

Part A - For General Release

REPORT TO:	Cabinet Member for Children, Young People and Learning
SUBJECT:	Award of Passenger Transport Minibus Contract
LEAD OFFICER:	Shifa Mustafa, Executive Director, Place Steve Iles, Public Realm, Director
CABINET MEMBER:	Cllr Alisa Flemming, Cabinet Member for Children, Young People and Learning Cllr Jane Avis, Cabinet Member for Families, Health and Social Care Cllr Simon Hall, Cabinet Member for Finance and Resources
WARDS:	All
<p>CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON</p> <p>The delivery of a high quality Passenger Transport service has a positive impact on the outcomes of children, young people and vulnerable adults. It contributes to the following corporate objective:</p> <ul style="list-style-type: none"> • Growth: To enable people of all ages to reach their potential through access to quality schools and learning <p>It also reflects the following priorities within the Community Strategy 2016-2021:</p> <ul style="list-style-type: none"> • To support individuals and families with complex needs 	
<p>FINANCIAL IMPACT</p> <p>The financial impact of this report covers the Minibus Contract for the Passenger Transport service. The Minibus Contract is split into three Lots. The budget for the service is £2,192,356.68 annually.</p>	
<p>FORWARD PLAN KEY DECISION REFERENCE NO.: 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.</p> <p>The Key Decision reference are:</p> <p>Passenger Transport Minibus Contract – Lot 1 Bensham Manor & St Nicholas School – 1219CYPL</p> <p>Passenger Transport Minibus Contract – Lot 2 – St Giles School and Rutherfords –</p>	

The Leader of the Council has delegated to the Cabinet Member for Children, Young People and Learning and Cabinet Member for Families, Health and Social Care the power to make the decisions set out in the recommendations below:

1. RECOMMENDATIONS

- 1.1 The the Cabinet Member for Children, Young People and Learning in consultation with Cabinet Member for Families, Health and Social Care and Cabinet Member for Finance and Resources is recommended by the Contracts and Commissioning Board to approve the award of contract in accordance with Regulation 27(c) of the Council's Contracts and Tenders Regulations for The Passenger Transport Minibus Contract Lot 1 Bensham Manor & St Nicholas School to the named supplier for the maximum contract value listed in Part B of this report for a contract term of one (1) year (with a one plus one year extension period).
- 1.2 The Cabinet Member for Children, Young People and Learning in consultation with the Cabinet Member for Families, Health and Social Care and Cabinet Member for Finance and Resources is recommended by the Contracts and Commissioning Board to approve the award of contract in accordance with Regulation 27(c) of the Council's Contracts and Tenders Regulations for the Passenger Transport Minibus Contract Lot 2 St Giles School & Ruthefords to the named supplier for the maximum contract value listed in Part B of this report for a contract term of two (2) years (with a one plus one year extension period).
- 1.3 The Cabinet Member for Children, Young People and Learning in consultation with the Cabinet Member for Families, Health and Social Care and the Cabinet Member for Finance and Resources is recommended by the Contracts and Commissioning Board to approve the award of contract in accordance with Regulation 27(c) of the Council's Contracts and Tenders Regulations for the Passenger Transport Minibus Lot 3 Various Schools to the named supplier and for the maximum contract value listed in Part B of this report for a contract term of four (4) years
- 1.4 To note that the name of the successful contractors and prices will be released once the contract award is agreed and implemented.

2. EXECUTIVE SUMMARY

- 2.1 The Council want to fulfil their statutory responsibility to provide free travel assistance for all eligible pupils of compulsory school age and make transport arrangements for children with special educational needs. The current

Passenger Transport framework is coming to an end in August 2019 and a new service needs to be procured before the new academic year 2019/20.

- 2.2 The procurement strategy for Passenger Transport Services was approved by Cabinet on 15th October 2018 (ref: 88/18) and updated on 16th January 2019 (ref: CCB1451/18-19). The Council's requirements for minibuses formed part of this strategy.
- 2.3 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB ref. number	CCB Approval Date
CCB1479/18-19	18/04/2019

3. DETAIL

- 3.1 The Council provides home-to-school/college travel support for children and young people with Special Education Needs and/or Disabilities (SEND), and home-to care provision travel support for vulnerable adults, in accordance with its statutory obligations and published eligibility policies. Travel support takes many forms, including the provision of independent travel training to enable clients to travel independently on public transport, and personal travel budgets and direct payments to enable clients to make their own travel arrangements. Nevertheless, the direct provision of passenger transport is still the most common provision for eligible clients.

The outcomes the service are trying to achieve are as follows:

- A quality transport service for all clients
- Transport which meet the clients' needs, no matter how complex
- A service which works within the Council's budgetary restraints
- An increase in clients becoming independent

- 3.2 The purpose of this report is to advise the Cabinet Member of the tenders received and the evaluation undertaken, further to which the recommendation is made for Minibus Contract for the delivery of passenger transport services for children/young people with Special Educational Needs/Disabilities and vulnerable adults (the services).

- 3.3 The services within the Minibus Contract have been decided into three Lots.
- Lot 1 – Bensham Manor and St Nicholas (1+1+1 year)
 - Lot 2 – St Giles and Rutherfords (2+1+1 years)
 - Lot 3 – Various Routes (4 years)

3.4 Procurement Approach

- 3.4.1 The procurement was an OJEU compliant open tender procedure issued via the Council's e-tendering portal and advertised in industry publications. A market engagement event was held before the tender went live and was open

to all providers in the market to encourage a good response

3.5 Suppliers were allowed to submit responses for more than one Lot of the tender but could only be awarded a maximum of two lots in accordance with the invitation to tender documentation (ITT).

3.6 Evaluation Stage

All suppliers who expressed an interest were invited to submit responses to the ITT by a closing date of 4th March 2019 We received a total of 6 tender submissions and these were evaluated in accordance with the published ITT documentation. The number of submissions per lot is listed below:

Lots		Bidders
1	Lot 1	3 Suppliers
2	Lot 2	5 Suppliers
3	Lot 3	6 Suppliers

3.7 The Evaluation Panel

The evaluation panel was made up of representatives from the Croydon Transport Service, the Health, Wellbeing and Adult's department.

3.8 The evaluated submissions were moderated by the Council's Procurement team. The results of the evaluation for each lot is listed below and the name of the suppliers is disclosed in Part B of this report.

Please see scores below for each Lot:

The Providers who failed the evaluation process as received a score of 2 or below, therefore could not be successful for any Lot.

Lot 1	Tenderer A	Tenderer B	Tenderer C - Winner
QUALITY	33.4	N/A	32.2
PRICE LOT 1	57.8	N/A	45.7
TOTAL	91.2	Did not meet requirements	77.9

To note Tenderer A won both Lot 1 and 2, but as stated in the paperwork no provider could win both Lot 1 and 2. Although Tenderer B ranked second in Lot 1, they did not reach the minimum score of '3' on all questions, so Tenderer C won Lot 1.

Tenderer C provided a detailed submission in which they were able to demonstrate to the evaluation team that they could satisfy the qualitative aspects of delivering the contract to a high standard

Lot 2	Tenderer A - Winner	Tenderer B	Tenderer C	Tenderer D
QUALITY	33.4	32.2	21.4	N/A
PRICE LOT 2	56.8	42.75	60	N/A
TOTAL	90.2	74.95	81.4	Did not meet requirements

Lot 3	Tenderer A	Tenderer B	Tenderer C	Tenderer D	Tenderer E - Winner	Tenderer F
QUALITY	N/A	33.4	N/A	32.2	21.4	N/A
PRICE LOT 3	N/A	43.41	N/A	31.01	60	N/A
TOTAL	Did not meet requirements	76.81	Did not meet requirements	63.21	81.4	Did not meet requirements

- 3.9 Tenderers had the opportunity to tender for any Lot but would only be awarded Lots in the following combinations: 1 and 3, 2 and 3 or 1 only, 2 only and 3 only.
- 3.10 Tenderers were asked for the preference between Lot 1 and Lot 2 during the tender process. If a tenderer wins Lot 1 and Lot 2 on a combined score (quality and price), they will automatically win their first preference, and the other Lot will be given to the tenderer with the second highest score for that Lot. As there are no restrictions over Lot 3, the tenderer with the highest score will be successful for this Lot.
- 3.11 Using the information provided by the supplier in their response to the Tender Response Document, the Council undertook a financial appraisal. The Council use Company Watch to provide an overall financial "Health Score (HScore) for each provider.
- 3.12 Tenderers were asked to provide a 1-4 year Social Value Plan (depending on which Lot/s they were tendering for), to include details how they will mobilise and deliver the Contract in a manner that aligns with the Council's social values requirements and aims to provide comprehensive long term economic and social benefits within Croydon.

3.13 London Living wage was a requirement of this tender. It is considered that London Living Wage will promote social wellbeing of employees improving the social value of procurement overall in accordance with objectives of the Public Services Social Value Act 2012. Any contractor is required to ensure all staff employed are paid in line with the London Living Wage as a minimum. Contractors may be subject to a London Living Wage audit at any point throughout the duration of the contract

4. CONSULTATION

4.1 There is no intended change in policy or entitlement associated procurement.

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		1,250	2,500	2,500
Income				
Effect of decision from report				
Expenditure		1,250	2,500	2,500
Income				
Remaining budget	<hr/>	<hr/> 0	<hr/> 0	<hr/> 0
Capital Budget available				
Expenditure				
Effect of decision from report				
Expenditure				
Remaining budget	<hr/>	<hr/>	<hr/>	<hr/>

2 The effect of the decision

The effect of the decision will cost the Council £10,133,609 across 4 years. The service is statutory and over the last 5 years there has been a 5% increase in service users.

Growth is being added to the service's budget in 2019/20 to address anticipated demand pressure, and the appropriateness of the budget will continue to be reviewed via the Council's financial management processes.

3 Risks

There is a risk that a supplier going out of business could mean some of the service is unable to be performed but this is mitigated by one supplier only being able to win 2 out of the 3 Lots, to spread the risk. 3 suppliers have won 3 separate Lots.

4 Options

The options around the service are detailed in Section 12. The service is statutory. The financial resources for this service are coming from the current and projected budget.

Service users have different travel assistance options, traditional transport, Independent Travel Training and Personal Transport Budgets.

5 Future savings/efficiencies

There are no savings or efficiencies associated with this service as it is having a phased insourced timetable.

Approved by: Ian Geary, Head of Finance, Resources & Accountancy

6. LEGAL CONSIDERATIONS

6.1 The Director of Law and Governance comments that there are no additional legal considerations directly arising in respect of this report

7.2 Approved by: Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer

7. HUMAN RESOURCES IMPACT

7.1 To confirm my authorisation and that there are no HR issues arising from the report for LBC employees.

7.2 Approved by: Gillian Bevan, Head of HR – Resources, on behalf of the Director of Human Resources

8. EQUALITIES IMPACT

8.1 An initial EA has been completed. There are no changes to current service, for the service user, there will be no significant impact on protected groups compared to non-protected groups so a full EA is not required.

8.2 Approved by: Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

- 9.1 Contractors will need to take into account the ULEZ standards which are being introduced by Transport For London (<https://tfl.gov.uk/modes/driving/ultra-low-emission-zone>) for diesel vehicles. These will come into effect for central London in April 2019, the area within the North and South Circular roads by October 2021, and potential to increase this area further. Contractors should also take note of Croydon Council's Air Quality Action Plan. All vehicles manufactured since 2016 will be minimum Euro VI emissions standard.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no crime and disorder reduction impacts arising from this report.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 The Council has a statutory requirement to provide home-to-school travel support for children and young people with Special Education Needs and/or Disabilities (SEND). The Council, in accordance with its policy, needs to provide home-to-care provision travel support for vulnerable adults. Without the DPS and minibus contracts, these services would be unable to be provided to the clients.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 The following options have been considered for the minibus service:
- All mini bus routes to be insourced – this option was considered but was not suitable at present time but is part of a phased insourcing. During the phased insourcing, the Council will continue to buy from the market in the interim
 - Establish an external contract(s) or framework potentially separating into Lots procurement. This does not align with Council's policy approach for Passenger Transport.

CONTACT OFFICER: Becky Saunders, Category Manager –
Travel and Transport - x63263

BACKGROUND DOCUMENTS: None

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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For Publication

REPORT TO:	Cabinet Member for Environment, Transport and Regeneration (Job Share)
SUBJECT:	Crosfield House Refurbishment Project
LEAD OFFICER:	Kirsteen Roe Director of District Centres and Regeneration
CABINET MEMBER:	Councillor Paul Scott Cabinet Member for Environment, Transport and Regeneration (Job Share) in consultation Councillor Simon Hall Cabinet Member for Finance and Resources
WARDS:	Purley
CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON The project is aligned with Croydon's Independence strategic outcome to help people from all communities to live longer and healthier lives. It will contribute to delivering an enhanced health and social care services providing better personal experience for people using the services and achieving a deepened health and social care integration. The report is aligned with the delivery of 'Ambitious for Croydon' outcomes: <ul style="list-style-type: none">• Creating growth in the economy,• Helping residents be as independent as possible, The project is in-line with the Corporate Plan for Croydon 2018-2022 Outcome: People live long, healthy, happy and independent lives This development will enable the delivery of the following objectives: <ol style="list-style-type: none">1. An enhanced integrated health and social care service.2. Ability to surrender the existing site at Boulogne road, which will generate a receipt to the Council.3. Expansion of the Council provision of community equipment service.4. Enables wider trading opportunities and commercial viability.5. Enables co-location with NHS services. The Community Equipment Service's Business Plan aims to upscale its core business over the next five years, creating a profitable business thereby providing social and financial benefits to Croydon Council. Key business objectives include the following:	

1. Further growth across South London, implementing two new full service contracts on behalf of other local authorities.
2. Further growth of the Integrated Procurement Hub (IPH), implementing three new public sector partnerships to the IPH in year one, then two further new agreements per year thereafter.
3. Further growth and development of the retail business, including the establishment of a successful retail outlet and online shopping platform for equipment in year one. Then launching two new websites per year with other local authority partners thereafter.

Development of wider opportunities including telecare, telehealth, wheelchair and continence services.

FINANCIAL IMPACT

In accordance with the Invitation to tender reference 764/2018 Crosfield House Refurbishment Works, the outcome of this procurement and spend for professional services indicates a maximum expenditure budget of £2,600,000 over the next 18 months (including 12 months defects liability period).

FORWARD PLAN KEY DECISION REFERENCE NO.: 0319ETR

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.

The Leader of the Council has delegated to the Cabinet Members for Environment, Transport and Regeneration (Job Share) (Ref: 10/19 Cabinet meeting 21st January 2019) the power to make the decisions set out in the recommendations below:

1. RECOMMENDATIONS

- 1.1 The Cabinet Member for Environment, Transport and Regeneration (Job Share) in consultation with Cabinet Member for Finance and Resources is recommended by the Contracts and Commissioning Board to approve the award of contract in accordance with Regulation 27(c) of the Council's Contracts and Tenders Regulations for the Crosfield House Refurbishment Works to Bidder A for a contract term of 18 months for a maximum contract value stated in Part B of the report.
- 1.2 The Cabinet Member for Environment, Transport and Regeneration (Job Share) and the Cabinet Member for Finance & Resources is asked to note that the name of the successful supplier and price will be released once the contract award is approved.

2. EXECUTIVE SUMMARY

- 2.1 This project is part of a previously agreed strategy (Ref: CCB1442/18-19), whereby the endorsed procurement strategy was to invite a minimum of 5 suppliers to tender for the works.
- 2.2 This report seeks approval of the award of contract for refurbishment works for Crosfield House by delegation from the Leader to the Cabinet Member for Environment, Transport and Regeneration by 22nd March 2019 due to short project timescales.
- 2.3 The refurbishment work is due to commence at the end of March 2019 and end at the end of September 2019 to allow the Community Equipment Service to move to the Crosfield House Property in September 2019.
- 2.4 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
22/03/2019	CCB1467/18-19

3. DETAIL

- 3.1 The Crosfield House Redevelopment will enable the Community Equipment Services (CES) currently based at a council asset in Boulogne Road to relocate to Crosfield House. The CES provides clinical assessment and medical equipment to adults and children with disability and medical needs. The relocation to Crosfield House will allow the CES to grow their trading activities to generate further incremental profit of £954,000 over the next five years and extend their services to house Croydon's Independent Living Centre and Wheelchair Services. As a result of the relocation of the CES, the existing site at Boulogne road will be surrendered to the GLA for housing development which will in turn generate a capital receipt to the Council.

