

Delegated Report

Decision Maker: Cllr Jabbar MBE, Deputy Leader and Cabinet Member for Finance and Corporate Resources

Date of Decision: 30th August 2018

Subject: Local Welfare Provision 2018/19

Report Author: Caroline Lee, Head of Revenues, Benefits and Business Support

Ward (s): All

Reason for the decision: Oldham provides a Local Welfare Provision (LWP) scheme assisting vulnerable residents in the Borough with the supply of white goods and new and pre-loved furniture. This report seeks approval to modify the existing contracts with a view to extending them by a further 6 months allowing sufficient time to undertake a procurement process.

Summary: Oldham Council seeks to continue the services of two specialist contractors, Age UK Oldham and Furniture Resource Centre Ltd (FRC), to supply white goods and new/pre-loved furniture to eligible residents under the Local Welfare Provision scheme.

This service was originally procured on 6th September 2016 for 1 year with the option to extend for another year delivered by Age UK Oldham and Furniture Resource Centre Ltd. Approval for the 1 year extension was granted, which is due to expire on the 5th September 2018. Continuing service delivery is key and due to insufficient time to re-procure the service by the expiry date, an extension of 6 months is sought to take the expiry date to 5th March 2019. In this period a formal procurement process will be

undertaken in line with the Council's Contract Procedure Rules following a review of the current service provision.

What are the alternative option(s) to be considered? Please give the reason(s) for recommendation(s):

Option 1 – To approve the modification under Rule 17.1(b) (ii) of the Contract Procedure Rules, allowing for a 6 month extension to the contract. This will enable continuing service delivery for the residents of the borough and will also allow for a full review of the service ensuring it is fit for purpose in which a formal and compliant procurement process will follow.

Option 2 – Not to approve the request for an extension. Due to the need of the services and the value of the contract a new tender exercise would be required, however due to insufficient time before the expiry date this is not practical which would leave the service with no formal contract in place thus increasing risk for the Council.

The preferred option is Option 1 to approve the modification under the Contract Procedure Rules, allowing for a 6 month extension to the contract. This will enable continuing service delivery for the residents of the borough and will also allow for a full review of the service ensuring it is fit for purpose in which a formal and compliant procurement process will follow.

Consultation: including any conflict of interest declared by relevant Cabinet Member consulted.

None required.

Recommendation(s):

It is recommended that:

- a) Approval is given to modify the current contracts under Rule 17.1 (b) (ii) of the Contract Procedure Rules.
- b) The current contract is extended until 5th March 2019 with the current providers to allow time for a service review and a formal procurement process to be carried out.

Implications:

What are the financial implications? There are no additional financial implications associated with this six month contract extension. The estimated cost of £50,000 will be met from previously approved use of the Local Welfare Provision earmarked reserve. (Mike Ward – Senior Accountant).

What are the procurement implications?

Strategic Sourcing support the approval of option 1 to modify the current contract allowing for a 6 month extension. During this period Strategic Sourcing will support Revenue and Benefits in their review of the service and the subsequent procurement process which will be in line with the Council's Contract Procedure Rules. (Emily Molden - Sourcing and Contracts Consultant).

What are the Human Resources implications?

There are no human resource implications associated with either of the two options. However, any change may impact on resources provided by Unity. (Stewart Hindley, People Services Business Partner)

What are the I.T. implications?

Not applicable

What are the legal implications?

There is provision under Rule 17.1 (b) (ii) of the Council's Contract Procedure Rules to modify a contract where the modification is for additional goods and services by the original contractor which have become necessary and were not included in the initial procurement where a change of contractor would cause significant inconvenience or substantial duplication of costs for the Council. (Elizabeth Cunningham Doyle)

Equality and Diversity Impact Assessment attached or not required because (please give reason)

Not applicable

What are the property implications

Not applicable

Risks:

If the contract is not approved for an extension, due to the need of the services and the value of the contract a new tender exercise would be

required. However due to insufficient time before the expiry date this is not practical and would leave the service with no formal contract in place thus increasing risk for the Council.

