

**REPORT TO:** Executive Board Sub Committee

**DATE:** 17th March 2011

**REPORTING OFFICER:** Strategic Director, Adults & Community

**SUBJECT:** Contracts for Residential Care 2011-2015  
for Adults with Learning Disabilities and  
Mental Health Needs

**WARDS:** Borough Wide

## **1.0 PURPOSE OF THE REPORT**

- 1.1 To request suspension of the relevant procurement standing orders 3.1-3.7 and 2.1 – 2.11 under the exceptional circumstances set out in this report, to enter into contracts for the provision of Residential Care for Adults with Learning Disabilities 2011-2015.

## **2.0 RECOMMENDATION: That:**

- (i) **In the exceptional circumstances set out below, for the purpose of standing order 1.8.2, procurement standing orders 3.1 – 3.7 be waived on this occasion to permit the Strategic Director, Adults and Community to enter into contracts on an individual ‘spot purchase’ basis with the providers of registered Residential Establishments at:**

**Wide cove, Smithy Forge, Leahurst and Woodcrofts which meet the Council’s quality criteria on the basis that the review of services has concluded that no remodelling is required at this time**

- (ii) **In the exceptional circumstances set out below, for the purpose of standing order 1.8.2, procurement standing orders 2.1-2.11 be waived on this occasion to permit the Strategic Director Adults and Community to enter into contracts on an individual ‘spot purchase’ basis with the providers of registered Residential Establishments at:**

**Glenwood, Holmdale and Bankfield on the basis that these non-health services for which commissioning responsibility transferred from NHS Halton and St Helens to the Council in April 2009, meet the Councils’ quality requirements.**

- (iii) **The Strategic Director, Adults and Community be authorised, in consultation with the portfolio holder for Health, to enter into**

**‘spot purchase’ contract arrangements at the rates set out in section 6.1 of this report, for the contract period in line with other residential contracts in the Borough which is one year from April 2011 to the end of March 2012, with an option to extend for a period of up to a further three years from April 2012 to the end of March 2015: and that these purchasing arrangements be reviewed on an annual basis by the Strategic Director, Adult and Community, in consultation with the portfolio holder for Health. Fee levels initially to be in line with current rates paid and uplifted by 2% as agreed by the Council in setting its budget for 2011/12 and to then be reviewed following actions in 4.1 to ensure ongoing value for money is secured.**

### **3.0 SUPPORTING INFORMATION**

- 3.1 The Authority has a statutory duty to meet the needs of physically frail and vulnerable people assessed as requiring residential care. The provision of this care is delivered within residential establishments that provide both accommodation and care, are registered with the Care Quality Commission (CQC) and operate within CQC standards. This report relates to purchasing arrangements for the provision of residential care for adults with learning disabilities to whom the local authority owes a statutory duty of care.
- 3.2 Halton’s contract for the provision of Residential Care for adults with learning disabilities at Wide Cove, Smithy Forge Leahurst and Woodcroft expires at the end of March 2011.
- 3.3 Throughout 2010, Commissioners and care managers have been working with the residents and provider to review the accommodation and support being offered and determine the level of independence and community participation enjoyed by the residents and to ensure that Halton’s quality standards are being met. An independent advocate has supported the residents to have a voice.
- 3.4 This review is now complete and the findings are as follows:
- These are small residential homes and the residents are settled in their accommodation and view this as their home for life having lived there for many years.
  - Supported by an independent advocate residents have been given the opportunity to discuss all options and have confirmed that they value the current residential service and do not wish to change anything.
  - Residents are active participants in their local community accessing a range of community based facilities, activities and volunteering opportunities.
  - Halton has limited availability of residential beds for adults with learning disabilities. Valuing People says that “...residential care

should continue to be available for those who actively choose it...". Retaining the residential services in these homes will maintain a balance in the social care market and ensure such choices are available.