Procurement Process

Stage One: Invitation to Tender

- 3.2 The procurement process commenced during December 2018, whereby five potential Bidders were invited to tender via the Councils e-tendering portal for the refurbishment works. The tender deadline was extended by 1 week and ended on Friday 8th February. 5 submissions were received.

Evaluation

- 3.3 Following receipt of the final Tender submissions and the outcome of the tender compliance checks, the members of the Evaluation Team proceeded with the assessments of the qualitative and pricing responses. In accordance with the

Council's Tender and Contract regulations, the responses were evaluated in alignment with the pre-determined award criteria as per following:

Table 1: Quality & Price Award Criteria

Question	Tier Two Weightings	Total Tier One Weightings
Q1 Programme of Works	10%	Quality 40%
Q2 Management Structure and Resources	10%	
Q3 Site Plan and Management	5%	
Q4 Health and Safety	5%	
Q5 Contract Management	5%	
Q6 Social Value	3%	
Q7 PSP	2%	
Price	60%	Price 60%

3.4 The tender responses were evaluated in accordance with the pre-determined scoring allocation criteria as shown via the Table below:

Table 2: ITT Scoring Allocation Criteria.

Score	Rating	Score Allocation Criteria
5	Excellent	Exceeds the requirement. Exceptional demonstration by the tenderer of their relevant ability, understanding, skills, resource and quality measures provided in the method statement. Response identifies factors that demonstrate added value, with evidence to support the response.
4	Good	Satisfies the requirement with minor additional benefits. Above average demonstration by the tenderer of the relevant ability, understanding, skills, resource and quality measures provided in the method statement. Response identifies factors that demonstrate added value, with evidence to support the response.
3	Acceptable	Satisfies the requirement. Demonstration by the tenderer of the relevant ability, understanding, skills, resource and quality measures provided in the method statement, with evidence to support the response.
2	Minor Reservations	Satisfies the requirement with minor reservations. Some minor reservations of the tenderer's relevant ability, understanding, skills,

		resource and quality measures provided in the method statement, with limited evidence to support the response.
1	Serious Reservations	Serious reservations of the tenderer's relevant ability, understanding, skills, resource and quality measures provided in the method statement, with little or no evidence to support the response. In accordance with the ITT instructions, an allocation of a score less than 2 will subject the Tenderer's submission being rejected in its entirety.
0	Unacceptable	Does not meet the requirement. Does not comply and/or insufficient information provided to demonstrate that the tenderer has the ability, understanding, skills, resource and quality measure, with little or no evidence to support the response. In accordance with the ITT instructions, an allocation of a score less than 2 will subject the Tenderer's submission being rejected in its entirety.

3.5 A minimum qualitative scoring threshold for all written method statements was applied except for the method statement question 7 relating to the Premier Supplier Programme, whereby a scoring allocation of less than two (2) would subject the respective Bidder's tender submission being rejected in its entirety.

3.6 Following the outcome of the moderation meeting scheduled on 12th February 2019, whereby the members of the evaluation team assessed the tender responses and a consensus score allocation and feedback were agreed as shown via Table 3 below.

Table 3: Overview of the Quality Evaluation Outcome.

Tier Two Award Criteria	Weighting	Supplier A	Supplier B	Supplier C	Supplier D	Supplier E
Q1 Programme of Works	10%	8.00%	6.00%	4.00%	4.00%	4.00%
Q2 Management Structure and Resources	10%	6.00%	6.00%	4.00%	4.00%	4.00%
Q3 Site Plan and Management	5%	3.00%	4.00%	3.00%	2.00%	2.00%
Q4 Health and Safety	5%	3.00%	4.00%	2.00%	2.00%	2.00%
Q5 Contract Management	5%	3.00%	3.00%	2.00%	3.00%	1.00%
Q6 Social Value	3%	1.80%	1.80%	1.80%	1.20%	1.20%
Q7 PSP	2%	2.00%	0.00%	0.00%	0.00%	0.00%

Total Qualitative Score.	40%	26.80%	24.80%	16.80%	16.20%	14.20%
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3.7 In accordance with the original ITT instructions, the Bidders were required to achieve a minimum score of 2 in its qualitative tender response. Should a method statement response be allocated with a score less than two, then its entire tender submission will be rejected.

3.8 The 2 bidders failed to achieve the minimum score on 2 separate qualitative questions, reasons for their scores is detailed in Part B of this report.

3.9 Following the outcome of the qualitative assessment, the evaluation panel then proceeded with the evaluation of the pricing submission

3.10 The total fixed price is evaluated on the following basis;

$$\frac{\text{Lowest submitted Tender Price}}{\text{Bidder's submitted Tender Price}} \times 60(\%)$$

3.11 The tender submission for price is outlined in Part B.

3.12 The combined Quality/Price award scores are outlined in the table below.

Table 7: Overview of the Combined Quality/Price result.

Tier Award Criteria	One Weighting	Bidder A % Score	Bidder B % Score	Bidder C % Score	Bidder D % Score	Bidder E % Score
Total Qualitative Score.	40%	26.80%	24.80%	16.80%	16.20%	14.20%
Total Pricing Score	60%	58.82%	52.44%	56%	0%	0%
Combined Quality/Price Score.	100%	85.62%	77.24%	72.80%	16.20%	14.20%

3.13 Based on the above it is recommended that Bidder A is awarded the contract for the refurbishment works. Details are contained within part B of the report.

Contract Management

3.14 The Head of Capital Delivery for Homes and Schools, will lead the overarching strategic and commercial performance management, with support from the Commissioning and Procurement team, and Finance. The contract management arrangements will be in accordance with the Council's contract management framework, therefore monthly Tier 1 performance report will be applied.

- 3.15 Contract management including the day to day relationships and instructions will be managed by the Capital Delivery Homes and Schools team (CDHS), responsible for work instruction and allocation, budget management, performance and quality monitoring.

4. CONSULTATION

- 4.1 The contract specification was developed in consultation with the Employer's Agent (Council) Pellings LLP via the Council's existing Partnering Contract with Echelon Consultancy Ltd.
- 4.2 Internal and external engagement and consultation have been undertaken with relevant stakeholders throughout the project.

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 Revenue and Capital consequences of report recommendations

Please see Part B Report

5.2 The effect of the decision

Please see Part B of the Report.

Finance Comments

- 5.3 The total budget for this project is £2,600,000 for professional services and refurbishment works.
- 5.4 This contract will be funded from £2,000,000 Capital to enable the Community Equipment Service to relocate from an existing site at Boulogne Road to Crosfield industrial site (both sites are owned by the Council). This will free up the site at Boulogne Road for a new potential development of residential accommodation. The proposed construction contract over a 7 months term is estimated to be £2,000,000 according to the latest cost estimates reflected within a recent feasibility report. It is the Council's intention to ensure the ITT pack reflects an affordability cap based on the agreed allocated funding.
- 5.5 Approximately £600,000 is allocated for other project elements including professional services (Employer's Agent, Cost Consultant, Architect) which are provided by an existing partnering advisor contract with Echelon Consultancy Ltd, legal fees, planning fees and internal resources.
- 5.6 Undertaking the necessary works will enable the Community Equipment Service to grow its trading and generate further incremental profit of £954,000

over the next five years. The Council's initial capital investment will be recovered through rental payments received over the useful life of the new asset. An estimated annual rental of £148,000 is anticipated and has been reflected within the original CES business case.

5.7 Risks

The following risks have been identified and are being actively managed:

Risk	L	I	Mitigations
Programme of works takes longer than anticipated.	M	M	Contract Period reflects the programme requirements. Effective change management will ensure works are delivered within the agreed timeframe. The Contract includes Liquidated Damages for late completion.
Inability to obtain a reduction in tender submission of £300k	L	M	A review exercise has been conducted with Employers Agent Pellings to identify works that are not required for the effective delivery of the project.
Construction delays	M	M	Liquidated damages will be applied based on a day rate for the provision of a temporary modular building.

5.3 Future savings/efficiencies

During the contract term, the Council are to work with the awarded supplier to identify savings as a result of value engineering exercises.

Approved by Flora Oysiyemi, Head of Finance for Place

6. LEGAL CONSIDERATIONS

6.1 The Director of Law & Governance comments that there are no additional legal considerations directly arising in respect of this report.

Approved by Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer

7. HUMAN RESOURCES IMPACT

7.1 There are no HR implications for Council employees arising from this procurement process.

8. EQUALITIES IMPACT

- 8.1 A full equality analysis will not be required due to the fact that the procurement would not have any adverse impact on protected groups compared to non-protected groups.

Approved by: Yvonne Okiyo

9. ENVIRONMENTAL IMPACT

- 9.1 CES is currently located at 28 Boulogne Road which does not provide the users with sufficient space to expand and to meet future business objectives. As such a new location is proposed at Crosfield House, 3 Imperial Way, which will comply with current building regulations and more energy efficient qualities.
- 9.2 The area surrounding the proposed site provides a good network of footways and is well facilitated with the provision of pedestrian crossings at the junction between Purley Way and Imperial Way, providing a safe environment for pedestrians.
- 9.3 The site is surrounded by a good network of cycle routes that comprises both off road cycle routes and recommended on road cycle routes. The proposed site is located in an area which has a low accessibility level by public transport with two bus routes serving the site.
- 9.4 A total of 28 parking spaces are proposed within the development site including four disabled spaces and six spaces with electric charging points (both active and passive).
- 9.5 20 cycle spaces are proposed to be provided at the new location.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no adverse Crime and Disorder impacts arising from this report.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 The Tender submitted by Bidder A is the Most Economically Advantageous (MEAT) as determined by the evaluation criteria:

	Bidder A % Score	Bidder B % Score	Bidder C % Score
Combined Quality/Price Score.	85.62%	77.24%	72.80%

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 In accordance with the original strategy report, a number of options were sought including in-source however, as agreed via CCB it was agreed to issue an invitation to tender exercise.
- 12.2 Following the completion of the tender evaluation process, it is recommended to award the contract to Bidder A
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CONTACT OFFICER:

Name:	Peter Gudge
Post title:	Construction Programme Manager
Telephone number:	07572 526 777

BACKGROUND DOCUMENTS: None

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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For Publication

For General Release

REPORT TO:	CABINET 25th March 2019
SUBJECT:	Award of Passenger Transport Dynamic Purchasing System (DPS)
LEAD OFFICER:	Shifa Mustafa, Executive Director, Place Steve Iles, Public Realm, Director
CABINET MEMBER:	Cllr Alisa Flemming, Cabinet Member for Children, Young People and Learning Cllr Jane Avis, Cabinet Member for Families, Health and Social Care Cllr Simon Hall, Cabinet Member for Finance and Resources
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON The delivery of a high quality Passenger Transport service has a positive impact on the outcomes of children, young people and vulnerable adults. It contributes to the following corporate objective: <ul style="list-style-type: none">• Growth: To enable people of all ages to reach their potential through access to quality schools and learning It also reflects the following priorities within the Community Strategy 2016-2021: <ul style="list-style-type: none">• To support individuals and families with complex needs	
FINANCIAL IMPACT The financial impact of this report covers the DPS for taxis. The DPS agreement is for a term of four years, plus 2 extension periods of two years (4+2+2), to deliver taxi services to the total of £68 million (across 8 years).	
FORWARD PLAN KEY DECISION REFERENCE NO.: . 0619CAB 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.	

The Cabinet is recommended to approve and note the recommendation that for the reasons contained within set out in paragraph 3 of this report, the Leader of the Council be requested to approve:

1. RECOMMENDATIONS

- 1.1 The establishment of a Passenger Transport Dynamic Purchasing System ('DPS') for the initial period of four years with options to extend for two subsequent periods each of two years with a total estimated value of £68,000,000, pursuant to the procurement strategy approved by Cabinet on 15th October 2018;
- 1.2 The initial appointment of suppliers listed in Part B of this report to join the DPS on the basis of contract terms issued as part of inviting tenders, such suppliers being those who have satisfied specified selection criteria;
- 1.3 That authority to approve the appointment of further suppliers who meet the specified selection criteria over the life of the DPS be delegated to the Council's Contracts and Commissioning Board (CCB);
- 1.4 That the award of contracts called off under the DPS shall be approved in accordance with Regulation 8 of the Council's Tender and Contracts Regulations and notified to Cabinet in accordance with paragraph 3.4 of this report.

2. EXECUTIVE SUMMARY

- 2.1 The Council provides home-to-school/college travel support for children and young people with Special Education Needs and/or Disabilities (SEND), and home-to care provision travel support for vulnerable adults, in accordance with its statutory obligations and published eligibility policies. Travel support takes many forms, including the provision of independent travel training to enable clients to travel independently on public transport, and personal travel budgets and direct payments to enable clients to make their own travel arrangements. Nevertheless, the direct provision of passenger transport is still the most common provision for eligible clients. The outcomes the service are trying to achieve are as follows:
 - A quality transport service for all clients
 - Transport which meet the clients' needs, no matter how complex
 - A service which works within the Council's budgetary restraints
 - An increase in clients becoming independent
- 2.2 The current Passenger Transport framework is coming to an end in August 2019 and a new service needs to be procured before the new academic year 2019/20.

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- 2.3 The DPS is for a contract term of four (4) years (with a two plus two year extension period) for a maximum contract value of £68 million.
- 2.4 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
05/03/2019	CCB1458/18-19

3. DETAIL

- 3.1 The purpose of this report is to advise the Cabinet of the tenders received and the evaluation undertaken, further to which the recommendation is made for establishment of a Dynamic Purchasing System (DPS) for the delivery of passenger transport services for children/young people with Special Educational Needs/Disabilities and vulnerable adults (the services).
- 3.2 The services within the DPS have been divided into 9 separate categories that are required either with a 'Driver Only' or with a 'Driver and Passenger Assistant'.
- 3.3 The new routes for 2019 will be identified from May onwards and through until the new academic year starts in September 2019. The service relies on the school placement timetables and placements can generally arise any time in the academic year for SEND children and young people. The statutory service needs to begin on 1st September.
- 3.4 Quarterly reports will be produced for Cabinet as part of the Investing in Our Borough (IIOB) report for the life of the DPS, detailing the call offs from the DPS and also the providers which have joined the system.
- 3.5 The overall financial impact of the call off process for the DPS will be reviewed in consultation with the Cabinet Member for Children, Families and Learning, Cabinet Member for Families, Health and Social Care and the Cabinet Member for Finance and Resources. This will take place on a monthly basis at the Travel Governance Board, through the production of regular reports and briefings.
- 3.6 The procurement strategy for Passenger Transport Services was approved by Cabinet on 15th October 2018 (ref: 88/18).
- 3.7 Procurement Approach
- 3.7.1 The DPS for taxis followed the rules of the restricted tender (reg 34 (5) PCR 2015), and advertised through OJEU on 20th November 2019 (Ref: 2018/S 226-517464), the eportal and industry publications. The Procurement Team spent time specifically engaging with sole traders in the taxi market, distributing leaflets and meeting with the providers. The team also held drop in sessions for all providers looking to tender on the DPS, which allowed them to discuss any issues one-to-one.
- 3.7.2 London Living wage was a requirement of this tender. Tenderers have to take

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this into account when submitting prices on the DPS for all routes tendered for. The successful Tenderer(s) are also obliged to provide management information to assist the Council with monitoring the impact of the LLW.

3.7.3 All providers on the DPS will be held accountable for their social value progress throughout the contract term. Once a provider gets £100,000 value of work on the DPS, the Contracts and Procurement Officer will contact the provider to set out a social value action plan for the next year (as contracts on the framework will last a year to fit in with school terms). The social value requirements will be embedded in the specification and Strategic Contract Management meetings. Social Value will be discussed twice yearly at Strategic Contract Meetings for the providers with the highest value work and then other providers with lower value contracts will be met once a year. There will be a proportionate approach to the contractors. The DPS will be an open and proactive engagement, which will create social value, by increasing the sole traders on the framework.

