



Report of: Executive Member for Health and Social Care

Meeting of:	Date	Ward(s)
Executive	21 July 2016	St Peters Ward

Delete as appropriate	Exempt	Non-exempt
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SUBJECT: Procurement Strategy – Supported Living Accommodation For Service Users with Learning Disabilities – Windsor Street

1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of the care and support element of Supported Living Accommodation for Service Users with Learning Disabilities – Windsor Street in accordance with Rule 2.5 of the Council's Procurement Rules, subject to planning permission being obtained for this development.
- 1.2 The contract is for the core contract provision of care and support for people with a learning disability who may have additional needs.

2. Recommendation

- 2.1 To approve the procurement strategy for care and support at Windsor Street as outlined in this report.

3. Background

3.1 Nature of the service

- 3.1.1 It is intended that this new care and support contract will provide care and support to adults with a learning disability within a proposed new Windsor Street development, subject to planning permission being obtained. These adults will have a learning disability but may, in addition, have additional needs. The purpose built accommodation at Windsor Street is proposed to provide new homes for some people currently placed in residential care. It is also proposed that for some individuals, where it is no longer suitable for them to continue to live with their family carer, this scheme might be appropriate. It is hoped that through the provision of this scheme, service users' lives will be improved and the costs associated with inappropriate care will be avoided.
- 3.1.2 The proposed new accommodation would be purpose built on a site that was previously disused garages\car park. It has seen some isolated incidents of criminal damage and anti-social behaviour. It is

hoped by changing the use of this area it will show a reduction in these types of offences in the locality. The accommodation scheme is being funded by the Council and will require planning permission to be granted in order to progress the building works. If planning permission is granted then the provisional completion date is October 2017. If the award of planning permission is delayed this will mean that the completion date will be impacted as well as moves for service users. If planning permission is not granted then the procurement of this care and support contract will be suspended and the contract will not be awarded.

3.1.3 This new care and support contract needs to be 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 the borough and are close to their family support networks. In addition, this contract will support individuals' choice, freedom and control - in line with both the local and national learning disability and autism vision.

3.2 **Estimated Value**

3.2.1 The contract will be funded through existing social care budgets with a core contract value. The estimated annual value of the contract is £600k. The total estimated value over the maximum 9 year term of the contract is £5,400,000.

3.2.2 The contract length will run over a 3 year + 3 year + 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 priority and direction at a local or national level. This will also assist in the retention of longer term staff and therefore provide consistency and stability for service users.

3.2.3 An estimated saving of £115k per annum has been forecast, and forms part of the Council's medium term financial strategy. This is based on some of the tenants moving from residential care to supported living, which generates savings to social care budgets as tenants in supported living are eligible for housing benefit and other benefits which are not available to residential care users. Some moves to supported living may also generate additional savings by offering more personalised support. The actual savings will depend on the individual assessments of need and current costs of service users identified for this scheme. We are expecting that a number of service users will move in from out of borough residential care placements.

3.3 **Timetable**

3.3.1 Tendering for the care and support contract, to support service users, will start in Q2 2016 with an advertisement in the Official Journal of the European Union (OJEU) being placed. The contract for care and support services will be awarded by 16 December 2016 and the service will officially start in October 2017. This is based on the building of the new accommodation being finished in October 2017 (subject to planning permission). It is unlikely TUPE liabilities will apply to this contract as it is a complete change in service provision mainly from residential care to supported living, or service users moving from their family home environment.

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 that any further savings or 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 the 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 attract 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 and link into Carers Groups who are supporting Carers to use their experience in this sector.

3.5.2 The service users within the supported living scheme 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 scheme would also support access to local community facilities (e.g. sports centres, day services) dependent on residents' care plans 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 prevent families having to travel long distances to out of borough placements, and the disruption this may cause them.

3.5.3 There are small risks around projecting the cost of this service without knowing the actual cohort of service users that may reside there. The key cost drivers for this service will be staffing costs and associated costs of attrition. Service users' needs may fluctuate so they may go from sleeping through to needing support at night which has a cost impact. Service users might also display a higher degree of behaviour that challenges, or have degenerative or fluctuating health conditions. This may mean that extra staff will be needed to support the tenants. This may result in additional costs at ad hoc times throughout the duration of the contract.

3.5.4 Contracts will be continuously monitored by the contracts officer, alongside the commissioners. This is to ensure that the contract is working effectively and that the outputs and outcomes are achieved. The focus of the procurement evaluation and monitoring 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.

3.6.3 The three 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"> • supporting wellbeing (physical and mental health) of service users • 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 	20%

<p>Social Value</p> <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 	
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3.7 Business Risks

3.7.1 Non-award of contract is a risk if potential service providers feel that the contract value is not sufficient to provide the service. Other risks exist around the permanent recruitment of staff, the avoidance of the use of agency staff and staff attrition rates. Permanent staff are important to ensure there is continuity for the service users in the scheme, as disruptions can cause changes in behaviour which might require additional staffing.

3.7.2 As this accommodation will be newly built planning permission will be required in order to take the build forward. If planning permission is refused or delayed then this will mean that a care and support contract may not then be needed or the start date may be later than initially planned. In order to negate any risks around this the care and support contract will not be awarded until planning permission has been granted and there is a confirmed completion date for the building work.

3.7.3 The business opportunities associated with this procurement are:

- That because the Council owns the building there is no requirement for a landlord provider. This will lead to greater competition in the procurement of care and support.
- The new contract offers the opportunity to increase provision of supported accommodation in-borough – this is very important to address the demographic pressures and need to ensure people can live as independently as possible.
- The open tender process may 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 if there are issues that affect both their reputation and safeguarding, furthermore; ensuring a wide range of quality services is available is a requirement for local authorities under the Care Act.

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 £600k 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 October 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 is unlikely to apply. See paragraph 3.5
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 or other considerations.	See paragraph 4.

4. Implications

4.1 Financial Implications

- 4.1.1 The proposed supported living accommodation contract will provide care and support for 14 service users with learning disabilities. The annual cost of the contract will be £600k and this will be funded from existing budgets in the Islington Learning Disabilities Partnership (ILDLP) pooled budget. The contract length will be over a maximum nine year period and will cost £5.4m over this period.
- 4.1.2 Projected savings of £115k per annum will be delivered through the new scheme and will contribute towards the Council's Medium Term Financial Strategy (MTFS) savings.

4.2 Legal Implications

- 4.2.1 The Council has a duty to make arrangements for providing care and support for people with a learning disability (section 29 National Assistance Act 1948 (as amended) and Secretary of State Directions (Appendix 1 to Department of Health Circular No. LAC(93)10)). Accordingly the council may enter into contracts with provider(s) to secure the provision of such services for Islington residents (section 1 of the Local Government (Contracts) Act 1997).
- 4.2.2 The 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 £589,148. The aggregate value of the proposed contracts is above this threshold. They 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 European 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. Use of the open or restricted procedure will enable these requirements to be satisfied Following the procurement a contract award notice is required to be published in OJEU.

4.3 **Environmental Implications**

4.3.1 An environmental risk assessment has been undertaken and sent to the Energy Services 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/cycling where possible. The environmental impact of the purpose-built accommodation at Windsor Street will be assessed in the report for its approval.

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 Due to the high to very high needs of the client group and our legal responsibilities, we must ensure that we procure care and support services for their health and wellbeing. There is also an increasing need in the borough for supported living accommodation for people with a learning disability. It is recommended that we go to tender for this service in line with the detail above, subject to planning permission being obtained for the Windsor Street development.

Final report clearance:

Signed by:



11 July 2016

Executive Member for Health and Social Care

Date:

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