

London Borough of Bromley

PART 1 - PUBLIC

Briefing for Care Services Policy Development and Scrutiny Committee Wednesday 21 January 2015

ECHS CONTRACT ACTIVITY REPORT 2014/15

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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 October 2014 and March 2015. 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 the 82 Care Services contracts with a value of more than £200,000.
- 1.3 22 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 October 2014 and March 2015.
- 2.2 Appendix 1 shows 82 Care Services contracts with a value of more than £200,000. It also gives information about the history of each contract.
- 2.3 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 Major contracts that have been recently awarded are listed below:

- ❖ Supported Living for people with learning disabilities at 213 Widmore Road, Lancaster House, Amplo House, Swingfield Court and Goldsmiths Close
- ❖ Community Well-Being Service For Children And Young People

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

Contract	Approximate Current Annual Value £000
Adult and SEN Passenger Transport Services	£5,800
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 Procurement 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 continually working with Corporate Procurement to look at the opportunities around joint contracting. As well as developing our own frameworks that are available to other named boroughs to use, we also use frameworks developed by other Councils or public bodies where these provide appropriate services and avoid procurement activity.
- 2.12 The ECHS Procurement Team always employs the most effective method for procuring services and this depends on the particular procurement exercise. Having set up a dynamic purchasing framework for Supply Teachers and Tutors for Looked after Children out of School during 2013/14, Officers will consider adopting a similar approach for future tenders. 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 procurement processes are rigorously adhered to. All Gateway reports where the contract value is above £500k are considered by a Council wide Commissioning Board
- 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.