

Decision Maker: **Executive**
With pre-decision scrutiny from Adult Care & Health PDS
Committee on 19th November 2019

Date: 27th November 2019

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **GATEWAY0/1: PROCEED TO PROCUREMENT FOR SUPPORT**
TO THE VOLUNTARY, COMMUNITY AND SOCIAL
ENTERPRISE SECTOR

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Chief Officer: Kim Carey, Director of Adult Social Care

Ward: Borough wide

1. REASON FOR REPORT

- 1.1 The Council currently provides support to the Voluntary, Community and Social Enterprise Sector (VCSE) in Bromley via two separate contracts:
- 'Support to VCSE' – a contract with Community Links Bromley with an annual value of £48k. This contract ends in September 2020.
 - 'Support to the Sector' – part of the Primary and Secondary Intervention Services (Bromley Well) contract delivered by Bromley Third Sector Enterprise. 'Support to the Sector' is a relatively small part of this much larger contract with an annual value of £112k. 'Support to the Sector' is also delivered by Community Links Bromley as a partner within Bromley Third Sector Enterprise.
- 1.2 This report sets out the commissioning options for Support to the VCSE sector in Bromley. It is proposed to combine the funding from the existing services and proceed to procurement for a single contract with an estimated annual value of £160k and with a planned contract start date of October 2020.
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2. RECOMMENDATION(S)

- 2.1 Adult Care and Health Services PDS Committee is asked to note and comment on the content of this report.
- 2.2 Executive is recommended to approve proceeding to procurement, as detailed in 4.2.1 and in section 6 of the report, for a new Support to the Voluntary, Community and Social Enterprise (VCSE) Sector in Bromley for a contract period of five years from 1 October 2020 to 30 September 2025, with an option to extend for a further two years at an estimated cost of £160k pa (whole life value of £1.12m).

Impact on Vulnerable Adults and Children

1. Summary of Impact: Procurement of a service to support the voluntary and community sector who provide a range of non-statutory early intervention and preventative services to the local population.

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Supporting Independence.
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Financial

1. Cost of proposal: Estimated cost £160k per annum
 2. Ongoing costs: Recurring cost £160k per annum
 3. Budget head/performance centre: Programmes Division
 4. Total current budget for this head: £160k
 5. Source of funding: Better Care Fund
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Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: No statutory requirement or Government guidance.
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Support offer to approx. 1200 voluntary, community and social enterprise organisations in Bromley.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A. Borough wide – Portfolio holder
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

3.1 The Council supports the capacity and sustainability of the local Voluntary, Community and Social enterprise sector (VCSE) by providing a dedicated resource, ensuring there is support available to co-ordinate, advocate and strengthen the sector and to reflect the needs of the local population. This support is currently provided by two separate contracts:

- A contract with Community Links Bromley called '**Support to VCSE**' –with an annual value of £48k. This contract ends in September 2020. This service covers the broader VCSE sector outside the adult health and social care arena and provides support to the Voluntary Sector Strategic Network (VSSN), a representative network of the VCSE in Bromley.
- A contract with Bromley Third Sector Enterprise (BTSE) for Primary and Secondary Intervention Services, known as Bromley Well. Support to the VCSE sector in Bromley through this contract ('**Support to the Sector**') is a relatively small element of the overall contract, the annual value of this element being £112k, and focuses specifically on the Health and Social Care VCSE in Bromley. 'Support to the Sector' is also delivered by Community Links Bromley who are a partner within the Bromley Third Sector Enterprise. The Bromley Well contract has an end date of September 2020 but with the option to extend for up to a further two years. The extension period allows for an opportunity to review and vary the contract as appropriate.

3.2 The 'Support to VCSE' contract was awarded to Community Links Bromley via exemption commencing 1st October 2017. In September 2019, Members approved the application to extend this contract via exemption, having already approved a number of previous extensions. The contract now has an end date of 30th September 2020 with a cumulative value of £144k. It is expected that any further continuation of this contract should be via competitive tender.