3.8 Evaluation Stage - ITT

3.8.1 Tenderers were required to submit responses to the standard suite of questions relating to matters such as company and financial information, insurance, equalities, health and safety, safeguarding and environment in the SSQ. Those tenders who passed the initial evaluation were then subject to a further qualitative evaluation of their ability to meet the Council's service requirements, also on a 'pass-fail' basis, in one of two ways. For those tenderers with recent experience of providing similar passenger transport services and confirmed to be currently licensed by the Public Carriage Office, the references provided as part of their tender response were taken up with referees by the Panel. Potential new entrants to the market, who were unable to provide directly relevant references, were invited in the tender to submit responses to a number of critical questions that were used in conjunction with interviews as necessary to determine whether they can meet the Council's requirements for the provision of services. This approach reflects DfT guidance (Tendering Road Passenger Contracts - Best Practice Guidance - dated October 2013) on the qualitative assessment of tenders for passenger transport services.

3.9 The Evaluation Panel

3.9.1 The evaluation panel was made up of three people, two from within the Croydon Transport Service and one service user (external evaluators). It was felt that the involvement of external service user representatives was very important in this process to ensure all voices were heard. The external service user is the Chair of Croydon Disability Forum.

3.9.2 Each evaluator evaluated every qualitative submission independently and then the scores were brought together for a moderation panel. The moderation panel included the above seven evaluators and representation from the Council's Commissioning and Procurement Team.

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3.9.3 There were 29 tenders received in total. Of the 17 tenders who chose the qualitative submission route, 8 were passed by the moderation panel to be recommended for appointment to the framework.

3.9.4 If the provider chose (and qualified for) the reference route, rather than qualitative submissions, the referee evaluated them, and fed back to the Council, on the original marking scheme. The provider was required to give the Council three references from public bodies with which they are currently contracted to provide passenger transport services for children and young people with Special Educational Needs or disabilities and/or vulnerable adults, or with whom they have been contracted to provide these services within the last three years. Of the 12 providers who chose the reference route, 8 were passed by the referees and confirmed on the DPS and 4 failed.

3.10 Results from the Evaluation Process

3.10.1 Tenders were received from a total of 29 suppliers for the Categories as follows, noting that tenderers may have submitted tenders for any number of Categories:

Categories		Bidders
1	Taxi	29
2	Taxi with PA	24
3	Wheelchair Accessible Taxi	27
4	Wheelchair Accessible Taxi with PA	24
5	Taxi with Digital Tracking	24
6	Taxi with Digital Tracking and PA	20
7	Wheelchair Accessible Taxi with Digital Tracking	22
8	Wheelchair Accessible Taxi with Digital Tracking and PA	20
9	Taxi Ad Hoc Routes	24
10	All of the Above Categories	19

3.10.2 The outcome of the tender evaluation process has involved the selection of a total of 16 suppliers for the following Categories:

Categories		Bidders
1	Taxi	16
2	Taxi with PA	13
3	Wheelchair Accessible Taxi	15
4	Wheelchair Accessible Taxi with PA	13
5	Taxi with Digital Tracking	13
6	Taxi with Digital Tracking and PA	10
7	Wheelchair Accessible Taxi with Digital Tracking	11

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8	Wheelchair Accessible Taxi with Digital Tracking and PA	10
9	Taxi Ad Hoc Routes	11
10	All of the Above Categories	9

3.11 Call-off process

3.11.1 Following this stage of appointing suppliers to the DPS, any call off or mini competition from the DPS will comply with the Council's Tender and Contracts Regulations, adopting the standard 60 cost/40 quality weightings and all routes will be awarded accordingly. Quality will be assessed through service delivery, such as number of defaults and complaints. This information will be collected by the Contracts and Procurement Officer quarterly. Each supplier will be assessed against the contract KPIs and a percentage score based on contract performance calculated. This percentage score will be weighted at 40% and operate as the standard quality score for the supplier. The supplier's price submission will be assessed on the basis of lowest tendered price and weighted at 60%. These scores will be added together to identify the most economically advantageous tender.

4. CONSULTATION

4.1 There is no intended change in policy or entitlement associated procurement.

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		
	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Revenue Budget available				
Expenditure				
Income				
Effect of decision from report	4,250	8,500	8,500	8,500
Expenditure				
Income				
Remaining budget				
Capital Budget available				
Expenditure				
Effect of decision from report				
Expenditure				

Remaining budget _____

2 The effect of the decision

The effect of the decision will cost the Council £68 million across 8 years. This will be estimated to around £8 million a year. The service is statutory and over the last 5 years there has been a 5% increase in service users.

Growth is being added to the service's budget in 2019/20 to address anticipated demand pressure, and the appropriateness of the budget will continue to be reviewed via the Council's financial management processes.

3 Risks

The main risk of the DPS is the continually increasing value due to the increase in complex needs of service users and increase in service users in total. The other risk is suppliers going bust, but this is mitigated by DPS and the nature of suppliers being able to join during the life of the contract.

4 Options

The options around the service are detailed in Section 12. The service is statutory.

Service users have different travel assistance options, traditional transport, Independent Travel Training and Personal Transport Budgets.

5 Future savings/efficiencies

The DPS will always stay competitive as the market will always be open. Suppliers can join at any time throughout the DPS.

6 Approved by: Ian Geary, Head of Finance, Resources & Accountancy

6. LEGAL CONSIDERATIONS

6.1 The Director of Law comments that there are no additional legal considerations directly arising in respect of this report.

6.2 Approved by Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer

7. HUMAN RESOURCES IMPACT

7.1 To confirm my authorisation and that there are no HR issues arising from the report for LBC employees.

7.2 Approved by: Gillian Bevan, Head of HR – Resources, on behalf of the Director of Human Resources

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8. EQUALITIES IMPACT

- 8.1 An initial EA has been completed. There are no changes to current service, for the service user, there will be no significant impact on protected groups compared to non-protected groups so a full EA is not required.
- 8.2 Approved by: Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

- 9.1 Taxis must adhere to the Public Carriage Office's (PCO) stringent requirements when gaining/renewing a licence. These requirements come from the Mayor's Taxi and Private Hire Action Plan. Vehicles cannot be older than 15 years and new vehicles will no longer be granted a licence if they run on diesel (would have to Euro 6 at least).

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no crime and disorder reduction impacts arising from this report.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 The Council has a statutory requirement to provide home-to-school/college travel support for eligible children and young people with Special Education Needs and/or Disabilities (SEND). The Council, in accordance with its policy, needs to provide home-to care provision travel support for vulnerable adults.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 The following options have been considered for taxis:
- Bring routes in house, that cost the Council over £52,000 a year and deliver the remainder of the provision from an existing market through a DPS
 - Set up a DPS to procure all taxi routes.

CONTACT OFFICER: Becky Saunders, Category Manager – Travel and Transport - x63263

BACKGROUND DOCUMENTS: None

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Part A – For General Release

REPORT TO:	Cabinet Member for Children, Young People and Learning
SUBJECT:	SEN Passenger Transport In House Service Vehicles
LEAD OFFICER:	Shifa Mustafa ,Executive Director of Place Steve Iles, Director of Public Realm
CABINET MEMBER:	Cllr Alisa Flemming, Cabinet Member for Children, Young People and Learning Cllr Jane Avis, Cabinet Member for Families, Health and Social Care Cllr Simon Hall, Cabinet Member for Finance and Resources
WARDS:	All
<p>CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON</p> <p>The delivery of a high quality Passenger Transport service has a positive impact on the outcomes of children, young people and vulnerable adults. It contributes to the following corporate objective:</p> <ul style="list-style-type: none"> • Growth: To enable people of all ages to reach their potential through access to quality schools and learning <p>It also reflects the following priorities within the Community Strategy 2016-2021:</p> <ul style="list-style-type: none"> • To support individuals and families with complex needs • To deliver better education and the opportunity for everyone to reach their full potential 	
<p>FINANCIAL IMPACT</p> <p>The procurement contract award covers the leasing costs for 39 minibuses for the Passenger Transport in-house service. Currently the council uses 23 vehicles for SEN and Adults transport that will be replaced when the contract ends on 31 August 2019. The new estimated value is £485,000 per annum over a 5 year period.</p> <p>The funding for the 23 replacement vehicles will be met from existing budgets. Additional budget and funding of £297,000 (as set out in section 5) will be required for the 16 new vehicles needed for the in-house service.</p>	
<p>FORWARD PLAN KEY DECISION REFERENCE NO.: 1019CYPL</p> <p>This is a Key Decision as defined in the Council’s Constitution. The decision may be implemented from 13.00 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.</p>	

The Leader of the Council has delegated the power to make the decisions set out in the recommendations below:

1. RECOMMENDATIONS

- 1.1 The Cabinet Member for Children's, Young People and Learning in consultation with Cabinet Member for Families, Health and Social Care and Cabinet Member for Finance and Resources is recommended by the Contracts & Commissioning Board to:
- 1.2 Approve the award of SEN Passenger Transport In House Service Vehicles in accordance with Regulation 27(c) of the Council's Tenders and Contracts Regulations to the named supplier and for the contract prices listed in Part B of this report for a contract term of 5 years.
- 1.3 Note and agree the additional budget and funding of £297,000 that is required for the 16 new vehicles that will be needed to deliver the in-house transport services.
- 1.4 Note that the name of the successful supplier and price will be released once the contract award has been agreed and implicated.

2. EXECUTIVE SUMMARY

- 2.1 The Council provides home-to-school travel support for children and young people with Special Education Needs and/or Disabilities (SEND), and home-to care provision travel support for vulnerable adults, in accordance with its statutory obligations and published eligibility policies. Travel support takes many forms, including the provision of independent travel training to enable clients to travel independently on public transport, and personal travel budgets and direct payments to enable clients to make their own travel arrangements. Nevertheless, the direct provision of passenger transport is still the most common provision for eligible clients. The outcomes the service are trying to achieve are as follows:

- A quality transport service for all clients
- Transport which meet the clients' needs, no matter how complex
- A service which works within the Council's budgetary restraints
- An increase in clients becoming independent

The Council want to fulfil their statutory responsibility to provide free transport for all eligible pupils of compulsory school age and make transport arrangements for children with special educational needs.

- 2.2 The content of this report has been endorsed by the Contract & Commissioning Board.

2.3 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
15/03/2019	CCB1460/18-19

3. DETAIL

3.1 Procurement Process

3.1.1 A mini competition was run from Lot 218 of the ESPO Framework (“the Framework”) as it represented the widest potential supplier list and providers of the required specialist vehicles. The number of suppliers available through the Framework ensured a good competition and therefore led to a contest that enabled the Council to procure best value in terms of price and quality. All suppliers on the Framework are already on the procurement portal.

3.1.2 The suppliers on ESPO Lot 218 are:

- Dawson Rentals Bus and Coach Ltd
- Go Planet Fleet Services
- Limesquare Vehicle Rental Ltd
- London Hire Ltd
- Riverside Truck Rental Ltd
- SHB Hire Ltd
- Specialist Fleet Services Limited

3.1.3 The mini-competition opportunity was advertised on the London Portal and Contracts Finder.

3.2 Evaluation Process

3.2.1 The evaluation was split 40% quality and 60% cost, to align with the Council’s T&Cs.

The evaluation was split into:

- Vehicle Delivery timetable
- Replacement Vehicles
- Quality Standards
- Maintenance
- PSP

3.2.2 The tender evaluation panel was:

- Deputy Head of Service – Independent Travel Service
- Fleet Supervisor
- Contracts and Procurement Officer

3.2.3 The evaluation panel scored each method statement using a 1-5 scale. This process was completed independently initially and then during a moderation

process each score was discussed and one score agreed for each method statement submitted by each tenderer. Please see criteria below:

Score	Acceptability	Description
0	Unacceptable	The information is omitted/no details provided
1	Poor	The response does not address the criterion, or the Evaluator is not confident that the bidder understands the contract requirements covered by this criterion and/or will be able to satisfactorily meet the criterion requirements.
2	Fair	The Evaluator has some reservations that the bidder understands the contract requirements covered by this criterion and/or will be able to satisfactorily meet the criterion requirements.
3	Satisfactory	The Evaluator is reasonably confident that the bidder understands the contract requirements covered by this criterion and/or will be able to satisfactorily complete the contract requirements covered by this criterion to a reasonable standard.
4	Good	The Evaluator is confident that the bidder understands the contract requirements covered by this criterion and/or will be able to satisfactorily complete the contract requirements covered by this criterion to a high standard.
5	Excellent	The Evaluator is completely confident that the bidder understands the contract requirements covered by this criterion and or will be able to satisfactorily complete the contract requirements covered by this criterion to a very high standard.

3.3 Final Results

3.3.1 Two providers submitted tender submissions, and two providers opted out. The other providers didn't respond. Supplier A received 84% and Supplier B have received 81%. Supplier A are the chosen supplier.

Question	Supplier A	Supplier B
VEHICLE DELIVERY	9%	12%
REPLACEMENT VEHICLES	6%	4%
QUALITY STANDARDS	7%	0%
MAINTENANCE	6%	4%
PSP	1%	1%
PRICE	56%	60%
Overall Score	84%	81%

3.3.2 Contract Management will be carried out by the Independent Travel Service, which is consistent with the current arrangement.

4. CONSULTATION

4.1 There is no intended change in policy or entitlement associated procurement.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 The procurement contract award covers the leasing costs for 39 minibuses for the Passenger Transport in-house service. Currently the council uses 23 vehicles for SEN and Adults transport that will be replaced when the contract ends on 31 August 2019.

The funding for the replacement vehicles will be met from existing budgets. Additional budget and funding of £297,000 will be required for the 16 new vehicles needed for the in-house service.

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	188	188	188	188
Income				
Effect of decision from report		297	297	297
Expenditure	188			
Income				
Remaining budget	<u>0</u>	<u>485</u>	<u>485</u>	<u>485</u>
Capital Budget available				
Expenditure				
Effect of decision from report				
Expenditure				
Remaining budget	<u> </u>	<u> </u>	<u> </u>	<u> </u>

2 The effect of the decision

The effect of the decision will be an annual spend of £485,000 for 5 years. The annual budget will increase by £297,000 due to the leasing costs of additional 16 vehicles required to deliver the in-house service.

3 Risks

The main risk around this project is that the vehicles are not delivered on time, for the service to start in September as it is a statutory service.

4 Options

The options around the service are detailed in Section 12.

Service users have different travel assistance options available to them, traditional transport, Independent Travel Training and Personal Transport Budgets.

5 Future savings/efficiencies

There are no savings associated with this service currently.

6 Approved by: Flora Osiyemi, Head of Finance - Place

6. LEGAL CONSIDERATIONS

6.1 The Director of Law & Governance comments that there are no additional legal considerations directly arising in respect of this report.

Approved by Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer.

7. HUMAN RESOURCES IMPACT

7.1 There are no immediate HR issues arising from this report for Council Employees.

7.2 Approved by: Gillian Bevan, Head of HR – Resources, on behalf of the Director of Human Resources

8. EQUALITIES IMPACT

8.1 An initial EA has been completed. There are no changes to current service, for the service user, so a full EA is not required.

8.2 Approved by: Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

9.1 Vehicles must be brand new and would have to Euro 6 at least.

10. CRIME AND DISORDER REDUCTION IMPACT

10.1 There are no crime and disorder reduction impacts arising from this report.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

11.1 The Council has a statutory requirement to provide home-to-school travel support for children and young people with Special Education Needs and/or Disabilities (SEND). The Council, in accordance with its policy, needs to provide home-to care provision travel support for vulnerable adults. Without the in-house service vehicles, these services would be unable to be provided to the clients.

12. OPTIONS CONSIDERED AND REJECTED

12.1 The following options have been considered, with the four options highlighted in bold being the preferred options:

Children	Make	Make & Buy	Buy
Taxis	N/A	High Cost routes (>£52k/year) delivered in-house. Buy remainder of provision from an existing market through DPS	Set up Dynamic Purchasing System (DPS) to procure all taxi routes
Bus	All Bus routes insourced from 2019	Phased transition to in-house model for all schools Continue to buy from 'manufactured' market in the interim.	Establish external contract(s)/framework, potentially adopting a lotting approach
Passenger Assistants	Insourc all PAs (288)	Provide PAs for in-house provided routes and review opportunities	Buy all PAs as routes require, including for in-house services
Adults			
	In-house all day care with option to combine with SEN transformation programme	Maintain in-house provision, buy taxis – review transformation	Buy all provision through DPS and external contract(s)/framework

CONTACT OFFICER: Becky Saunders, Category Manager – Travel and Transport x63263

BACKGROUND DOCUMENTS: None

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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For General Release

REPORT TO:	Cabinet Member for Families, Health and Social Care
SUBJECT:	Floating Support Services for Older People – Contract Extension
LEAD OFFICER:	Guy Van Dichele - Executive Director of Health Wellbeing and Adults Paul Connolly - Service Manager
CABINET MEMBER:	Councillor Jane Avis - Cabinet member for Families, Health and Social Care
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON Corporate Plan/Ambitious for Croydon - Priority Two: Independence Helping our residents to be as independent as possible.	
FINANCIAL IMPACT There is an approved budget provision for this service and there is not an adverse or additional impact on council spending.	
FORWARD PLAN KEY DECISION REFERENCE NO.: 0919HGS 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.	

