

Report for: Cabinet Member Signing – 28 July 2022

Title: Extension of a Dynamic Purchasing System for Semi Independent, Supporting Living and Homecare Categories

Report

authorised by: Beverley Tarka Director of Adults, Health & Communities

Lead Officer: Pauline Simpson
Pauline.simpson@haringey.gov.uk

Ward(s) affected: All

Report for Key/

Non Key Decision: Key Decision

1. Describe the issue under consideration

- 1.1. To extend the Dynamic Purchasing System (DPS) procurement sourcing tools for the provision of the Council's Semi Independent, Supporting Living and Home Support requirements.
- 1.2. The current DPSs for these categories were renewed in 2020 for a period of two years with the provision to extend for two years at a total estimated combined value of £110,000,000
- 1.3. The Semi-independent and Supported Living categories expired on 1st July 2022 therefore an interim extension was agreed for 4 weeks in the short term to provide sufficient time to enable the completion of a Cabinet report to consider longer term DPS extensions period. The Home Support category will expire on the 28th July 2022.
- 1.4. The proposal is to extend the DPSs, for Home Support, Supported Living and Semi-Independent categories for a period of 17 months to 29th December 2024 with the provision to extend for up to a further 6 months subject to utilisation value.
- 1.5. The Council will open the DPSs for other contracting authorities to access, to support the wider strategic approach to collaboration and obtaining parity in prices across these sectors. This will enhance the sustainability and resilience in these sectors.
- 1.6. The Council currently spends around £21m (net) per year (£42,000,00 over two years) on these services, the intention will be to allow scope London Living Wage increases and for other authorities to access the DPS and increase the annual spend provision by 75% through the DPSs to £63, 000.000 p.a.

- 1.7. The DPSs provides significant access to Council contracts for SMEs both locally and regionally, with around 33% of the spend going to Haringey located business and a further 51% p.a. going to other London based SMEs.
- 1.8. The extension of these DPSs will support the policy position of the Council to implement measures to pay LLW across all suppliers, including social care.

2. Cabinet Member Introduction

N/A

3. Recommendations

That Cabinet Member for Health, Social Care and Well being approves:

- 3.1. An extension to the DPSs for Home Support, Semi Independent, and Supporting Living to include access for other Local Authorities for an initial 17 month period commencing on 29th July 2022 with an option to extend for a further 6 months.
- 3.2. An extension to the DPS for the following care provision with additional capacity of 75% for LLW and use by other local authorities in the values outlined below:

Care Category	2 – Year initial term £m	Full value over life of the DPS £m
Home Support	£23	£46
Semi Independent Living	£9	£18
Supported Living	£9.1	£18.2
Total	£42.1m	£82.2

Note: The above values consider the provision for both the Council and other authorities accessing the DPS and does not represent the actual expenditure of the Council in these categories.

4. Reasons for decision

- 4.1. The Dynamic Purchasing System (DPS) is a supplier e-sourcing tool and a compliant route to market under the Public Contract Regulations, which enables suppliers to enrol, accredit and be approved to bid for Council contracts.
- 4.2. The Council's overall spend for home support, supported living and semi-independent over the past financial year 2021/2022 was in the region of £11,000,000, £4,300,000 and £4,200,000, respectively. Renewing these DPSs will not incur any additional license fees.