3.3 The most recent extension to this contract has enabled commissioners to undertake an options appraisal to inform future commissioning arrangements for supporting the sector, and to hold a market engagement event, taking into consideration those support services which are also provided through the 'Support to the Sector' pathway within the Bromley Well contract.

3.4 The Bromley Well Service consists of ten pathways focused on community health and social care for adults. The service is delivered by Bromley Third Sector Enterprise CiC (BTSE), which is a partnership of five local voluntary organisations. Community Links Bromley (CLB) is one of those partners, and is responsible for delivering the **Support to the Sector** pathway.

3.5 The VCSE sector is made up of both small and large community and voluntary groups, registered charities, foundations, trusts and social enterprises. It is important to note that although some voluntary organisations are primarily involved in service delivery i.e. through contractual arrangements, others are not. Instead their focus is on community development and community capacity-building, through advocacy, volunteering and citizenship. Many community organisations bring people together through a common connection, whether through a particular location, interest, culture or faith.

4. SUMMARY OF THE BUSINESS CASE

i) Strategic Fit

Bromley has a strong VCSE sector that plays an active role in the borough, and has a long-established relationship with the Council. The current provider's inclusion as a partner in delivering the Council's 'Building a Better Bromley' (BBB) priorities is recognition of its position as a trusted sector representative and its understanding of the strengths of its member organisations and what they can offer.

The current service specification was based on the BBB priorities and it is expected that the sector will be invited to contribute to the refreshed BBB Plan when published, as well as to the

‘Transforming Bromley Programme’, which includes a commitment to community empowerment and to creating capacity and expertise within communities, enabling them to provide support to people where needed.

ii) **Current Service Model**

The aim of the **‘Support to VCSE’** service is to support the economic growth of the broader voluntary and community sector in Bromley, not currently supported through the Bromley Well arrangements. The three key elements of this service are:

- a) **Voice to the sector:** providing support and leading the work streams emerging from the Voluntary Sector Strategic Network (VSSN) - the ‘voice and representation’ on health and social care issues in the borough.
- b) **Partnership representation:** providing representation in key borough and multi-borough partnerships at local forums and boards (where these are not already covered by the Bromley Well health and social care remit).
- c) **Funding and investment:** leading and facilitating bids and commissions to attract and secure resources into the borough.

The Bromley Well **‘Support to the Sector’** service is focused on supporting organisations with a health and social care remit. The key elements of this service are:

- a) **Associate membership:** Expanding the reach, coordination and sustainability of the community health and social care sector in Bromley through offering membership of the Bromley Well ‘family’ with associated benefits.
- b) **Information, advice and guidance** to support the sector’s role in the community, such as delivering e-bulletins and newsletters, training workshops, funding opportunity events and so on;
- c) **Volunteering:** Creating an active and sustainable voluntary and community sector by increasing the level of volunteering in the borough. This is done through liaison with local businesses and organisations to secure potential placements, recruitment campaigns and supporting volunteers in their placement once matched.

iii) **Service redesign and transformation – factors influencing future commissioning**

At an initial workshop held with stakeholders, key sector representatives shared their current thinking and vision for the future, reflected on the strengths and weaknesses of the current model and considered how the partnership with the voluntary sector could be strengthened to support the shared aims by ‘Building a Better Bromley’.

a) **The current services**

The parallels between the ‘Support to VCSE’ service and the Bromley Well ‘Support to the Sector’ service are complex. The team is small, working across both contracts and the separation of functions across these two contracts has led to some confusion, with some functions overlapping, duplication of effort and conflicting priorities.

b) **Inequity**

An equality impact assessment has highlighted the need for a service which is inclusive and which gives equitable access to support by all organisations in the Borough. The existing Bromley Well ‘Support to the Sector’ model is restrictive, only offering support to those with associate or full membership status, rather than be open to all. Testing the market will help to achieve this.