The Leader of the Council has delegated to the Cabinet Member for Families, Health and Social Care the power to make the decisions set out in the recommendations below

1. RECOMMENDATIONS

- 1.1 The Cabinet Member for Families, Health and Social Care in consultation with Cabinet Member for Finance and Resources is recommended by the Contracts and Commissioning Board to approve the variation and extension of contract in accordance with Regulation 29 of the Council's Contracts and Tenders Regulations for the Floating Support Service for Older People contract to One Housing for an additional contract term of up to 12 months from 1st April 2019 to 31st March 2020 at an additional cost of up to £180,000. This give a maximum total contract value of £1,200,000.

2. EXECUTIVE SUMMARY

- 2.1 In 2013/14, One Housing was awarded a contract for 3+1 years to provide a Floating Support Service for older and vulnerable adults. The contract commenced on 1st April 2014 and in 2017/18 was extended by way of a direct award for a further year to ensure service provision until 31st March 2019.
- 2.2 The Floating Support Service for Older People provides:
- Support to clients to continue to live independently in their own homes;
 - Ensure that clients engage with specialist services where required;
 - Ensure that clients take responsibility for their health needs, particularly to prevent slips, trips, and falls; and subsequent A&E presentations and admissions to hospital;
 - Where admissions to hospital do occur, to work in partnership with statutory and non-statutory organisations, families and key persons in reducing the length of stay;
 - Prevent or delay admission to long term residential care.
- 2.3 These services are essential to ensure for older and vulnerable within the borough to keep them safe, healthy, maintain their independence and prevent them from being admitted into hospital or residential care. The recommendation in this report is to extend the current contract for a further 12 months, until 31st March 2020.
- 2.4 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB ref. number	CCB Approval Date
CCB1473/18-19	12/04/2019

3. DETAIL

- 3.1 In 2013/14, One Housing was awarded a contract for 3+1 years to provide a Floating Support Service for older and vulnerable adults. This contract was awarded by CSC following a call off from the Supported Housing Framework that preceded the IFA. The contract commenced on 1st April 2014 for continued for the maximum 4 years term. In 2017/18 the contract was extended by way of a direct award for a further year, by CCB as part of the DPS facilitation and IFA extension, to ensure the continuity of the service provision until 31st March 2019.
- 3.2 In 2018, the service was reviewed and number of recommendations have been made to redesign the services currently being provided. These recommendations will be taken into account for the re-commissioning and re-procurement from the new DPS when established later in 2019.

- 3.3 The proposal in this report is to extend the current contract for one further period of up to 12 months to allow time for the DPS to be established and the redesign of the services to be considered and consulted upon.
- 3.4 The contract expenditure on this service with One Support over the past contract term is as follows:

Original Contract Award:

2014/15	£ 240k	
2015/16	£ 240k	
2016/17	£ 180k	
2017/18	£ 180k	
		£ 840k (Original Contract Value)
12 Month Extension:		
2018/19	£ 180k	
Total		£ 1,020k

- 3.5 The Public Contracts Regulations 2015 (PCR), Clause Regulation 72, restricts the ability to make changes to contracts without a new procurement exercise. Paragraph 1(b) states that:

for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor—

- (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, and/or
- (ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority, provided that any increase in price does not exceed 50% of the value of the original contract

For the reasons set out at paragraphs 11 and 12 of this report, if a new procurement process were to be undertaken this would cause significant inconvenience. The increase does not exceed 50% of the value of the contract. A notice will be published in accordance with Reg. 72(3) PCR.

4. CONSULTATION

- 4.1 As part of the service review carried out in 2018, service users have been consulted and their comments and suggestions about the services are being considered and included in the redesign of the services. The extension of the current contract for a further 12 months, will provide additional time to consult service users on the redesigned services

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				
Income	180	180	0	0
Effect of decision from report				
Expenditure	180	180	0	0
Income				
Remaining budget	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital Budget available				
Expenditure				
Effect of decision from report				
Expenditure				
Remaining budget	<u></u>	<u></u>	<u></u>	<u></u>

2 The effect of the decision: A budgetary provision already exists for this service.

3 Risks: There are no budget risks to continuing the service for another 12 months at the current service levels.

4 Options: The options are set out in paragraph 12 of this report.

5 Future savings/efficiencies: This service will be re-commissioned during 2019/20 which should lead to savings in 2020/21.

5.2 **Approved by: Ian Geary, Head of Finance, Resources & Accountancy.**

6. LEGAL CONSIDERATIONS

6.1 The Director of Law and Governance it is commented that the legal considerations are as set out in this report.

6.2 Approved by: Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer

7. HUMAN RESOURCES IMPACT

- 7.1 There are no HR implications for Council staff arising from the report.
- 7.2 Approved by: Deborah Calliste Head of HR for Health, Wellbeing and Adults on behalf of the Director of Human Resources.

8. EQUALITIES IMPACT

- 8.1 There are no adverse impacts for Equalities arising from this report.
- 8.2 An equalities impact assessment was carried out prior to the commencement of this contract in 2013. The extension clauses in the original contract have all been utilised and there is a proposal to re-commission and re-procure service from 1st April 2019. A new EqlA will be carried out as part of the redesign of the services and the new process.
- 8.3 Approved by Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

- 9.1 There are no adverse environmental impacts arising from this report.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no adverse impacts for crime and disorder arising from this report.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 The recommendation in the report are necessary to ensure the continuity of service provision to vulnerable people living within the borough.

12. OPTIONS CONSIDERED AND REJECTED

1. **Do Nothing:** Terminating the contract on 31st March 2019 is not a real option and these services are vital to these vulnerable service users who require supported housing to stay safe.
2. **Commissioning and Procuring a new services:** There is insufficient time to do this before 1st April 2019. However this is the proposal for the longer term. Re-commissioning will commence after April 2019 and a new contract put in place for 1st April 2020.
3. **Bring the Service In-house as part of Make or Buy:** There has been insufficient time to consider this option especially with TUPE applying.

However, this will be considered as a positive option in the review in the next 6 months.

4. **Contract Extension:** Due to the time constraints and the urgent need to provide continuity of services to vulnerable people, the extension of the current contract for 12 months is the preferred option.

CONTACT OFFICER: Channelle Ali,
Commissioning and Contracts Officer
Extension: 64060

BACKGROUND PAPERS: None

REPORT TO:	Cabinet Member for Culture, Leisure and Sport
SUBJECT:	Provision of Mortuary and Post Mortem Services
LEAD OFFICER:	Jacqueline Harris – Baker, Resources, Executive Director Malcolm Davies, Head of Insurance and Risk, Head of Service
CABINET MEMBER:	Cabinet Member for Culture, Leisure and Sport
WARDS:	All

CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON

This agreement allows for the Council to have a closer relationship with NHS and will lead to better outcomes for our residents.

FINANCIAL IMPACT

The financial impact of this agreement, for Mortuary and Post Mortem Services, is £425,000 for 5 years. The previous agreement of 1 year, cost the Council £85,000 (2018/19) (aggregate value of £510,000).

The Leader of the Council has delegated to the Cabinet Member for Culture, Leisure and Sport the power to make the decisions set out in the recommendations below:

1. RECOMMENDATIONS

- 1.1 The Cabinet Member for Culture, Leisure and Sport in consultation with Cabinet Member for Finance and Resources is recommended by the Contracts and Commissioning Board to approve the award of contract in accordance with the Regulation 27c of the Council’s Tenders and Contracts Regulations to Croydon Health Services NHS Trust for the mortuary and post mortem services, for a contract term of 5 years and a maximum contract value of £425,000.
- 1.2 The Cabinet Member for Culture, Leisure and Sport is to note the Director of Commissioning and Procurement has approved to waive the requirement of Regulation 17 of the Councils Tenders and Contracts Regulations for a single source supplier contract for the reasons set out in paragraph 3.1.3.
- 1.3 And to note the Council has an existing arrangement with Croydon Health Services NHS Trust for these services and that therefore in the aggregate the total value of contracted services is £510,000.

2. EXECUTIVE SUMMARY

- 2.1 The purpose of the report is to formalise the interim arrangements which have been applied for the last 12 months for the provision of mortuary and post mortem facilities by Croydon Health Services NHS Trust by way of a Section 75 (NHS Act 2006) agreement.
- 2.2 The arrangement supports and is complementary to the strategy of working in partnership with the Croydon NHS Health Sector for the most efficient and effective outcomes for the residents of Croydon.
- 2.3 The main financial consideration is the estimate of a contribution of £85,000 PA towards costs of providing the services which will be offset by the TUPE transfer/redundancy of staff. On this basis the proposal is within existing budgets.
- 2.4 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB ref. number	CCB Approval Date
CCB1476/18-19	16/04/2019

3. Detail

- 3.1.1 Advice was taken from the Council's external legal support, Browne Jacobson's, on the current arrangement between the Council and Croydon health Services. It was agreed that this arrangement should be formalised by way of a 'Section 75 agreement' (2006 NHS Act). Section 75 agreements have already been used by Croydon Council including recently a partnership between the Croydon Clinical Commissioning Group and Croydon Equipment Solutions. In summary a S75 agreement made under section 75 of National Health Services Act 2006 is between a local authority and an NHS body in England. Section 75 agreements can include arrangements for pooling resources and delegating certain NHS and local authority health-related functions to the other partner(s) if it would lead to an improvement in the way those functions are exercised.
- 3.1.2 Croydon Council has been partnering with Croydon Health Services NHS Trust since February 2018 for the provision of Post Mortem and Public Mortuary Facilities including long term body storage for the South London Coroners Service and Croydon Council. These arrangements currently expire on 30 March 2019. The purpose of this paper is now to formally set out the benefits and business case for the option of a long term partnering arrangement under a S75 agreement with Croydon Health Services NHS Trust.
- 3.1.3 The service are asking for a waiver to submit an award report without a strategy report for the Section 75 agreement for the Mortuary Services with

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the NHS. This is due to the fact there is no provider in the market who can deliver these services, apart from the Council and the NHS.

3.2 Background

3.2.1 The Public Health Act (1936), section 198 provides 'that Local authorities, if required by the Minister of Health; have a legal duty to provide mortuary and post mortem facilities for HM Coroner'.

3.2.1 By 2017 Croydon were one of only 3 boroughs (out of 33) still operating their own Public Mortuary. Arguably while having greater control, there were/are some obvious risks and costs associated with operating a standalone public mortuary. These include but are not limited to having to carry the liability of staffing to serve only the borough whilst at the same time having the risk around lack of resiliency should a member of staff be absent for any extended period (which is why most boroughs opt to partner with the NHS).

3.3 Current Arrangements

3.3.1 Events caught up with Croydon when one of the major risks (concerning staff resiliency) was realised in February when, due to long term absence, only one member of staff was available to run the facility. This was obviously not a viable long-term position to maintain the service. There was an option to attempt to recruit a locum mortuary manager (although it was not anticipated to be easy to recruit and retain such a member of staff) and secondly was anticipated to be at a significant cost. The alternative which was available was a short-term partnering agreement with Croydon Health Services NHS trust to provide facilities for post-mortems with some body storage associated with overspill of longer term body storage staying at the CPM site. Given the geographical proximity of the two facilities (Croydon University Hospital and Croydon Public Mortuary) these arrangements were the obvious and indeed only solution (given the operational requirements for a hospital to maintain mortuary facilities in any event). These arrangements have been in place since February 2018 and have been working well for all parties and are now perceived to provide immediate, obvious and certain benefits for both parties.

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3.3.2 There are immediate benefits realised and risks eliminated from partnering arrangements with CHS NHS Trust and these are listed below:

1. The significant risks of running a standalone public mortuary and post mortem facilities and getting Post Mortems done has been transferred to the NHS.
2. Greater resiliency of arrangements for both the NHS and Local Authority due to having 3 staff operating flexibility and also realised due to the ability of the NHS to access staff, for example within the SW London network.
3. Elimination of lone working/out of hours working risks associated with trying to host Post Mortems at the isolated Thornton Road site, by operating from a 24 hour facility within a hospital. (The last 2 issues have been flagged by the Head of Service for some years).
4. Economies of scale achieved by being able to host all Croydon Post Mortems in one place with the supply of one technician as opposed to the Manager and Technician post required to run a standalone facility at Thornton Road (ie the Croydon Public Mortuary Manager post is not required in this scenario).
5. Pathologists (who are in the 'driving seat') happy with these partnering arrangements with the NHS.
6. Coroners service as the main 'client' are confirmed happy and supportive of these new arrangements
7. Staff development and training and expertise within the NHS context.
8. Ability to host infectious/high risk Post Mortems at Croydon University Hospital (CUH) so bodies are not being moved unnecessarily
9. Thornton Road site being used for some longer term (mortuary) body storage and fall back facility for the Croydon University Hospital mortuary facility.
10. Better use and flexibility of the pooled staff resources by concentrating Post Mortems and body preparation within one facility for both the NHS, Local Authority and Coroner leading to the efficiencies identified above.
11. Partnership in line with the 'One Alliance' Model of partnering with the local health economy to provide mutual benefits for the public sector/public purse.

3.4 Costs/Cost Savings of Partnership

3.4.1 Under the proposed partnership arrangements day to day operational costs will be transferred to the NHS including all liability for staffing costs. Under the partnership arrangement Croydon Council would then contribute to the CHS costs of hosting post-mortems on the basis of a cost per post-mortem. The headline figure is a contribution to CHS NHS Trust of £150 per routine post-mortem plus a £20 Community Death charge per referral and a £6,000 PA administration on cost. On this basis an analysis of the number of post-mortems going through the Croydon public mortuary in the last decade indicates the average cost contribution from Croydon Council for the service is circa £85,000 per annum equating approximately to £195 per Post mortem. However there are potential one off redundancy costs in year 1 estimated at £15,000.

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- 3.4.2 The main risk to be considered is whether there could be a sudden spike in the number of Post Mortems required thereby increasing the cost of this arrangement to all parties. An analysis of the number of post mortems required over a decade is, however, actually consistent with a slight downward trend over that period. It would require an increase of over 50% in the number of post mortems required to revisit the financials on the current business case and should this ever occur, the delivery model will be reconsidered accordingly at that time. The Croydon Public Mortuary similar to the other mortuaries in the South London Coroner's Jurisdiction has been experiencing declining post mortem volumes. This is also the case across England and Wales.
- 3.4.3 As per the Coroners Statistics 2010 England and Wales Report published by the Ministry of Justice, the percentage of cases involving post-mortem examinations, as a proportion of all deaths reported to coroners, fell slightly from just below 46 per cent in 2009 to 44 per cent in 2010, continuing the existing downward trend.
- 3.4.5 There appears to be no correlation between the declining number of post-mortems and the reduction in death rates as the post mortems depend on a number of other factors. A potential explanation is that the decline in volumes is most likely due to GPs certifying deaths of the deceased under their care reducing the need for the Coroner to get involved as well as deaths occurring in hospitals and other Care institutions where death is predictable.

3.5 Summary

- 3.5.1 The partnering arrangements will place the authority in a much more resilient service. Long-term option of partnering between NHS and local authority provides benefits on both sides. There will be increased staff resilience, having more staff under one structure and secondly increase flexibility about use of resources at CUH and CPM sites.

4. CONSULTATION

- 4.1 Consultation has been undertaken with all the main stakeholders in this arrangement namely the South London Coroners service, Bereavement Services and the Emergency planning Team as well as the NHS Trust. There is no requirement under a Section 75 agreement to consult more widely.

