

CABINET

26 SEPTEMBER 2023

GATEWAY 3 CONTRACT AWARD: MEDWAY VOLUNTARY COMMUNITY SECTOR (VCS) THE BETTER TOGETHER CONSORTIUM

Portfolio Holder: Councillor Teresa Murray, Deputy Leader of the Council

Report from: James Williams, Director of Public Health

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Commissioning Adults

Procurement Overview

Total Contract Value:	£4,061,000
Project Budget:	£5,134,000
FTS reference number:	2023/S 000-015251
Contract Term:	36 months + options to extend by 2 further 12-month periods

Summary

This report seeks Cabinet approval to award contracts for the four lots included within the Medway Voluntary Community Sector (VCS) 'Better Together' Consortium procurement. The current contract is due to expire on 31 December 2023. The report was considered by the Procurement Board on 18 August 2023 and has been forwarded to the Cabinet for approval.

1. Recommendation

1.1. The Cabinet is recommended to award the Medway VCS 'Better Together' Consortium Model contract, for the four following Lots to the bidders identified in 3.1.7 of the Exempt Appendix as they have been evaluated as the most economically advantageous tender within their respective Lot(s) against the Council's award criteria as per the evaluation spreadsheet appended to the Exempt Appendix:

- Lot 1 Infrastructure to support the Voluntary Community Sector (VCS) Organisations in Medway.

- Lot 2 Local Healthwatch Medway.
- Lot 3 Carers Information, Guidance and Support, Young Carers and Carers Support Payments (Adult and Young Carers Support Services).
- Lot 4 Children's and Adults Visually Impaired Support and Information Services.

2. Suggested reasons for decision

- 2.1. The services support a number of local strategies and plans and enable the Council to meet its statutory obligations to provide Lots 2-4.
- 2.2. Lot 1 Infrastructure to VCS organisations, is an integral and vital part of supporting the Kent and Medway Social Prescribing and Community Navigation Strategy and improving the health and wellbeing of Medway residents. It is pivotal in supporting a resilient and thriving VCS within Medway, that supports the health and care sector. The current service provided a return on investment of £13.98 for every pound spent on funding, achieving £5.8 million income generation for the sector between 2019 to 2022.
- 2.3. The risk of not awarding contracts would be a failure to meet our statutory obligations to provide the services in Lots 2-4. Lot 1 is funded from the Better Care Fund and supports the delivery of our Better Care Fund plan. It also provided a significant return on investment during the term of the current contract, which supports the voluntary and community sector in Medway.

3. Budget and Policy Framework

- 3.1. Funding for this procurement will be met through approved revenue budgets and is part funded through the Better Care Fund. The Better Care Fund operates under a Section 75 pooled budget agreement between Medway Council and NHS Kent and Medway (NHSKM). Medway Council receives grant funding through the Local Reform and Community Voices Grant that contributes towards the funding of a Local Healthwatch service.
- 3.2. The Medway Voluntary Community Sector (VCS) Better Together Contract will support:
 - 3.2.1. The National Social Prescribing Agenda, Medway and Swale Social Prescribing Five Year Plan, the new Kent and Medway

Social Prescribing and Community Navigation Strategy being developed, by ensuring services are in place to refer to.

- 3.2.2. The NHS Medway and Swale Voluntary Community Sector (VCS) Framework, working together to build resilient communities.
 - 3.2.3. NHS England's Long-Term Plan; supporting personalised care through a range of support in the community.
 - 3.2.4. The Kent and Medway Integrated Care Strategy, by improving outcomes (population health and Care) for all Medway residents. The NHS Integrated Care Partnership highlights *'Through the support of the VCSE sector, ICSs have been able to make considerable progress towards addressing health inequalities and supporting people with complex multiple needs'*.
 - 3.2.5. The Medway People Strategy 2021-2025 which sets a partnership approach across the system for the best possible outcomes for Medway residents, enabling residents to live independent and fulfilled lives into old age.
 - 3.2.6. The Joint Medway Carers Strategy 2019-2025 and its delivery plan, that recognises the essential contribution that carers make by supporting Medway carers, both young and old to continue to carry out this valuable role.
- 3.3. The Contract will support the Council to meet its statutory and legal obligations in regard to:
- 3.3.1. The Care Act 2014 recommends that people have access to information and advice regarding their care and support and that services prevent, reduce, or delay needs at key points. That information and advice requirements of the whole population are considered and not only those who are eligible for social care services. That people have access to independent financial information and advice to help them to plan and prepare for their care costs. Local authorities must maintain registers for blind (severely sight impaired) and partially sighted people (sight impaired), to enable the Council to plan services to support these individuals.
 - 3.3.2. The Children and Families Act 2014 requires Local Authorities to ensure that any young carers' caring role does not become excessive or inappropriate.
 - 3.3.3. Health and Social Care Act 2012 and its amendments (Feb 2022), obligates Medway Council to commission an independent Local Healthwatch under the Local Government and Public Involvement in Health Act 2007 (as amended by the Health and Social Care Act 2012).