c) **Funding and investment**

A key challenge for all VCSE organisations is the ability to secure different revenue sources in order to remain sustainable. A survey of the sector conducted by CLB in 2018

showed that sourcing and applying for funding is one of its top priorities. Records indicate that the amount of funding received by Bromley organisations is quite low, suggesting that more could be done to support them i.e. through sharing information about potential funding opportunities, help in preparing bids and raising awareness of relevant training courses and workshops.

d) Engagement and representation

The VSSN acknowledges it could improve the way in which it engages and consults with the wider community such as faith groups, smaller organisations and minority groups. It needs to represent the broader sector beyond the health and social care sector, working as an equal partner across all community themes, not just with the local authority but also the CCG, police, fire, further education and others.

e) Volunteering

Bromley has a long tradition of volunteering. However maintaining a stable pool of volunteers is an increasing challenge, and sourcing suitable placements is not straightforward. Most organisations that provide local services rely heavily on a volunteer workforce, and they have said they would like more guidance on managing volunteers. The quality of volunteers can impact on service, reputation and safety and the risk is highest for those organisations within the health and social care sector where volunteers may have direct contact with patients or clients. Providing a central point of contact or bureau for all volunteering opportunities in the Borough is essential.

f) Infrastructure support

The sector survey showed that organisations want support to help them plan for the future, develop and grow. Practical advice and guidance is valued, such as helping them navigate their way around legislation, understanding their safeguarding responsibilities, supporting bids or help with information governance, HR and IT matters.

g) Whole systems approach

Engagement with Bromley residents as part of the ‘Ageing Well in Bromley’ strategy development, strengthened the view that there is a range of community services which are not concerned solely with health or social care but which can have a positive impact on people’s wellbeing. For example, those concerned with leisure, sport or the environment.

4.1 SERVICE PROFILE/DATA ANALYSIS

4.1.1 Both contracts end on 30th September 2020 but the Bromley Well contract has a ‘one plus one year’ optional extension to 30th September 2022. The following table summarises the value and duration of both contracts payable to Community Links Bromley.

Financial Year	VCSE Support	Bromley Well~	Total Combined
2017/18	£24,000	£58,057	£82,057
2018/19	£48,000	£109,747	£157,747
2019/20	£48,000	£110,570	£158,570
2020/21	£24,000	*£111,392	£135,392
2021/22	0	*£112,174	£112,174
2022/23	0	*£57,458	£57,458
Total	£144,000	£559,398	£703,398

~ Support to the Sector only. Full aggregated cost of Bromley Well contract is £8,100,000

*Subject to Member approval for contract extension.

Being a small team, staff split their time between the VCSE and Bromley Well services. Expenditure on the service is in line with the contract. Bromley CCG contributes towards the Bromley Well contract and it is part funded through the BCF.

4.1.2 **Service Outcomes**

The service is focused on creating a sustainable market for the VSCE in Bromley. The expected outcomes, measured through key performance indicators, are to:

- Increase the capacity and effectiveness of the sector
- Build capacity and capability in local communities by demonstrating social and economic impact.
- Leverage external funding to the sector to increase capacity
- Create a sustainable and vibrant sector.

4.1.3 **Benchmarking**

Commissioners have considered how other local authorities support their voluntary and community sector. A recent King's Fund survey¹ of commissioners found a wide variation in the way commissioners engage with the VCSE sector. Some saw their role solely as stimulating a market of providers, with no particular interest in creating a strong VCSE sector. Others see the value of the sector as a critical player in developing asset-based approaches to care, engaging VCSE organisations as key partners in co-production of health and care outcomes.

The King's Fund study found that commissioners often rely on infrastructure or umbrella organisations, such as CLB, to communicate and engage with the sector, particularly where dedicated posts for public engagement had been cut. Some had reduced its funding in this area.

4.2 **OPTIONS APPRAISAL**

4.2.1 **Option 1**

Combine the 'Support to VCSE' and Bromley Well 'Support to the Sector' services into one standalone service, **separate from the Bromley Well service**. This would entail:

- A contract variation to remove the Support to the Sector service from Bromley Well
- Working with the sector to revise the 'Support to VCSE' service specification to re-incorporate all Bromley Well Support to the Sector services including volunteering and management of the Innovation Fund.
- Retendering the whole systems service for a new borough-wide contract, commencing 1 April 2020.