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		85	85	85
Income				
Effect of decision from report				
Expenditure		85	85	85
Income				
Remaining budget	_____	_____	_____	_____
Capital Budget available				
Expenditure				
Effect of decision from report				
Expenditure				
Remaining budget	_____	_____	_____	_____

2 The effect of the decision

Overall this proposal is cost neutral but results in a much more resilient and responsive service. There is, however, potential one off redundancy liability in year 1, estimated to be £15,000. The costs of the mortuary services are met from the Registrars and Bereavement Service within Gateway, Strategy & Engagement department.

3 Risks

A spike in the number of post mortems ordered by the Coroner but based on trends over the last decade this is considered unlikely. The estimated £85,000 per annum an upper estimate and the actual spend per annum may be lower.

4 Options

Effectively at this point there are only two options for the service going forward. One is to formalise the arrangements that have worked well for the past year. The second is to revert to the previous arrangements of trying to run a standalone facility ourselves with the costs and risks that attached to that.

5 Future savings/efficiencies

As described above the proposal is cost neutral for Croydon but provides a much more resilient and responsive service that significantly reduces the risk to Croydon.

6 Approved by: Ian Geary, Head of Finance, Resources & Accountancy

6. LEGAL CONSIDERATIONS

6.1 The Director of Law & Governance comments that the legal considerations are as set out in this report.

6.2 Approved by: Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer

7. HUMAN RESOURCES IMPACT

7.1 With this proposal considerations in regards to TUPE and possible redundancy which may have a direct impact on the two current permanent staff members who are employed to work in the mortuary. Any implications or impact will be managed under the Council's HR policies and procedures.

7.2 Approved by: Jennifer Sankar, Head of HR, Gateway, Strategy & Engagement on behalf of Sue Moorman, Director of Human Resources

8. EQUALITIES IMPACT

8.1 An initial EA has been completed. There are no changes to current service, for the service user, there will be no significant impact on protected groups compared to non-protected groups so a full EA is not required.

8.2 Approved by: Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

9.1 There are no environmental impacts related to this report and service.

10. CRIME AND DISORDER REDUCTION IMPACT

10.1 There are no crime and disorder reduction impacts related to this report or service.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 The reason for this recommendation is to allow a local partnership between the Council and Croydon University Hospital, to provide more flexible and resilient mortuary services for the borough of Croydon.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 Two options for this service has been considered – Option one is to formalise the arrangements that have existed for the past year. The second is to revert to the previous arrangements of trying to run a standalone facility ourselves with the costs and risks that attached to that and for the reasons set out in this report, that option has been rejected.

CONTACT OFFICER: Malcolm Davies Head of Risk & CPO Ext 50005

BACKGROUND DOCUMENTS: None

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REPORT TO:	Cabinet Member for Families, Health and Social Care
SUBJECT:	Community Equipment Dynamic Purchasing System (DPS 5) – Beds and Associated Equipment
LEAD OFFICER:	Guy Van Dichele Executive Director Health, Wellbeing and Adults Paul Kouassi Head of Service for the Equipment Service
CABINET MEMBER:	Councillor Jane Avis, Cabinet Member for Families, Health & Social Care Councillor Simon Hall, Cabinet Member for Finance and Resources
WARDS:	All

CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON

The recommendations supports the Council’s Corporate Plan Outcome – “People live long, healthy, happy and independent lives” by providing a way to purchase community equipment at the best value for money that is then issued to Croydon residents.

The recommendations allow investment in the community sector as well as building upon the support and assistance given to carers by providing suitable equipment.

FINANCIAL IMPACT

The total collective value of DPS 5 – Beds & Associated Equipment across the Integrated Procurement Hub (IPH) is £32,204,009. The impact for the Council is £3,421,252 over a maximum period of 10 years.

FORWARD PLAN KEY DECISION REFERENCE NO.: 1519FHSC.

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.

The Leader of the Council has delegated to the Cabinet Member for Families, Health & Social Care the power to make the decisions set out in the recommendations below

1. RECOMMENDATIONS

- 1.1 The Cabinet Member for Families, Health & Social Care in consultation with the Cabinet Member for Finance & Resource are recommended by the Contracts

and Commissioning Board to approve the establishment and use of DPS 5 (Beds & Associated Equipment) for a maximum value of £3,421,252 for the Council for a maximum period of 10 years, in accordance with Regulation 27(c) of the Council's Contracts and Tenders Regulations

- 1.2 The Cabinet Members for Families, Health & Social Care in consultation with the Cabinet Member for Finance & Resource are recommended by the Contracts and Commissioning Board to approve the award of contracts for DPS 5, following conducting a mini-competition, for a maximum contract value of £441,853 to the successful providers as detailed in the associated Part B report.
- 1.3 The Cabinet Members are asked to note that, where applicable and, in accordance with Regulation 27 of the Council's Tenders and Contracts Regulations, all future individual call-offs in relation to DPS 5, be delegated to the Director of Commissioning & Procurement for call-off contracts up to £500,000 in value, without the prior endorsement of the Contracts and Commissioning Board. Where call-off contracts are awarded in accordance with this paragraph 1.3, a quarterly report will then be made available to Contracts and Commissioning Board setting out the detail of such call-off contracts awarded during the preceding quarter.

2. EXECUTIVE SUMMARY

- 2.1 The Community Equipment Service (CES), previously a Local Authority Trading Company (LATC) was in-sourced to the Council on 1st December 2016. CES operates to procure equipment via an Integrated Procurement Hub (IPH) currently for eight local authorities including Croydon, Sutton, Merton, Newham, Bexley, Sandwell, Essex County Council and Isle of Wight. It is the expectation that more local authorities or NHS bodies will join the IPH.
- 2.2 The LATC established a DPS for equipment with high volumes of spend, DPS 1. This DPS is no longer used. Lots have been distributed across DPS's 5 – 8 as detailed in the procurement strategy which was presented to Cabinet on 11th June 2018 and approved [reference 48/18b]. DPS 5 is the first of the DPS's presented as part of this strategy and is now seeking approval to award.
- 2.3 There were 16 lots tendered through DPS 5. For the first mini competition, the total contract value is £2,405,160 across the IPH partners and £441,853 of which is Council spend. The largest contract let under DPS 5 is Lot 1 with a contract value of £1,110,000. The details of contracts recommended for award for the first round of DPS 5 call offs, is provided in the Part B report.
- 2.4 The contract value under the first mini competition for DPS 5, has achieved a 20% reduction in spend in comparison to current off contract spend.
- 2.5 The Council has a statutory duty to deliver the community equipment service to the residents. The use of this DPS will ensure that the Council is achieving the best value for money on equipment it needs to deliver the service.

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- 2.6 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
CCB1471/18-19	12/04/2019

3. DETAIL

- 3.1 A Dynamic Purchasing System (DPS) is a procedure for “*commonly used*” products where requirements are met by solutions “*generally available on the market*”. The “*system may be divided into categories [Lots] of products*” that are “*objectively defined on the basis of characteristics of the procurement to be undertaken*”. DPS is “*operated as a completely electronic process*” that is open to “*any economic operator that satisfies the selection criteria*”. [Source: Regulation 34 Public Contracts Regulations 2015].
- 3.2 The main objective is to achieve the Council’s outcome “People live long, heathy, happy and independent lives” by providing community equipment effectively to make their homes more suitable for their needs. This can be achieved by the following:
- Improving the range of available equipment on stock so 80% of equipment issued is covered by the standard stock list
 - Reduce the overall spend on equipment for local authorities by 10%
 - Reduce spare part and maintenance spend by 20% by providing quality equipment on the standard stock list
- 3.3 The DPS competitions allow for a periodic refresh of both prices and supply-chain. For dynamic products, where market prices, supply chains and demands are continually evolving, the quantities commitment should ideally be for a shorter period (12 – 24 months) to allow a more frequent refresh. For static products, where the prices, suppliers and demands only evolve slowly, the quantities agreement could be longer in order to maximise the supplier discount (24 – 36 months).
- 3.4 The term of DPS 5 is seven (7) years, with the option to extend for a further three (3) years (a maximum of ten (10) years), based on need and value for money achieved through the DPS model. In accordance with the Public Contracts Regulations 2015 (“PCR 2015”), there is no time limit on the duration of a DPS, instead the Council sets the period of validity of the system in the call for competition, which is 10 years (and can be amended in accordance with PCR 2015). The DPS model allows for flexibility in respect of both supplier and price refresh and this timescale has been accepted as appropriate for the needs of the Integrated Procurement Hub. Throughout the period of the DPS, existing supplier compliance with the minimum quality criteria will be monitored and new suppliers will be assessed for admittance to the DPS. Standard Croydon Terms and Conditions will be used in the drafting of contracts.

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- 3.5 DPS 5 has been tendered using the restricted tender procedure of the Public Contract Regulations 2015. In accordance with the regulations an OJEU notice and Standard Selection Questionnaire (SSQ) was issued to the market on 16th October 2018.
- 3.6 To provide assurance to clinicians and prescribers about the quality of the equipment purchased through the DPS, it was approved in the strategy in accordance with Regulation 21 and Regulation 17 of the Tenders and Contracts Regulations to change the evaluation criteria to 50% quality (ascertained at SSQ stage) and 50% price (ascertained at Mini-Competition stage). For clinicians, a weighting that indicated that quality was rated less than equal to cost would result in a lack of confidence in prescribing the equipment chosen.
- 3.7 The quality evaluation consists of method statement responses which were scored by individual members of an evaluation panel. Table 1 shows the method statement questions and associated weighting and maximum score available. The evaluators compared each bidder's method statement responses against the product specification and awarded a score from 0 to 5. The marks were awarded in line with the criteria in Table 2. Scores were then moderated to arrive at an agreed score for each method statement for each bidder.
- 3.8 The scoring at SSQ stage was performed by the Clinical Lead, Procurement Team Leader and Procurement Administrator from Community Equipment Service. Moderations were by the CES Procurement Officer to ensure consistency of scoring and agree final SSQ scores.

Quality Criteria – Table 1	Maximum Question Score	Question Weighting %
Product Regulatory Conformity	5	20%
Accessories Conformity	5	13%
Clinical Benefit	5	20%
Product Life Expectancy	5	10%
Training & Support	5	5%
Product function, features, key parameters accessories and fittings	5	10
Social Value	5	5%
Delivery Times	5	15
Premier Supplier Programme	5	2%
Total Quality Weighting		Maximum: 100% (50% Overall)

Scoring Methodology – Table 2		
Score	Rating	Criteria for awarding score

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5	Excellent	The supplier has provided responses that are robust and supported by suitable and relevant evidence of experience and technical and professional ability which significantly exceeds the Council's expectations
4	Good	The supplier has provided responses that are robust and supported by suitable and relevant evidence of experience and technical and professional ability which exceeds the Council's requirement
3	Satisfactory	The responses are compliant and the supplier has provided responses that demonstrate through suitable and relevant evidence that they have experience and have technical and professional ability which meet the Council's requirements
2	Fair	The responses are superficial and generic. The supplier has provided insufficient responses or the responses given demonstrate limited experience and limited technical and professional ability
1	Poor	The supplier has provided wholly insufficient responses or the responses given demonstrate very limited experience and insufficient technical and professional ability
0	Unacceptable	The supplier has not answered the question, has omitted information or has provided information that is not relevant and the evaluator is unable to determine whether the supplier possess sufficient technical and professional ability.

- 3.9 Tenders had to achieve a minimum score of 2 marks for all method statement questions. Failure to meet this resulted in rejection of the tenderer's quality submission and the submitted tender were not considered further.
- 3.10 The functionality of each product was also tested by clinical leads examining the products to ensure they meet the product specifications. Product functionality was scored for each product out of a maximum score of 5 and a maximum weighting of 10%. The method statement scores and the functionality product check scores were combined to give the total quality score.
- 3.11 There were two suppliers that had their bids rejected due to criteria described in 3.9 and 3.10. The number of suppliers admitted against each lot within DPS 5 is shown in Part B of this report.
- 3.12 The maximum score achievable for SSQ is 50%. SSQ scores were calculated using the following equation

$$\frac{\textit{Tenderer's Total Quality Score}}{\textit{Highest Scoring Quality Score}} \times 50\%$$

- 3.13 The tenderer's pricing score was calculated using the following calculation:

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$$\frac{\text{Lowest Submitted Tendered Equipment Price}}{\text{Tenderer's Submitted Tendered Equipment Price}} \times 50\%$$

- 3.14 The percentage score for quality and price were combined together to give the total score for each tenderer and the Admitted Suppliers ranked accordingly for the relevant lot. The Admitted Supplier with the highest combined score (i.e. ranked the highest) was identified as the Preferred Supplier for a lot in the first round of DPS 5 mini-competitions.
- 3.15 A total of 27 suppliers applied to be considered for admittance onto DPS 5 (across all lots) on 21st December 2018. A total of 25 suppliers have been admitted to the DPS as explained in 3.11.
- 3.16 The first round of mini-competitions were issued on 10th January 2019 and closed 22nd January. All the suppliers that were admitted onto the DPS submitted a response to the first round of mini-competitions. The list of highest ranked bids in each LOT is listed in Part B of this report.

4. CONSULTATION

- 4.1 Equipment specification and scoring methodology was shared with prescribers and commissioners from across the partner authorities and their views are included in the evaluations. Senior Occupational Therapists from Croydon, Sutton and Merton attended an evaluation event for verifying that the successful bids satisfy the quality specifications.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 5.1 Croydon Community Equipment Services operates as a trading entity, selling purchased equipment back to local authority clients (including LBC) with a 9.5% mark-up applied to cover operating costs. Across the contracts awarded from the first round of mini-competitions from DPS 5, the Council is expected to make a £186,500 profit from its partner local authorities.
- 5.2 Croydon Community Equipment Services has separate financial arrangements within the Council, operating through SAGE. The Community Equipment Service has its own business plan and budgets have been set for 18/19. This has been signed off by the Community Equipment Service Board (Director of Finance, Investment & Risk, sits on this Board).

Revenue and Capital consequences of report recommendations

DPS 5 (1st mini competition): CES activity across the Integrated Procurement Hub as a whole

	Medium Term Financial Strategy – 3 year forecast		
	2019/20	2020/21	2021/22
	£'000	£'000	£'000
Revenue Budget available			
Expenditure	952	1,038	1,038
Income	1042	1,137	1,137
Effect of decision from report			
Expenditure	756	825	825
Income	(828)	(903)	(903)
Remaining budget	(196)	(213)	(213)

DPS 5 (1st Mini Competition): Council Spend

	Medium Term Financial Strategy – 3 year forecast		
	2019/20	2020/21	2021/22
	£'000	£'000	£'000
Revenue Budget available			
Expenditure	575	627	627
Income			
Effect of decision from report			
Expenditure	413	451	451
Income			
Remaining budget	162	176	176

5.3 The effect of the decision

5.4 Risks

5.4.1 There is a risk that partners of the integrated procurement hub do not purchase the awarded equipment. This will be mitigated by engaging with the partner local authorities to gain their buy in to equipment specification and awarding methodology.

5.5 Options

5.5.1 Options were considered as part of the approved strategy report in 2016. Using the DPS enables more frequent refreshing of the bidder base and prices, to

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better match the dynamics in the supplier market and gain the continual value for money improvements.

5.5.2 A community directory or retail model is inappropriate for providing complex medical equipment. Commissioning a community directory or retail model, in which service users self-serve using a personal budget, would result in loss of the collective purchasing power and instead result in multiple, less efficient purchasing channels where quality and safety in meeting the individual's wellbeing objectives become more difficult to assure.

5.5.3 This is a vital service. Community equipment is essential to delivering the statutory independent living and wellbeing agenda, and to minimising the wider costs in related statutory social and health care services (e.g. more vulnerable people reaching crisis and/or hospital admission).

5.6 Future savings/efficiencies

5.6.1 The first round of mini competitions has seen a reduction in spend by 20% across the total contract value.

5.6.2 The majority of savings will be achieved by providing competition for supply of equipment which has rarely been done for these categories of community equipment.

5.6.3 Selecting quality equipment with longer warranties than current equipment will reduce spend in spare parts and maintenance. This will be evidenced 12 months after the commencement of this contract and compared against previous years.

