




<b>Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken</b>	<i>Full Cabinet</i>  Date of decision: 24 June 2013  Forward Plan reference: N/A	 h&f hammersmith & fulham
	<i>Cabinet Member for Education and Libraries Cllr Elizabeth Campbell</i>  2 May 2013  Forward Plan reference: 04005/13/S/A	 THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
	<i>Cabinet Member for Children and Young People Cllr Danny Chalkley and Cabinet Member for Adults and Public Health Cllr Rachel Robathan</i>  Date of meeting: 7 May and 13 May	 City of Westminster
<b>Report title (decision subject)</b>	<b>TRI-BOROUGH CARERS SERVICES CONTRACTS AWARD</b>	
<b>Reporting officer</b>	Charles Stephens and Steven Falvey	
<b>Key decision</b>	Yes	
<b>Access to information classification</b>	Public, Details of the tender appraisal are in a separate report on the exempt Cabinet agenda.	

## 1. EXECUTIVE SUMMARY

- 1.1. This report details the process followed when tendering for carers' support services across the three Tri-borough authorities and recommends that contracts for the services specified under lots 1a, 1b and 2 be awarded.
- 1.2. Carers undertake a significant amount of support to adults with social care needs across the Tri-borough and it is estimated that supporting carers to continue in their caring role reduces the cost of support for those they care for which would otherwise fall on health and social care services. Each borough is committed to supporting carers and sharing the responsibility for delivering the care a person needs.
- 1.3. The contracts for lots 1a, 1b and 2 will run initially for 2 years with the option to extend for up to 18 additional months. The total contract value for these lots including all possible extensions is £2,917,100.20. The primary objective of tendering for these services was the maintenance and development of service levels within existing budgets. The tender evaluation methodology was therefore set in order to ensure the councils received the maximum service level within specified budgets.
- 1.4. The tendering exercise also included lots 3a and 3b, the result of the tendering exercise did not demonstrate value for money for the Council when compared with available spot purchase rates, and therefore award of these lots is not recommended. Work is ongoing to establish the Councils' best option with regards to procuring the services specified under lots 3a and 3b.

## 2. RECOMMENDATIONS

- 2.1. That contracts for lot 1a, lot 1b and lot 2 be awarded to the following providers:

<b>Lots</b>	<b>Service</b>	<b>Required by</b>	<b>Provider</b>
Lot 1a	Carers' Advice, Information, Advocacy and Support Service	City of Westminster	Carers Network Westminster

Lot 1b	Carers' Advice, Information, Advocacy and Support Service	London Borough of Hammersmith and Fulham	Carers Network Westminster
Lot 2	Young Carers' Service	City of Westminster, London borough of Hammersmith and Fulham, and the Royal Borough of Kensington and Chelsea.	Spurgeons

- 2.2. That the Tri Borough Executive Director of Adult Social Care be authorised to negotiate any variations to the contracts prices that become necessary as a result of changes to the service levels that are required, but not exceeding a total of more than 10% of the contract sums subject to the necessary budget approvals and, in conjunction with the Head of Legal and Democratic Services/Director of Law, be authorised to agree any minor amendments to the contract deemed necessary and to conclude the contract accordingly.

### Notes to recommendation 2.1

- 2.3. For lot 1a the contract value is £769,888 and will run initially for 2 years (August 2013 – July 2015) with the option to extend the contract for up to 18 additional months at a value of £32,078.67 a month. The value of the Hospital Discharge Link Project (HDLP) contract included in lot 1a is £48,902 and will run for 1 year (August 2013 – July 2014). The total contract value including all possible extensions and the HDLP is £1,396,206.
- 2.4. For lot 1b the contract value is £459,192 and will run initially for 2 years (August 2013 – July 2015) with the option to extend the contract for up to 18 additional months at a value of £19,133 a month. The total contract value including all possible extensions is £803,586.
- 2.5. For lot 2 the contract value is £409,890.40 (which will be divided as follows; WCC - £149,961.44, RBKC - £139,939.38, LBHF - £119,989.58) and will run initially for 2 years (August 2013 – July 2015) with the option to extend the contract for up to 18 additional months at a value of £17,078.77 a month (WCC - £6248.39, RBKC - £5,830.81, LBHF - £4,999.57). The total contract value including all possible extensions is £717,308.20.

