

North Tyneside Council Report to Cabinet Date: 11 June 2012

ITEM 7(b)
**Title: Procurement
Exercise for the
establishment of
Framework Agreements
for Learning Disabilities
and Mental Health
Services**

Portfolio(s): Public Health and Adult
Social Care

Cabinet Member(s): Councillor Leslie
Miller

Report from Directorate: Community Services

Report Author: Jacqui Old, Head of Adult Social Care **Tel: 0191 643 7317**

Wards affected: All

PART 1

1.1 Purpose:

This report seeks Cabinet approval to carry out a tendering exercise in accordance with the Council's procurement rules, for the procurement of two Framework Agreements for social care services for adults with learning disabilities and/or mental health problems. In accordance with Council Standing Order 8(4), this report requests approval to proceed with a procurement exercise as the estimated potential contract value of the frameworks may exceed £500,000. The Framework Agreements will be for the provision of:

- a. Care services within Independent Supported Living Schemes; and
- b. A range of Community Based Services for adults with learning disabilities that promote independence and social inclusion.

1.2 Recommendation(s):

It is recommended that Cabinet:

- a. Authorise the Head of Adult Social Care, in consultation with the Cabinet Member for Public Health and Adult Social Care, the Head of Legal Governance and Commercial Services, the Strategic Director of Finance and Resources and the Principal Procurement and Commissioning Officer, to undertake a competitive procurement exercise and establish Framework Agreements, for a period of two years, with an option to extend for up to a further two years, for (i) Independent Supported Living Services for adults with learning disabilities and/or mental health problems, and for (ii) Community Based Services for adults with learning disabilities, as detailed in paragraphs 1.1 and 1.5 of this report, and pursuant to that process award contracts to the preferred providers.
- b. Authorise the Head of Adult Social Care, in consultation with the Cabinet Member for Public Health and Adult Social Care, the Head of Legal Governance and Commercial Services, the Strategic Director of Finance and Resources and the

Principal Procurement and Commissioning Officer, to undertake “mini-tendering” exercises or selection process with providers on the respective Framework Agreements for procuring individual services pursuant to the Frameworks, and pursuant to those call-off procedures award such contracts as necessary;

- c. Agree the waiver of the requirement under Contract Standing Order 8(3) to undertake full tendering procedures for contracts/services between the value of £50,000 and £500,000 per annum in relation to such call off contracts awarded pursuant to the said Framework Agreements.

1.3 Forward plan:

This report appears on the Forward Plan for the period 1 June 2012 to 31 August 2012.

1.4 Council Plan and Policy Framework

This report relates to the Council Strategic Plan 2012-15. Reference is to Priority 1 – Sustaining our front line services within the Council, but only spending what we can afford.

1.5 Information:

Background

- 1.5.1 The Council’s vision for Adult Social Care gives a commitment to continuing to promote independence and choice, leading the way on the personalisation of services so that all of our customers receive a personal budget by 2013 and developing our commissioning arrangements.

The three key priorities for 2012/13 are:

- Personalisation – Continuing the journey of personalisation to give greater choice and control in a way that is affordable for now and the future
- Commissioning – Commissioning services and only directly providing those that others cannot
- Safeguarding – Continuing to drive up and monitor the quality of services provided to safeguard vulnerable people and our community

The services included within this report are underpinned by this vision and the priorities set out above.

- 1.5.2 Adult Social Care commissions a range of different services for people with a learning disability and/or mental health problems to help support them to live in the community. These services are integral to maintain their independence and promote social inclusion.
- 1.5.3 The current framework agreements are due to expire on 31 March 2013 and new framework agreements are required to ensure the continuity of services.
- 1.5.4 The framework agreements will be used to commission individual packages of care for individuals that are currently in receipt of services and also for new care packages for individuals that have been assessed and eligible for social care services / support.

