



Haringey Council

Report for:	Cabinet – 15/10/13	Item Number:	
Title:	Procurement of External Provider to Manage the Support Fund		
Report Authorised by:	Cllr Goldberg, Lead Member for Finance and Carbon Reduction		
Lead Officer:	Paul Ellicott <i>J. Parker pp S. Gray</i> Head of Revenues, Benefits and Customer Services		
Ward(s) affected:	All	Report for Key Decision	

1. Describe the issue under consideration

- 1.1 At Cabinet in April 2013, it was agreed that an external supplier would be procured to run the Haringey Support Fund from August 2013. This was later delayed to November 2013 to allow time to fully explore the local partnership working elements of the contract.
- 1.2 Following a formal procurement process it is recommended that the contract be awarded to Northgate Information Solutions UK Limited (Northgate)

2. Cabinet Member Introduction

Context

- 2.1 The Government have now abolished the central Support Fund, which has, for many years, acted as a crucial safety net for the most vulnerable in society. The responsibility for this has now been handed to local government, albeit with a much reduced budget. This is deeply concerning, particularly when its impact is considered in the wider context of the current welfare reforms which we know will be hitting those vulnerable members of our community who are most in need.
- 2.2 In Haringey we expect to see an increase in demand for support at the same time that this significantly reduced pot of funding has been passed to us to manage. Haringey is a borough with particularly high levels of need and it is imperative that



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the most vulnerable people are supported through the Support Fund. It is, therefore, essential and right to prioritise the allocation of this resource to support those who are suffering most, such as people suffering domestic violence in their lives and children who are leaving care.

Outsourcing

- 2.3 Dealing with people in real, genuine and immediate need requires clear effective channels that have been developed in conjunction with Local Authorities and partners in the Voluntary Sector.
- 2.4 Northgate have built up their way of working with the Welsh Assembly and 9 other Local Authorities, Haringey are benefitting from this knowledge in the design of a bespoke system specifically for its residents with a fast track referral process for recognised local providers.

Working in partnership with the voluntary sector

- 2.5 The voluntary sector are key to the success of the Support Fund as they have the local knowledge and understanding that can be used to balance the immediate need of those in crisis with supportive longer term plans to help them in a more managed way.
- 2.6 Northgate recognise the local knowledge the current interim in-house team hold and will work with them during the handover period to ensure this is translated and bedded into ongoing processes and procedures. This will then link into a culture of continuous service improvement to ensure learning from residents is incorporated into future planning.

3. Recommendations

- 3.1 It is recommended to Cabinet that they award the contract to manage Haringey's Support Fund to Northgate for a 17 month period commencing 04 November 2013.

4. Alternative options considered

- 4.1 Previous to Cabinet on 16 April 2013 other options were considered in relation to the Support Fund, these were discounted in favour of a procured service to manage the administration of the fund with interim arrangements operational until that point.

5. Background Information

- 5.1 The Welfare Reform Act 2012 required Local Authorities to implement a scheme of Local Welfare provision from 01 April 2013. The scheme, previously administered by JobCentre Plus transferred the DWP responsibility for discretionary payments under former "Social Fund" to Local Authority control.



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- 5.2 It was agreed that Haringey Council would procure an external provider to run its local "Support Scheme" and follow an interim process until this was in place.
- 5.3 The 2013/14 funding for the scheme has been given and totals £1.354m, this includes £236k of administration costs and reflects a significant reduction on the DWP award expenditure for 2011/12. Funding for 2014/15 has been estimated at £1.335m including a reduced administration allocation of £216k. The DWP has announced they will confirm funding for 14/15 in the Autumn 2013.
- 5.4 A formal procurement process was followed and bids were received and reviewed in terms of both cost and qualitative solutions for administering the Haringey Support Fund.

