

EAST AYRSHIRE COUNCIL

CABINET – 21 APRIL 2010

COMMUNITY CARE CONTRACTING 2010-2011

Report by Executive Director of Educational and Social Services

1. PURPOSE

- 1.1 To outline Community Care commissioning and Contracting priorities and proposals for 2010/11 and to seek Cabinet approval for these proposals.

2. BACKGROUND

- 2.1 There is national debate surrounding commissioning of Social Care Services and its compatibility with appropriate procurement practices. A number of interest groups and campaigning groups have formed around this issue due to the impact which re-tendering has on people's lives.
- 2.2 The approach proposed within this report is one that takes account of the needs of the Council to secure best value and to have robust contracts in place while also achieving consistency of care/support for vulnerable people who use services.
- 2.3 As part of the sustainability review of social work services East Ayrshire Council is a test site for the Integrated Resource Framework initiative. As part of this initiative the Council and NHS Ayrshire and Arran are mapping out the investment that is made for adults with learning disabilities. The aim is to streamline future investments and develop more integrated models of care. This initiative is progressing to schedule and to take account of the learning that will come from this initiative, changes have been made to previously documented contracting proposals. These changes will be detailed in more detail in section 4.
- 2.4 Council standing orders stipulate at section 20 (2) that where a head of service wishes to extend a contract with an existing provider or wishes to negotiate a contract with one specific existing provider (section 20 (1) permission must be sought from Cabinet for the authority to do this.
- 2.5 The Scottish procurement Policy Note 10 dated August 2008 states that there are a number of circumstances whereby Part B social care services may not require to be subject to open competition and it states that contracting authorities do not have to open up all services to competitive tender at the same time. The purpose of the proposals contained within is to safeguard the interests of service users, the Council and providers whilst working towards opening up many of the services to competitive tender in the future.

3. CURRENT POSITION

- 3.1 In respect of nationally agreed and locally tendered services, a number of Community Care Contracts are scheduled for extension and renewal throughout 2010. The following action is proposed in respect of these contracts:

Table 1

SERVICE	CONTRACT SPEND IN 2009/10	CONTRACT END DATE	ACTION
Apetito Community Meals	£80,000	August 2010	Competitive tender
HRM Care at Home	£910,000	March 2010	Contract has been extended for 12 months as per extension clause in contract
Constance Care Care at Home	£981,000	March 2010	Contract has been extended for 12 months as per extension clause in contract
ILS Care at Home	£829,000	March 2010	Contract has been extended for 12 months as per extension clause in contract
National Care Home Contract	£13,100,000	March 2010	Provision of new National Care Home contract agreed by Cabinet 24 March
Alzheimer's Scotland	£162,000	March 2010	Negotiate a new 1 year contract
William P Whiland Ramp Contract	£78,000	July 2009	Competitive tender by Asset Improvement who are the Contract Administrator
Lifeways	£1,853,000	June 2010	Contract will be extended for 12 months as per extension clause in contract
Richmond Fellowship (Mental Health and Learning Disability contract)	£1,146,000	June 2010	Contract will be extended for 12 months as per extension clause in contract
Quarriers	£1,150,000	June 2010	Contract will be extended for 12 months as per extension clause in contract
Partners for Inclusion	£537,000	June 2010	Contract will be extended for 12 months as per extension clause in contract
Enable	£2,352,000	June 2010	Contract will be extended for 12 months as per extension clause in contract

- 3.2 Benchmarking progress across Scottish Councils has highlighted a recent high profile tender exercise that has failed due to resistance from people who use services to change provider. This failure and the national debate on the future of social care procurement has led to the proposal that extending contracts is the sensible approach

to take in order that these debates can reach a conclusion. These contracts have been negotiated through the Council's legal section. Permission is sought to extend the negotiated contracts summarised below:

Table 2

SERVICE	CURRENT SPEND IN 2009/10	PROPOSED ACTION	REVISED END DATE
Thorntoun Thomson Court Witch Road	£267,000	Extend contract by 1 year	March 2011
Lisalanna Action for Children	£510,000	Extend contract period by 1 year	March 2011
Helping Hands	£65,000	Extend contract period by 1 year	March 2011
Thorntoun The Elms/ Craig Tara	£494,000	Extend contract by further 2 years with option of two one year extensions	March 2012

3.3 It is standard practice to build in extensions to contracts and for these extensions to be exercised, subject to satisfactory performance and price. In extending the contracts outlined at 3.1 and 3.2, there are no significant performance issues creating concern and any operational service delivery issues are addressed via existing monitoring arrangements.

