

## Report of Head of Commissioning

### Report to Director of Adult Social Services

**Date: 7<sup>th</sup> December 2015**

**Subject: Authority to enter into to a contract with Volition (on behalf of a consortium) for the delivery of the third sector Health and Social Care forum service for three years from 1<sup>st</sup> April 2016.**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

## Summary of main issues

1. Adult Social Care (ASC) currently has in place contracts with Leeds Older People's Forum, Volition, Tenfold and Voluntary Action Leeds for the provision of health and social care infrastructure forums, supporting the third sector in Leeds. Two of the Forums (Volition and Leeds Older People's Forum) also receive additional funding from the Clinical Commissioning Group's through a separate SLA which is aligned to ASC's contract.
2. The Forums operate on a membership basis supporting third sector organisations that deliver outcomes for older people (Leeds Older People's Forum), people affected by mental health problems (Volition), people with a learning disability (Tenfold) and people with a physical or sensory impairment (Physical and Sensory Impairment Network hosted by Voluntary Action Leeds) respectively. The current ASC contracts for all four forum services are due to expire on 31<sup>st</sup> March 2016.
3. The current contracts include a focus on the Forums working more collaboratively following the outcome of an independent review of the services carried out in 2013, with a view to moving towards a single contract and commissioning model for the new contract which is to commence on 1<sup>st</sup> April 2016.

4. To put in place the new contract a procurement exercise was undertaken in October and November 2015, following a Delegated Decision taken on 8<sup>th</sup> October giving approval to commence the procurement process.
5. This report outlines the procurement process undertaken and makes a recommendation regarding awarding of the contract based on the evaluation undertaken against the published evaluation criteria.

## **Recommendations**

6. The Director of Adult Social Services is recommended to:
  - approve the award of a contract to Volition (as the lead of the consortium) for the delivery of the third sector Health and Social Care Forum service, at a total value £656,957.85, commencing on 1<sup>st</sup> April 2016 for a period of three years.
  - note that the officers responsible for implementing the decision will be the commissioning manager and the Head of Service for Commissioning.

### **1 Purpose of this report**

- 1.1 To report on the procurement process carried out to put in place a contract to deliver a third sector health and social care forum service from 1<sup>st</sup> April 2016 and to approve the awarding of the contract based on the outcome of the tender evaluation process.

### **2 Background information**

- 2.1 Adult Social Care has a long history of supporting third sector health and social care infrastructure, with the objective of supporting a thriving third sector and ensuring that we have a diverse health and social market. ASC currently funds four third sector health and social care forums in the city (Volition, Leeds Older People's Forum, Tenfold and the Physical and Sensory Impairment Network). The four Forums represent four of the five health and social care third sector infrastructure support organisations. There was also a fifth forum, Healthy Lives Leeds, which focused on organisations operating in the area of health and wellbeing, which was funded by the CCGs up until 2015.
- 2.2 The forums/networks provide support to their member organisations through information sharing, improving communication between organisations and representing the interests and concerns of people affected. This work helps to provide a central voice for people affected by issues relating to ageing, mental health, learning disabilities and physical or sensory impairment so that they can have input into local, regional and national strategy development.
- 2.3 The four forums/network funded by ASC currently receive different amounts of funding and two of them (Volition and Leeds Older People's Forum) also receive additional funding from the North and South and East Clinical Commissioning Groups (CCGs) respectively under separate aligned SLAs. The funding provided by ASC

was paid under a mix of grant and contract arrangements up to the end of March 2014.

- 2.4 ASC's annual funding for each of the four forum providers was reviewed in 2011/12 financial year and a 15% efficiency saving was agreed to ensure that the services continued to deliver good value for money.
- 2.5 As part of the wider Transform Leeds agenda (a programme which looked at transforming and improving support and development services for frontline Third Sector organisations in Leeds) an independent review was undertaken in May 2013 of the four health and social care infrastructure organisations in Leeds. An emerging consensus from the review was to develop a more collaborative way of working across the Forums/network, comprising:
  - a single point of contact for commissioners; and
  - the development of a joint work plan across the health and social care forums identifying cross cutting issues that affect the wider membership of the forums and how these will be addressed collaboratively, making best use of resources.
- 2.6 As a result of this work ASC developed new specifications for the forums to ensure they were working to the same outcomes and also put in place new two year contracts to move all of them on to the same contractual footing, supporting the development of greater partnership working across the Forums. These contracts are due to expire on 31<sup>st</sup> March 2016.
- 2.7 A project team was set up in early 2015 to undertake the re-commissioning of a Health and Social Care Forum under a single contract, replacing the four current contracts and in line with the recommendations of the independent review.
- 2.8 A report was taken to Adult Commissioning Board in July 2015 and approval was given to start the re-commissioning process for a new Health and Social Care Forum to support third sector organisations in the city, commencing with a Market Sounding exercise to establish whether there was more than one provider with the relevant skills, experience and capacity to deliver the new contract.
- 2.9 Discussions were also undertaken with the North and South and East CCGs (they currently jointly fund Leeds Older People's Forum and Volition under separate SLAs) to explore whether they would like to jointly commission the new service under one contract. Both CCGs agreed to pool resources under a new single three year contract. ASC is the lead commissioner and will manage the contract. Work also commenced on a draft service specification.