5.6.4 Should the spend of equipment increase during the term of this DPS then approval to continue with the DPS will be sought from the CCB

Approved by: Ian Geary, Head of Finance, Resources & Accountancy

6. LEGAL CONSIDERATIONS

6.1 The Director of Law and Governance it is commented that the legal considerations are as set out in this report.

6.2 Approved by: Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer.

7. HUMAN RESOURCES IMPACT

7.1 There are no direct Human Resources implications arising from this report for Croydon Council employees.

7.2 Approved by: Gillian Bevan, Head of HR - Resources on behalf of the Director of Human Resources

8. EQUALITIES IMPACT

8.1 An equality analysis was undertaken to ascertain the potential impact of insourcing of the equipment service back to Croydon Council and the creation of DPS to supply equipment on groups that share protected characteristics. This concluded that the service truly promotes equalities across groups with protected characteristics. The provision of community equipment promotes independence, improves quality of life and reduces social isolation. Additionally, the Community Equipment service provides employment opportunities for people with learning disabilities. As there will be no change to operational aspects of the service, service users should not be affected.

8.2 Approved by: Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

9.1 There are no environmental impacts to the report.

10. CRIME AND DISORDER REDUCTION IMPACT

10.1 There are no crime and disorder reduction impacts

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

11.1 Approve the Mini-Competition Contract Award to the preferred suppliers detailed in this report.

11.2 Note the deviation from Regulation 21 of the Council's standard evaluation weightings to 50% quality and 50% price was approved as part of the Procurement Strategy.

11.3 Approve the establishment and use of the Dynamic Purching System Beds & Associated Equipment (DPS 5) and the admitted suppliers) for a maximum period of 10 years

12. OPTIONS CONSIDERED AND REJECTED

12.1 The establishment of DPS 5 ensures that the Council and other authorities within the Integrated Procurement Hub are getting the best possible value for money in relation to the purchase of Community Equipment. Therefore a community directory or retail model has been rejected.

CONTACT OFFICER: Dardan Ljubishtani, Procurement Officer.

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APPENDICES: Appendix 1 – Breakdown of Quality Scores
Appendix 2 – Total Price and Quality Scores

BACKGROUND PAPERS: None

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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For General Release

REPORT TO:	Cabinet Member for Families, Health and Social Care
SUBJECT:	Integrated Sexual Health Services – Section 75 extension
LEAD OFFICER:	Jacqueline Harris Baker, Executive Director Rachel Flowers Director of Public Service
CABINET MEMBER:	Councillor Jane Avis – Cabinet Member for Families, Health and Social Care Councillor Alisa Flemming – Cabinet Member for Childrens, Young People and Learning Councillor Simon Hall – Cabinet Member for Finance and Resources
WARDS:	ALL

CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON

The proposed approach seeks to support the successful achievement of the following outcomes, with the applicable indicator of success, of Croydon's Corporate Plan 2018-22:

People live long, healthy, happy and independent lives

- Croydon becomes a more equal place
- Happy, healthy and independent lives are lived by as many as possible, for as long as possible
- Access to effective health services and care services when needed

Our children and young people thrive and reach their full potential

- Children and young people in Croydon are safe, healthy and happy, and aspire to be the best they can be

Everyone feels safer in their street, neighbourhood and home

- Further develop services that support survivors of domestic and sexual violence, and disrupt the most prolific offenders

The Council's new Operating Model is central to the proposed approach as follows

Evidence is key

- Transformed services will be based on public health evidence and local need

Preventing issues becoming problems

- The service will be increasing its focus on prevention and better targeting those in most need

Locality matters

- The new model will allow for further local partnership working

System wide approach

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- The new model will align with, and work across, primary care and the voluntary sector

Residents drive what we do

- Residents will be involved in shaping transformed services

The service will contribute to achieving outcomes on the Public Health Outcomes Framework (PHOF):

- Reducing teenage pregnancy (PHOF Indicator 2.04)
- Reducing chlamydia among 15-24 year olds (PHOF Indicator 3.02ii)
- Reducing the number of people diagnosed with HIV at a late stage of infection (PHOF Indicator 3.04)
- Violent crime (including sexual violence) (PHOF Indicator 1.12)
- Children in poverty (PHOF Indicator 1.01i)
- 16-18 year olds not in education employment or training (PHOF Indicator 1.05)

Additional corporate priorities:

- Reducing repeat terminations

FINANCIAL IMPACT

The Section 75 Agreement recommended for extension is for 24 months commencing on the 1st April 2019, at a cost of £2,924,521 for 2019/20 and £2,924,521 for 2020/21 with a view to delivering further efficiencies in 2019/20 that may result in a reduction in cost and establishing a sustainable service to meet increased need in by 2020. The cost for the service will be met from the public health budget. During the three year period of this contract so far CHS have developed and implemented an integrated model of sexual health and contraception provision that has delivered efficiencies of 19%. This exceeds the agreed level of efficiencies of 14% by a further 5%

The service transformation approach outlined for the next two years offers considerable efficiencies to be realized during the two year extension and at the end of the two years, mainly as a result of reconfiguring the current service. This will enable the service to meet increasing need, as indicated by current service use and projected by Public Health, within existing resources. It also offers longer-term efficiencies as a result of a focus on prevention by the transformation programme which will lead to a more sustainable service in the view of expected demographic developments and observed trends on population need'.

FORWARD PLAN KEY DECISION REFERENCE NO. 20/15/CAB

The Leader of the Council has delegated to Cabinet Member for Families, Health and Social Care the power to make decisions set out in the recommendations below:

1. RECOMMENDATION(S)

- 1.1 The Cabinet Member for Families, Health and Social Care in consultation with the Cabinet Member for Children, Young People and Learning and the Cabinet Member for Finance and Resources are recommended by the Contracts and Commissioning Board to approve the award of the contract extension of the Integrated Sexual Health Services in accordance with Regulation 27(d) of the

Councils Tenders and Contracts Regulations to Croydon Health Services NHS Trust for a contract period of 24 months for a maximum contract value of up to £15,866,000.

2 EXECUTIVE SUMMARY

- 2.1 The purpose of this report is to seek permission to extend the provision of an Integrated Sexual Health service as currently being delivered by Croydon Health Services NHS Trust (CHS) via a Section 75 Agreements under the NHS Act 2006 for a 24 month period from 1st April 2019. This is in line with Clause 3.1 of the relevant contracts listed in the table at paragraph 3.2 below. During the period of this contract CHS have developed and implemented an integrated model of sexual health and contraception provision. CHS have also delivered efficiencies of 19% during the period of the contract. This exceeds the agreed level of efficiencies of 14% by a further 5%. The report details the options for the service from 1st April 2019 and recommends building on the change programme CHS have already delivered and implementing a transformation programme that will deliver service transformation, efficiencies and a more prevention-focused service.
- 2.2 Funding for the service will be met from the public health budget. Local Authorities inherited the responsibility for commissioning open access sexual health services Genito-urinary Medicine (GUM), Contraceptive and Sexual Health (CaSH) and Integrated Services from the NHS in April 2013. Under the 2013 Regulations, following the Health and Social Care Act 2012, the Council is required to provide or make arrangements to secure provision of open access sexual health services in its area. This includes;
- Advice on preventing unintended pregnancy
 - Services for preventing the spread of sexually transmitted infections
 - Services for treating, testing and caring for people with such infections
 - Services for notifying sexual partners of people with such infections
 - These services must be available for the benefit of all people present in the local authority's area.
- 2.3 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB ref. number	CCB Approval Date
CCB1464/18-19	18/03/2019

3. DETAIL

- 3.1 Background
Croydon has relatively high rates of diagnosed sexually transmitted infections, terminations of pregnancy (in particular repeat terminations) and under 18

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conceptions when compared with England and the rest of London. This is partly a result of the diversity of the borough, given that those communities that are at the highest risk of sexual ill health are also those communities that are populous within the borough. There is thus a need to address the health inequalities that these communities face.

The Croydon HIV and Sexual Health Partnership Board identified five main priorities for sexual health that should shape service provision

- Reducing the rates of late diagnosis of HIV;
- Reducing the rates of teenage pregnancy;
- Reducing repeat abortions;
- Reducing the prevalence of STIs; and
- Locally delivered, community-focused services.

Croydon Council has commissioned an integrated sexual health services from Croydon Health Services NHS Trust under a Section 75 agreement since 1st April 2016 for an initial term of three years with a further extension. The Trust is commissioned to provide

- An integrated STI and contraceptive clinical services
- Targeted outreach providing clinical and preventative services
- Young people's sexual health service
- Domiciliary contraception nurse service
- Chlamydia and gonorrhoea screening programme
- Psychosexual counselling

The chlamydia and gonorrhoea screening programme provides

- An online testing service, sending out testing kits to young people under 25 and managing the results
- Oversight and management of chlamydia and gonorrhoea testing kits and results provided in general practice and pharmacy
- Distribution of kits during outreach and managing results

The young people's sexual health service provides:

- Sexual health and contraception outreach in schools, colleges, community events and venues throughout Croydon
- Sexual health training to front-line professionals working with young people
- The Point – young people's sexual and reproductive health clinic at Croydon University Hospital

HIV point of care testing is provided in outreach settings (eg at Croydon Pride). Point of Care (POC) HIV tests are also known as "rapid" tests and are used to screen for HIV antibodies with results being available within minutes

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Croydon residents also attend out-of-borough sexual health services, in particular men who have sex with men (MSM), who tend to be more mobile in work and leisure. In particular, Croydon residents attend clinics at Chelsea and Westminster Hospital, Kings College Hospital, Guy's and St Thomas' Hospital and Balham Health Centre.

3.2 Contract Award and Value

The Section 75 Agreement between Croydon Council and Croydon Health Services NHS Trust was approved by Cabinet on 20th October 2015 (Agenda Item 10, key decision reference 20/15/CAB). It provides for the provision of an Integrated Sexual Health Services for an initial term of three years from 1st April 2016 and allows for a further two-year extension. The agreement allows for the annual renegotiation of payment by results prices and block payments. The total value of the services were not expected to exceed £3,459,000 in 2016/17, £3,279,000 in 2017/18 and £3,279,000 in 2018/19, in total this being £10,017,000 (this does not include the two years' extension).

Payment for provision of clinical integrated sexual and reproductive health services is activity-based using the London Integrated Sexual Health Tariff – which allows for cross-charging across boroughs. Approximately 35% of the Council's spend on integrated sexual health, which equated to £1.2m in 2017/18, is on residents who choose to access services outside of borough. This percentage has been falling in the last two years. Prior to integrating CaSH and GUM services in April 2018 the Croydon service, in line with all other London services, operated under two different payment mechanisms. As laid out in DH published guidance, *Principles for Cross-Charging for Sexual Health*, GUM services were paid for on a payment by results (PbR) non-mandatory tariff agreed by Monitor, whilst CaSH services are paid for under block arrangements. London boroughs agreed to end this arrangement (under the London Sexual Health Programme MoU) by April 2018 and adopt the London Sexual Health Integrated Tariff, thus de-hosting CaSH services. This is of financial benefit to most Local Authorities including Croydon. Commissioners negotiated favourable tariff prices for 2018/19 and a cap on cost was agreed to manage financial risk. The other components of the service are paid on block arrangements, these being:

- The Chlamydia Screening Programme
- HIV point of care testing
- The Young People's Service

The 2018/19 sexual health service actual spend is in the table below. The 2018/19 figure is the planned spend. The activity-based component of the service (Integrated Sexual Health) is capped for 2018/19 and thus will not exceed the planned budget.

Service	16/17	17/18	18/19 (planned)
GUM/CaSH/Integrated Sexual Health	£2,926,556	£2,826,542	£2,647,110

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Chlamydia screening	£200,000	£180,000	£125,000
HIV POCT	£4,522	£0	£5,000
Young Peoples' Service	£163,337	£147,411	£147,411
Total	£3,294,415	£3,153,953	£2,924,521

When negotiating annual PbR and block prices commissioners have thus achieved year on year savings, with the service delivering year on year efficiencies which amount to a total efficiency of 19% of the original planned budget of £3,459,000.

3.3 Performance

Prior to April 1st 2018 the service was provided from two sites, with a GUM service being provided at the Croydon University Hospital (CUH) and a CaSH service at Edridge Road Community Health Centre. The Section 75 agreement required the services to integrate. In April 2018, following a public consultation, the service integrated on one site at the hospital, allowing for a patient's needs to be fully met within one visit and avoiding referral between staff and sites. This involved a large-scale programme of change for the Trust and service, including investment in rebuilding and improving clinic facilities and the dual training of staff to deliver both sexual health and reproductive health services. The Trust also delivers an extensive young people's service, which includes drop-in services at six centres around Croydon (including colleges) and sex and relationships sessions with an additional young people's service at the hospital. One month after integration, the Trust implemented payment by the London Sexual Health Tariff. This is in line with sexual health service modernisation across the rest of the country.

The table below illustrates service activity for the Integrated Sexual Health Service for the last 5 Quarters, January 2017 to June 2018 by age and gender.

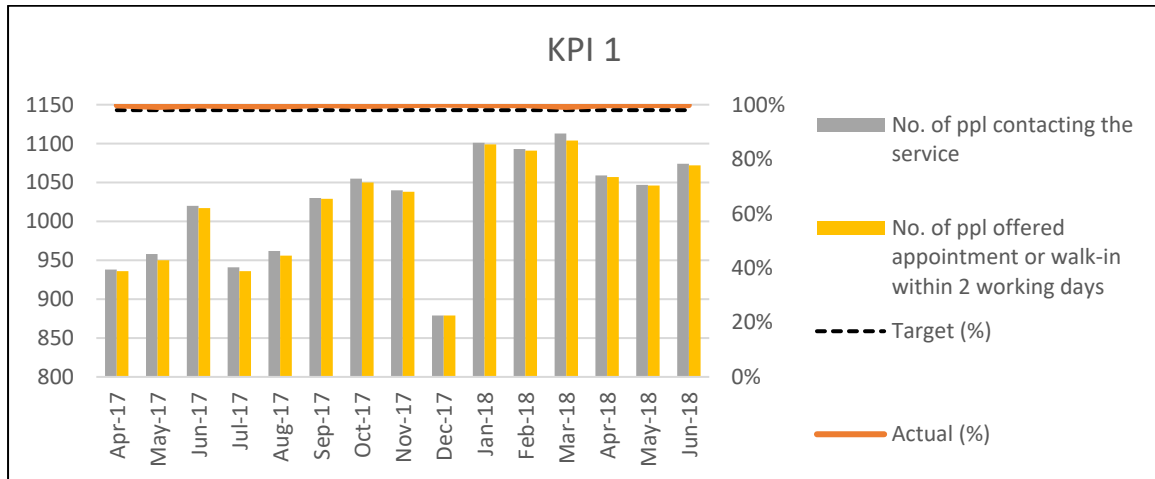
	Female	Male
Under 16s	314	48
16-17	1559	292
18-24	7010	2616
25-34	7603	3458
35-44	3709	1773
45-54	1363	916
55-60	259	398
61++	99	301
Total	21916	9802

Note that this is a count for number of attendances, not a count of individual clients. A client may have more than one attendance (on different appointment date) during this period of time.

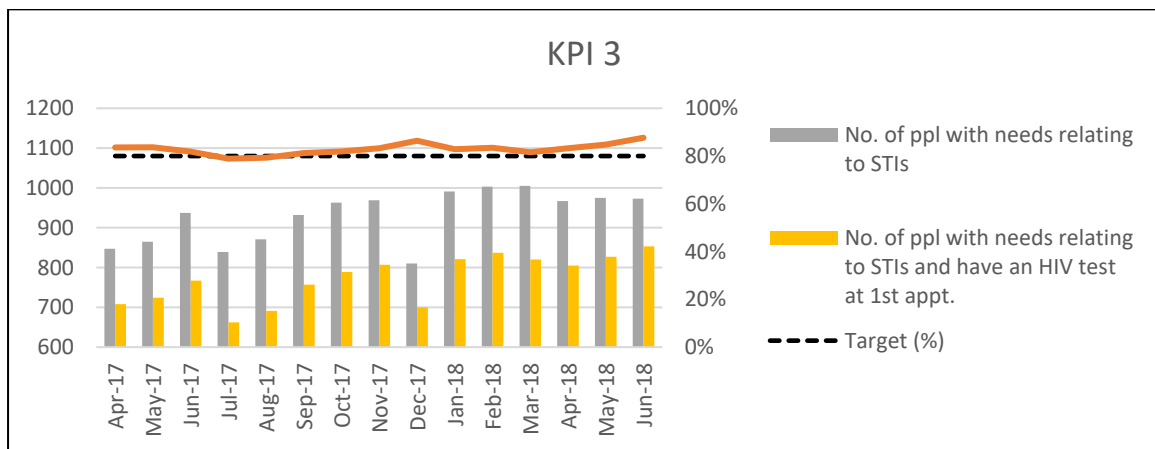
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Service performance and quality, as indicated by delivery against KPIs, has been consistently maintained over the period of the contract.

