used a variation letter to all 21 contract holders that was signed by the provider and the council, prior to the expiry of the existing arrangements. This same process will be followed once again for the new 6 month extension.
- iii. The extension will allow the commissioner's time to align the preventative contract with the community fund and the local voluntary partnership program. The extension will also allow commissioners time to work with providers to co-design the service, leading to better value services and better outcomes for the people using those services.

Recommended option– Option 2

It is recommended that an extension of 6 months by way of variation of the existing providers is the best option to support Croydon's third sector providers.

The 6 month extension, will support alignment of the preventative contract with that of the community fund and allow adequate time to work with local community groups to co-design the preventative and community fund into a single service.

5 Future savings/efficiencies

The extension will allow for current service provision to continue while providing an opportunity to align the service with the community fund and to re-design a combined service for the future.

Any services re-design will be expected to include budget savings which are anticipated to be released under the One Croydon Alliance agreement.

Approved by: Josephine Lyseight, Head of Finance (People)

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6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 6.1 The Solicitor to the Council comments that there are no additional legal issues arising directly from this report

Approved by: Sean Murphy, Head of Commercial and Property Law on behalf of the Director of Law

7. HUMAN RESOURCES IMPACT

- 7.1 There are no HR implications arising from this report for Croydon Council staff, as this report recommends an extension to an existing contract, and the staffing arrangements would remain the same.

Approved by: Deborah Calliste, Head of HR for Health, Wellbeing and Adults on behalf of the Director of HR

8. EQUALITIES IMPACT

- 8.1 An initial equalities impact assessment had been undertaken in 2014 prior to tender and on this basis, the decision was that a full assessment is not necessary'

9. ENVIRONMENTAL IMPACT

- 9.1 N/A

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 N/A

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 A 6 month extension of the 21 preventative contracts will allow the commissioner's time to align the preventative contract with the community fund and the local voluntary partnership services. The extension will allow:
- The third sector providers to not be overcome with successive tenders;
 - Commissioners time to work with the third sector to co-design the service;
 - better value services; and
 - better outcomes for the people using those services;

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12. OPTIONS CONSIDERED AND REJECTED

- 12.1 The only other reasonable option considered and ultimately rejected was to re-tender the 21 preventative contracts prior to the 31st of March 2019, using the third sector procurement process as previously planned. The council would then support all the third sector providers as far as possible and where legally able, with the tender of the community fund, some 6 months later.

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BACKGROUND PAPERS: Extension of preventative third sector contracts

Part B – Adult Social Care contracts for preventative services