

## Local Welfare Support Scheme and Emergency Welfare Support Scheme re-tender

<b>Cabinet Date</b>	24 <sup>th</sup> July 2024
<b>Cabinet Member</b>	Cllr Stephen Davies - Cabinet Member for Children’s Safeguarding and Early Years
<b>Key Decision</b>	Yes
<b>Purpose of Report</b>	To seek delegated authority to procure Local Welfare Support Services and Emergency Welfare Support Services.
<b>Recommendations</b>	<p>That Cabinet delegates authority to the Executive Director of Children’s Services in consultation with the Cabinet Member for Children’s Safeguarding and Early Years to:</p> <ol style="list-style-type: none"> <li>1. Conduct an appropriate form of competitive procurement process (to be determined by the said Executive Director) under which Gloucestershire County Council shall procure Local Welfare Support Services and Emergency Welfare Support Services that will provide support and/or assistance to vulnerable adults and families in Gloucestershire by means of predominantly non-cash awards such as household items, clothing, recycled goods, food vouchers and fuel vouchers; The proposed contracting arrangements shall continue for a period of up to 5 years.</li> <li>2. To award, subject to the financial restrictions set out in the Resourcing Implications section of this report below, as many contracts as may be required by the Council for the provision of Local Welfare Support Services and Emergency Welfare Support Services.</li> </ol>
<b>Reasons for Recommendations</b>	<p>The recommendation to re-procure both Local Welfare Support Services and Emergency Welfare Support Services follows from the cessation of the current Gloucestershire Local Welfare Support Scheme contract and Emergency Welfare framework on the 19<sup>th</sup> October 2024. No further extension options exist under the said contract.</p> <p>The re-procurement of both Local Welfare and Emergency Welfare Support Services will enable the Council to provide timely support for Gloucestershire’s most vulnerable residents at a time of need, often when there is nowhere else to go. The intervention at point of</p>

	<p>difficulty or crisis can have a more profound impact than simply monetary – it can often have a significant impact on an individual’s ability to cope. It will also prevent people entering GCC at a higher level of need requiring more complex support.</p> <p>The re-procurement will also ensure that the Council can continue to deliver vital existing and future local welfare and emergency welfare services whilst complying with public procurement law requirements, as the Council often finds itself being required to delivery welfare schemes at short notice –(e.g. the Household Support Fund, Holiday and Activity Fund, Homes4Ukraine and Afghan Resettlement Schemes) and therefore within challenging timeframes from a public procurement perspective).</p> <p>The recommendations of this report, if accepted, aim to maintain support to as many people as possible in vulnerable circumstances in accordance with the aims of the Council’s Strategy 2022 – 2026 to level up our communities, combat deprivation and ensure no community is left behind.</p>
<p><b>Resource Implications</b></p>	<p>The total value for the proposed Local Welfare Support Services is not expected to exceed £2.6M over the maximum 5-year term of any proposed contracting arrangements. This includes administrative costs of c£80k per annum and social care spend routed through this contract.</p> <p>The Emergency Welfare Services element of the contracting arrangements does not have a Council funded budget available. This emergency service was originally set up using Household Support Fund grant funding with no commitment to spend any money through a framework agreement. The Council has been provided with a short-term extension to the Household Support Fund April 2024 – October 2024 by the Department of Work and Pensions that will fund the Emergency Welfare Support services currently provided (£3.7M). This facility will remain available for any future framework agreement relating to Emergency Welfare to operate on the same basis as and when funding is made available to the council. The total value for the proposed Emergency Welfare Support Services described therein is not expected to exceed £23M over the maximum 5-year term of any proposed contractual arrangement.</p> <p>Therefore, the total estimated value of the proposed 5-year contracting arrangement in respect of Local Welfare Support Services and Emergency Welfare Support Services is £25.6M.</p>
<p><b>Background Documents</b></p>	<p><b>Gloucestershire Welfare Support Scheme</b></p> <p>Officer Decision (21/03/2024): <a href="#">Local Welfare extension April 2024 - Oct 2024</a></p>

	<p>Cabinet Decision (23/02/2022): <a href="#">Local Welfare Provision 2022-2024 Contract Extension</a></p> <p>Cabinet Decision (18/07/2018) <a href="#">Tender and award a contract to deliver Gloucestershire Welfare Support Scheme</a></p> <p><b>Framework Agreement for the Provision of Emergency Welfare</b></p> <p>Officer Decision (23/10/2023): <a href="#">Extension to the Framework Agreement for the Provision of Emergency Welfare Support Services</a></p> <p>Officer Decision (07/07/2022): <a href="#">Framework agreement award for Welfare Support Services</a></p>
<b>Statutory Authority</b>	ALL/Countywide
<b>Divisional Councillor(s)</b>	n/a
<b>Officer</b>	<p>Name: David Flosse-Harris</p> <p>Tel. no: 01452 32 8663</p> <p>Email: <a href="mailto:David.flosse-harris@gloucestershire.gov.uk">David.flosse-harris@gloucestershire.gov.uk</a></p>
<b>Timeline</b>	<p>Conduct tender process: August – October 2024</p> <p>Tender evaluation: October 2024</p> <p>New contract start: 19th October 2024</p>