The service has performed well against access targets, as illustrated in the graph below, which details the proportion of people offered an appointment or walk-in within two days.

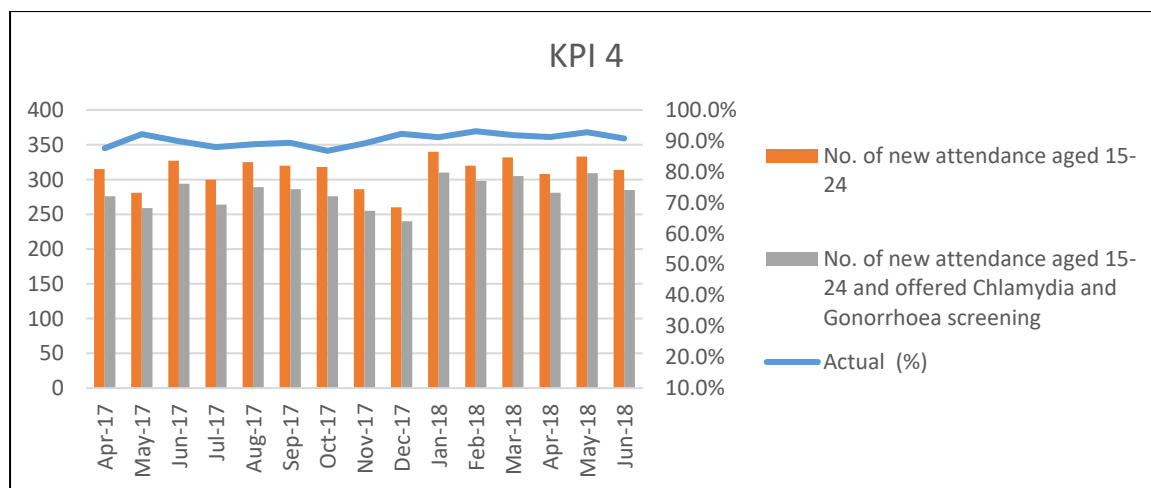


In addition, the service performed above target on clinical measures, as illustrated in the graph below, which details the percentage of people with needs relating to STIs who have a record of having an HIV test at first attendance.



The service has also performed well in relation to clinical service provision for young people, as illustrated in the graph below which details the percentage of new attendances aged 15-24 who are offered screening for chlamydia and gonorrhoea

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The service has targeted groups that most bear the burden of sexual ill-health, these being BAME communities, MSM and young people. In the last year, 45% of service users were young people, 18% were Black African, 21% were Black Caribbean, and 10% were MSM.

The only KPI to fall below target, that of access to chlamydia treatment, did so for two quarters in 2017/18. The service instituted an improvement plan and this KPI has now been performing above target during 2018/19.

Public Health England reviewed the Croydon Chlamydia Screening Programme data in summer 2018 and identified that the service was performing equivalent to, or above, London average when compared to other London boroughs on all markers.

3.4 Future Service Provision (April 2019 onwards)

The service is managing within the limits of the current cap for 2018/19 and has instituted demand management to contain activity. However, future sexual health need in Croydon is forecast to increase and evolve given;

- 12 % increase in the population of Croydon over the next 15 years, particularly in both the most sexually active age group
- Growth in population working in Croydon and living out of borough
- The impact of recent changes to sexual health services both in and outside London

The service has seen an increase of 8 per cent in numbers of clinical interventions so far in 2018/19 when compared with 2017/18.

The sexual health service has recognised that the current service model is not sustainable, that there is a need to continue with a programme of modernisation and to transform into a more prevention-focused service. The sexual health service, commissioners and public health have met to agree a vision and scope for a new service model to be delivered via a sexual health service transformation programme which would

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- Adopt evidence-based service change and development approaches to modernise services and deliver efficiencies.
- Adopt a robust project management to deliver a transformed service on time.
- Require joint ownership by CHS and the Council of an approach prioritising early intervention and prevention and delivered according to the Croydon Sexual Health Prevention Strategy
- Utilise every opportunity to work in partnership with, and across, other areas of health and social care (eg Children and Young People) to deliver on prevention outcomes

Public Health, commissioners and CHS have met to discuss the proposed option of working to deliver a new service specification via a transformation programme underpinned by the following underlying principals

- Jointly owned by CHS and the Council
- Aligned with the vision of the Council's Operating Plan, One Croydon and local transformation plans
- Promote joint working and risk-sharing
- Prioritise early intervention and prevention
- Put the interests of patients and service users central

A workshop was held to scope a service vision and model and identified the following components:

- The sexual health service providing specialist provision whilst leading on prevention – with a shift of activity into the community and early intervention
- The sexual health service adopting improved technologies (eg digital) k
- Improved linkages and working with the wider health-economy to improve prevention and targeting

The sexual health service has recognised that the current service model is not sustainable, that there is a need to continue with a programme of modernisation and transform into a more prevention-focused service. The sexual health service, commissioners and public health have met to agree a vision and scope a possible new service model. There is agreement that the development of a new model could be delivered via a partnership service transformation programme, as outlined in the table below.

Progress against the milestones will be monitored through the quarterly Section 75 Partnership Board.

No.	Milestone	Date	Owner
1	Financial envelope agreed	31/1/19	CHS
2	Local tariffs agreed – Safeguarding, HPV and M Gen	30/3/19	LBC/CHS
3	Revised specification for 2019/20 agreed	31/3/19	LBC/CHS
4	Stage 1 redesign of prevention work: in-clinic prevention: outreach with young people; and Chlamydia screening	30/08/19	LBC/CHS

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5	Final specification for 2020/21 agreed	30/08/19	LBC/CHS
6	Outer South-West London tariff introduced	1/10/19	CHS
7	Prototype/model for online services	1/10/19	CHS
8	Online booking of appointments and self-sampling service for Chlamydia, gonorrhoea, HIV and Syphilis fully operational	31/3/20	CHS
9	Website redesign completed (including all end user testing)	31/3/20	CHS
10	Stage 1 Chlamydia screening programme fully operational (online and outreach component)	31/3/20	CHS
11	Stage 2 redesign of prevention work complete: other targets groups and wider community work	1/5/20	LBC/CHS
12	New prevention model introduced	7/5/20	CHS
13	Touch screens and facilities remodelled	1/7/20	CHS

4. CONSULTATION

4.1 Consultation with residents and/or Service Users:

As part of the consolidation of GUM and CaSH services Croydon Health Services undertook a consultation exercise with service users between November 2017 and January 2018. The consultation focused on service users' perceptions of the 'one-stop shop' model and the closure of Eldridge Road. The report was published in February 2018.

191 service users completed clinic surveys and a further 100 completed telephone surveys. The results were as follows:

- 71% of service users stated access to the new service would be better
- 24% of service users stated access to the new service would be no better or worse for them.
- 5% of service users stated access would be somewhat worse but they would still be able to get there
- No service users said it would not be possible for them to get here at all.

In addition the following themes arose

- Location and transport to services – a convenient location was key to access
- Preference for a consolidated service. A common theme was that users lead busy lives – many parents, carers, full time workers and students – where time is precious and want a quick, efficient sexual health service without travel between sites

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The service undertook a further consultation in August 2018 to inform the next stage of service development and scoping for a service transformation programme. 300 service users responded to a survey which identified:

- Preferred opening hours: before 9am being most popular
- 25% preferred to access STI testing online
- Most popular option for booking an appointment was online

The proposed transformation programme will include a programme of service user and target group involvement and consultation to inform the development of services

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 Revenue and Capital consequences of report recommendations

	Current year		
	2018/19	2019/20	2020/21
	£'000	£'000	£'000
Revenue Budget available			
Expenditure	2,924	2,924	2,924
Income			
Effect of decision from report			
Expenditure	2,924	2,924	2,924
Income			
Remaining budget	<u>0</u>	<u>0</u>	<u>0</u>

2 The effect of the decision

The impact will be to stabilise the service after a period of rapid change, which has delivered considerable efficiencies, and to ensure the service works with commissioners to deliver further transformation, including a key focus on prevention and improved technology. This will deliver a more sustainable service model during 2018/19 that will be in a position to meet the increase in demand and in complexity.

3 Risks

The key risk is that increasing need and demand due to changing population growth and profile will make the service unsustainable. The transformation programme will manage this by introducing new technologies to better manage demand, improve targeting and rollout improved prevention interventions.

An additional risk lies in the growth of out-of-borough activity, which is not possible to directly control. This is best managed by ensuring local services are as accessible to local residents as possible.

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A further risk lies in out-of-borough services being less accessible to service users resident in other boroughs which may increase demand on the Croydon service, with a risk that the Croydon service has to institute demand management for all service users. This is being managed by careful monitoring of the service.

3 Options

The options for the service are outlined below. A Council and CHS partnership transformation programme offers the opportunity for risk share with both partners agreeing on a programme that delivers a co-produced specification and shared agreement on efficiencies

4 Future savings/efficiencies

The proposed arrangements and the service transformation model will deliver efficiencies that will allow for a forecast growth to be managed within the transformed service. In addition, commissioners will work with the service to identify future efficiencies over the next two years and beyond.

Approved by: Ian Geary, Head of Finance, Resources & Accountancy

6. LEGAL CONSIDERATIONS

- 6.1 The Director of Law and Governanc comments that the proposed extension is within the scope of the original contract and the recommendation raises no legal concerns.

Approved by Sean Murphy, Interim Director of Law, Governance and Deputy Monitoring Officer.

7. HUMAN RESOURCES IMPACT

- 7.1 There are no HR implications arising from this report for Croydon Council staff, as this report recommends the extension of an existing framework agreement, which means that the current 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 A full Equalities Analysis was undertaken in January 2015 to assess the impact the changes to the service would have on specific groups that share a “protected characteristic” such as young people, particularly those being looked after by the local authority, those leaving care, and those not in education, employment or training; young Black Caribbean, Black African and

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other Black population groups; men who have sex with men; those who misuse drugs or alcohol; and sex workers. The Joint Strategic Needs Assessment (JSNA), completed in 2010/11, identified that these groups experience worse sexual health outcomes.

- 8.2 This equality analysis remains of relevance for this proposal. The analysis identified that there is greater sexual health need in certain protected groups, for example: HIV prevalence is higher among Black Africans and men who have sex with men (MSM); chlamydia prevalence is higher among young people.
- 8.3 The equality analysis identified that the proposed integrated sexual health commissioning arrangements are likely to have a positive impact on equality groups that share a “protected characteristic”, such as: BME groups; LGBT individuals and those who have undergone gender reassignment; younger people; men; women; those with disabilities; and some religious groups. The positive benefits identified include: improved access to full range of contraceptive services, STI testing and treatment; reduction in unplanned pregnancy including teenage pregnancy; improved access to pregnancy testing and referral to maternity or abortion services; and reduction in STI prevalence, HIV incidence and HIV late diagnosis.
- 8.4 The equality analysis also identified that the proposal could potentially have an adverse impact on some of the equality groups mentioned if the increase in local, community-based services results in increased concerns over anonymity. However, this risk will be mitigated by maintaining a choice of settings, locations and times to access sexual health services. Lack of awareness of service locations following changes could also have an adverse outcome for some equality groups. However, this will be mitigated by the implementation of a comprehensive communication plan to raise awareness among potential service users.
- 8.5 There is limited research and data on the potential impact of the proposed changes on people with disabilities so the potential negative impact on this group is not known, although it is considered likely that the provision of integrated, community-focused services should improve accessibility for those with complex needs or those who may be unable to travel to central service locations. The accessibility of the community-focused service for these specific equality groups will be evaluated once the service is established and mitigating actions will be determined if needed.
- 8.6 Engagement with target groups and potential service users, including groups that share a “protected characteristic”, will be undertaken as part of the transformation programme. This will inform the changes to service delivery to ensure that potential adverse or negative consequences are minimised or eliminated and that positive impacts are maximised. The Equality Analysis will also be updated following this work.
- 8.7 The service specification includes a requirement to identify and provide services that meet the needs of protected groups, specifically those most at

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risk of sexual ill health. The service is thus required to target population groups, young people, men who have sex with men and BME communities, which are vulnerable to risk-taking sexual behaviour, bear the burden of sexual ill-health and/or less likely to engage with sexual health services. The service monitors the use of its services by these groups. The service is required to provide universal testing, treatment and prevention and care to all people in Croydon.

8.8 The delivery of the Integrated Sexual Health Service Commissioning Arrangements enables the Council to ensure that it delivers the following objectives that are set out in the Council's Equality and Inclusion Policy:

- Make Croydon a place of opportunity and fairness by tackling inequality, disadvantage and exclusion.
- Foster good community relations and cohesion by getting to know our diverse communities and understand their needs

9. ENVIRONMENTAL IMPACT

9.1. The environmental impact of the proposed agreement award is limited; however, the intention to provide more community-focused and outreach services is likely to have a positive environmental impact as it will contribute towards a reduction in car, motorcycle and taxi journeys among service users.

10. CRIME AND DISORDER REDUCTION IMPACT

10.1 Sexual health service staff are in a strong position to identify victims of domestic and sexual violence and child sexual exploitation due to the increased risk of sexual ill health among victims and the opportunity to undertake comprehensive assessments with service users. Commissioners and CHS took the opportunity of the introduction of the new integrated tariff to introduce local tariffs that incentivize and reward the service for delivering a comprehensive and robust safeguarding pathway. The continued delivery of training for front line staff for appropriate detection of these crimes and signposting or referral of possible victims will help support crime detection rates and have a positive impact on crime and disorder.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

11.1 The proposed approach is recommended to ensure continued provision of mandatory sexual health services in Croydon and ensure the Council fulfills its obligations under The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013.

11.2 The proposed sexual health transformation programme will deliver the new model of integrated sexual health services in Croydon. Croydon Health Services have already delivered an integrated service and have been working

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with the Council to scope a transformed service. This approach will allow for the model to be introduced over a two-year period and deliver efficiencies along the way.

12. OPTIONS CONSIDERED AND REJECTED

The alternate options considered for delivering the service are summarised below.

Table 1 – Options Summary

Option Summary	Pros	Cons
<p>1</p> <p>Maintain the current service with current provider and extend contract for 24 months</p>	<p>Service already in place so no additional work required</p>	<ul style="list-style-type: none"> • Need and costs are both likely to continue to rise making the service unsustainable • There would little motivation for the service to modernise and adopt new and more efficient technologies • The current service is not sufficiently prevention-focused.
<p>2</p> <p>Tender for a new service with new service specification</p>	<p>Would allow for procurement of a newly reshaped service model that could meet public health priorities and outcomes and include new technologies (eg digital).</p>	<p>The market is currently very limited, unsettled and restricted to a small number of NHS Trusts and a smaller number of private sector providers. This has resulted in a number of failed or problematic tenders and procurements recently</p> <p>Bidders expect Councils to identify and secure sites – this can be both time-consuming and expensive.</p> <p>The Sexual Health and HIV outpatient care services are co-terminus at CUH – a procurement will place the HIV service at risk</p> <p>This would not allow time for developing a detailed specification that would move the service model into a focus on prevention and embrace new digital and medical technologies whilst still ensuring the service could provide an effective universal testing and treatment offer.</p>
<p>3</p>	<p>Would allow for joint ownership of the development of a</p>	<p>Reliant on robust and honest partnership working between CUH service and the Council which will</p>

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<p>Extend service for two years whilst Council leads a service transformation programme with the option to go out to tender with a contract start date of April 2021</p>	<p>specification of a newly reshaped service model to meet public health priorities, include new technologies and prioritise early intervention and prevention</p> <p>Would ensure service transformation starts immediately, with benefits realised in-year as changes are rolled out</p> <p>Would allow for local and London specialist clinical and technological expertise to inform the development of the new specification</p> <p>Would allow for a shared focus on efficiency between the Council and sexual health service</p>	<p>require careful management and monitoring</p>
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1.6 Recommendation:

Extend service for two years whilst the Council leads a service transformation programme to deliver a more efficient prevention-focused service

CONTACT OFFICER: Andrew Billington, Category Manager, Public Health, 07595 202817

BACKGROUND PAPERS: None

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REPORT TO:	Cabinet Member for Finance and Resources
SUBJECT:	Income Management, Cash Receipting and Electronic Payment Processing System
LEAD OFFICER:	Jacqueline Harris Baker, Executive Director Sue Moorman, Director of Human Resources
CABINET MEMBER:	Cllr Simon Hall, Cabinet Member for Finance and Resources
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON Include here a brief statement on how the recommendations address one or more of the Council's Corporate Plan priorities: Corporate Plan 2018-20 The provision of Income Management, Cash Receipting and Electronic Payment Processing services acts as an enabler to the delivery of the Corporate Plan by both ensuring the efficient processing of income received by the Council and enabling residents to pay by credit and debit card for a wide range of services through a number of different channels.	
FINANCIAL IMPACT There will be a cost to the Council for the provision of this service over the contract period of three years. The detailed impact is defined in Part B. These costs are within the departmental budgets.	
FORWARD PLAN KEY DECISION REFERENCE NO.: 1119FR 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.	