6. Selecting a Service Provider to Administer the Scheme

- 6.1 Prior to the formal procurement process, meetings were held with various charitable and not-for-profit organisations to get their feedback on how the scheme could work. A "Meet the Buyer" event was held to inform potential suppliers of the vision and objectives for delivery of the Support Fund.
- 6.2 We were keen to solicit innovative ideas which would benefit our residents and actively engaged with local partners to get their feedback. This was then fed into the development of the specification, a key element of which was the agreement to involve voluntary and third sector organisations to support delivery wherever possible.
- 6.3 The specification was further developed in conjunction with colleagues from Revenues, Benefits and Customer Services, Procurement and Legal Services and focused on the key elements around local community support and ensuring effective signposting for those most in need.
- 6.4 The specification was put on the Local Authority's procurement portal on 18 April 2013 with a closing date of 13 May 2013. During this period clarification questions were received and responded to and performance information added.
- 6.5 Bids were received from Northgate and Company B. Company B submitted a bid with 3 variances:
- Primary Option - Working in partnership with Company C
 - Variant 1 - Working alone
 - Variant 2 - Working in partnership with Haringey Council by funding an FTE to assist in award fulfilment and eligibility checks. This variance did not meet the specification and was not taken forward.



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- 6.6 Following the submission of the bids, clarification questions were asked and interviews held with both bidders.
- 6.7 The bids were evaluated against set criteria with a range of questions covering timescales, processes and accessibility. Exempt Appendix A summarises some of the key areas considered as part of the evaluation process.
- 6.8 The bids were independently marked and the scores reviewed and moderated, the scores are shown below and reflect a weighting of 70% for service delivery information and 30% for price / commercial information.

	Price	Price (30%)	Quality (70%)	Total
Northgate	£249,519	28.29%	51.33%	79.62%
Company B – Primary Option	£306,450	23.03%	54.83%	77.86%
Company B - Variant 1	£235,300	30.00%	44.92%	74.92%
Company B - Variant 2	£271,000	26.05%	0.00%	26.05%

- 6.9 Company B currently provides two other Local Authority replacement welfare provision services, and under their Primary Option will work with Company C – a consortium of voluntary sector organisations operating in and around Haringey. They will require access to Haringey’s IT and Telephony systems and use various fulfilment methods including supermarket vouchers, white goods and furniture from local charitable organisation ReStore, Travel Warrants, and All Pay (pre-payment cards).
- 6.10 Northgate are currently delivering similar services across Wales on a National Basis and nine English Local Authorities. Their model will encourage Haringey’s third sector partners to provide an essential face-to-face service as part of their day to day contact with communities. Information and in-depth training will be provided to these partners to ensure that they are familiar with the operation of the scheme, eligibility and the mechanics of the application process, their referrals will be fast tracked and prioritised.
- 6.11 Northgate will not use Haringey’s IT or Telephony systems and will verify applicants’ status independently. Their fulfilment of awards will be delivered by charity organisation Family Fund Trade Ltd (FFT) – who have been established for over forty years with the ethos being to support families ‘in need’ across the UK and via both BACS and cash outlet PayPoint depending on applicants ability to access bank accounts.
- 6.12 The procurement process identified Northgate as offering the most cost effective and qualitative solution for administering the Haringey Support Fund, based on the



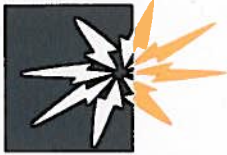
evaluation criteria of 70% quality and 30% price. It is therefore recommended that the contract be awarded to Northgate with a start date of 04 November 2013. Haringey will work with Northgate and interested third sector organisations to mobilise the Support Fund as quickly and seamlessly as possible to ensure a successful go-live with minimal impact to residents.

7. Comments of the Chief Financial Officer and Financial Implications

- 7.1 The tender price for the 17 month contract period will be covered by the administration grant receivable from Central Government. Whilst the 2014/15 grant figure is only indicative at this stage, the risk of a significant variance is deemed low and would be managed as part of the normal budget monitoring process. As part of the client management role, there will need to be tight in year monitoring of the actual level of support fund awarded to ensure the annual grant figure is not exceeded.