### **3 Main Issues**

- 3.10 Due to the nature of the work of the forums, it would not be appropriate for the service to be delivered by an internal service provider as it is a fundamental element of the service that it is autonomous from the Council and that it provides the third sector with an independent voice.
- 3.11 As a result in August 2015 a Market Sounding exercise was undertaken to determine the extent of competition and capacity in the market to deliver such a service to

inform the procurement process that needed to be taken. Two submissions were received by the closing date, one from a single organisation and one by a consortium of three organisations.

- 3.12 The submissions were evaluated by the project team. Both submissions demonstrated that they had the relevant experience and skills to deliver the new contract. As a result, and in line with the council's Contract Procedure Rules (CPRs), permission was sought to undertake a competitive procurement process through a Delegated Decision on 8<sup>th</sup> October 2015.
- 3.13 In regards to the contract value, ASC reviewed the contract for potential efficiencies and proposed to the CCGs that a 15% reduction in the overall contract was made. Both the CCGs that contribute to the existing contracts confirmed that they did not wish to seek efficiencies on their contributions, as they did not contribute to all four contracts. However, in line with other contracts, ASC sought a 15% reduction in its contribution to the overall contract value. Therefore the advertised contract value over three years for the tender was a maximum of £657,500, with ASC's contribution to the total contract value being £133,579 per annum (a reduction of £23,573 per annum).
- 3.14 As the contract value exceeds the EU procurement threshold for services the procurement was subject to both the council's CPRs (10.1) and the Public Procurement Regulations 2015. As such an open tender exercise was carried out via the YORTender electronic tendering system commencing on 20<sup>th</sup> October 2015 with a closing date of noon on 18<sup>th</sup> November 2015. In line with the regulations a Contract Notice advertising the tender opportunity was published in the Official Journal of the European Union (OJEU).
- 3.15 The evaluation criteria for the tender exercise were set at 60% quality (with a minimum threshold of 50% for the overall quality questions) and 40% price. The quality criteria were set in line with the stated outcomes of the contract.
- 3.16 Only one tender submission was received by the council by the deadline. The tender submitted was from Volition, as the lead organisation for a consortium consisting of Leeds Older People's Forum, Tenfold and the Physical and Sensory Impairment Network. Three members of the consortium are existing providers of the current health and social care forum contracts. The Physical and Sensory Impairment Network is currently provided through a contract with Voluntary Action Leeds and is being supported to become an independent legal entity.
- 3.17 An evaluation panel was convened on 25<sup>th</sup> November 2015 to consider the tender and evaluate it in line with the set criteria. The panel consisted of three representatives from Adult Social Care Commissioning and one representative from the North Clinical Commissioning Group.
- 3.18 The submitted tender scored 80% on quality and exceeded the minimum quality threshold set for quality. The tendered sum of £656,957.85 was in line with the maximum contract value threshold set and achieves a saving of £542.15 on the maximum advertised contract price. The required vetting checks will be completed prior to the contract being awarded, with the award process been completed subject to the checks being satisfactory.

## **Consequences if the proposed action is not approved**

- 3.19 If the contract award is not approved then a new contract will not be in place before the end of the current contract which expires on 31<sup>st</sup> March 2016. The contract award has TUPE implications and therefore a full three month mobilisation period is required.
- 3.20 As the main funder of the four forum services (along with the CCGs), any delay or withdrawal of funding will likely result in the services ceasing to operate, leaving a significant gap in the market which would have implications for current member organisations providing services across the city and on-going pieces of work such as the implementation of the mental health framework.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 As part of the commissioning process, consultation has been undertaken with key stakeholders, including forum/network boards, member organisations and health commissioners, about what the focus should be for the new service specification.
- 4.1.2 As part of the consultation process members of the current health and social care third sector forums were sent a questionnaire to complete, to gain an understanding of what they feel should be the priorities for the new contract. This feedback has been incorporated into the new service specification for a joint health and social care forum service.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 An Equality, Diversity, Cohesion and Integration Screening Tool has been completed (attached at **Appendix 1**). The screening showed that a full Equality and Diversity Impact Assessment was not required as equality and diversity issues have already been considered as part of the re-commissioning process. The outcome of the screening has been taken into account when developing the specification for the new service.