Benefits

- It would remove any duplication of services or ambiguity of KPIs between the current existing contracts
- It would address the concerns that some in the sector (expressed by the VCSE network) felt left out when BTSE was formed and the Bromley Well 'brand' was set up, allowing the service to re-focus on grass-roots community work, better representation from faith groups and improving links with LBB corporately.
- It would give more flexibility and transparency.
- It offers a co-design opportunity, building on initial workshop with sector.
- It would improve the reach and independence of the Innovation Fund and remove conflicts of interest.
- Consolidates the contract monitoring arrangements
- It would separate the delivery/operational arm of BTSE from the vol. sector representation, and reduces the potential for conflicts of interest.
- Continuation of the service through a compliant tender route, seeking value for money through competition.

¹ The Kings Fund – Commissioner perspectives on working with the voluntary, community and social enterprise sector Feb 2018

Disadvantages:

- The impact on the BTSE partnership which has collective responsibility for the Bromley Well service, with CLB leading on the pathway.
- BTSE would have to develop a new formal agreement with the provider to ensure it receives the level of support it needs.
- Potential risk to BTSE associate membership - the 'Support to VCSE' provider would need to address the specific requirements of Bromley Well to grow the associate membership base.

4.2.2 Option 2

Decommission the 'Support to the VCSE' service and redesign the 'Support to the Sector' pathway **within the Bromley Well contract** to incorporate that service. This option assumes that Members approve the optional two-year extension to the Bromley Well contract from 1 October 2022. It would entail:

- Revising the Bromley Well service specification to re-incorporate all VCSE services including support to the VSSN.
- A contract variation to the Bromley Well contract with BTSE.

Benefits:

- It would remove any duplication of services or ambiguity of KPIs between the current existing contracts.
- Co-design opportunity, building on initial workshop with sector.
- It consolidates the contract monitoring arrangements.
- It would enable some of the service to be delivered by the BW Partnership office.
- It opens up opportunities for Bromley Well to widen its scope and extend beyond the health and social care agenda.

Disadvantages:

- It may further exacerbate the concerns that the sector (expressed by the VSSN) about BTSE/Bromley Well being seen as the voluntary and community sector in the borough, whereby decisions are made by a Board consisting of only six voluntary sector representatives.
- It would not address the concerns of some in the sector (expressed through the VSSN) that retaining the sector support service within Bromley Well does not ensure impartiality and equity of access to support and funding opportunities.
- Retaining the management of the Innovation Fund within Bromley Well could reduce impartiality.
- There would be no separation of the delivery/operational arm from the voluntary sector representation within the BTSE partnership.
- Lack of competition – assumes the contract would be awarded to the existing provider CLB within the BTSE partnership and could leave the Council open to challenge.
- Performance/Governance – monitoring of the support service would continue to be split between two contracts, one of which would be led by the BTSE partnership and the other by LBB commissioners, thereby not presenting the whole picture.

4.2.3 Option 3

Allow the 'Support to VCSE' service to terminate at contract end (i.e. do not extend the contract beyond 31st March 2020).

Benefits:

- Potential £48k pa saving.

Disadvantages:

- Risk to the sector as only part would be supported within the Bromley Well contract but wider non-health/social care sector would be unsupported.

- Reputational risk - contradicts LBB's aim to support and grow the sector as it could restrict the sector's ability to grow. It could have a potential negative impact on our key partnership arrangements.
- Would impact on the Bromley Well support to the sector as the current small team works across both contracts.
- Risk to provider – although not all funding is via LBB, the CLB team works across the VCSE and Bromley Well service, and could impact on the BTSE partnership.

4.2.4 Option 4

'As is' i.e. Recommission the 'Support to VCSE' service from 2020 with little or no change to service specification, and no change to the Bromley Well contract.

Benefits:

- Competition - it could open up the market.

