

**London Borough of Bromley**

**PART 1 - PUBLIC**

**Briefing for Care Services  
Policy Development and Scrutiny Committee  
4<sup>th</sup> September 2012**

**ECS Contracts Activity July – December 2012**

Contact Officer: Wendy Norman, Strategic Manager: Procurement & Contracts  
Tel: 020 8313 4212 E-mail: Wendy.Norman@bromley.gov.uk

Chief Officer: Lorna Blackwood, Assistant Director Education & Care Services

**1. Summary**

- 1.1 Policy Development and Scrutiny (PDS) Committees are reviewing the contract registers and contractual activity of all portfolios. This report outlines current contractual activity in Education and Care Services (ECS) and sets out plans for activities to be undertaken in the second half of 2012. This is the first report covering the new department, bringing together Children's' and Adults Social Care contracts. Education contracts are reported separately to the Education PDS Committee.
- 1.2 Appendix 1 provides detailed information about the history of each of 57 ECS contracts with a value of more than £250, 000.
- 1.3 Over the next six months 19 contracts are due to expire. Commissioners have already considered the actions required as a result of the contracts which appear on the register and a programme of work is in place to ensure that pre-tender planning and procurement processes will be completed on time and reported as required. This work will result in a number of significant contract awards which will be reported to the Portfolio Holder and Executive as appropriate.

**2. THE BRIEFING**

- 2.1 The Executive and Resources Policy Development and Scrutiny (PDS) Committee has recommended that the PDS Committee for each Portfolio reviews the contracts register associated with that portfolio. This report covers activity to be undertaken between July and December 2012.
- 2.2 Appendix 1 shows 57 ECS contracts with a value of more than £250, 000. It also gives detailed information about the history of each contract.

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- 2.4 During this period new contracts which have been recently awarded following formal tender exercises are commencing. These are:
- Support for People using Direct Payments (estimated value £370, 797 for 4 years including extensions);
  - Respite in Care Homes (£110,240 for 4 years including extensions);
  - Domiciliary Care Framework Agreement (estimated value £10m per annum – initial period 5 years);
  - Supported accommodation in Johnson Court (£788,333 for 7 years including extensions).
- 2.5 As outlined in previous reports to this Committee, a framework agreement for Flexible support services to People with Learning Disabilities is currently being tendered. Putting these agreements in place ensures that the department is able to call on quality services from chosen providers at guaranteed prices. Our experience of using framework agreements in the Supporting People programme is that very cost effective contracts can be achieved through both putting the framework in place and through mini competition when services are called off from the framework.
- 2.6 Other tender exercises being progressed during this period are shown below:

<b>Contract</b>	<b>Annual Value £000</b>
Mental Health Flexible support service	467
Children and Adolescent Mental Health Services	498
Block contract for Residential and Nursing Care Beds	2,893
Independent Visitors for Looked After Children	25
Family Group Conference services for Looked After Children	61
Youth Services – Intensive Supervision and Surveillance service	72
Counselling and support services for children and young people	88
Advocacy Services for Adults	66
Healthwatch Bromley	145

- 2.7 During this period the Commissioning Division is undertaking a review of contracts with the voluntary sector which are due to expire in March 2013. Recommendations arising from these will be reported to ECS PDS in December 2012.
- 2.8 The contracts team has developed and adopted a work plan based on work arising from all contracts due to expire during the next 3 years. It also outlines the strategy to be adopted for commissioning, the responsible commissioner and key milestones. A traffic light mechanism is used to assess the current status of each project and any projects with red status are reported to fortnightly divisional management team meetings and quarterly to the ACS Departmental Management Team. A red status to a project might be allocated for example when there is slippage in a project timeline resulting from an unexpected lack of interest from the market for a tender. Commissioners and Procurement and Contract Compliance staff implement recovery plans for projects with red status alerts in order to ensure that the department operates within financial regulations.
- 2.9 The Contract Compliance team is responsible for ensuring that all contracts are monitored. The level of monitoring undertaken is decided on the basis of a risk assessment which takes into account the vulnerability of users, previous performance, complaints, safeguarding issues raised and contract value. Monitoring is proportionate to the size of the contract and risk, therefore ensuring that resources are allocated appropriately. The team is also responsible for ensuring that regular performance information is received, analysed and reported to relevant commissioners and making regular visits to services to ensure that they are delivering high quality services at best value. The team also facilitates regular provider forums in order to engage with the supplier market.
- 2.10 The ECS Procurement and Contract Compliance Team leads for the Council on the roll out of e-procurement. E-tendering significantly reduces the officer time and resources spent on procurement exercises and the process has enabled the team to complete a high volume of procurement activity during the last 2 years. ECS has further developed the use of the e-tendering system for the process of getting quotations for lower value goods and services. This process is being embedded within all departments of the Council.
- 2.11 The ECS Procurement and Contract Compliance Team is working in cooperation with Corporate Procurement to look at the opportunities around joint contracting, particularly with the members of the South East London Procurement Group.

### **3. FINANCIAL AND LEGAL IMPLICATIONS**

- 3.1 There are measures in place to ensure that savings that can be made through procurement processes are identified. All new contract awards where the value exceeds current value less 25% are considered by a Council wide Officer Procurement Board and an officer / Member steering group.
- 3.2 Procurement and Contract Compliance work is carried out in accordance with the Council's Financial Regulations and Procurement Rules. Where appropriate procurement exercises are undertaken in accordance with European Union regulations.