



Report – Community and Children’s Services Committee

Review of commissioning and procurement of residential, nursing and supported living care arrangements.

To be presented on Thursday, 13th June 2013

To the Right Honourable The Lord Mayor, Aldermen and Commons of the City of London in Common Council assembled.

SUMMARY

1. In December 2012 your Community and Children’s Services Committee considered the first phase of a supported living review. This investigated the ways the City Corporation supported vulnerable people to maintain their independence and highlighted the current use and costs of residential, nursing and supported living care. It was undertaken as part of a wider programme of measures to implement the Department’s Commissioning Strategy between 2011 and 2014.
2. Officers have now looked at the potential to secure greater financial and other benefits by undertaking the work in conjunction with the City of London Procurement Service. This would entail widening the scope of the work to review current contracts and procurement arrangements for all residential, nursing and supported living provision. The benefits of this would include better compliance with procurement law and improved capacity to obtain value for money. It would, however, entail the extension of the existing contract with Angel Support Ltd, currently worth around £705,000 annually, to June 2014.
3. In accordance with paragraph 25 of the City’s Procurement Regulations 2012 this extension would require the approval of the Court of Common Council and would be effected by a deed of variation to the current appointment.

RECOMMENDATION

4. We **recommend** the extension of the current contract with the existing provider, Angel Support Ltd, to June 2014 to enable Officers to explore the benefits of tendering for this work alongside other services purchased so as to benefit from economies of scale.

MAIN REPORT

BACKGROUND

5. In December 2012 Members of the Community and Children's Committee received a report on the first phase of the supported living review, undertaken as part of a wider programme of measures to implement the Department's Commissioning Strategy between 2011 – 2014.
6. The review investigated the ways the City Corporation supported vulnerable people to maintain their independence and highlighted the current use and costs of residential, nursing and supported living care. One recommendation was a further detailed examination of the provision of supported living care and accommodation to be undertaken as part of the second phase of the review during 2012/13.
7. Your Committee have now approved the setting up of a board to oversee a review of the current contracts and procurement arrangements for all residential, nursing and supported living provision and the commissioning and procurement of an appropriate service.

CURRENT POSITION

8. As part of preparations for the next phase, consideration has been given to the potential to secure greater financial and other benefits by undertaking the work in conjunction with the City of London Procurement Service.
9. There are a number of factors and potential benefits underpinning this proposal which include the expected increase in the number of people requiring some form of support as the population ages and the current nationwide policy of reducing reliance on expensive residential care and maintaining people in their own homes. This might entail the need to discontinue some forms of outdated provision and commission new ones, such as more 'extra care'.
10. A further consideration is the variety of contractual arrangements currently in place for these services. Some of these would need to be updated to reflect current procurement practice and may have implications for the way the City Corporation contract in the future. Although the option of using block contracts has not proved beneficial to the Corporation to-date, on account of our relatively small size and low demand, it would now be appropriate to look again at the current pattern of provision within this review.
11. From a procurement perspective potential benefits of widening the next phase of the review would include better compliance with EU and domestic procurement law, better leverage to obtain value for money and service from the market; improved management information and monitoring of spend; better administration

and co-ordination of procurement efforts and an opportunity to include local procurement initiatives.

12. The second phase of the review will be undertaken in stages with all residential, nursing and supported living provision being reviewed and potentially re-commissioned by September 2014. In order to do this an existing contract with one of the City Corporation's providers, Angel Support Ltd, would need to be extended. This contract, currently worth around £705,000 annually, lapsed in June 2012 whilst the first phase of the supported living review was being conducted.
13. The provider has been contractually held over on their existing terms, to date, during which time service levels have been satisfactorily maintained and performance has been good. Extending the contract to June 2014 would ensure compliance with the Corporation's regulations, ensuring that it has a legally binding contract governing the service and would allow sufficient time to review the service and the procurement or commissioning of a more appropriate service.
14. One option would be to continue to work with the service provider under the current arrangements whereby they hold over on the terms of the original contracts and further improvements mutually agreed.
15. It is also possible for the contract to be tendered. However, on the basis that the provider is performing satisfactorily and there are proposals to review the requirements and procurement arrangements for residential, nursing and supported living provision, this is considered to be counter-productive. Any re-tendering at this point would require a complete review of clients, a contingency plan to move or transfer them to new accommodation, and a new support provider and would be likely to take several months to complete.

PROPOSAL

16. It is proposed that the current contract with Angel Support be extended to June 2014.

CORPORATE AND STRATEGIC IMPLICATIONS

17. The proposals support the strategic aims and policy priorities of seeking to maintain the quality of our public services whilst reducing our expenditure and improving our efficiency, and to provide modern, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes.

LEGAL AND FINANCIAL IMPLICATIONS

18. We have approved this course of action and now submit the proposal to the Court of Common Council in accordance with paragraph 25 of the City's Procurement Regulations 2012, the change to be effected by a deed of variation to the current appointment. The budget for the annual cost of this contract is included within the base budget of the Community and Children's Services directorate.

CONCLUSION

19. As a result of the benefits, outlined above, which would be obtained from extending the contract to allow for the next phase of the supported living review for residential and nursing care, Members of the Court are asked to approve the extension of the current contract with the existing provider as any re-tendering at this point would require a complete review of clients, a contingency plan to move or transfer them to new accommodation, and a new support provider and would be likely to take several months to complete.

All of which we submit to the judgement of this Honourable Court.

DATED this 10th day of May 2013.

SIGNED on behalf of the Committee.

The Reverend Dr Martin Raymond Dudley
Chairman, Community and Children's Services Committee