Commissions will be made through a mini-competition between preferred providers and any resulting call off contracts will be awarded to the successful tenderer(s) in relation to the individual services.

We would also be seeking to maximise the numbers of individuals to access support via a direct payment and open up access to the framework agreements and providers to support this opportunity.

Independent Supported Living

- 1.5.5 The current framework arrangements are in place for learning disability services. It is proposed that new framework arrangements are put in place for learning disability services and also for mental health services. The current supported living arrangements for mental health are currently purchased on an ad-hoc basis and there is an opportunity to secure the commissioning arrangement through this procurement exercise.
- 1.5.6 There are currently 77 independent living services in place in North Tyneside supporting 163 people to live in the community in their own houses with support delivered via Adult Social Care. It is anticipated that over the term of the contract this number will increase as new people enter Adult Social Care via transition from Children's Services and also as we look at opportunities to review current out of area placements and other residential services. The outcomes we would seek to achieve through these services are consistent with the values identified in paragraph 1.1 above.
- 1.5.7 In establishing the Independent Supported Living Framework Agreement, the Council is seeking to put in place a structure that allows for competitions for individual contracts to be undertaken more efficiently and expediently. Through the procurement process the Council will have established that the providers on the Framework have demonstrated that they have the financial, technical and professional capability and are suitably experienced to undertake the requirements of the contract. It is intended that all eligible providers on the Framework will be invited to tender under a "mini-competition" for available work, as and when required on the basis of price and suitability for that contract. This dispenses with the need to advertise the contract and to re-assess financial, technical and professional capability on each occasion, thus ensuring contracts can be procured more quickly while still ensuring value for money by fostering opportunity for competition between providers.
- 1.5.8 As some of the Independent Supported Living services and community based services have not been opened up to competition it is not always clear that current provision represents value for money in the commissioning arrangements for these services. The existing provision will be re-commissioned to ensure that they provide choice and represent value for money. As part of this process we will be seeking to ensure there is flexibility in the arrangements so that the services are commissioned effectively.
- 1.5.9 All new requests for Supported Living Services will go through the new framework arrangements.

Community Based Services

- 1.5.10 The Framework for Community Based Support packages will allow the Council to establish fixed costs for service provision across as broad a range of services as possible, with the intention of attracting new providers to the North Tyneside market who may be able to provide innovative and more cost effective services.

1.5.11 There are currently 173 individuals accessing 19 different community support services (including day services, community support, outreach etc.) that are supported to live in the community with the support delivered via Adult Social Care. The outcomes we would seek to achieve through these services are consistent with the values identified in paragraph 1.1 above.

1.5.12 The Framework Agreement will also assist Adult Social Care to develop the market for learning disability provision, in preparation for the uptake of personal budgets for all service users, and will offer more choice and control to individual service users where a direct payment is taken and individuals wish to access services that have been through an accreditation process with the Council. Such services will be procured under the Framework on a call-off basis following a selection process and contracts awarded depending on the choice and need of the individuals requiring the support, and the availability and suitability of service providers..

1.6 Decision options:

Option 1 - Agree the recommendations set out at section 1.2.

Option 2 - Not agree the recommendations set out at section 1.2.

1.7 Reasons for recommended option:

Option 1 is the recommended option.

Cabinet is recommended to agree the recommendations and authorise the Head of Adult Social Care to undertake a competitive procurement exercise and establish Framework Agreements for the provision of Community Based Support services and Independent Supported Living Services for people with learning disabilities and/or mental health. This will enable Adult Social Care to put in place contracting arrangements with providers that open service provision up to competition, broaden the provider base and offer more choice and control for service users in line with good practice and the personalisation agenda.

1.8 Appendices:

Not applicable.