## Background

### Local Welfare Support Services Scheme:

1. The Gloucestershire Local Welfare Support Scheme (GLWSS) has been operating since April 2013. As part of the Welfare Reform Act, Community Care Grants and Crisis Loans, previously distributed by Job Centres, were abolished. All top tier local

authorities received funding from the Department of Work and Pensions (DWP) with an expectation, but no statutory duty, that they would arrange to make an offer of support to those in crisis from April 2013. Since 2015, government funding has been included as part of the Local Government Financial Settlement. Local councils are viewed as appropriate bodies to provide this assistance given existing responsibilities for vulnerable children and adults.

2. The GLWSS provides practical one-off support or assistance to vulnerable adults and families in the form of predominantly non-cash awards such as household items, clothing, recycled goods, food deliveries and fuel vouchers. It has clear eligibility criteria to ensure funds support those most in need.
3. Applicants are often supported by agencies such as housing providers, district councils, voluntary and community organisations, social care services, children and family centres etc. and are signposted to local welfare support services to help address persisting underlying issues and prevent repeat crises.
4. Substantial stakeholder consultation was undertaken to inform the options and principles of the current GLWSS scheme during 2012, 2013 and 2015. Following Cabinet approval in July 2018 a public procurement law compliant competitive tender process was undertaken for the management and delivery of the Welfare Support Scheme for eligible adults, families, and young people. A 5-year contract (for an initial term of 3 years with an option to extend for a further year) was awarded to Auriga Services Ltd. Following a short-term extension, the contract will end on the 19<sup>th</sup> October 2024.
5. The Council's annual spend under the contract (2019 – 2024) has fluctuated between £372k and £520k per annum. Since April 2021 spend has increased year on year due to demand and cost increases of goods/services provided. This includes Social work referrals to access support via this contract.
6. Applications to the Gloucestershire Local Welfare Support Scheme can broadly be divided into the following two categories:
  - **Crisis awards:** awards which help alleviate extreme pressure on the health/safety of an individual or family.
  - **Care awards:** awards that help people moving back into the community to settle i.e. Care leavers, homeless individuals.
7. To be eligible for support, applicants need to be:
  - a resident in Gloucestershire
  - 16 years old or over,
  - Considered to be in a priority group.
  - Receiving or awaiting means tested benefits or be on low income.

8. Eligibility for the scheme is determined on the basis of a series of vulnerability criteria inclusive of a recent home move/resettlement in the context of wider welfare needs. The period of eligibility for this criterion is 3 months where there are evident barriers arising from the noted vulnerability, or 2 months if such barriers are not inhibiting a welfare application.
9. Since 2016 the GLWSS has also been used to process social care welfare requests. This use of the scheme has been received positively by Social Care and Youth Support teams. It frees up staff time that was previously spent on administering petty cash payments and has ensured service users safely and promptly receive the actual items to meet their needs e.g. food deliveries, fuel meter top-ups, clothing. Social Care Welfare spend processed through the GLWSS has gradually increased over time.
10. Continuing to provide essential support to the most vulnerable families through the Local Welfare Support Scheme will be critical to prevent families spiralling into longer term crisis, especially at a time when future wider grant welfare support (Household Support Fund) is likely to reduce/end.

### **Emergency Welfare Support Services:**

11. The Council's Emergency Welfare Support Scheme framework agreement with Auriga Services Ltd has been in operation since July 2022, and was set up to avoid the prospect of making potentially unlawful direct contract awards for the supply of packages of support to vulnerable households following the receipt by the Council of significant grants from DWP that placed an obligation on the Council to use them at short notice. The said framework agreement has been delivering support funded through the Household Support Fund as well as other smaller grant schemes such as Holiday and Activity Fund, Homes4Ukraine and Afghan Resettlement Fund.
12. The Household Support Fund has been provided to County Councils and Unitary Authorities and forms part of the Government's wider package of support for those most in need, to help with the cost of living, supporting households with the cost of food and water bills, essential costs related to energy, food, and water, and with wider essential costs. Locally, this funding has been used to support some of our most vulnerable households.
13. The current Emergency Welfare contract ends in October 2024. There is no current commitment to spend through the existing Emergency Welfare contract and only as and when funding (either internal or external) becomes available would we look to exercise any call off contracts from any future framework.