### **4.3 Council policies and Best Council Plan**

- 4.3.1 The Best Council Plan 2015-20 outlines six key objectives for the council including the delivery of the better lives programme. The Health and Social Care Forum service supports all three strands of the better lives programme but in particular the integration and enterprise elements. Through the provision of the service, third sector partners are better able to engage with, and work with, commissioners to progress plans for integrated commissioning, as demonstrated by the current work of the mental health forum which has been a key partner in developing the integrated mental health framework.
- 4.3.2 The work of the third sector forums supports the delivery of the enterprise strand of the better lives programme. The forums provide the environment for nurturing and harnessing the entrepreneurial spirit within the health and social care third sector,

developing new ways of delivering services, building community capacity and developing the market.

- 4.3.3 Through the provision of the forum service, Leeds City Council is also better placed to meet the requirements of the Care Act 2015. This includes providing effective preventative services and information to help people maintain healthy and independent lives wherever possible.
- 4.3.4 The work of the third sector health and social care forums contributes to the overall vision of Leeds being a healthy and caring city for all ages, where people who are the poorest will improve their health the fastest, as detailed in the Leeds Joint Health and Wellbeing Strategy 2013-15. The Forums support to third sector members will help to contribute to achieving the outcomes detailed in the strategy; particularly people's quality of life will be improved by access to quality services, promoting networking and partnership as well as providing people with a voice in the strategic decisions affecting them.

#### **4.4 Resources and Value for Money**

- 4.4.1 The North and South and East CCGs (who separately fund Volition and Leeds Older People's Forum) have agreed to pool this funding with ASC and re-commission the services under the one contract.
- 4.4.4 ASC's contribution to the budget for the new contract is available within existing resources. As part of the re-commissioning process, efficiencies have been sought of 15% on the current combined contribution to the existing four contracts. Both the CCGs will continue to contribute the same level of funding to the new combined contract as they do with the existing SLAs.

#### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 As the total contract value over the three year life of the contract exceeds the £625,000 EU procurement threshold for Social and Other Specific services it is subject to the Public Contracts Regulations 2015. Therefore in line with the regulations and the council's CPRs competition was sought through a competitive tender process. The invitation to tender was advertised in line with EU procurement regulations on 20<sup>th</sup> October 2015, with a closing date of noon on 18<sup>th</sup> November 2015.
- 4.5.2 The annual contract value is between £100K and £250K per annum and therefore the decision to give authority to award the contract is classed as a significant operational decision and is therefore required to be signed off by the Director of Adult Social Services as a Delegated Decision. Significant operational decisions taken by officers are not eligible for Call In and can be implemented immediately.

#### **4.6 Risk Management**

- 4.6.1 A project team, including a representative from the Procurement Unit, was set up to oversee the re-commissioning process and ensure that the process adheres to the procurement regulations, as well as the council's Contract Procedure Rules.

- 4.6.2 A risk register was established and maintained as part of the procurement process, identifying the key risks as well as mitigation actions.
- 4.6.3 A three month mobilisation period has been built into the procurement timetable to ensure that the service can be fully mobilised before the contract start date.

## **5 Conclusions**

- 5.1 The current contracts that ASC has in place with Volition, Leeds Older People's Forum, Voluntary Action Leeds and Tenfold to deliver third sector health and social care infrastructure forum services are due to expire on 31<sup>st</sup> March 2016. The current contracts specified that the forums should develop greater partnership working and a joint work plan on cross cutting issues over the life of the contract, with a view to moving towards a single contract model when the services are re-commissioned.
- 5.2 To put in place a new contract from 1<sup>st</sup> April 2016, and in line with EU Procurement Regulations and the Council's CPRs, a tender exercise was undertaken in October to appoint a contractor to deliver the service. The tender was advertised on the council's electronic tendering system, Yortender, and a Contract Notice was published in the Official Journal of the European Union (OJEU) in accordance with the Public Procurement Regulations.
- 5.3 Only one tender response was received by the Council by the closing date. The submitted tender was evaluated on both price (40%) and quality (60%). A minimum scoring threshold for quality was set at 50% of the overall marks available. As a result of the evaluation the submitted consortium bid scored a total of 80% for quality. The price submitted was below the maximum allowed for the tender and met all the other criteria outlined. As a result it is recommended that the contract is awarded, in line with the council's CPRs to Volition (on behalf of the consortium), commencing from 1<sup>st</sup> April 2016.

## **6 Recommendations**

- 6.1 The Director of Adult Social Services is recommended to:
- approve the award of a contract to Volition (as the lead of the consortium) for the delivery of the third sector Health and Social Care Forum service, at a total value £656,957.85, commencing on 1st April 2016 for a period of three years.
  - note that the officers responsible for implementing the decision will be the commissioning manager and the Head of Service for Commissioning.

## **Background documents<sup>1</sup>**

- 7.1 None

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.