- 3.3.4. The Levelling Up the United Kingdom White Paper aims to increase a healthy life expectancy and narrow the gap between the highest and lowest areas by 2030.
- 3.4. The Medway VCS 'Better Together Contract expires on the 31 December 2023. To ensure services are maintained and the Council meets its statutory obligations. The new contract is to commence on the 1 January 2024. Decommissioning and mobilisation of the services will take place between the 9 October 2023 to 31 December 2023
4. **Background Information and Procurement Deliverables**
 - 4.1. The voluntary sector contributes £20bn to the UK's economy, or 0.9% GDR, and as of September 2020 employs 951,611 people. In Medway and Swale there are over 1500 VCS organisations, approximately 1000 being within Medway.
 - 4.2. It is recognised that a high performing and sustainable VCS is crucial to support Medway Council and other health partners to deliver key health and social care priorities, which was particularly crucial during the pandemic.
 - 4.3. A sustainable Medway VCS and third sector organisations play a vital role in ensuring that communities are resilient, and in reducing the demand, pressure and cost on the wider health and social care system. A resilient VCS supports volunteer capacity building and volunteering opportunities.
 - 4.4. A collaborative partnership ensures the right services, advice and information is available, targeting support to Medway residents and health and social care partners to improve outcomes for residents.
 - 4.5. The aim of the contract is to:
 - 4.5.1. recognise and value the unique contribution the VCS makes in supporting and delivering services to meet the needs of local people.
 - 4.5.2. support activities to deliver Health and Social Care outcomes to the population of Medway and ensure the wider health and social care system and the local VCS are supported in a coordinated and targeted collaborative approach.
 - 4.5.3. support economic sustainability of a resilient VCS in Medway at a time when health and social care system is under challenging financial pressures.
 - 4.5.4. provide support for individuals in need and using the services (Service Users) to improve their health and wellbeing and life expectancy.
 - 4.5.5. support innovation by harnessing and improving on the Consortium model, through a collaborative partnership approach across Medway. For example, joint bid funding

targeting health inequalities to improve the life expectancy of Medway residents and support a resilient VCS, and affiliate other Medway VCS commissioned services to the Consortium where appropriate, for a more collaborative partnership approach.

4.5.6. ensure continuity of service and remove duplication of services within the system.

4.6. The Medway VCS 'Better Together' Consortium will be made up of four Lots as shown in the below table:

Lot	Service
1	Infrastructure to support the Voluntary Community Services (VCS) Organisations in Medway, awarded to Medway Voluntary Action (MVA)
2	Local Healthwatch, awarded to Engaging Kent (EK360)
3	Carers Information, Guidance and Support, Young Carers and Carers Support Payments, awarded to Carers First
4	Children's and Adults Visual Impairment Support and Information Services, awarded to Kent Association for the Blind (KAB)

4.7. After a review of services, the Welfare, Debt and Advice Support Service including Local Welfare Provision (LWP), formerly Lot 3, will not be recommissioned as part of this tender process. After consultation it became apparent that there would be a duplication of services that will be delivered as part of the newly developed Council Benefits Service.

4.8. The Consortium Leadership group will provide added value to the procurement of the four Lots, and does not require extra funding, with the key objectives of ensuring:

- 4.8.1. One set of mutually agreed Key Performance Indicators
- 4.8.2. A single point of contact to address relevant issues, risks, and opportunities.
- 4.8.3. Strategic outcomes achieved by effective collaborative working relationships.
- 4.8.4. Maximum use of community resources.
- 4.8.5. Funding to support the sustainability of the smaller VCS organisations.
- 4.8.6. The creation of a mutually agreed collaborative Action Plan.
- 4.8.7. Each Lot will have individual specific key performance indicators (KPIs) to their service area, that will support the aims of this contract noted in 1.2.5.