### **3. REASONS FOR DECISION**

- 3.1. The recommendations with regard to lots 1a, 1b and 2 are in accordance with the tendering exercise, a full technical appraisal of which is set out in Appendix A of the exempt report.
- 3.2. Lots 1a and 1b specify similar services in the City of Westminster (lot 1a) and the London Borough of Hammersmith and Fulham (lot 1b); however the proposed contract prices differ by £155,348 per annum. This is partially in recognition of there being a greater number of carers in the City of Westminster according to the 2011 Census. Carers Network Westminster (the recommended provider) will be expected to deliver more outcomes in the City of Westminster, for example they will be required to undertake carers' assessments on behalf of the local authority. To deliver these additional outcomes in Westminster, Carers Network Westminster have set out, in a cost drivers schedule, that they will attribute the additional funding to providing more front line staff and more first line management.
- 3.3. Lot 2 is a service that will operate across all 3 boroughs. However the contribution to costs from each borough is unequal; this is in recognition of there being more young carers in Westminster than there are in Kensington and Chelsea and more young carers in Kensington and Chelsea than there are in Hammersmith and Fulham (According to the 2011 Census). In order to provide a proportionate service the recommended provider for lot 2 (Spurgeons) have set out, in a cost drivers schedule, that they will attribute the additional funding to providing more front line staff and more first line management in Westminster than they do in Kensington and Chelsea and more front line staff and more first line management in Kensington and Chelsea than they do in Hammersmith and Fulham.
- 3.4. The recommendations with regards to Lots 1a, 1b and 2 achieve the objectives that were set for the process when the business case was agreed.
- 3.5. With regards to lot 1a (Carers Support Service in the City of Westminster) savings were not anticipated against current budgets, as savings were made as part of the voluntary sector grants review which was undertaken prior to the tender commencing. The primary objective for tendering this lot was to formalise the service, specification, outputs, outcomes and monitoring procedures under a contract and move away from the grant funded arrangement, which has been in place since 1991. Additionally the

recommendation equates to a saving of £5,237 for the financial year 2013/14, £7,856 for the financial year 2014/15 and a total saving of £19,369.67 across the life of the contract if it is extended for the maximum length of time provided for.

- 3.6. The health funded Hospital Discharge Link Project is a one off limited time project which will after a year be fully incorporated into lot 1a. The recommended proposal was within budget and met the required quality threshold.
- 3.7. With regard to lot 1b (Carers Support Service in Hammersmith and Fulham) savings were not anticipated against current budgets, with the previous Cabinet Member stating publicly that there would be no reduction in budget. The primary objective for tendering this lot was the need to outsource the service in line with the Council's strategic direction. Currently the services being tendered under lot 1b are provided in-house, this was only ever intended to be a temporary arrangement following an unsuccessful tendering exercise which collapsed in May 2010.
- 3.8. With regard to lot 2 (Tri-borough Young Carers Support Service), there was a requirement to make £15,000 annual savings in the City of Westminster; this has been achieved with the recommended proposal representing an annual saving of £15,019.28 to Westminster City Council. Across the life of the contract, if it is extended for the maximum length of time provided for, the recommended proposal will save Westminster City Council in total £52,567.48, when compared to current spend. The primary objective for Hammersmith and Fulham with regard to lot 2 was (as with lot 1b) to outsource services in line with the Council's strategic direction. As the contribution to the budget was increased in Hammersmith and Fulham in order to closer align it with those of the other two boroughs, savings were not achieved. In Kensington and Chelsea tendering lot 2 was a straight re-tender of an existing service with no requirement for savings, the recommended proposal will represent a cost reduction of £106.08 over the life of the contract if all extensions provided for occur.

#### **4. INTRODUCTION AND BACKGROUND**

- 4.1. Unpaid carers undertake a significant amount of support to adults with social care needs. It is estimated that supporting carers to continue in their caring role reduces the cost of support for those they care for which would otherwise fall on health and social care services (Carers UK, 2011).

