

Open Report on behalf of Dr Tony Hill, Director of Public Health

Report to:	Executive Councillor for Adult Social Care
Date:	10 January 2012
Subject:	Extension to Longhurst and Havelok Homes Limited older persons service contract for supported housing
Decision Reference:	01997
Key decision?	No

Summary:

The Public Health Directorate and Adult Social Care commissioners have recently undertaken a procurement exercise for a new integrated 'Community Support Service'. This new service model includes the delivery of support to older people who are eligible for social care incorporating housing related support, care and in the future health services.

Alongside the new 'Community Support Service' there remains the need for individuals who are not eligible for social care to be able to access universal preventative services to support them maintaining a continued independence. The Public Health Directorate is developing a new 'wellbeing' service which will see a number of existing services including the existing older persons housing related support contracts incorporated and enhanced to deliver a more comprehensive preventive service.

This report seeks approval of the Executive Councillor to the granting of a two year extension to existing contracts to enable a robust commissioning and procurement process to proceed for such services.

Recommendation(s):

That the Executive Councillor approves a maximum two year extension to be awarded by direct negotiation in respect of Longhurst and Havelok Homes Limited's older persons housing related support contract.

Alternatives Considered:

1. Adopt a different model of service

Alternatives have been considered in relation to an appropriate future model of service. The 'Wellbeing' service reflects the challenges of an increasing ageing population and the need for a greater emphasis on

choice and wellbeing. The new model of service will provide a more effective, inclusive and cost effective way to deliver joined up services which enable individuals to remain living independently.

2. Not approve an extension to the existing services or approve a lesser extension

To allow an appropriate time for the procurement and implementation of a new model of service there is no realistic alternative to consider in relation to the existing housing related support older persons contracts given the high number of services and service users affected. Any alternative to a maximum two year extension would not provide an appropriate period to manage the necessary exit strategies where required, which could leave the local authority in a vulnerable position in terms of the concerns of service users, their carers and existing providers. The potential for reducing the length of the extension by pursuing a closed re-tendering process for the procurement of the new model of service was discussed but this created a risk of breach of European Procurement legislation given the likely value and nature of the new contracts. This approach would accordingly potentially put the local authority at risk of legal challenge.

Reasons for Recommendation:

The extension period of two years would provide appropriate timescales to procure and implement a new model of service, which will incorporate a significant number of existing older persons housing related support contracts. With many of the existing older person's services there is a close association between a service users support and accommodation, the extension period would allow a sufficient period to address concerns and effectively manage any change in provider.

1. Background

Commissioning considerations

- 1.1 The housing related support older persons services contracts have previously been extended with the intention of reaching agreement to remodel the services to ensure that individuals have more choice and that services provided are of a high quality and value for money.
- 1.2 Considerable work has been undertaken jointly with colleagues in the Adults and Children's Directorate, who have taken a lead on the procurement process for a joint 'Community Support Service'.
- 1.3 The 'Community Support Service' framework agreement has recently been tendered requiring providers to sign up to developing an integrated housing related support and personal care service. The service will provide for the integration and personalisation needs of adult service users who are eligible for statutory social care services.