- 4.9. Parent Company Guarantee/Performance Bond Required.
 - 4.9.1. A Parent Company Guarantee was not recommended as pre-requisite as part of this tender process, so as not to artificially narrow the supplier base for the suppliers able to deliver these services.
5. Procurement Process
 - 5.1. Procurement Process Undertaken
 - 5.1.1. Category Management team managed the procurement process.
 - 5.1.2. The commissioning for this service has been led by the Programme Lead of the Better Care Fund and VCS Commissioned Services and the Senior Commissioner from Partnership Commissioning (Adults). This is supported by the Head of Adults Partnership Commissioning and Lead for the BCF and the Director for Public Health.
 - 5.1.3. Medway Council Commissioners worked closely with the Medway and Swale Health and Care Partnership throughout this procurement. The Population Health Management Programme Lead Manager supported the commissioning process including specification development and evaluation of tender in support of integrated partnership working.
 - 5.1.4. Commissioners consulted with the Strategic Partnership Commissioning Steering Group, which includes NHSKM and KCC commissioners, Medway and Swale Health and Care Partnership, Adult and Childrens Social Care, Benefits and Housing Team. The group provided key stakeholder engagement throughout the NHSKM footprint, and collaboration with Kent CC. This involved holding meetings and online surveys on the services and specification development.
 - 5.1.5. A provider market event was held online on the 10 May 2023 in order to stimulate the market. The event was attended by 24 key stakeholders, of which there were 20 individual representatives from 14 provider organisations. An open procedure was then conducted in line with the Public Contract Regulations 2015, and an advert was placed on the UK Governments Find a Tender Service and the Kent Business Portal on 30 May 2023.
 - 5.1.6. Healthwatch Medway supported an independent consultation for commissioners with key stakeholder and service users.
 - 5.1.7. To ensure no Conflict of Interest (Local Healthwatch Medway is a current provider within the Consortium), it was agreed Healthwatch can undertake their independent role with a 'light touch' approach. Current providers supported the engagement by issuing notices on their web pages and to service users. Current providers were able to review the anonymised data and independence of the consultation and the final report once submitted.

5.1.8. Healthwatch Medway received over 700 responses and 3000 comments on the services from service users and key stakeholders. Engagement included online surveys, face to face, group, and telephone interviews.

5.1.9. Consultation and engagement with the Partnership Commissioning Steering Group, key stakeholders, the provider market engagement event, and the Local Medway Healthwatch report ensured a meaningful and innovative service specification.

5.2. Evaluation Criteria Used

5.2.1. The criterion was based on a pass or fail score (1 or below on a scale of 0-4 would automatically disqualify a provider) at PQQ and a quality/cost ratio of 70%/30% (the presentation component, incorporated in the quality criterion, represented 20% of the maximum score).

Medway VCS Better Together Contract – Evaluation Criteria	
Initial Evaluation Phase	Maximum Score
Selection Questionnaire – Pre-qualification	Pass/Fail
Second Evaluation Phase	
Invitation to Tender – Technical Questions	
1.Ability to deliver a high-quality service relating to each Lot	15%
2.Fulfilling requirements: Service deliver model	15%
3.Collaborative working	10%
4.Health inequalities	10%
5. Presentation	20%
Quality	70%
Price (including Social Value 5%)	30%
Total	100%

5.3. Contract Management

5.3.1. Contract management will be the responsibility of the Programme Lead for the Better Care Fund and VCS, and the Senior Commissioning Officer, Partnership Commissioning (Adults).

6. Risk Management

6.1.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Procurement not meeting milestones	Staff Capacity - Deadlines not met due to other commissioning and work commitments	<ul style="list-style-type: none"> Ensure project plan is carefully monitored, reschedule monitoring and business as usual where appropriate. 	D2

Risk	Description	Action to avoid or mitigate risk	Risk rating
		<ul style="list-style-type: none"> Review options of project support. 	
Lot 1, Medway VCS Infrastructure Service is not approved to be recommissioned at by JCMG at GW3	<ul style="list-style-type: none"> Impact negatively on Health and Social Care and priorities NHSKM Social Prescribing Strategy/ national agenda will not be supported and no directory of services place. Medway VCS will not be supported with capacity building and income generation to meet demand or ensure sustainability. Council reputation impacted negatively. 	<ul style="list-style-type: none"> Engage with Cllrs and Directors and Assistant Directors and Directors within the Health and Care Partnership. Review options of other funding avenues. 	C2
Conflicting Consortium relationships	Consortium member conflict due to variances within their services	Consortium Leadership Team to work with Commissioners to ensure the aims and objectives of the contract are met	C3

Likelihood	Impact:
A Very likely B Likely C Unlikely D Rare	I Catastrophic II Major III Moderate IV Minor

7. Service Implications

7.1. Financial Implications

7.1.1. The procurement requirement and its associated delivery as per the recommendations will be funded through existing revenue budgets.