- 4.2. According to the 2011 Census, 7% of Tri-borough residents provided one or more hours of unpaid care per week, equivalent now to around 39,190 people. Many of these carers are not in touch with services.
- 4.3. The purpose of the procurement exercise was to re-tender existing carers support services and put in place additional support services across the three Tri-borough authorities, with the objective of achieving better quality and lower prices.
- 4.4. Authority to proceed to tender was given in Westminster by Gate 1, Cabinet Member for Adult Services - Cllr Rachael Robathan and Cabinet Member for Children, Young People and Community Protection – Cllr Nickie Aitken. Authority to proceed to tender in Kensington and Chelsea was given by Cabinet Member for Family and Children's Services – Cllr Elizabeth Campbell. Authority to proceed to tender was given in Hammersmith and Fulham by Cabinet Member for Community Care – Cllr Marcus Ginn, Cabinet Member for Children's Services – Cllr Helen Binmore and the Leader of the Council – Cllr Nicholas Botterill. Reports were presented during December 2011 and January and February 2012.
- 4.5. Once authority to tender had been received from all required bodies the procurement exercise began, a project team was formed and specifications and other documents were developed. A full technical appraisal of the tender exercise is set out in Appendix 1 of the exempt report.

## 5. PROPOSAL AND ISSUES

- 5.1. A range of support services will be available to specific groups, including children with disabilities and adult service users; adult carers (aged over 18); young carers (under the age of 18 years) and carers from black, minority and ethnic communities.
- 5.2. **Lot 1: Carers' Hub - Advice, Information, Advocacy and Support Service.** This service will be based on an outreach model and will provide support in the communities and facilities in which carers already spend their time. Support will be provided to a wide range of adult carers (including parent/carers of children with disabilities). The three main strands of the service will be:
  - 5.2.1. Providing direct support to carers i.e. information, advice, signposting and peer support to improve health and wellbeing.
  - 5.2.2. Facilitating access to carers' grants and statutory provision.

- 5.2.3. Facilitating networks and partnerships with other services for carers.
- 5.3. While the tender exercise for this service covered provision in both the City of Westminster and Hammersmith and Fulham, the service was apportioned as two separate packages. This was due to both Councils recognising the need for the service to have a local focus and also to ensure that smaller providers were given the opportunity to bid.
- 5.4. **Lot 2: Young Carers' Support Service.** This service will be based on an outreach model and will provide support in the communities and facilities in which young carers already spend their time. Support will be provided to young carers aged 18 and under. The three main strands of the service will be:
  - 5.4.1. Providing direct support to young carers .
  - 5.4.2. Facilitating access to other support services for young carers and those being cared for to minimise the caring responsibility on the child/young person.
  - 5.4.3. To facilitate a successful transition to adult carer services.
- 5.5. Officers involved in the project start-up were aware that as the relative size of the young carers' services is small, there was scope for a single contract to be let across Tri-borough.

## **TUPE CONSIDERATIONS**

- 5.6. The award of lot 1b would potentially involve two members of staff transferring via TUPE from the Council (London Borough of Hammersmith and Fulham) to the recommended tenderer. The recommended tenderer has confirmed that in the event of transfer they would enter into a Local Government Pension Scheme (LGPS) admission agreement, and that the associated costs of taking on the eligible employees were factored into their bid.
- 5.7. The provider recommend for lot 1a is the incumbent; therefore there are no TUPE implications.
- 5.8. The provider recommended for lot 2 may take on staff from the current out-sourced provider in RBKC should those staff chose to transfer. When the organisations that staff transfer from, and transfer too are both external outsourced providers, the Council's responsibility is to facilitate the flow of information between the two organisations.

## **CONSULTATION**

- 5.9. Consultation with the market, service users and other stakeholders took place during the pre-procurement stage of the tender; further details of this are set out in Appendix 1 of the exempt report.

## **6. EQUALITY IMPLICATIONS**

- 6.1. A full and thorough Equalities Impact Assessment was undertaken and is available electronically. The impact assessment has been carried out with due regard to the Councils' statutory duties under the Equality Act 2010.
- 6.2. The proposal to re-let carers support services will on the whole have a positive impact on most of the protected groups. It is not anticipated that the services received by carers, children with disabilities or vulnerable adults will vary significantly from what is currently received by awarding these contracts. Eligibility for access to these services is not affected under this process; rather, it is hoped that by working collaboratively and focusing on outcomes across service areas and the three Tri-borough authorities (whilst ensuring local needs continue to be met) residents will receive both better quality and value for money from the services procured. In addition the providers to whom contracts are awarded will be able to reach out and target more carers i.e. those currently not known to or those not accessing services.

