

Decision Maker: Executive

Date: 10th June 2014

Decision Type: Non-Urgent Executive Key

Title: **GATEWAY REVIEW - LEARNING DISABILITY SUPPORTED LIVING SCHEMES**

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Chief Officer: Executive Director of Education, Care & Health Services

Ward: (All Wards);

1. Reason for report

- 1.1 There are five learning disability (LD) supported living schemes with contracts that will co-terminate on 10 January 2015. The schemes collectively accommodate 32 people with a learning disability and incur combined expenditure of £1,781,656 per annum.
- 1.2 The co-termination of the schemes provides an opportunity for them to be grouped together for tendering which is an approach that has significant advantages for the Council including:
- Lower bids resulting from economies of scale
 - More efficient use of Council resources
 - Tenders that are more attractive for providers
- 1.3 With a proposed five year term, the value of the contract is expected to be approximately £8M - £9M and therefore requires Executive approval to enable the procurement process to commence in accordance with the Council's financial and contractual requirements.

2. **RECOMMENDATIONS**

2.1 **The Executive is requested to:**

- a) agree to grouping the schemes together for the purpose of tendering in order to drive the best possible pricing; and
- b) note and approve the commencement of the procurement procedure to enable award in accordance with the Council's financial and contractual requirements.

Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Supporting Independence
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Financial

1. Cost of proposal: Not Applicable: No additional costs in undertaking proposal.
 2. Ongoing costs: Recurring Cost: The existing cost of the 5 schemes is £1,781,656 per annum. The future recurring cost will be subject to tender that will be undertaken to enable award on 10/1/2015.
 3. Budget head/performance centre: 819 201 (LD PCT modernisation) 819 200 (Learning Disabilities Services – Supported Living)
 4. Total current budget for this head: 819 201 £4,756,890 and 819 200 £6,971,020.
 5. Source of funding: Contained within existing budget, no additional funding required
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Staff

1. Number of staff (current and additional): LBB staff are engaged in contract monitoring and quality assurance.
 2. If from existing staff resources, number of staff hours: 0.25 full time equivalent.
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Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 32
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

3.1 The contracts, relating to the following learning disability supported living schemes, will be expiring in January 2015:

Scheme Name	Provider	Expiry	£'000pa	Tenants
Swingfield Court.	Avenues Trust	10/1/15	686	13
Widmore Rd	Avenues Trust	10/1/15	201	4
Amplio House	Avenues Trust	10/1/15	492	6
Lancaster House	Mcch	10/1/15	300	6
Goldsmith's Close	Mcch	10/1/15	103	3

3.2 The schemes have all been acquired over the past five years and, with the exception of Goldsmith's Close, were purchased using capital from the Strategic Health Authority as part of the NHS Campus Reprovision Programme. The properties were developed to meet the specific needs of adults with learning and physical disabilities and are viewed as a key resource in meeting the existing and future needs of Bromley's adult LD population and in particular in avoiding the need for people to move into residential care. Projections of future supply and demand suggest that these schemes will be required for the foreseeable future. Should there be an imbalance between supply and demand at any point in the future these schemes would be a priority for retention due to the purpose built nature and age of the properties.

3.3 Education, Care & Health Services Commissioning are seeking opportunities to co terminate existing contracts in order to group similar services together for the purpose of tendering; this approach has the following advantages for the Council:

- The volume of services in a single tender make them more attractive for providers
- Increased volumes lead to keener bids as the provider is able to reflect increased economies of scale in their pricing
- More efficient use of Council resources for tendering

A contracts database is used to identify opportunities for co-terminating similar schemes and this forms part of the Education, Care & Health Services commissioning strategy.

3.4 It is proposed that the five schemes set out in 3.1 would be progressed as a single tender for a 5 year period. The contract would be awarded for a three year term with an option to extend up to a maximum of two years.

3.5 A full communications plan has been developed to ensure that tenants and families affected by this tender will be advised and supported appropriately. The plan will be implemented following Executive approval of this proposal.

3.6 The Executive is requested to:

a) Agree the grouping of schemes for the purpose of tendering in order to drive the best possible pricing

b) Approve the commencement of the procurement procedure to enable award in accordance with the Council's financial and contractual regulations.

3.7 Subject to Executive approval, the recommendation for award would be presented to the October 2014 Executive Committee; this would enable award and subsequent implementation on 11 January 2015.

4. POLICY IMPLICATIONS

In accordance with the Council's commitment to Building a Better Bromley to supporting people to live as independently as possible within the community, the proposals reflect the Council's strategic objectives for people with disabilities.

5. FINANCIAL IMPLICATIONS

- 5.1 The contracts detailed in this report are currently funded from the existing budgets. The annual expenditure for these five schemes is £1,781,656 per annum.
- 5.2 Education, Care & Health Services are seeking ways of reducing expenditure through effective and efficient commissioning. The grouping of schemes for tendering is viewed as a key enabler in making tenders attractive to bidders and generating efficiencies via improved economies of scale that will be reflected in pricing.

6. LEGAL IMPLICATIONS

- 6.1 The services are Part B services for the purposes of the Public Contract Regulations 2006 (as amended). This means that they are not subject to the full national and European Procurement regime.
- 6.2 The proposed tender will be undertaken in accordance with the Council's financial and procurement policies and in compliance with external procurement requirements.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	Gateway Review and Proposals for Award of Contracts for Learning Disability Services (Care Services Portfolio Paper and Minutes (11 March 2014)) http://cdslbb/ieListDocuments.aspx?CId=585&MId=4488&Ver=4&\$LO\$=1