

Decision Maker: Executive

Date: 7th September 2011

Decision Type: Non-Urgent Executive Key

Title: **GATEWAY REVIEW - PROCUREMENT STRATEGY FOR
LEARNING DISABILITY SUPPORT SERVICES**

Contact Officer: Andrew Royle, Interim Strategic Commissioner, Learning Disabilities
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Chief Officer: Terry Rich, Director of Adult and Community Services

Ward: All

1. Reason for report

In accordance with requirements for Gateway reviews, this report seeks approval from the Executive for the recommended procurement strategy for new framework contracts for care and support services for people with learning disabilities.

2. **RECOMMENDATION(S)**

The Executive is asked to:

Agree to conduct an open tender for a framework for supported living services, live in care and domiciliary care to be let for 5 years from May 2012 with an option to extend for up to 2 years, the option to be exercised by the Director of Adult and Community Services in consultation with the Adult and Community Portfolio Holder.

Corporate Policy

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

1. Cost of proposal: Estimated cost Approximately
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: 819 110 3614; 819 111 3614 and 819 110 3618
 4. Total current budget for this head: £896,480 and £9,040,360
 5. Source of funding: ACS Domiciliary Care Budgets (Learning Disabilities) and Supported Living Budget (Learning Disabilities)
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Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours:
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Legal

1. Legal Requirement: No statutory requirement or Government guidance.
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 146 clients currently
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 The Council currently procures community based care and support services to support its intention to reduce reliance on residential care for people with a learning disability. These services comprise live in care, domiciliary care and on site support to people living in designated learning disability schemes.
- 3.2 The Council commissions a number of supported living schemes in partnership with Registered Social Landlords in order to provide high quality, specially adapted accommodation across the Borough. The clients living within these schemes do so under their own tenancy agreements supported by on site care providers who deliver both core activities (e.g. day and night staff cover) alongside 1:1 personal support.
- 3.3 There are currently 18 designated supported living schemes in which 100 clients live as tenants with 10 external providers delivering these services. In addition there are a number of in house supported living schemes.
- 3.4 Currently the Council procures these services through individual tender exercises which are lengthy, time consuming and costly activities for all parties involved. A further 4 supported living schemes are due to open between 2012 and 2014 which will require care and support contracts.
- 3.5 Live in care is currently purchased from one provider on a spot contract basis as required. Domiciliary care is delivered by 17 providers to 62 people living in their own homes within the community with the services purchased on a spot contract basis.

Procurement Framework

- 3.6 Use of the joint borough framework for supported living services for other client groups has delivered savings through the application of a more consistent commissioning and procurement approach both in respect of provider costs and the cost of tendering. For example the recent tender of three services through the supporting people framework realised savings of £245k per annum against an original spend of £730k.
- 3.7 it is therefore proposed that a framework agreement be set up for services for people with learning disabilities which would cover supported living schemes, domiciliary care and live in care. The establishment of a framework will ensure consistent and uniform quality controls and service specifications alongside the delivery of competitive market rates.
- 3.8 It will also allow for a more streamlined approach to the tendering for each individual scheme as well as allowing the Council to be responsive to the short notice notification of new properties, for example through the Empty Properties Scheme.
- 3.9 Tendering for the framework would commence in October 2011 with a contract start date in May 2012 and would create a 5 year agreement. Providers would be asked to submit price and quality responses (weighted 60% price and 40% quality) with the top 6 (maximum) being approved for live in care, the top 20 (maximum) for domiciliary care and the top 6 (maximum) for supported living.
- 3.10 New work would be called off the framework following a mini-competition and awarded to the most cost effective provider. Providers are able to reduce their prices at any time during the lifetime of the framework and the Council is not bound to use the framework if for any reason it would be more appropriate to procure services in another way.

