

<b>Decision maker:</b>	<b>Cabinet member, health and wellbeing</b>
<b>Decision date:</b>	<b>2 June 2016</b>
<b>Title of report:</b>	<b>Award of contracts for learning disability services</b>
<b>Report by:</b>	<b>Joint commissioning manager</b>

## **Classification**

Open

## **Key Decision**

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function to which the decision relates.

This is a key decision because it is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the county.

Notice has been served in accordance with Part 3, Section 10 (General Exception) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) Regulations 2012.

## **Wards Affected**

Countywide

## **Purpose**

To award four contracts for the provision of residential and supported living services for people with learning disabilities, following a competitive procurement process.

## **Recommendation(s)**

**THAT:**

- (a) Elizabeth Fitzroy Ltd be awarded a contract to provide a residential long stay and respite service for learning disabled people at Southbank Close, Hereford for an initial period of three years, with an option to extend for two further**

periods of one year. The value of this contract over five years is £4.8M.

- (b) Elizabeth Fitzroy Ltd be awarded a contract to provide a residential long stay service for learning disabled people at Ridgemoor Road in Leominster, for an initial period of three years, with an option to extend for two further periods of one year. The value of this contract over five years is £3.2M.
- (c) Affinity Trust be awarded a contract to provide a supported living service for learning disabled people in the Leominster area for an initial period of three years, with an option to extend for two further periods of one year. The value of this contract over five years will not exceed £3.8M.
- (d) Aspire Living Ltd be awarded a contract to provide a supported living service for learning disabled people in the Hereford area for an initial period of three years, with an option to extend for two further periods of one year. The value of this contract over five years will not exceed £4.3M.

## Alternative options

- 1 To not award contracts. This option is not recommended as new contracts are essential to ensure continuity of these services which provide essential support to a significant number of learning disabled people. There is no potential to continue the provision of the services through the current provider.

## Reasons for recommendations

- 2 Following a key decision by the cabinet member for health and wellbeing in February 2016, an open tender process has been undertaken in accordance with the council's procedure rules. This process determined that Elizabeth Fitzroy Ltd was the preferred bidder both for residential services in Leominster and residential and respite services in Hereford. The process also determined that Affinity Trust was the preferred bidder for supported living services in Leominster and that Aspire Living Ltd was the preferred bidder for supported living services in Hereford.
- 3 The values for the two supported living contracts at recommendations (c) and (d) are expressed as maximum figures because these will be single provider framework contracts. This contract form allows the council to vary the total value of services according to the fluctuating needs of the service users and how effectively the provision is utilised.

## Key considerations

- 4 In accordance with wide ranging statutory obligations to provide support to learning disabled people, Herefordshire council has undertaken a procurement exercise in order to identify providers of four different services, comprising residential care and support living in the Hereford and Leominster areas.
- 5 As the value of each of the four contracts required the council to conduct an Official Journal of the European Union (OJEU) compliant procurement, an open tendering

process was followed. A tender evaluation report of the process is provided at Appendix 1. The evaluation was conducted in line with the criteria set out within the tender, with a percentage weighting of 40% price and 60% quality. These were applied to evaluators' scores to determine an overall mark for the submission responses.

- 6 On the basis of the results of the evaluation, the evaluation panel recommends that contracts are awarded as set out in recommendations (a) to (d) of this report.
- 7 There are three providers in total proposed for these four contracts. Elizabeth Fitzroy Ltd is new to Herefordshire but is well established as a substantial regional provider in the South East and has been expanding its operations into the Midlands and Great Manchester. It specialises in wide ranging services for people with learning disabilities. Affinity Trust is a relatively small but national provider specialising in supported living and other services for people with learning disabilities. It currently operates the SCORE daytime opportunities service in Hereford. Aspire Living Ltd is a well established local learning disability provider. It has a mixed portfolio of services in Herefordshire and expanding interests in neighbouring areas.
- 8 In the specifications for these services and evaluating tenders, there was a clear emphasis on the quality flexibility of support to people with learning disabilities, including;
  - Personalisation of support, wider opportunities and the way services are delivered
  - Choice for service users
  - Promoting of independence and access to and involvement in their local communities
  - Meaningful engagement and involvement of individuals and family carers in decisions about care and support
  - Safeguarding, health and welfare
  - Access to advocacy, listening to the wishes of service users and the role of providers in advocating and supporting self advocacy.
  - The qualifications, training, supervision and development of workforce
- 9 The figures for the total contract value of the two contracts for supported living services set out in recommendations (c) and (d) of this report have been adjusted to correct a typographical error in the key decision report which authorised the procurement process in February 2016. This error related only to the expression of total contract values over five years for those two contracts and has no bearing on the conduct of the procurement process, the prices submitted by bidders, nor the actual costs of these services to the council.

## **Community impact**

- 10 The awarding of the proposed contracts will further advance opportunities for vulnerable learning disabled adults with an eligible need to become more socially involved in their local communities and to live as independently as possible. The continued provision of intensive services to learning disabled people will help “to enable residents to live safe, healthy and independent lives” and to support those in

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Further information on the subject of this report is available from  
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need within available resources, therefore contributing to corporate objectives of the council and the strategic priorities of the Herefordshire health and wellbeing board.

- 11 The configuration of services enabled by these contracts is consistent with the department of health's transforming care programme and with Think Local, Act Personal.

## Equality duty

- 12 The Equality Duty 2010 has three aims (under the general duty).
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act
  - Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - Foster good relations between people who share a protected characteristic and those who do not.

All the users of these services shared the protected characteristic of disability and the awarding of these contracts will benefit this group by improving the quality of their home life and day to day support and helping them to live more independently. The Equality Impact Assessment prepared for this recommissioning of services is attached as Appendix 2.

## Financial implications

- 13 The agreed budget for these services overall in 2016/17 is £3.192M, which incorporates a contribution to an overall annual saving of £80k which will also be achieved in year one. This saving is also enabled by changes to the Move On service. The submitted prices by the preferred providers for the four contracts overall are consistent with the budget. The budget commitment to these contracts is as follows.

Lot	Winning bid	Annual Value	Three year value	Five year value
1 Residential: Leominster	Elizabeth Fitzroy	£631k	£1.894m	£3.157m
2 Residential: Hereford	Elizabeth Fitzroy	£949k	£2.849m	£4.748m
3 Supported Living: Leominster	Affinity Trust	£754k	£2.263m	£3.773m

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4 Supported Living: Hereford	Aspire	£857k	£2.570m	£4.284m
<b>Total</b>		<b>£3.192m</b>	<b>£9.577m</b>	<b>£15.962m</b>

## Legal implications

- 14 The open procedure described in this report complies with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015.
- 15 If the decision to award is made, Council officers would be expected to proceed to enter contracts with the respective preferred bidders. The terms of those contracts should be those published in the relevant procurement exercise.

## Risk management

- 16 There are no specific risks arising from the recommendations in this report. In the event of the recommendations not being approved, the following risks will arise;
- The council will not be able to provide an extensive range of essential services to a significant group of learning disabled people from August 2016. This would endanger the safety and quality of life for those people, obliging the council to take urgent action to rectify this, consequently involving the council in considerable financial cost and reputational damage.
  - The council's reputation within the regional care market would be harmed significantly if no contracts were awarded following a large scale and involved open tender process.

## Consultees

None

## Appendices

Appendix 1 Tender evaluation report

Appendix 2 Equality Impact analysis

## Background papers

None identified