7.1.2. Lots 1 and 3 will be funded in total through the Better Care fund under the s75 agreement between Medway Council and NHS Kent and Medway.

7.1.3. Lot 2 will be funded by existing revenue budgets. The Council receives funding through the Local Reform and Community Voices Grant to support a local Healthwatch service. Inflationary uplift costs to support cost of living will be provided by the Better Care fund under

the s75 agreement between Medway Council and NHS Kent and Medway.

7.1.4. Lot 4 Children and Adults Visually Impaired Services will be funded by existing revenue budgets.

7.1.5. The contact value for all service areas combined is £812,192 per annum (PA) when procured, this is based on the rise in inflation, the cost-of-living crisis, care sector recruitment and retention challenges and the impact of previous cost savings on services.

7.2. Legal Implications

7.2.1. This procurement activity was above the FTS threshold and therefore an FTS notice was required.

7.2.2. The procedure gives a high degree of confidence that the Council's primary objectives for procurement are met, as required by Rule 2.2 of the Council's Contract Procedure Rules ("the CPRs").

7.2.3. Under the Council's Contract Procedure Rules, the procurement is a Process 3 procurement (Rule 18), and the process set out in this report meets the requirements for such procurements. The procurement was advertised on the Kent Business Portal, in compliance with rule 18.4 of the CPRs.

7.2.4. Medway Council has the power under the Local Government (Contracts) Act 1997 and the Localism Act 2011 to enter into contracts in connection with the performance of its functions.

7.2.5. The process described in this report complies with the Public Contracts Regulations 2015 and Medway Council's Contract Procedure Rules.

7.3. TUPE Implications

7.3.1. TUPE will not apply to these contracts due to the current providers being successful in the tendering process.

7.4. Procurement Implications

7.4.1. An open procedure was conducted in accordance with Public Contracts Regulations 2015 as the total contract value exceeds £663,540 and to ensure sufficient market competition within the sector.

7.5. ICT Implications

7.5.1. The providers shall sign up to the NHSKM Social Prescribing connector system or any other IT system that NHSKM should deem appropriate.

7.5.2. The providers will have appropriate systems, procedures, and data security software in place to ensure confidentiality and meet the General Data Protection regulations. Any confidential or sensitive data must be held securely in accordance with Data Protection and GDPR requirements and further update in accordance with legislation.

7.6. Climate Change implications

7.6.1. No climate implications

8. Social, Economic & Environmental Considerations

8.1. The contracts offer over three years:

8.1.1. A £3,086,179 social return on investment.

8.1.2. 21.1 full time equivalent staff will be Medway residents.

8.1.3. 3882 staff hours will be spent on local schools/FHE visits delivering career talks, and target areas of health inequalities, carers, and sight impairment prevention. One provider is offering student placements.

8.1.4. £664,000 will support the local supply chain.

8.1.5. £945 in support of meet the buyer events promoting the local supply chain and VCSE as suppliers.

8.1.6. £590,562 will support healthier communities and interventions or wellbeing initiatives, focusing on health inequalities. This also includes:

- All frontline staff to be Medway Health Champions.
- Love your eyes campaign, linking to Public Health stop smoking and healthy weight campaigns.
- Wellbeing initiatives, peer support and social groups and physical and therapeutic activities.

8.1.7. £877,215 in support of innovation and local skills and employment, while minimising carbon footprint of the contract. This includes also includes volunteer hours, upskilling local people, staff, and volunteers.

8.1.8. Three providers will reduce their CO2 by a total of 8 tonnes.

8.1.9. One provider will offer 70% and another is offering 35% in sustainable procurement and use of local produce and reducing food waste.

8.1.10. Three providers are offering Medway residents' apprenticeships and one is offering an internship.

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Appendices

Exempt Appendix 1 – Financial Analysis

Background Papers

None