Disadvantages:

- Little opportunity to make savings
- Would continue the fragmented approach to the Support to the Voluntary Sector offer in Bromley, risking duplication of effort and resource.
- Perpetuates an artificial divide between those organisations who are full or associate members of BTSE and the rest of the sector, creating an inequitable 'two-tier' service.
- Duplication of effort in managing both contracts.

4.2.5 Option 5

Award the contract to the current provider, via a further exemption to competitive tendering. The existing extension to the contract was agreed on the proviso that it was a bridging extension only, to allow for a fuller appraisal to be carried out. This option is not permissible under procurement regulations because the existing contract did not include an option to extend.

4.3 PREFERRED OPTION

4.3.1 **Option 1:** Combine both existing 'Support to VCSE' and 'Support to the Sector' services into one standalone VCSE support service.

4.3.2 This will provide an opportunity to work with the sector to redesign the specification, and to open the service to the market.

4.3.3 A three-year contract with an option to extend for up to two years is recommended, with the decision to extend to be delegated to the Chief Officer.

4.4 MARKET CONSIDERATIONS

4.4.1 The service has not been subject to competitive tendering in the past. There are no obvious additional providers locally who provide 'infrastructure support' to the sector. Neighbouring boroughs have similar VCSE organisations which manage the volunteer bureau, provide advice and guidance to the sector, community engagement and so on. Bromley pays similar or below its peers on infrastructure support e.g.

Redbridge	£328k (3yrs)	Core funding + support for various forums
Croydon	£473k (3yrs)	Croydon Vol Action
Kingston	£1.173m (2yrs)	Infrastructure
Southwark	£3.915m (4yrs)	Infrastructure

4.4.2 There are also a number of consultancy companies who work with businesses, social enterprises and other public sector organisations offering training and advice on fundraising, social investment and business development.

5. STAKEHOLDER ENGAGEMENT

- 5.1 Members of the voluntary and community organisations will be invited to work with commissioners to co-produce a new service specification.
- 5.2 Commissioners from across other Council departments will be involved in the development to ensure that the service meets the needs of the wider corporate agenda.

6. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

- 6.1 **Estimated Contract Value** – £160,000 per annum (based on combined value of current 'Support to VCSE' service at £48,000 and Bromley Well 'Support to the Sector' at £112,000). Total estimated contract value = £1,120,000. The Bromley Well contract would be varied accordingly by £112,000pa.
- 6.2 **Other Associated Costs** – none.
- 6.3 **Proposed Contract Period** – 7 years (5 plus optional 2 years)
1 Oct 2020 – 30 Sept 2025 with option to extend to 30 Sept 2027.

6.4 Project Plan

Market engagement event	Nov 2019
Finalise service specification	Nov 2019
Finalise tender timetable & evaluation criteria	Nov 2019
Procurement	Dec 2019 – Mar 2020
Approval to proceed with recommendation	May 2020
Contract award	Jun 2020
Contract start	1 Oct 2020

7. SUSTAINABILITY AND IMPACT ASSESSMENTS

- 7.1 The Public Sector Equality Duty (PSED) requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities. This options appraisal has been informed by a generic equalities impact assessment.

8. POLICY CONSIDERATIONS

- 8.1 The Local Government and Public Involvement in Health Act 2007 places great emphasis on the role of the third sector and explicitly states that local authorities have a duty to inform consult and involve local citizens, local voluntary and community groups and businesses. It sets out clear expectations that the third sector should be involved in designing and shaping key decisions across the country, and that the sector should be a key partner to local government in creating strong and sustainable communities. The voluntary and community sector is represented by CLB on key borough and multi-borough partnerships at local forums and boards. LBB has further embraced the responsibilities, as defined under the Act, by supporting the development of the Bromley Third Sector Enterprise (BTSE). BTSE is required (via CLB) to build capacity within the sector.
- 8.2 The [Public Services \(Social Value\) Act](#) came into force on 31 January 2013. It requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. The Act is a tool to help commissioners get more

value for money out of procurement. It also encourages commissioners to talk to their local provider market or community to design better services, often finding new and innovative solutions to difficult problems. The Act is significant because it supports the commissioning options appraisal process, which will ultimately result in the most effective and efficient commissioned provision. Additionally the Act seeks to ensure that public spending is used to generate social value in addition to the goods and services it purchases. The voluntary and community sector are integral to developing social value in commissioning.