## **7. LEGAL IMPLICATIONS**

### **City of Westminster**

- 7.1. There are no particular legal implications arising from the award of Lots 1a, 1b and 2.
- 7.2. Contracts will be sealed by the Head of Legal Services.

### **Hammersmith and Fulham / Kensington and Chelsea**

- 7.3. It is noted that in relation to Lots 1(a and b) and 2 it is proposed to award the contracts to the most economically advantageous tender.
- 7.4. These proposals are in accordance with EU procurement rules.
- 7.5. Contracts will be sealed by the Bi-borough Director of Law



7.6. Implications completed by Catherine Irvine, Senior Contracts Lawyer tel 020 8753 2774

## **8. FINANCIAL AND RESOURCES IMPLICATIONS**

8.1. The costs of the proposals are set out against the confirmed budgets in the tables below. All figures are based on projected contract start dates of 1 August 2013 and pro-rated accordingly.

**Table 1: Lot 1a – Carers Hub in Westminster City Council – WCC Funded (with a proportion of funding coming via the section 75 agreement with the North West London Clinical Commissioning Group as detailed in the Table).**

	2013/2014		2014/2015		2015/2016		2016/2017	
	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £
<b>Current Budget</b>	163,400.01	158,162.67	245,100.00	237,244.00	245,100.00	237,244.00	204,250.00	197,703.34
Council Revenue Budget	163,400.01	158,162.67	245,100.00	237,244.00	245,100.00	237,244.00	204,250.00	197,703.34
Council Capital Budget	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NHS Funding via section 75.	98,466.66	98,466.66	147,700	147,700	147,700	147,700	123,083.33	123,083.33
<b>SUB-TOTALS</b>	<b>261,866.67</b>	<b>256,629.33</b>	<b>392,800</b>	<b>384,944</b>	<b>392,800</b>	<b>384,944</b>	<b>327,333.33</b>	<b>320,786.67</b>
Start-up Costs	<b>Incorporated into costs set out above</b>							
Lifetime Cost								
Close down Costs								
<b>TOTALS</b>	<b>261,866.67</b>	<b>256,629.33</b>	<b>392,800</b>	<b>384,944</b>	<b>392,800</b>	<b>384,944</b>	<b>327,333.33</b>	<b>320,786.67</b>

**Table 2: Hospital Discharge Link Project – Westminster City Council Funded**

	2013/2014		2014/2015	
	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £
<b>Current Budget</b>	N/A	N/A	N/A	N/A
Council Revenue Budget	N/A	N/A	N/A	N/A
Council Capital Budget	N/A	N/A	N/A	N/A
NHS Funding via section 75.	33,266.67	32,601.33	16,633.33	16,300.67
<b>SUB-TOTALS</b>	<b>33,266.67</b>	<b>32,601.33</b>	<b>16,633.33</b>	<b>16,300.67</b>
Start-up Costs	<b>Incorporated into costs set out above</b>			
Lifetime Cost				
Close down Costs				
<b>TOTALS</b>	<b>33,266.67</b>	<b>32,601.33</b>	<b>16,633.33</b>	<b>16,300.67</b>

**Table 3: Lot 1b – Carers Hub in LBHF – H&F Funded.**

	2013/2014		2014/2015		2015/2016		2016/2017	
	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £
<b>Current Budget</b>	153,466.67	153,064	230,200	229,596	230,200	229,596	191,833.33	191,330
Council Revenue Budget	153,466.67	153,064	230,200	229,596	230,200	229,596	191,833.33	191,330
Council Capital Budget	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
External funding	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>SUB-TOTALS</b>	<b>153,466.67</b>	<b>153,064</b>	<b>230,200</b>	<b>229,596</b>	<b>230,200</b>	<b>229,596</b>	<b>191,833.33</b>	<b>191,330</b>
Start-up Costs	<b>Incorporated into costs set out above</b>							
Lifetime Cost								
Close down Costs								
<b>TOTALS</b>	<b>153,466.67</b>	<b>153,064</b>	<b>230,200</b>	<b>229,596</b>	<b>230,200</b>	<b>229,596</b>	<b>191,833.33</b>	<b>191,330</b>