### **Options**

14. Option 1: To (a) cease the provision of Local Welfare Support Services and instead signpost people to other forms of support (e.g. foodbanks, hardship schemes) and provide support to people only as and when grant/other funding is provided; and

(b) To re-procure a replacement framework agreement for the supply of Emergency Welfare Support Services (on the basis there is no financial commitment).

15. Option 2: To (a) Conduct an appropriate form of competitive procurement process (to be determined by the Executive Director of Children's Services) under which the Council shall procure Local Welfare Support Services and Emergency Welfare Support Services.

(b). Amend the support available to consist of e-vouchers only, rather than both e-vouchers and physical goods and services (e.g. white goods, carpet fitting etc), whilst bringing the review of applications and distribution of vouchers in house; and

16. Option 3 (**recommended option**): To (a) conduct an appropriate form of competitive procurement process (to be determined by the Executive Director of Children's Services) under which the Council shall procure Local Welfare Support Services and Emergency Welfare Support Services.

(b) To retain the existing mix of support available to service users of both e-vouchers and physical goods and services (e.g. white goods, carpet fitting etc).

17. Option 4: To bring the Local Welfare Support service and Emergency Welfare Support service in-house and retain the existing mix of support available of both e-vouchers and physical goods and services.

## **Procurement Strategy**

18. The procurement strategy in respect of the required Local and Emergency Welfare Support Services shall, once finalised by the Executive Director of Children's Services, provide for an appropriate form of competitive procurement process to secure the provision of a mix of e-vouchers and physical goods/services.

## **Risks**

19. The main risk is that a new contract is not in place to ensure an effective handover of the welfare service from the incumbent provider in supporting people in vulnerable circumstances on the expiry of the Local Welfare Support Scheme contract and Emergency Welfare Support Scheme Framework. This will be mitigated by oversight of key tendering deadlines, as well as a potential fallback of a possible call off, of the existing emergency welfare framework before the contract expires.

20. We know that there is a relatively limited number of organisations that offer a welfare offer of physical white goods alongside e-vouchers. Therefore, there is a risk that if we receive a limited number of tenders in respect of Local and Emergency Welfare Support Services this may result in those tenders received being less competitive with regards to

price. This could be mitigated by procuring goods and e-vouchers separately, however, with no guaranteed spend through the Emergency Welfare Support Scheme, this would further dilute the attractiveness of the Local Welfare Support Scheme and exacerbate this risk.

21. There is also a risk that once the Household Support Grant funding from the DWP ends, the main Local Welfare Support Service might receive a significant increase in applications which would place additional pressures on the Council's available budget. To mitigate this risk, applicants to the fund will continue to be signposted to alternative avenues of support where appropriate. The exit strategy for the Household Support Grant funding includes an increasing pivot to the signposting and supports available through Children and Families Centres as cornerstones of the Council's Family Hub locality model. This includes messaging directly to applicants, on our Household Support website, and through a wider communications plan. As noted below, the budget will be closely monitored and should demand exceed the available resources, the scheme will be adjusted to ensure it remains within budget whilst focussing on those in greatest need.
22. Given that TUPE may apply in relation to staff engaged in the delivery of Local Welfare Support Services under the council's current contract with Auriga Services Ltd, there is a risk that market interest in delivering the service will be limited. Advice shall therefore be sought from the council's HR department before determining, in accordance with Recommendation 1, the most appropriate form of competitive procurement process.

#### **Financial implications:**

23. The Local Welfare Support Service is funded through core Council budget £450k with additional contributions made by front line team budgets. The budget will be closely monitored and should demand exceed the available resources, the scheme will be adjusted to ensure it remains within budget whilst focussing on those in greatest need.
24. Emergency Welfare Services currently costs circa £4.6m per annum which has been funded through the Household Support Fund grant (£7.2m per annum). The continuity of this funding beyond September 2024 has yet to be confirmed by the Department of Work and Pensions; should this continue then the procurement through the Emergency Welfare Service will continue. Should this funding discontinue then the Emergency Welfare Service will be put on hold unless or until the Council needs to administer other relevant emergency support funding.

#### **Climate change implications**

25. There is no perceived additional impact of the proposed recommendation compared to the current service delivered. While on the face of it, it would be reasonable to assume an e-voucher only service could be argued to deliver climate change benefits (as we would not be supplying goods/services including delivery or individual trades people to carry out works), this could cause more of an adverse impact with individuals needing to collect goods/services or arranging delivery/installation themselves.

