



Report of: Executive Member for Health and Wellbeing

Meeting of:	Date	Ward(s)
Executive	10 March 2016	Tollington\St Georges Ward

Delete as appropriate	Exempt	Non-exempt
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SUBJECT: Procurement Strategy – Supported Living Accommodation – For Service Users with Learning Disabilities (Complex\Physical and Sensory Needs) Medium to High Needs

1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of care and support contracts for service users at Anson Road and Tollington Way in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 The contract is for the core contract provision of care and support for people with a learning disability who may display behaviour that challenges, have co-morbid conditions or present as complex both in support\care and physical\sensory disabilities. This type of support may be termed as medium to high care and support needs.

2. Recommendation

- 2.1 To approve the procurement strategy for care and support at Anson Road and Tollington Way as outlined in this report.

3. Background

3.1 Nature of the service

- 3.1.1 This care and support contract will provide care and support to 17 adults. These adults have a predominant learning disability but may in addition have multiple and complex needs. There is currently a care and support contract in place with Centre 404 which is due to finish in December 2016. The current accommodation is provided by One Housing with the service users located across 3 different addresses:

Location	Client Numbers	Need
Anson Road	8	High
Tollington a	4	Medium
Tollington d	5	High

- 3.1.2 These contracts need to be re-commissioned in order to ensure that the individuals are supported appropriately for their health, wellbeing and safety in the community. It will also ensure that they stay in borough and are close to their family support networks. In addition this contract will support individuals' choice, freedom and control - in line with both local and national learning disability drivers.
- 3.2 **Estimated Value**
- 3.2.1 The contract will be funded through existing social care budgets on a core contract value. The estimated annual value of the contract is £1,001,919. The total value over the maximum 9 year term of the contract is £9,017,271 (including LLW). The previous spend on this service for the core contract value was £2,065,814 for the last 2 years.
- 3.2.2 The contract length should run over a 3 + 3 + 3 year period. This gives an extended time for a provider to embed the care and support but also the flexibility of two three-year extensions to account for any changes in direction by either local or national drivers\legislation.
- 3.2.3 The saving on this contract will be 3% (£92,962 over 3 years and £278,886 over 9 years) on the current contract costs. It would be difficult to decrease the budget further as there are cost pressures including comprehensive training, recruitment of staff and ensuring they are up to date with current practice. The reduction in budget should still ensure that there is effective delivery of the contract.
- 3.3 **Timetable**
- 3.3.1 The current contract ends on the 31 December 2016. Tendering would start in Q1 2016, with an advertisement in Official Journal of the European Union (OJEU) and contracts awarded by 31 August 2016. Four months has been allowed for handover, service user\family notification\preparation and recruitment of staff with the 1 January 2017 being the start date of the new contract. TUPE liabilities may also need to be explored if a new service provider is appointed.
- 3.4 **Options appraisal**
- 3.4.1 The preferred option is a competitive tender for the contract. We have looked at collaboration with neighbouring boroughs but it is unlikely any savings/efficiencies could be made due to the complex nature of the service users. One of the recommendations from the recent accommodation review was to ensure service users stay in borough. If we were to collaborate with a neighbouring borough this could mean that service users move out of their local area where their family networks are located.
- 3.5 **Key Considerations**
- 3.5.1 Apprenticeships could be considered alongside other training methods in order to support workers into this work sector. We would encourage the service provider to recruit locally and make use of local employment resources such as colleges. The current service provider has undertaken a lot of work to successfully recruit new staff by engaging with local colleges and employment agencies.
- 3.5.2 The service users within the supported living schemes would also be encouraged to use local shops (although this would depend on their personal choice) as part of their care and support. This would provide economic benefits to the local area, as well as enriching the local community. The schemes will also access community facilities dependent on their care plan e.g. sports centre, day services etc. and how they choose to use their personal budgets. The service users will also benefit from living in their own community and being near to their families. This will avoid families having to travel long distances or to out of borough placements and the disruption this may cause them.
- 3.5.3 Contracts will be continuously monitored by the contracts officer, alongside the commissioners. This is to ensure that the contract is working effectively and the output\outcomes are achieved. The focus of the service will be quality as the core cost element has already been set.

3.6 **Evaluation**

3.6.1 The tender will be conducted in one stage, known as the Open Procedure, as the tender is 'open' to all organisations who express their interest in the tender. The Open Procedure includes minimum requirements which the organisation must achieve before their evaluation Award Criteria is considered.

3.6.2 It is recommended that the split for award is 70% quality and 30% cost. This is because there is a maximum contract price set on the core contract and it is important that the quality is a focus of the service. Having 30% based on cost would still allow for some price based competition. There are associated risks if quality is not set at a high percentage. This can impact on the health and safety of staff, service users and the local community. Changes in behaviour can also mean substantial increases in costs which sit outside of the contract, such as spot purchase.