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

1. RECOMMENDATIONS

- 1.1 The Cabinet Member for Finance and Resources, in consultation with the Leader, is recommended by the Contracts and Commissioning Board to:
- 1.2 Approve the award of a contract for the provision of Income Management, Cash Receipting and Electronic Payment Processing services to the supplier named

and for the contract sum stated in the Part B report for a contract term of 3 years;
and

- 1.1 Note that following the recommendation of the Contracts and Commissioning Board the Director of Commissioning and Procurement has approved the grant of a waiver of Regulation 17 of the Tenders and Contracts Regulations in terms of the requirement to have submitted a procurement strategy report.

2. EXECUTIVE SUMMARY

- 2.1 The Council uses an income management system for cash collection and income distribution and card payment processing to facilitate payments into the organisation.
- 2.2 The existing contract expires on 31 March 2019 but has been extended to 30 April by the incumbent supplier to allow for finalisation of a new contract.
- 2.3 This report recommends that a new contract is let to the supplier noted in Part B for a period of three years following a procurement exercise utilising the KCS managed services framework run by Commercial Services Limited, a wholly owned business of Kent County Council.
- 2.4 The contents of this report has been endorsed by the Contracts and Commissioning Board. Pursuant to Cabinet recommendation [25/3/2019] the Leader has delegated the decision to approve the award of the contract to the Cabinet Member for Finance & Resources in consultation with the Leader

CCB ref. number	CCB Approval Date
CCB1477/18-19	18/04/2019

3. Background

- 3.1 The Council currently operates Income Management, Cash Receipting and Electronic Payment (e-payment) processing systems as part of arrangements to receive and manage payments into the organisation.
- 3.2 The Council currently uses an income management system for cash collection and income distribution, e-payments and card payment processing. The Council relies on the system as a mechanism for processing payments made to the Council. The arrangement provides the platform to ensure payments totalling an average of £500m per annum can be processed accurately and efficiently.
- 3.3 The system needs to interface with a number of critical business systems across the organisation to ensure income is correctly managed.
- 3.4 The Council also utilises a hosted solution for credit and debit card payments. This includes telephone payments, automated telephone payments, face to

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face payments and on-line payments. Through this system the Council processes over 399,500 card payment transactions per year, with a value of approximately £59m.

- 3.5 Payments are verified immediately with the banks to ensure that the card is valid and sufficient funds are available. Acting as a merchant (card payment transaction processors) the Council must comply with the Payment card industry data security standards (PCI DSS). The hosted solution is PCI DSS accredited, which passes on much of the responsibility for compliance to the supplier and reduces the Council's potential exposure.
- 3.6 Retailers or merchants who accept debit or credit cards pay a merchant service charge to their merchant service provider which is passed on to the Council by the provider.
- 3.7 The contract will be managed by the payments team and contains a performance mechanism to monitor supplier performance via regular service review meetings.

Process

- 3.8 The KCS framework agreement for managed services was reviewed by the service for suitability and by the Council's Legal team for acceptability. The Council is able to access to the framework and has completed an access form.
- 3.9 There are three suppliers on the managed services framework. After review of the services provided by each only one supplier was capable of meeting the Council's requirements following which discussions were held to obtain quotation and terms. This is compliant with the framework rules which allow for a direct award which are:

Ability to meet the need as determined by the participating authority and/or authorised participant by means of selecting the most appropriate supplier based on one of the following criteria (not in any particular order):

 - Ability to supply the required quantity
 - Total value of order below £1,000
 - Product or service required is unique/exclusive to one supplier
 - Continuity of existing services or goods
 - Current architecture
- 3.10 Whilst the framework terms apply, the service specific terms and conditions, and price, were agreed between the parties subject to due governance. The new contract is due to commence on 1 May 2019 and run for a period of three years.
- 3.11 It is recommended that the supplier in Part B is awarded the contract for the Income Management, Cash Receipting and Electronic Payment processing system incorporating merchant payment processing.

4. CONSULTATION

4.1 Internal consultation has taken place with senior officers from relevant services, ICT, procurement and Leadership. External consultation has taken place with the market and merchant acquirers.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 Please see Part B report.

5.2 1 Revenue and Capital consequences of report recommendations

See Part B of this report.

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

2 The effect of the decision

2.1 The contract award commits the Council to contract expenditure as detailed in Part B

3 Risks

Issue and Risk Profile to be managed	Likelihood	Impact	Rating	Mitigation
Risks to service	3	3	9	Lack of payment and income processing will cause

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delivery from non-availability				significant damage to the Council as it will be unable to take payments which will impact on residents and on the services provided. This new contract will ensure a continuity of service.
Risk of challenge from other suppliers				Use of EU compliant framework negates the risk.

4 Options

4.1 Please see Part B of the report.

5 Future savings/efficiencies

5.1 Please see Part B of the report.

6 Approved by: Ian Geary, Head of Finance, Resources & Accountancy

6. LEGAL CONSIDERATIONS

6.1 The Director of Law & Governance comments that the legal considerations are as set out within this report.

6.2 Approved by: Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer.

7. HUMAN RESOURCES IMPACT

7.1 There are no immediate workforce implications that arise from the report for the workforce at LBC.

7.2 Approved by: Sue Moorman Director of Human Resources

8. EQUALITIES IMPACT

8.1 An Initial Equality Analysis was undertaken to assess the likely adverse impact the contract award would have on protected groups compared to non-protected groups. The analysis concluded that a full equality analysis was not required because the procurement of the Income Management, Cash Receipting and Electronic Payment processing systems would not have any adverse impact on protected groups compared to non-protected groups.

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8.2 Approved by: Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

9.1 There are no environmental impacts arising from this award.

10. CRIME AND DISORDER REDUCTION IMPACT

10.1 There are no Crime and Disorder impacts arising from this award.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

11.1 The software and services described in this report are key to Croydon's cash collection and management performance. The procurement of continued service via the KCS Managed Service framework enables service to continue without interruption leading into the busiest time of the year for payments.

11.2 The procurement has allowed for some savings to be made as noted in Part B of this report.

12. OPTIONS CONSIDERED AND REJECTED

12.1 Please see Part B of the report.

CONTACT OFFICER: Vicki Richardson, Head of HR and Finance Service centre

BACKGROUND PAPERS: None

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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REPORT TO:	Cabinet Member for Finance & Resources
SUBJECT:	Award of short term contracts for electricity & gas supplies
LEAD OFFICER:	Jacqueline Harris Baker, Executive Director of Resources Mark Norrell, Director of Facilities Management & Support Services
CABINET MEMBER:	Councillor Simon Hall, Cabinet Member for Finances & Resources
WARDS:	ALL

CORPORATE PRIORITY/POLICY CONTEXT / AMBITIOUS FOR CROYDON

The recommendations are to award contracts that ensure the council secures the best value supplies of electricity and gas to operational buildings, communal areas of housing estates participating schools and electricity for street lighting.

The recommendations align with the Corporate Plan theme of Organisational Design through ensuring that the most cost effective supplies of electricity and gas are secured for the council's service.

FINANCIAL IMPACT

Approval of the recommendation to award interim contracts for the provision of energy supply (electricity and gas) will be funded from existing departmental revenue budgets.

FORWARD PLAN KEY DECISION REFERENCE NO. 4418FR

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.

The Leader of the Council has delegated to the Nominated Cabinet Member the power to make the decisions set out in the recommendations below

1. RECOMMENDATIONS

- 1.1 The Cabinet Member for Finance & Resources in consultation with the Leader is recommended by the Contracts and Commissioning Board to approve the award of short term electricity and gas supplies to the suppliers named, and for the contract prices specified, in the associated Part B Report for a contract term of 17 months

2. EXECUTIVE SUMMARY

2.1 This report confirms the procurement process followed and recommends the award of contracts for electricity and gas supplies following an OJEU compliant competitive tender exercise. The procurement strategy for this tender was approved by Cabinet 19/11/18.

- 2.2 The contracts were arranged as four lots
- Half-hourly metered electricity supplies
 - Non half-hourly metered electricity supplies
 - Unmetered electricity supplies
 - Gas supplies

As all-inclusive, fixed price offers were requested for the contract term, the tenders for each lot were evaluated using the criteria of 80% price, 20% quality.

2.3 All schools supplied via the council's existing contracts were consulted on whether they wished to participate in the council's re-procurement of energy supplies. Twenty five schools confirmed their participation and these supplies were subsequently included in the Invitation to Tender (ITT).

2.4 The cost of the recommended contracts will be met by existing centralised budgets for energy supplies. The estimated spend over the contract term to 30/09/20 is within the predicted budget set out in the procurement strategy report submitted to Cabinet.

2.5 The content of this award report has been endorsed by the Contracts and Commissioning Board. Pursuant to Cabinet recommendation 25/3/2019 the Leader has delegated the decision to approve the award of the contract to the Cabinet Member for Finance & Resources in consultation with the Leader.

CCB ref. number	CCB Approval Date
CCB1478/18-19	18/04/2019

3. DETAIL

3.1 Following the approved procurement strategy, the council's contracted energy broker Kinect Energy were authorised to manage an OJEU compliant tender using their own electronic tendering platform. The 'Restricted' two stage tender process was adopted.

3.2 The OJEU contract notice was published on 04/12/18 with the deadline for requests to participate being 03/01/2019. A total of 10 suppliers submitted selection questionnaire (SQ) responses, with the breakdown across the lots as shown in the table below.

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- 3.3 All suppliers that submitted first stage, SQ responses were invited to submit tenders via the Invitation to Tender (ITT) that was issued on 15/02/19. The number of responses received at each tender stage, for each lot are as in the table below.

Lot	SQ responses	ITT responses
Half-hourly metered electricity supply	8	3
Non half-hourly metered electricity supply	6	3
Unmetered street lighting electricity supply	4	3
Gas supply	8	2

- 3.4 The ITT responses were evaluated against the criteria set out in the following table.

Criteria	Weighting	Description
Price	75%	Total unit charge inclusive of all regulated pass-through system charges and levies
	5%	Volume tolerance – impact on price of changes in contracted volume of supply
Quality	10%	Invoicing – provision of electronic billing, provision of full breakdown of charge elements.
	5%	Payment terms
	2.5%	Account management
	2.5%	Query management

- 3.5 Following evaluation, a moderation meeting was held between the council's broker and the council's Sustainable Development and Energy Team Leader on 27/03/19. The tender outcomes for each lot are set out in the table below which shows the ranking of each supplier for each lot.

Evaluation criteria	Supplier A	Supplier B	Supplier C	Supplier D
Half-hourly electricity supply				
Price	72.5	80	42.5	no bid
Quality	12.25	11.75	8.5	
Total score	84.75	91.75	51	
Rank	2	1	3	
Non half-hourly electricity supply				
Price	72.5	80	50	no bid
Quality	12.25	11.75	8.5	
Total score	84.75	91.75	58.5	
Rank	2	1	3	
Unmetered street lighting electricity supply				
Price	80	80	57.5	no bid
Quality	12.25	11.75	8.5	
Total score	92.25	91.75	66	

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Rank	1	2	3	
Gas supply				
Price	72.5	no bid	no bid	77.5
Quality	12.25			15.75
Total score	84.75			93.25
Rank	2			1

4. CONSULTATION

- 4.1 All schools supplied by the council's existing energy contracts were written to in November 2018 informing them of the council's proposed re-procurement strategy for energy supplies. Schools were requested to confirm whether they wished to participate in the new contracts or would be making their own arrangements for energy supplies.
- 4.2 Schools were informed that if they opted to participate in the council's tender, then they would receive energy invoices directly from the contracted supplier and would be responsible for the settlement of these invoices. Twenty five schools confirmed their participation and were included in the tender.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

1 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2018/19	2019/20	2020/21	2021/22
	£'000	11 months £'000	6 months £'000	£'000
Revenue Budget available				
Expenditure				
Income				
Effect of decision from report				
Expenditure		5,081	2,771	
Income				
Remaining budget				

2 The effect of the decision

Securing the recommended energy supply contracts will avoid the risk of the council moving to 'out of contract' rates with the existing suppliers. Such prices are typically more than double those of contracted rates.

3 Risks

The dominant risk associated with energy supply is the volatility of the wholesale energy markets. The recommended contracts are all fixed-price for the contract term. The risk with this type of contract is should market prices fall during the contract term, the council will be unable to take advantage of this. The objective of letting these short term contracts is to align the council's supplies with the commencement of pan-London 'flexible wholesale' contracts being procured by the London Energy Project (LEP). These contracts will provide best practice methods of managing the wholesale price risks.

4 Options

LEP has confirmed (03/04/19) that the first pan-London energy framework will be available from April 2020. The council will therefore have the option of purchasing via these arrangements on expiry of the recommended contracts. This option will be evaluated against the alternatives in the next energy procurement strategy report.

The schools that opted to be included in this tender process will be invoiced directly by the recommended energy suppliers.

5 Future savings/efficiencies

The recommended contracts are for fixed prices over the contract term. The objective of awarding these short term contracts is to align the council's contracts with the commencement of pan-London LEP contracts as highlighted in the Risk section above.

PSP was not included in the Tender. Due to the large volume of supplies and invoices managed, the council requires electronic billing (via the Tradacoms EDI standard) with payments being made by Direct Debit. This form of billing and payment also reduces the cost to serve for the suppliers and attracts a small discount (included within the price offers submitted).

6 Approved by: Ian Geary Department Head of Finance (CCB)

6. LEGAL CONSIDERATIONS

6.1 The Director of Law and Governance comments that the legal considerations are as set out in this report.

Approved by: Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer

7. HUMAN RESOURCES IMPACT

7.1 There is no change to the delivery of energy supply services to the council which must be undertaken by licensed suppliers. There are no employment considerations arising from this procurement project.

Approved by: Gillian Bevan on behalf of the Director of Human Resources

8. EQUALITIES IMPACT

- 8.1 This procurement is for energy supplies to council operational sites and services, communal services for social housing and participating schools with the objective to secure these supplies at the best prices.
- 8.2 This procurement will therefore not have a significant impact on groups that share a protected characteristic compared to non-protected groups.
- 8.3 Approved by: Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

- 9.1 The recommended offer for the unmetered street lighting electricity supplies is from a 100% renewable energy source. However, as highlighted in the original strategy report, it should be emphasised that this does not mean that this contract will deliver additional carbon dioxide emissions reductions that would have otherwise have occurred if this contract was not awarded.

There are no other environmental implications arising from this report.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no crime and disorder impacts arising from this report

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 Awarding the competitively tendered contracts will secure cost effective supplies of electricity and gas and will avoid the council being charged 'out of contract' rates by the existing suppliers.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 Other options to secure electricity and gas supplies through existing public sector buying organisation frameworks were considered and rejected. The recommended strategy was to award fixed term contracts to align the council's contracts with the commencement of new pan-London energy contracts. At the time of agreeing the procurement strategy and tender process, it was not known if these latter contracts would be in place by the intended start date of 1st April 2020. The expiry date of 30th September 2020 was therefore set for the recommended fixed term contracts to allow for contingency.

CONTACT OFFICER: Bob Fiddik, Sustainable Development & Energy
Team Leader

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BACKGROUND DOCUMENTS: None

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of the Local Government Act 1972.

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