26. The only way that we would see climate change benefits is to limit the service offered to food and utility vouchers, which would often not meet the needs of our clients (with 60% requiring physical goods/services to be delivered/installed).
27. Following completion of the CIAT, the proposed change in service would see decreases in demand which would bring climate benefits in terms of greenhouse gas production, air quality, waste production and energy use. Sustainable transport was flagged as an area for improvement with this project, however it should be noted due to the nature of the service, that is delivery of bulky goods, sustainable transport methods may not be feasible. Nevertheless, efforts should be made to award contracts to vendors who exhibit climate conscious practises, such as sourcing locally sourced goods, lower emission fleets, less wastage etc.

### **Ecological implications**

28. Has an Ecological Impact Assessment (EclA) been produced, or will one be undertaken at a later stage? No

### **Equality implications**

29. Has an Equalities Impact Assessment (EqIA) been completed? Yes
30. Information is not always provided by service users on a number of protected characteristics; however, agencies, which support the majority of applicants, have raised no issues regarding access due to protected characteristics. Applicants and trusted agencies will continue to be encouraged to provide protected characteristic information.
31. Cabinet Members should read and consider the Equalities Impact Assessment to satisfy themselves as decision makers that due regard has been given.

### **Data Protection Impact Assessment (DPIA) implications:**

32. Data protection impact assessments have been carried out with the Information management Service in relation to both existing contracts.  
A review of the volume and sensitivity of the data processed under each contract means we would require any potential provider to have Cyber Essentials Plus accreditation for the Local Welfare Support contract and Cyber Essentials Plus & ISO 27001 for the Emergency Welfare contract.
33. The current provider last completed the GCC ICT Standard security forms in July 2021. As part of the re-tender process we will liaise with ICT and the Information Management Service to ensure any providers bidding for these contracts have the necessary ICT security standards/ credentials.

### **Social value implications**



34. Any procurement undertaken to deliver the programme will include social value as one of the criteria that will be considered when evaluating tender submissions and will be worth a minimum of 15% of the evaluation score. GCC is committed to a performance and evidence-based approach to Social Value. Based on the National TOMs (Themes, Outcomes and Measures) that the council uses to evaluate social value, tenderers will be required to propose credible targets against which their performance will be monitored in contract delivery.

### **Consultation feedback**

35. No consultation has taken place to date with service users, although feedback from service users is regularly captured through monitoring meetings with the Provider.

36. We have explored with the current provider multiple different options around how we could amend the application process in a fair and consistent way to ensure people still get adequate time to apply to the fund but that resources are applied in an efficient manner, to those who require them most.

37. We have also looked at how we could amend processes internally to ensure the areas of the business who use the scheme are contributing to the running of the fund, limiting the impact on service users where possible.

### **Officer recommendations**

38. Option 3 is the preferred option as this retains the existing type of support delivered to service users (physical goods being considered an integral part of the offer to ensure we can accurately attribute the requests to the costs and ensure that vulnerable families are receiving the most appropriate form of support in a timely manner) under both schemes. The budget will be closely monitored and should demand exceed the available resources, the scheme will be adjusted to ensure it remains within budget whilst focussing on those in greatest need.

39. Option 1 of closing the Local Welfare Support Scheme is not considered preferable as this service is considered vital for some of the most vulnerable in society, often having been homeless or from poor temporary accommodation. This scheme enables them to rebuild their lives and by giving them the basic set up in their homes to provide a greater chance of maintaining their independence. Ending the scheme would leave people in vulnerable circumstances in difficulty, potentially leading to a higher demand for the Council and other statutory services, for example housing and health. This could lead people to access money from unscrupulous loan arrangements or family members, potentially escalating and/or increasing problems. Proceeding with a Framework contract for the Emergency Welfare Support Scheme is being reviewed in light of the changes in Procurement Act Regulations (whereby the maximum Framework length is 4 years if not considered within scope of light touch).

40. Option 2 of an all e-voucher model of service offer is not considered preferable because although this would save money as we would not pay any admin fees for the supply of e-vouchers (in the market there are multiple voucher providers who will provide these at face value or slightly below depending on quantities), we would need to

employ staff to assess applications, distribute awards and develop an escalation procedure for applicants. Based on the existing in-house team required to deliver similar support through the household support fund, this would be estimated to cost in the region of £80k per annum.

41. Option 4 of bringing the service in house is not preferable as this would require significant administrative resources and the development of processes for the administration, evaluation, and an independent escalation procedure for applicants. Outsourcing the e-vouchers and white goods could allow savings to be made through the larger purchasing power of the prospective provider.

#### **Performance management/follow-up**

42. The Gloucestershire Welfare Support Scheme contract and Emergency Welfare contract will continue to include specific and measurable standards and outcomes. It will continue to be actively managed by the provision and analysis of monthly key performance indicators and regular contractual monitoring meetings either face to face or via telephone conference with the successful provider.