3.6.3 The four areas for evaluation will be:

Theme	Percentage
Service delivery model\achieving outcomes\personalisation <ul style="list-style-type: none"> • engagement of service users, their carers' and families • quality of care for individuals • links to the community • individual outcomes 	25%
Health and Safety of Service Users and Staff (including safeguarding people who use services from the risk of abuse\danger) <ul style="list-style-type: none"> • decreasing behaviour that challenges • keeping service users safe in the community • keeping staff safe • offending behaviour • missing persons • financial abuse 	25%
Staff Skills, Development and Supervision <ul style="list-style-type: none"> • appropriate training • continuous professional development • adequate supervision • developing staff • motivated workforce • low attrition rates\limited use of agency staff 	10%
Social Value <ul style="list-style-type: none"> • encourage recruitment of local workforce • apprenticeships\other training methods • use local services • interact with the local community • benefits to the local area 	10%

3.7 **Business Risks**

3.7.1 Non-award of contract is a risk if the contract value is not adequate in order for service providers to provide the service. Other risks exist around the permanent recruitment of staff to the schemes as there has previously been high use of agency staff, due to difficulties in recruiting. Some of this may be negated if a new service provider TUPE's staff from the old scheme, or if the contract is awarded to the current provider. Permanent staff are important to ensure there is continuity for the service users in the scheme, as disruption can cause changes in behaviour which might require additional staffing.

3.7.2 The business opportunities associated with this procurement are that by having an open tender process, it might encourage new service providers into the market place. Currently the local service provision for this type of care and support is dominated by a limited number of service providers. This has its own associated risks if these providers go into administration, or there are issues that affect both their reputation and safeguarding.

3.7.3 The current provider is a local organisation which is well supported by families\carers for its good quality care, so there is potential that families\carers may view a new provider coming in as negative and disruptive to their loved ones' care.

3.8 The Employment Relations Act 1999 (Blacklist) Regulations 2010

These explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to sign the Council's anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.

3.8.1 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.6 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	Care and support contract in support living accommodation. See paragraph 3.1
2 Estimated value	The estimated value per year is £1,001,919. The agreement is proposed to run for a period of '3 years' with optional extensions of '3 years + 3 years'. See paragraph 3.2
3 Timetable	The timetable is outlined within this report. The estimated contract start date is 1 January 2017 See paragraph 3.3
4 Options appraisal for tender procedure including consideration of collaboration opportunities	Outcome of options appraisal are described within this report. See paragraph 3.4
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	A requirement for the payment of LLW will be included as a condition of this contract if there is no cross border interest in the contract following OJEU notice or if cross border bidders do not expect to use employees for this contract who are established in another EU member state. TUPE will apply if the service provider changes. See paragraph 3.7
6 Evaluation criteria	The cost quality breakdown is: 70% quality 30% cost The award criteria breakdown is described in more detail in this report. See paragraph 3.6
7 Any business risks associated with entering the contract	There are some business risks but these are low and manageable. See paragraph 3.7
8 Any other relevant financial, legal	See paragraph 3.2

or other considerations.	
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4. Implications

4.1 Financial implications

4.1.1 Anson Road and Tollington Way provide supported accommodation for adults with learning disabilities. These schemes are funded from the Islington Learning Disabilities Partnership (ILDP) Pooled Budget in with Islington Clinical Commissioning Group.

4.1.2 The budget for these schemes is £1,033k and these services are fully funded from the ILDP Pooled Budget. The procurement strategy recommendations outlined in the report will reduce the annual contract value by 3% which will generate savings an annual saving of £31k, and £279k over the maximum 9 year life of the contract. These savings will contribute towards the department's Medium Term Financial Strategy (MTFS) savings plans.

4.2 Legal Implications

4.2.1 The Council has a duty to make arrangements for providing residential accommodation and care for persons who by reason of illness and disability are in need of care and attention which is not otherwise available to them (section 21 National Assistance Act 1948 (as amended). The Care Act 2014 also provides the council with duties and powers to meet the needs for care and support of eligible adults (sections 18 and 19). The Council has power to enter into contracts with providers of such services under section 1 of the Local Government (Contracts) Act 1997. The social care services being procured are subject to the light touch regime set out in Regulations 74 to 77 of the Public Contracts Regulations 2015 (the Regulations). The threshold for application of this light touch regime is currently £625,050.00.

4.2.2 The value of the proposed contract is above this threshold. It will therefore need to be advertised in the Official Journal of the European Union (OJEU). There are no prescribed procurement processes under the light touch regime. Therefore the council may use its discretion as to how it conducts the procurement process provided that it: discharges its duty to comply with the Treaty principles of equal treatment, non-discrimination and fair competition; conducts the procurement in conformance with the information that it provides in the OJEU advert; and ensures that the time limits that it imposes on suppliers, such as for responding to adverts is reasonable and proportionate. Following the procurement a contract award notice is required to be published in OJEU.

The council's Procurement Rules require contracts over the value of £164,176.00 to be subject to competitive tender.

The proposed procurement strategy, to advertise a call for competition in OJEU and procure the service using a competitive tender process, is in compliance with the principles underpinning the Regulations and the council's Procurement Rules.

On completion of the procurement process the contract may be awarded to the highest scoring tenderer subject to the tender providing value for money for the council.

4.3 Environmental Implications

4.3.1 An environmental risk assessment has been undertaken and sent to the Energy Team. Minimal environmental impact was noted around staff usage of transport. To mitigate this risk the provider will be encouraged to promote the use of public transport or walking where possible.

4.4 Resident Impact Assessment

4.4.1 The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it

(section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

- 4.4.2 A resident impact assessment has been carried out with regards to this care and support provision. This service is an existing scheme and no resident impact risks were identified. This scheme conforms to legislation with regards to equality and diversity.

5. Reason for recommendations

- 5.1 That due to the time constraints for award of the contract, the medium to high needs of the client group and our legal responsibilities it is recommended that we go to tender for this service in line with the detail above.

Final report clearance:

Signed by:

Date: 17 February 2015



Executive Member for Health and Wellbeing

Report Author: Michelle Hill
Tel: 0207 527 7648
Email: Michelle.hill@islington.gov.uk