1.9 Contact officers:

Scott Woodhouse, Strategic Commissioning Manager for Learning Disabilities and Mental Health tel 643 7082

Sarah Heslop, Manager Legal Services – Commercial Team, tel 643 5456

Alison Campbell, Finance Business Manager, Community Services Directorate, tel 643 7038

1.10 Background information:

The following background documents have been used in the compilation of the report and are available at the office of the report author:

- (1) Putting People First: A shared vision and commitment to the transformation of Adult Social Care. HM Government, (2007).
- (2) Valuing People Now, Department of Health (2009).
- (3) No Health Without Mental Health, Department of Health (2011).

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The spend in 2011/12 in relation to each of these service areas was as follows:

- Mental Health – Independent Supported Living – £220K
- Learning Disability – Independent Supported Living – £10.8m
- Learning Disability – Community Support Service – £1.7m

Growth of £1.5m was included in the 2012/13 Budget to reflect the forecast net growth of individuals who we expect to require a new or substantially changed package on leaving hospital or transitioning from children's services. An additional £1.5m is included in the financial plan in 2013/14 for Learning Disability Placements. This will be considered by Cabinet and Council as part of the 2013/14 Council Strategic Plan and Budget Setting process. There will be no financial implications from this framework negotiation in the 2012/13 financial year as the current contracts run until March 2013 but we anticipate that the new framework agreement will allow us to achieve savings in Learning Disability and Mental Health, both of which, to a differing degree, are pressure points within the Council's budget.

2.2 Legal

The range of services to be provided under the proposed Framework Agreements are categorised as "Part B" services for the purposes of the Public Procurement Regulations 2006, therefore strict procurement rules do not apply. However, the procurement of the Framework Agreements must be in compliance with the basic principles of transparency and equal treatment as set out in the EC Treaty.

As the value of each of the contracts as a whole exceeds the threshold of £500,000, this procurement requires Cabinet approval. Any procurement process will be undertaken in accordance with the Council's Contract Standing Orders and EU and UK public procurement requirements. An award will be based on the most economically advantageous tender and the successful tenderer will be appointed on terms and conditions approved by the Head of Legal, Governance and Commercial Services.

The Framework Agreements will establish a structure for "mini-competitions" or selection exercises to take place in respect of services as and when required and should be carried out in compliance with Contract Standing Orders. In relation to the Independent Supported Living

Framework, bids received under a mini-competition will be assessed on the basis of price and suitability for the particular contract. In relation to the Community Based Services Framework, the price of individual call-off contracts will be fixed and contracts will be awarded on the basis of choice and need of individuals, as well as suitability and availability of providers.. All resulting call off contracts under the Frameworks will be awarded on terms and conditions as approved by the Head of Legal, Governance and Commercial Services.

2.3 Consultation/community engagement

Full consultation with current and prospective providers, service users, carers and advocates will be undertaken as part of the procurement exercise for the development of new Framework Agreements as set out in this report.

There will also be consultation with service users, carers and advocates when conducting “mini-tendering” exercises.

2.4 Human rights

The proposals and actions contained in this report support the following Human Rights principles:

1. Right to liberty and security
2. Right to respect for private and family life
3. Freedom of thought, belief and religion
4. Protection from discrimination
5. Freedom of expression.

2.5 Equalities and diversity

The use of Framework Agreements for the provision of services for people with learning disabilities and/or mental health will promote choice, respect and recognition. The procurement process and service specifications will be used to assess and monitor the values and practices of providers in relation to equal opportunities.

2.6 Risk management

Undertaking this procurement exercise and establishing two Framework Agreements will ensure that effective market testing is undertaken and that the Council is able to attract more providers into the market place, introducing competition for providers and increasing choice and control for service users.

2.7 Crime and disorder

There are no crime and disorder implications directly arising from this report.

2.8 Environment and sustainability

There are no environment and sustainability implications directly arising from this report.

PART 3 - SIGN OFF

- Chief Executive x
- Strategic Director(s) x
- Mayor/Cabinet Member(s) x
- Chief Finance Officer x
- Monitoring Officer x
- Strategic Director with
Responsibility for Community
Engagement x