- 1.4 Alongside the new 'Community Support Service' there remains the need for individuals who are not eligible for social care to be able to access universal preventative services to support them maintaining a continued independence. The Public Health Directorate is developing a new 'wellbeing' service which will see a number of existing services including the existing older persons housing related support contracts incorporated and enhanced to deliver a more comprehensive preventive service.
- 1.5 The wellbeing model will provide a range of lower level and preventative services to a range of service users including older persons, meeting the needs that fall short of personal care interventions. The services will underpin the more personalised support services provided through the 'Community Support Service' and provide a universal service that will enhance well being and reduce escalation to those more formal services.
- 1.6 In order to allow a sufficient period for the commissioning of a 'Wellbeing' service, a two year maximum extension period to existing older persons housing related support contracts is required. The extension will allow for the service specification for the 'Wellbeing' service to be developed and formally approved, and for a full consultation to take place and the procurement process to be completed. It would also provide appropriate timescales for a new service model to be effectively implemented and where required, exit strategies for existing services where there is a close association between a service users support and accommodation.
- 1.7 It is recognised that previous work undertaken to achieve agreement regarding the future of particularly the current older persons housing related support services has led to significant delays in forming services that are effective in meeting the needs of the whole community.
- 1.8 Whilst services to those who meet the eligibility of social care are progressing the increased need for a universal preventative service is a priority area for the Public Health Directorate. Implementing a new model of service that will incorporate a high number of existing services, is a significant project to undertake and successfully deliver, the draft procurement process for the 'Wellbeing' service is outlined below.
- 1.9 Planned timescales for the 'Wellbeing' Procurement Process

Approval of 'Wellbeing' service specification.	March 2012
Consultation period.	May – August 2012
Evaluation of consultation by LSHP CSG and CB	September – November 2012
Commencement of phased procurement process.	November 2012 – April 2013
Exit strategy implementation (where required).	May 2012 – August 2013
Service implementation period.	May 2012 – March 2014
Start of new contract(s)	April 2014

- 1.10 In order to allow a sufficient period for the commissioning of a 'Wellbeing Service' that will incorporate a number of existing Older Persons Services, a

two year maximum extension period is required. This extension will allow for the service specification to be agreed, consultation to be undertaken, for the procurement process to be completed and for any exit strategies to be implemented.

- 1.11 The two year period is the maximum length of time it is expected for the commissioning process to be completed and as previously discussed this will allow for appropriate implementation of a new service model. The current contract value per annum for Longhurst and Havelok Homes Limited is £54,629.12. The total for the proposed two year period is estimated at £109,258.24.

Legal and constitutional considerations

- 1.12 Where a Director proposes to use an alternative procurement method other than the seeking of competitive tenders in accordance with the Council's Contract Regulations he or she must seek approval. The Constitution provides for approval to be given as follows

Contracts up to and including £75,000 – Chief Officer

Contracts exceeding £75,000 but not exceeding £250,000 – Executive Councillor

Contracts of £250,000 and above – Executive

- 1.13 A number of the contracts exceed the thresholds at which the EU procurement rules would normally require an EU compliant procurement process. However, as the contracts are for Part B Services the Council is not obliged to apply the full pre-award advertising provisions to the contract.

- 1.14 However EU Treaty principles of openness transparency and non-discrimination would normally require a contract to be advertised. This is not the case where the Council believes that the contract would not be of interest to a provider from another EU member state. In this case, given the relatively low value of the contracts together with their short duration of a maximum of two years it is not considered that they would be of interest to a member from another EU member state.

2. Conclusion

- 2.1 If a two year extension is granted it will provide a sufficient period for the commissioning of a new 'Wellbeing' service. The new model will provide a more effective, inclusive and cost effective way to deliver joined up services which enable individuals to remain living independently.

3. Legal Comments:

The Council has the power to make the extensions proposed which are considered to be consistent with the Council's procurement law obligations for the reasons set out in the Report. The decision is consistent with the Policy Framework and within the remit of the Executive Councillor.

4. Resource Comments:

The extension of the term of these contracts by a maximum of two years cannot, in itself, be proven to deliver value for money to the Council as the opportunity to test the open market is lost. However, the ultimate aim of the initiative is to produce a more comprehensive service that will be subject to open market competition in due course. That approach ought to mitigate any potential short term compromising of value for money that may exist.

To ensure that a fit for purpose and value for money service is developed, it is important to make sure that the timetable as set out in 1.9 is adhered to and that a new contract, (or contracts) is in place before the extension expires. If this were not to happen the opportunities for improved service delivery offered by extending the existing contract may be lost .

5. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

n/a

d) Policy Proofing Actions Required

n/a

6. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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