- 4.3. The DPS provides a compliant route to market for care provision, which ensures transparency in the procurement process, equal treatment of suppliers and ensures that the requirements of both the Public Contract Regulations 2015 (the Regulations) and the Council's Contract Standing Orders (CSO) can be met, particularly as much of care provision is purchased on an individual basis and the tendering requirements in the Regulations do not apply to 'spot contracts'.
- 4.4. Purchasing outside of a DPS would require either an extremely resource intensive approach, whereby each requirement would be commissioned separately and would require suppliers to go through the accreditation checks for each opportunity. This would likely prevent suppliers bidding for the services and place the provision of these services at risk; or we would need to establish a framework, which would likely exclude many local SMEs from meeting the criteria to qualify under a framework. In addition, a framework does not allow for suppliers to join at any time and prevents new start-ups and entrants from accessing Council contracts during the term of the framework.
- 4.5. A DPS is beneficial in that; it enables supply chain expansion as suppliers can join at any time during its lifetime, unlike a traditional framework where only suppliers at inception remain within it until expiry. This means that the supply chain can be renewed and replenished throughout its term, which lends itself to more competition and therefore better value for the Council and its users.
- 4.6. The DPS is an efficient route to market for both the Council and the supply chain; importantly it enables access to Council opportunities for SMEs. A fact borne out by the figures; of the circa £45m of expenditure across these 3 categories, whereby, in the last year 88% was spent with SMEs, 33% of which was in borough. Once accredited, suppliers can apply for multiple contract opportunities and do not need to undertake separate tender processes for services accredited for. This is particularly important, as resource intensive tender processes may duplicate effort and are often barriers to entry for small and medium sized enterprises.
- 4.7. A DPS enables the Council, to undertake time efficient tender processes, which facilitates speed of award and service delivery. We currently undertake around 2,200 individual procurements each year in these categories. The DPS streamlines the Councils procurement/commissioning, contract management and finance processes, which can be undertaken under the one system.
- 4.8. Importantly, extending the DPS will have minimal impact on the existing supply chain as suppliers will only need to confirm there is no change in their qualification status except for their financial standing, which will be reviewed again. This will provide Commissioners an opportunity to devise any additional questions and amend the category structure to further support emergent commissioning strategies over the next two to four years

- 4.9. Moreover, extending these DPSs aligns with agreed procurement & commissioning strategies, including payment of LLW, establishing block contracts, as well as contract and market management.
- 4.10. Extending for an initial 17 month period, will give Care Commissioning and Strategic Procurement time to review their commissioning and procurement strategies going forward, factoring in any potential categories that could be insourced or and updating category documentation to account for current circumstances, emergent need, or identified gaps in provision e.g. to meet specialisms like positive behaviour provision for high need learning, disabled residents or perhaps provision that may be better delivered through alternative procurement routes or longer-term measures like property acquisition or remodelling to meet need.
- 4.11. Strategic Procurement will support the replenishment of the care supply chain by stimulating the market conducting suitable market engagements to identify, enrol and accredit suitable economic operators or indeed deploying management market tools like: price caps for continued efficient and effective delivery of the Council Semi Independent, Supported Living and Homecare requirements.
- 4.12. Enabling other authorities to join the DPS in these categories will bring additional benefits:
- 4.12.1. Suppliers will only need to be accredited once to access all contract opportunities across the authorities, opening up opportunities to local suppliers to provide services outside of Haringey.
 - 4.12.2. This approach will assist in attaining parity of prices across the sectors.
 - 4.12.3. It will potentially provide access to additional suppliers in hard to source sectors.
 - 4.12.4. Market intelligence around costs, capability and capacity in the market will be significantly increased.
 - 4.12.5. May provide an opportunity for the Council to generate some income to offset the operating costs of the DPS.

5. Alternative options considered

- 5.1. Do Nothing - This option would require the Council to seek alternate procurement arrangements incurring significant additional costs and resource effort to facilitate procuring over 2,200 requirements per year, each needing the supplier to re-present accreditation requirements that will then need to be evaluated.
- 5.2. Establish a framework for semi-independent, supporting living and home care – this option was discounted in preference to the use of a DPS for commissioning these services. This is primarily due to the restrictions applied to the duration of a framework and the limitation of suppliers only being able to be admitted at the point of establishment of the framework. In comparison to a framework, a DPS

enables an unlimited number of suppliers to join at any time; provided they meet the accreditation and enrolment criteria. The call off process from a framework is much more administratively intensive than that of a DPS.

6. Background Information

- 6.1. Haringey operates the largest portfolio of DPS within local government with an estimated spend of circa £100,000,000 p.a. and has a dedicated DPS team that is well placed to support the Council, maximising the potential of a DPS.
- 6.2. The DPS has been designed to be “SME friendly” and promote local community wealth building. Suppliers can join the DPS at any time during its term, provided they meet the accreditation and enrolment criteria.
- 6.3. Each supplier must maintain their accreditation status throughout the duration of the DPS. This is monitored by the DPS team, where a supplier fails to maintain the accreditation (i.e. insurances, health, and safety certificates etc.) they are suspended until such time they have rectified the failures.
- 6.4. The day to day contract management of the suppliers and the services they provide are managed within the relevant service area.
- 6.5. Significant efficiencies are achieved through the use of the DPS each year (based on statistics supplied by adam, our DPS service provider), these are estimated to be:
 - Procurement: 50%= saving of 286 hrs
 - Finance: 85% (presuming all functionality within SProc.net is used) = saving of 1455 hrs
 - Contract Management: 70% = saving of 330 hrs
 - Hours Per Annum Saved = 2071
- 6.6. There is no additional license costs for renewing these DPSs.
- 6.7. Strategic Procurement has developed a commercial offering for other Local Authority's to access the Council's DPS should they wish to.
- 6.8. The renewal of these schemes in March 2020 enabled the introduction of London Living Wage (LLW) for home support as a requirement within all new Contracts let through the DPS for home support. For the other categories, Supported living and Semi-independent the introduction of London Living wage for all new contracts was a requirement from July 2020.