4. ACTIONS

4.1 With respect to Alzheimer's Scotland permission is being sought to extend those contracts by 12 months from April 2010 – 2011 to allow for the implementation of the Day services review.

4.2 With respect to Ramp contracts the preferred option is still to go to tender. The contract has been extended and is required go out to tender. Asset Improvement is the contract administrator for this service and they are in the process of producing a service specification to enable this service to be tendered.

4.3 With regards to Homecare contracts for HRM, ILS and Constance Care these contracts have been extended as extension clause in the current contract. This is the same for the adult services provided by Richmond Fellowship, Lifeways, Quarriers, Partners for Inclusion and Enable.

4.4 The meals service delivered by Apetito requires to be put out to competitive tender. Contact has been made with the other Councils in Ayrshire to enquire about the possibility of tendering for a shared service.

4.5 It is the intention to contract with Thorntoun at Thomson Court/Witch Road for one further year to allow for a review of this service and to consider how the service should

be shaped to meet the recommendations of the Integrated Resource Framework project.

- 4.6 With respect to the services provided by Action for Children at Lisalanna permission was given last year for the Social Work Service to negotiate a one year contract on the basis that the service is inextricably linked to the building that the service is delivered in. Permission is sought to extend this contract for a further year to allow for specific consultation within East Ayrshire on the shape of services for children with disabilities.
- 4.7 With respect to Helping Hands, which is a community based maintenance service for older people, permission is sought to extend the contract for a further year.
- 4.8 With regards to Thorntoun, The Elms/ Craig Tara respite service permission is sought to extend this contract by 2 years with the option of two one year extensions which would be at the discretion of the Council. As the building that the service is delivered from is inextricably linked to the service that is delivered exemption from tendering is sought on the same grounds as was granted for the Action for Children service at Lisalanna.
- 4.9 South Ayrshire Council is the lead contracting authority for the three addictions services the Council commissions in partnership with a combination of North and South Ayrshire Council's and NHS Ayrshire and Arran. The contract with Addaction has been extended until March 2012. The contract for Ayrshire Council for Alcohol has been extended to March 2011 as has the contract with Turning Point.
- 4.10 The responsibility for overseeing all this contract, commissioning and tendering activity lies with the Contracts and Commissioning Team within the Department of Educational and Social Services. In addition to the priorities and proposals outlined in the previous sections this team is responsible for ensuring that all commissioned services are delivering a high quality of service. The annual value of those services is £36 million.

5. FINANCIAL IMPLICATIONS

- 5.1 Through robust contracting practices Social Work aim to achieve best value in contracting including subjecting services that require it to competitive tender. The proposed programme will be integral to the work being undertaken to deliver a sustainable Social Work service in East Ayrshire.
- 5.2 For the nationally agreed care home contract, the costs for 2010/11 have been set and will be implemented by East Ayrshire Council.
- 5.3 For all other contracts, negotiations are currently underway in agreeing rates in 2010/11. The negotiations are taking place with providers on an individual basis, reflecting the different contractual agreements in place about costs and price increases. It is proposed therefore that the proposed contract extensions are implemented, only following satisfactory resolution of these negotiations, with any change to this being reported back to Cabinet.

6. POLICY/LEGAL IMPLICATIONS

- 6.1 This report has implications for the Council in terms of procurement procedures as permission is being sought not to subject all services at this time to formal competitive tender. Our principal basis for negotiating a number of contracts at this time is that they are primarily property-based services where there is no or little opportunity for competition.
- 6.2 The paper also sets out a work programme for colleagues in Legal Services and Social Work Services to progress the contracts described in the report.

7. COMMUNITY PLANNING IMPLICATIONS

- 7.1 These proposed commissioning arrangements will help deliver efficient and effective Social Work Services and in so doing promote the Health and Wellbeing and Community Safety elements of the Community Plan.

8. RISK IMPLICATIONS

- 8.1 The proposals within this report address risk for people who use services, the Council and commissioned providers by setting out through robust contractual arrangements the requirements of East Ayrshire Council in terms of values, quality and cost of services.

9. RECOMMENDATIONS

- 9.1 It is recommended that Cabinet:-
- (i) approve the proposals contained in section 3 and 4 of this report;
 - (ii) implement the extension of existing contracts as outlined at section 3, subject to the conclusion of satisfactory negotiations on costs; and
 - (ii) otherwise note the content of the report

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LIST OF BACKGROUND PAPERS

Anyone wishing further information should contact: Eddie Fraser, Head of Service: Community Care, telephone number 01563 576920.

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