

London Borough of Bromley

PART 1 - PUBLIC

**Briefing for Care Services Policy Development and Scrutiny Committee
10th March 2016**

ECHS CONTRACT ACTIVITY REPORT 2015/16

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1. SUMMARY

- 1.1 Policy Development and Scrutiny (PDS) Committees review 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 March and September 2016. 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 There are 135 Care Services contracts with a value of £50,000 or more, 39 of which are due to expire during the next six months.
- 1.3 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 March and September 2016.
- 2.2 Appendix 1 shows 135 Care Services contracts with a value of £50,000 or more. It also gives information about the history of each contract.
- 2.3 Thirty nine of those 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:

- Learning Disabilities Properties – Realignment and ‘Bundling’ of Various Services
- Tenancy Sustainment for Women in Refuges

2.5 Significant tender exercises or extension requests that will be progressed during this period are shown below:

Contract	Approximate Annual Contract Value £000
Direct Payments – Payroll & Support Services	£85
Housing IT Systems	£150
Older People Nursing Beds	£2,000
Post-Diagnosis Dementia Services	£500
Services for Blind and Visually Impaired People	£130
Support in Extra Care Housing Units	£1,190
Learning Disabilities – Two Supported Living Schemes (4 Properties)	£780
Tenancy Sustainment Services – Young People	£463
Housing Temporary Accommodation	£4,800

2.6 Public Health has contractual arrangements with a total value of £14m contained within a longer term contract with Bromley Healthcare. This contract is held by the CCG, and has been extended until March 2017. Officers are continuing to work 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.

2.7 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.

2.8 The Contract Compliance Team is responsible for ensuring that all contracts are appropriately 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.

- 2.9 Members have requested that contract monitoring information on all contracts above a total value of £50,000 is collated, presented and reported in a standard format across all departments and PDSs. The Procurement and Contract Compliance Team have been working on capturing this information on the 200 ECHS contracts that need to be reported, 138 of which relate to Care Services PDS.
- 2.10 The new Public Contracts Regulations 2015, which put EU Directives into UK law, has meant significant changes to tendering exercises undertaken within ECHS. The distinction between Part A Services (which were subject to the full rigour of the EU procurement rules) and Part B Services (including education, care and health services, which only required a Contract Award Notice to be published at award stage for above-threshold service contracts) has been removed – Education Care and Health services (as identified in the Regulations) are now covered by the ‘Light Touch Regime’ (LTR). This change has required:
- staff in the ECHS Procurement Team being trained on the new regulations and associated guidance, in liaison with Corporate Procurement, and
 - changes to the Council’s own Contract Procedure Rules and Financial Regulations, on which refresher training for the team will be required.
- 2.11 The ECHS Procurement and Contract Compliance Team also continually works 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, depending on the particular procurement exercise. The recent market testing of Adult Social Care Services was run using a competitive dialogue process, and the provision of two day nurseries in Penge and Orpington is to be tendered on a concession basis.

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 EU regulations.