7. Contribution to strategic outcomes

- 7.1. The extension of the DPS will support a number of Corporate Priorities:
 - Creating a suite of procurement tools to support development, growth, and regeneration in the borough.

- Alignment with the Council's Procurement Strategy.
- Promotion of Social Value Act through the suite of contracts contained within the procurements.
- Promotion of SME engagement across London.
- Promoting localism and community wealth building across the borough and London.
- Payment of London Living Wage, use of local labour and promotion of apprenticeships.
- Efficiency gains through the use of collaborative procurement with other local authorities and public sector organisations.

8. Statutory Officers Comments

8.1 Finance

- 8.1.1 The proposal is to extend the DPS for Home Support, Supposed Living and Semi-Independent categories for a period of 17 months to 29th December 2024 with the provision to extend for up to a further 6 months subject to utilisation value. Listed below is the allocation for Home Support, Supposed Living and Semi-Independent that could potentially be sourced from the DPS system:

Revenue Expenditure

Home Support, Semi-independent and Supported Living	2022/23 £m	2023/24 £m	Total £m
Gross Budget	21.1	21.1	42.2
Allocated Expenditure on DPS system	21.1	21.1	42.2

- 8.1.2 There is sufficient annual budget to meet the allocated expenditure of £21.1m For Home Support, Supposed Living and Semi-Independent care through the DPS over financial years 2022 - 2024.

8.2 Strategic Procurement

- 8.2.1 The services to which this report relates are schedule 3 services under the Public Contracts Regulations (PCR) 2015. At the time the DPS was established it was undertaken in line with the requirements of Reg 34; duly advertised and set up
- 8.2.2 The requested extension period is permitted under Contract Standing Order 10.02 and the terms of the DPS contracts and will enable commissioning and strategic procurement to explore emergent need , identify gaps in provision as well as devise suitable procurement strategies to manage the developing need landscape
- 8.2.3 During the extension period suppliers will be monitored to ensure they continue to meet DPS accreditation requirements and service delivery outcomes

8.3 Legal

- 8.3.1 The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.
- 8.3.2 The use of a dynamic purchasing system (DPS) is an approved procurement route under the Public Contracts Regulations 2015 (Reg 34) (the Regulations) and is also provided for in the Council's Contract Standing Orders (CSO 9.04).
- 8.3.3 The Head of Legal and Governance (Monitoring Officer) has been advised that the extension to the Council DPSs and the proposed increase in access to other Contracting Authorities are in accordance with both the Regulations and also the procedures set out in the Council DPSs governing access and usage.
- 8.3.4 The extension of the DPSs will be a Key Decision as the value is in excess of £500,000. The Council must therefore comply with its governance requirements in respect of Key Decisions including publication in the Forward Plan.
- 8.3.5 The extension would normally be approved by Cabinet as it is a Key Decision. However, in-between meetings of the Cabinet, the Leader may take any such decision or allocate to the Cabinet Member with the relevant portfolio (CSO 16.02). The Cabinet Member for Health, Social Care and Wellbeing has power to approve the extension of the DPS under CSO 16.02.
- 8.3.6 The Head of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing the Cabinet Member for Health, Social Care and Wellbeing from approving the extension.

8.4 Equality

- 8.4.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share those protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

The proposed decision is to renew the Dynamic Purchasing Systems procurement sourcing tools for the provision of the Council's semi-independent, supported living, and home support requirements. An outcome of this decision will be to enhance the sustainability and resilience of these sectors. This is likely to have a positive effect on those residents accessing these services, a significant proportion of whom are likely to be older people and people with disabilities. The proposed decision is therefore a measure to better care for vulnerable people with specialised needs resulting from a protected characteristic, and in this way, it advances equality of opportunity.

9. Use of Appendices

N/A

10. Local Government (Access to Information) Act 1985

N/A