9. IT AND GDPR CONSIDERATIONS

- 9.1 The contract will reflect the Council's policy on information governance via the standard terms, adhering to statutory requirements.

10. PROCUREMENT RULES

- 10.1 This report seeks to proceed to procurement for support to the voluntary sector for a contract of a duration of 5 years with an option to extend for 2 years, at a total value of £1.12m.
- 10.2 This is an above EU threshold contract, falling under the Light Touch Regime or Schedule 3 of the Public Contracts Regulations 2015. An open process will be used. And an indicative timetable is included at section 6 above.
- 10.3 The Council's specific requirements for authorising proceeding to procurement are covered in Rules 1 and 5 of the Contract Procedure Rules with the need to obtain the formal Approval of the Executive, with the Agreement of the Portfolio Holder, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance for a procurement of this value.
- 10.4 In compliance with the Council's Contract Procedure Rules (Rule 3.6.1), this procurement must be carried out using the Council's e-procurement system.
- 10.5 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

11. FINANCIAL CONSIDERATIONS

- 11.1 The cost of the current contracts to 30th September 2020 is set out in the table below:

	VCSE Support	Bromley Well Support to the Sector	Total
	£	£	£
2017/18	24,000	58,057	82,057
2018/19	48,000	109,747	157,747
2019/20	48,000	110,570	158,570
2020/21 (part year)	24,000	55,696	79,696
	144,000	334,070	478,070

- 11.2 The estimated cost of £160k per annum of the proposed contract will be met within the existing budget in the Information and Early Intervention service in Programmes Division, which is funded from the Better Care Fund. The whole life value over the maximum 7 year period is estimated at £1,120k.

12. PERSONNEL CONSIDERATIONS

12.1 There are no staffing implications for Bromley Council staff arising from the recommendations in this report.

13. LEGAL CONSIDERATIONS

- 13.1 The Local Government and Public Involvement in Health Act 2007 section 221 (1) provides that the Council must make contractual arrangements for the purpose of ensuring that there are means by which the following activities are carried out :
- a) promoting, and supporting, the involvement of people in the commissioning, provision and scrutiny of local care services;
 - b) enabling people to monitor for the purposes of their consideration and to review for those purposes, the commissioning and provision of local care services in relation to (i) the standard of provision of local care services; (ii) whether, and how, local care services could be improved; and (iii) whether, and how, local care services ought to be improved.
 - c) obtaining the views of people about their needs for, and their experiences of, local care services; and
 - d) making (i) views such as are mentioned in paragraph c) known, and (ii) reports and recommendations about how local care services could or ought to be improved, to persons responsible for commissioning, providing, managing or scrutinising local care services.
- 13.2 This report is recommending that the Council procure support to voluntary and community organisations through a services contract. Such a contract will result in the award of a 'light-touch' public services contract which due to its value will need to be procured in accordance with the Public Contracts Regulations 2015 under the 'light touch' regime.
- 13.3 For a contract of this value (£1.12m) in order to obtain authorisation to agree the commissioning and procurement strategy the Council's Contract Procurement Rules (CPR) at CPR 5.3 requires approval of the Executive, with the agreement of the Portfolio holder, the Assistant Director of Governance and Contracts, Director of Corporate Services and the Director of Finance through this Gateway Report.
- 13.4 As mentioned in paragraph 4.2.1 of this report in order to achieve the combined specification for the proposed procurement officers will need to plan and secure a variation to the Bromley Well contract.

Non-Applicable Sections:	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	<ul style="list-style-type: none">• Equality Impact Assessment VCSO options appraisal• Vol Sector relationship map (current)• Vol sector relationship map (proposed)