Co-operative agenda

This is linked to Corporate Objective 3: A co-operative Council delivering good value services to support a co-operative borough. The Local Welfare Provision providing white goods and new/pre-loved furniture to vulnerable residents will enable those residents through difficult times to establish or maintain a home in the community empowering them to take greater control of their own lives with an aim to decreasing reliance on support services from the Council.

Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution? Yes

Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the Council's budget? Yes

Are any of the recommendations within this report contrary to the Policy Framework of the Council? No

List of Background Papers under Section 100D of the Local Government Act 1972:

The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref: OMBC LWP Social Welfare Reform
Name of File: DN122916
Records held in Strategic Sourcing Department, Level 8, Civic Centre, West St, Oldham
Officer Name: Emily Molden
Contact No: 0161 770 1643

Sign-off:

Anne Ryans, Director of Finance	Signature	A.T. Ryans
Date:	6/9/18	

In consultation with:

Cllr Jabbar MBE, Deputy Leader and Cabinet Member for Finance and Corporate Resources	Signature	Jabbar
Date:	06/09/2018	

Please list and attach any appendices:-

Appendix number or letter	Description
1	Background

Appendix 1

1 BACKGROUND

- 1.1 Oldham's Local Welfare Provision scheme has been operating since 1st April 2013, providing vulnerable residents, who meet the criteria of the policy, with furniture, beds, and white goods in order to establish or maintain a home in the community.
- 1.2 In 2013, the Council successfully procured the services of The Co-Op Electrical to supply white goods and the Furniture Resource Centre was awarded the contract to supply new/pre-loved furniture.
- 1.3 In 2015, Oldham Council undertook a review of the supply of white goods and new and pre-loved furniture provided under the Local Welfare Provision scheme and in order to ensure compliance with the Council's Contract Procedure Rules, a re-procurement of both contracts was undertaken.
- 1.4 Age UK Oldham and Furniture Resource Centre Ltd were awarded the contract for 1 year beginning 6th September 2016 and this expired on 5th September 2017 with an option to extend for a further 12 months. Approval for the 1 year extension was granted on 17th August 2017.
- 1.5 Both suppliers throughout the initial contract period have demonstrated a:-
 - Highly developed understanding of all aspects concerning Local Welfare Assistance and the associated disciplines;
 - Track record of delivering high quality professional services in the public realm and
 - Socially engaged approach with a real commitment to the community and its environment.

2 Current Position

- 2.1 The current contract expires on 5th September 2018 and a 6 month extension will provide service delivery for a further 6 months until 5th March 2019. The initial contract value is approximately £144k for white goods and pre loved, new goods is £60k and the value of the 6 month extension is approximately £50k.
- 2.2 Age UK Oldham and Furniture Resource Centre Ltd have provided an excellent service both in the delivery of furniture and white goods to residents and the ad hoc duties signposting and supporting customers with financial and personal advice as set out in the tender documentation.
- 2.3 As part of their tender submission Age UK Oldham proposed a number of social value outcomes (listed below) which have been monitored throughout the initial contract duration which Age UK have either fulfilled or are in the process of doing so:

- Providing opportunities for increasing the retail furniture/transport operations workforce to include a driver's mate/apprentice and additional hours for part time drivers/retail staff.
- Increasing opportunities for young volunteers to help promote and advertise the furniture collection service through social media and handing out leaflets.
- Rise in donations would provide openings for new volunteers at the Men in Sheds project.
- Commitment to using local suppliers wherever possible.
- Waste recycled, reduced and reused wherever possible.

2.4 As part of their tender submission FRC proposed a number of social value outcomes (listed below) which have been monitored throughout the initial contract duration and FRC have either fulfilled the outcomes or are in the process of doing so:

- Protecting 4 jobs in the local economy
- Protecting 3 traineeships on the Driving Change programme
- Protecting 450 days meaningful works experience for local people
- Linking in with local schools and colleges to provide employability support in the form of mock interviews, CV advice and careers guidance for at least 50 students per year.
- Offering in-kind support to people starting new business and other third sector organisations providing support on finance, HR, social enterprises and creating and measuring social value.
- Raising awareness with the staff team of the Cooperative Fund and encouraging them to use some of their fundraising activities to support the cause.
- Offering Council employees work shadowing and potential secondment opportunities.
- Waste recycled and reused where possible.