- 3.5 In April 2009 following the Department of Health directive, responsibility for commissioning non-healthcare related activity and support for people with learning disabilities and the corresponding financial resources transferred from NHS Halton and St Helens. This transfer included three residential care homes operated by Community Integrated Care (CIC). Executive Board Sub Committee authorised the award of interim contracts to these homes.
- 3.6 On 19<sup>th</sup> November 2009 Executive Board Sub Committee authorised the Strategic Director, Adults and Community in conjunction with the portfolio holder for Health to enter into "spot purchase" contracts to 31<sup>st</sup> March 2011.
- 3.7 Approval is now sought to waive procurement standing orders 3.1-3.7 and to authorise the Strategic Director Adults and Community in conjunction with the portfolio holder for Health to enter into a contract with the providers of residential care at Wide Cove, Smithy Forge, Leahurst, Woodcroft, on a spot purchase basis from April 2011 to the end of March 2012.
- 3.8 Approval is also sought to waive procurement standing orders 2.1- 2.11 and to authorise the Strategic Director Adults and Community in conjunction with the portfolio holder for Health to enter into a contract with the providers of residential care at Holmdale, Glenwood and Bankfield, on a spot purchase basis, with an option to extend for a period of up to a further three years from April 2012 to the end of March 2015.

#### **4.0 BUSINESS CASE FOR WAIVING STANDING ORDERS**

##### **4.1 Value for Money and Competition**

The proposed rates set out in this report are competitive when compared with regional and national averages. Ongoing monitoring of services will ensure the standard of quality achieved by these providers is maintained. In addition a full cost analysis will be conducted to ensure any opportunities for efficiency savings are being explored by the provider.

##### **4.2 Transparency**

CQC Inspection Reports on registered homes and HBC Quality Assurance Reports are open to public scrutiny under the Freedom of Information and Local Government Acts although the contract itself is likely to be exempt from disclosure under the 2000 Act subject to application of the Public Interest test at the time of any request for access.

### **4.3 Propriety and Security**

The usual anti-corruption integrity clauses will be built into the contract document and only staff with a need to know will have information about the contract.

The contract specification will set out requirements in respect to minimum standards for the delivery of care and will include comprehensive standards relating to Adult Safeguarding.

### **4.4 Accountability**

Accountability for the report and recommendations would remain with the Strategic Director Adult and Community, in conjunction with the portfolio holder for Health. The contracts will be performance managed and quality assured by the Adults and Community Quality Assurance Team. The process and paperwork is open to the annual audit process, internal audit and access by other regulatory and enforcement bodies.

### **4.5 Position of the contract under the Public Contract Regulations 2006**

As this is for care services (Health and Social Care services) this contract is largely exempt from the 2006 Regulations so there is no need to advertise for expressions of interest in the official Journal. However, it is necessary to notify OJEU of the award of contract within 48 days of the date of the award.

## **5.0 POLICY IMPLICATIONS**

5.1 The Coalition Government has confirmed its commitment to the Valuing People Now Strategy for people with learning disabilities (2009). This is guided by four key principles; that people with learning disabilities have the same human rights as anyone else, have the right to independent living, to control decisions made about their lives and inclusion in all aspects of community. These rights are central to the assessment and care management practice in the Borough.

## **6.0 FINANCIAL IMPLICATIONS**

6.1 The proposed spot purchase fee level will be consistent with rates currently being paid uplifted by 2% as per the Council's approved budget for 2011/12.

6.2 The expenditure incurred as a result of this proposal will be met within the existing community care budget for Adults with Learning Disabilities and Mental Health. Funding for services transferred from the PCT will come directly to the Council from April 2011 and is sufficient to cover the cost of these services.

6.3 The annual costs are summarised below:

	<b>Estimated Annual Cost</b>
Wide Cove	£235,272
Smithy Forge	£203,430
Leahurst	£172,458
Woodcrofts	£226,100
Glenwood	£743,174
Bankfield	£282,766
Holmdale	£376,231

## **7.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **7.1 Children and Young People in Halton**

None identified.

### **7.2 Employment, Learning and Skills in Halton**

None identified.

### **7.3 A Healthy Halton**

Good quality residential care provides a healthy living environment and promotes the health and wellbeing of frail and vulnerable people by assisting them in managing the effects of long-term conditions.

### **7.4 A Safer Halton**

Residential Care providers must work within Halton's Safeguarding Adults Policy to ensure a safe living environment for vulnerable people.

### **7.5 Halton's Urban Renewal**

None identified.

## **8.0 RISK ANALYSIS**

8.1 Extending the contracts limits financial risk to within existing expenditure and removes the risk of judicial challenge by accommodating clients in a home of their choice. .

## **9.0 EQUALITY AND DIVERSITY ISSUES**

9.1 These contracts deliver care to the most frail and vulnerable people. The service specification will set out commissioners' quality standards in respect to dignity in care and safeguarding adults and the contract will include comprehensive clauses on equality and diversity.

**10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE  
LOCAL GOVERNMENT ACT 1972**

None.