8. Comments of the Head of Legal Services and Legal Implications

- 8.1 The Head of Legal Services notes the contents of the report.
- 8.2 From 01 April 2013, local authorities took over from central government responsibility for provision of a local welfare system.
- 8.3 At its meeting on 16 April 2013, Cabinet agreed to procurement of the Support Fund and, subsequent to this, Revenues, Benefits and Customer Services embarked on a domestic procurement exercise in accordance with the Council's Contract Standing Orders.
- 8.4 The Assistant Chief Executive's Directorate (the Directorate) now wishes to award the contract for the Support Fund to Northgate Information Solutions UK Limited (Northgate).
- 8.5 Because of the value of the contract the award needs to be made by Members in accordance with CSO 9.07.1 (d).
- 8.6 The award of the contract is a Key Decision under Part 2, Article 13 and Part 5 (Protocol for Key Decisions), Section C, paras (1) (a) and (b) of the Council's Constitution and the Directorate has confirmed that this matter has been included in the Forward Plan in accordance with the Council's requirements.
- 8.7 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendations in this report.

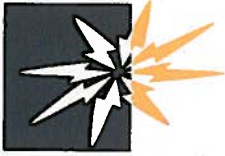


9. Equalities and Community Cohesion Comments

- 9.1 It is recognised there are many areas of the community that have accessed the Support Fund and we need to consider how best to support them through the changes introduced by the DWP. The Council's public sector equality duty requires that we consider the impact our proposed Support Fund would have on people who possess the characteristics identified and protected by section 4 of the Equality Act 2010.
- 9.2 In compliance with this duty, we have used Haringey data to complete a full equality impact assessment of the Social Fund scheme itself. This identifies those protected characteristics that could be adversely affected and where possible, what actions we will take to support them through the changes. The specifications for this contract have been informed by findings of the equality impact assessment and the actions on adverse impacts that were identified.
- 9.3 The process used to select a provider followed the Council's procurement guidelines and procedures, which include equalities considerations at key stages. The management of the contract will include equalities monitoring to ensure that significant disproportionate impacts on any groups are identified and rectified where possible.

10. Head of Procurement Comments

- 10.1 The tender for the administration of the Social Fund is classified under Part B of the Public Contract Regulations. Therefore EU procurement processes and timescales did not apply to the procurement.
- 10.2 The service organised a Meet the Buyer day to maximise interest and offer an opportunity for potential bidders to ask clarification questions.
- 10.3 Corporate Procurement supported an Open tender process that was advertised on CompeteFor which sign posted applications to the procurement documentation on the Delta e-sourcing portal.
- 10.4 Following submission of the bids, clarification interviews were held with both bidders which helped to inform the process.
- 10.5 The tender evaluation used a 70% quality 30% price award criterion. All specific criteria and their relative weightings were clearly disclosed in the tender document and the recommended supplier has evidently demonstrated best value with their final score.



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11. Policy Implication

- 11.1 The Support Fund policy previously agreed by Cabinet will be adhered to as part of this process. This broadly mirrors the criteria previously used by Central Government when considering applications and prioritises allocation to those most in need, such as people fleeing from domestic violence and children leaving care.

12. Reasons for Decision

- 12.1 Following the procurement process this supplier has been successful in terms of both quality and cost and as such the recommendation is that they are awarded the contract to manage Haringey's Support Fund for the next 17 months.
- 12.2 Further review will then be conducted dependent on whether the Government continue to provide funding for this area.

13. Use of Appendices

- 13.1 Exempt Appendix A – Summary Table

14. Local Government (Access to Information) Act 1985

- 14.1 This report consists of exempt and non-exempt information. Exempt information is contained in the appendix and is not for publication. The exempt information is under the following category (identified in the amended schedule 12A of the Local Government Act 1972 (3)): information relation to the financial or the business affairs of any particular person (including the authority holding that information).