**Table 4: Lot 2 – Young Carers Support Services – Tri-borough Funded Westminster Element.**

	2013/2014		2014/2015		2015/2016		2016/2017	
	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £
<b>Current Budget</b>	50,000	49,987.15	75,000	74,980.72	75,000	74,980.72	62,500	62,483.93
Council Revenue Budget	50,000	49,987.15	75,000	74,980.72	75,000	74,980.72	62,500	62,483.93
Council Capital Budget	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
External funding	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>SUB-TOTALS</b>	<b>50,000</b>	<b>49,987.15</b>	<b>75,000</b>	<b>74,980.72</b>	<b>75,000</b>	<b>74,980.72</b>	<b>62,500</b>	<b>62,483.93</b>
Start-up Costs	<b>Incorporated into costs set out above</b>							
Lifetime Cost								
Close down Costs								
<b>TOTALS</b>	<b>50,000</b>	<b>49,987.15</b>	<b>75,000</b>	<b>74,980.72</b>	<b>75,000</b>	<b>74,980.72</b>	<b>62,500</b>	<b>62,483.93</b>

**Table 5: Lot 2 – Young Carers Support Services – Tri-borough Funded RBKC Element**

	2013/2014		2014/2015		2015/2016		2016/2017	
	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £
<b>Current Budget</b>	46,666.67	46,646.46	70,000	69,969.69	70,000	69,969.69	58,333.33	58,308.08
Council Revenue Budget	46,666.67	46,646.46	70,000	69,969.69	70,000	69,969.69	58,333.33	58,308.08
Council Capital Budget	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
External funding	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>SUB-TOTALS</b>	<b>46,666.67</b>	<b>46,646.46</b>	<b>70,000</b>	<b>69,969.69</b>	<b>70,000</b>	<b>69,969.69</b>	<b>58,333.33</b>	<b>58,308.08</b>
Start-up Costs	<b>Incorporated into costs set out above</b>							
Lifetime Cost								
Close down Costs								
<b>TOTALS</b>	<b>46,666.67</b>	<b>46,646.46</b>	<b>70,000</b>	<b>69,969.69</b>	<b>70,000</b>	<b>69,969.69</b>	<b>58,333.33</b>	<b>58,308.08</b>

**Table 6: Lot 2 – Young Carers Support Services – Tri-borough Funded LBHF Element**

	2013/2014		2014/2015		2015/2016		2016/2017	
	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £
<b>Current Budget</b>	40,000	39,996.53	60,000	59,994.79	60,000	59,994.79	50,000	49,995.66
Council Revenue Budget	40,000	39,996.53	60,000	59,994.79	60,000	59,994.79	50,000	49,995.66
Council Capital Budget	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
External funding	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>SUB-TOTALS</b>	<b>40,000</b>	<b>39,996.53</b>	<b>60,000</b>	<b>59,994.79</b>	<b>60,000</b>	<b>59,994.79</b>	<b>50,000</b>	<b>49,995.66</b>
Start-up Costs	<b>Incorporated into costs set out above</b>							
Lifetime Cost								
Close down Costs								
<b>TOTALS</b>	<b>40,000</b>	<b>39,996.53</b>	<b>60,000</b>	<b>59,994.79</b>	<b>60,000</b>	<b>59,994.79</b>	<b>50,000</b>	<b>49,995.66</b>

- 8.2. Implications verified/completed by: (Heidi Prinsloo, Business Partner – Adult Social Care, 020 7641 3269 and Ben Bastable, Finance Manager – Children's Social Care, 020 8753 2945).

## **9. PROCUREMENT AND IT STRATEGY IMPLICATIONS**

- 9.1. The tender was undertaken in accordance with the procurement code of the lead authority (Westminster City Council) and under the guidance of Sharpe Pritchard solicitors who prepared all documentation.
- 9.2. The proposed approach with regards to lots 3a and 3b is both provided for within the original tender documentation and appropriate due to the requirement to obtain value for money for the Councils.
- 9.3. All future variations and contract extensions will be done in accordance with the contract standing orders or procurement code of all affected authorities.
- 9.4. Implications verified/completed by: Joanna Angelides, Procurement Consultant, 020 8753 2586.

### **LIST OF APPENDICES:**

- Appendix 1: Technical Report – Tender Appraisal (exempt).
- Appendix 2: Equalities Impact Assessment.