- 3.11 If existing supported living service providers are not successful in being awarded a place on the framework, it is not proposed at this stage to transfer services to an approved provider until the end of current contracts. For domiciliary and live in care services existing care packages would be transferred to approved providers if the tender process has identified issues of quality or significant cost discrepancy. Any financial implications of this will form part of the evaluation process.
- 3.12 The framework will be tendered using the Due North electronic tendering system. The Due North system allows companies to submit expressions of interest and tenders online giving the Council greater visibility of market interest, reducing the administrative burden of the tendering process for all parties and gives the Council access to a potentially wider market of suppliers through on line advertising thereby increasing the potential for value for money from the procurement process.
- 3.13 As part of the procurement process, officers will be seeking efficiencies in the delivery of services whilst maintaining quality and reliability. The results of the tender will be reported to the Executive to agree the final award of contracts.
- 3.14 The framework would also provide an opportunity to test the costs of the in house supported living services against market provision should the Council wish to do so.

Market Considerations

- 3.15 As this will be a new model for the commissioning and procurement of these services consultation with the provider market will be conducted prior to the start of the tendering process.
- 3.16 It anticipated that a number of local voluntary and community sector organisations will tender for these services so additional time has been built into the tendering timeline to ensure that they are not disadvantaged during the preparation of their tender in line with the principles of the 'Bromley Compact'.
- 3.17 The framework itself will be advertised so that other Local Authorities may access it if and when required. This in itself may generate further efficiencies through the lifetime of the framework and through the utilisation of the Due North e-tendering system opens up the possibility of shared service activity on behalf of other Local Authorities.
- 3.18 Commissioners in Children and Young Peoples' services will be offered the opportunity to use the framework for services for young people with learning disabilities.

4. POLICY IMPLICATIONS

- 4.1 The local and national strategic direction for social care is to support more people in their own homes rather than in residential care. This approach, together with increasing number of young people coming through from Children services with an increasing level of need and a higher level of aspiration for living in their own homes indicates that the demand for the services delivered under this framework will increase over the next few years.
- 4.2 The implementation of this framework is in line with the 'Valuing People Now' national strategy and the National Autism Strategy in that it will support more people with learning disabilities to be able to commission their own services to live independently and have choice about the way they live their lives.

- 4.3 The proposed framework is also in line with the recent White Paper - ‘Open Public Services’ in that it will actively support the implementation of Direct Payments allowing individuals to choose services in the way that suits their lives best whilst being assured that the providers are reliable.
- 4.4 Support services to people with a learning disability are monitored through a robust quality assurance programme. The majority of service users are satisfied with the service they receive and there are no significant quality concerns. Where concerns have been identified the contracts monitoring team has taken effective action to address them.

5. FINANCIAL IMPLICATIONS

- 5.1 Current budgets for these services are as follows:

Domiciliary care (inc live in care)	£ 896,480
Supported living	£9,040,360

As the focus of learning disability services has increasingly been on providing the most appropriate type of support in the community, budget allocations no longer accurately reflect the actual spend on services. Budgets for residential care, domiciliary care and supported living will be realigned to more closely reflect the spending position.

- 5.2 The majority of costs associated with the services to be delivered through this framework are contained within direct staff costs and pay. The framework arrangement will ensure that provider on costs are priced reasonably within a market context and that economies of scale efficiencies through more efficient commissioning and procurement are achieved.

6. LEGAL IMPLICATIONS

- 6.1 As the services to be provided fall within Part B of Schedule 3 to the Public Contract Regulations 2006 the usual restriction of 4 years on the length of a framework agreement need not apply. The use of a mini competition where awarding specific contracts will be in accordance with the Council’s financial regulations and contract procurement rules. Dependent upon the estimated value of the award it will be appropriate for the award to either be approved by the Director of Adult and Community Services, the Adult and Community Portfolio Holder or the Executive, as appropriate.
- 6.2 It is possible that in some cases it will be necessary to consider the implications of TUPE if any services are transferred to new provider(s). These will be dealt with as part of the establishment of the framework agreement and in any mini competition exercise.

Non-Applicable Sections:	Personnel implications
Background Documents: (Access via Contact Officer)	[Title of document and date]