

## London Borough of Bromley

### PART 1 - PUBLIC

#### Briefing for Care Services Policy Development and Scrutiny Committee 26<sup>th</sup> June 2014

## CARE AND HEALTH SERVICES CONTRACT ACTIVITY REPORT - APRIL 2014 TO SEPTEMBER 2014

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### 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 Care and Health Services and sets out plans for activities to be undertaken between April 2014 and September 2014. This report covers all contracts for 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 91 Care Services contracts with a value of more than £200,000.
- 1.3 14 contracts are due to expire during the next six months. 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 April and September 2014.
- 2.2 Appendix 1 shows 90 Care Services contracts with a value of more than £200,000. It also gives information about the history of each contract.
- 2.3 14 contracts are due to expire during the next six months. Commissioners have already considered procurement options and reported these to Members as appropriate. Action

plans have been drawn up for all contracts and a programme of work is in place to ensure that pre-tender planning and procurement processes will be completed on time. This work will result in a number of significant contract awards and/or extension requests which will be reported to the Portfolio Holder and Executive in accordance with financial regulations.

2.4 Contracts which have been recently awarded are listed below:

- ❖ Tenancy Support Services – Young People
- ❖ Tenancy Support Services – Homeless People
- ❖ Call off Contracts from Public Health Contract Framework for Exercise Referral, Contraception and Sexual Health Outreach, Laboratory Test for Chlamydia Screening, Community Pharmacy Services, Point of Care Testing, HIV Peer Support and Peer Mentoring, Needle Exchange, Supervised Administration of Medication

2.5 Significant tender exercises or extension requests, for contracts above £200k, which will be progressed during this period are shown below.

<b>Contract</b>	<b>Current Annual Value £000</b>
Children and Adolescent Mental Health	450
Learning Disability Services – Supported Living	7,500
All Adult Direct Care Services	6,400

2.7 Public Health has contractual arrangements with a total value of £14m contained within a longer term contract with Bromley Healthcare which will expire in March 2016. Officers are currently working with colleagues in Public Health and in other London boroughs in order to establish how to minimise the duplication of work across boroughs and maximise value in these contracts.

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 three 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 ECHS 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 ECHS 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 two years. ECHS has further developed the use of the e-tendering system for the process of getting quotations for lower value goods and services.
- 2.11 The ECHS Procurement and Contract Compliance Team is working with Corporate Procurement to look at the opportunities around joint contracting. Officers developed the framework for Public Health services in partnership with Bexley Council and received £10k contribution towards the costs. We also use frameworks developed by other Councils or public bodies where these provide appropriate services and avoid procurement activity. Currently we are using frameworks developed by Lewisham council for school building projects.
- 2.12 The ECHS Procurement Team always employs the most effective method for procuring services and this depends on the particular procurement exercise. During 2013/14 we set up a dynamic purchasing framework for Supply Teachers and Tutors for Looked after Children out of School. The dynamic purchasing framework allows new providers to join the frameworks during their lifetime which is useful where there is a large, or developing market.
- 2.13 The current market testing of Adult Social Care Services is being run using a competitive dialogue process. This process is more suitable for complex procurement projects where different options can be tested and developed as the process proceeds .

### **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.