

## Record of officer decision

<b>Decision title:</b>	To take up the 12-month block contract extension option in relation to the Residential services in Leominster and Hereford.
<b>Date of decision:</b>	20 February 2019
<b>Decision maker:</b>	Director of Adults and Communities
<b>Authority for delegated decision:</b>	Chief Officer
<b>Ward:</b>	All Wards.
<b>Consultation:</b>	This is a twelve-month contract extension to the existing arrangement; as such, there is no change in services and no need for further consultation.
<b>Decision made:</b>	To take up the contract extension option of 12 months from the 31 <sup>st</sup> July 2019 to 30 <sup>th</sup> July 2020. The annual cost is £1,469,551* this cost includes day care activities. *denotes subject to an annual inflationary award in April 2019.
<b>Reasons for decision:</b>	<p>The current contractual arrangement has an end date of the 31<sup>st</sup> July 2019 and the contract allows the Council to extend this agreement beyond the Initial Term by a further period or periods (Extension Period) of up to two years (Key Decision 2 June 2016 Reference No: 2016-17.3286 H&amp;WB.001 KEY REG 10 HOSC).</p> <p>Commissioners recommend the contract extension option in order to take up the opportunity to scope and inform the commissioning decisions based on a whole service approach that minimises the hurdles between different areas of service:</p> <ul style="list-style-type: none"> <li>• This will ensure that commissioning decisions are supported with accurate information about local needs and market capability;</li> <li>• This will allow sufficient time to redesign the services and undertake a competitive procurement exercise based on sound intelligence and strategic approach;</li> <li>• We can consult and work proactively with the care market to ensure they engage with the strategic approach;</li> <li>• The Current contracts represents good value for money and is cost effective</li> <li>• We currently only have one void in the residential care service, the Accommodation Group will check demand against voids and meet monthly to ensure that suitable referrals are being made;</li> <li>• There is an opportunity to redesign and align another service (seven supported Living flats) on the Southbank site to ensure a whole service approach that minimises the hurdles between different areas of service and ensure it meets the needs of Herefordshire's residents;</li> <li>• Both Ridgemoor and Southbank are Council owned buildings. The Leases are for five years with an option to break at three and four years. Both Leases are on full repairing an insuring terms.</li> <li>• The Key Decision taken on 2 June 2016 'AWARD OF CONTRACTS FOR LEARNING DISABILITY SERVICES',</li> </ul> <p>THAT:</p> <p>(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.</p> <p>(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</p>

	one year. The value of this contract over five years is £3.2M.
<b>Highlight any risks/finance/legal/equality considerations:</b>	<p>The annual total of £1,469,551* is already within budget, plus there is no change to the current services hence no equality considerations</p> <p>The council currently only has one void in the residential care service, the Accommodation Group will check demand against voids and meet monthly to ensure that suitable referrals are being made.</p> <p>There are no health and safety implications as this is an extension of the current three year contractual arrangement and both the Ridgemoor Road and Southbank residential services are currently rated as 'Good' by the CQC.</p>
<b>Details of any alternative options considered and rejected:</b>	<p><b>Recommission the service as is:</b></p> <ul style="list-style-type: none"> <li>○ given the TUPE implications and building related obligations (Lease arrangements) this would not represent the best value option (cost and time to undertake a procurement exercise)</li> <li>○ this option may not align with strategic direction</li> <li>○ the council needs to align the aims of the Learning Disability Strategy and commission a service that does maximise the opportunities around technology and employment/training/volunteering program's in the local community.</li> <li>○ An accurate understanding of current market position is essential to carry out effective commissioning (A specific Market position Statement for LD services).</li> </ul> <p><b>Recommission and move from a block contract to spot purchase arrangement:</b></p> <ul style="list-style-type: none"> <li>○ may lose capacity to other purchasing bodies,</li> <li>○ may 'import' out of county service users into Herefordshire,</li> <li>○ real risk that the costs will increase due to the TUPE and building related obligations</li> <li>○ the transfer of the risk around voids (empty beds) moves from the Council to the Provider.</li> <li>○ may not be able to secure good provision within the current weekly bed rate.</li> <li>○ the market may not be interested given the TUPE and associated buildings cost.</li> </ul>

<b>Details of any declarations of interest made:</b>	N/A
<p>Signed..... Date: ...../...../201.....</p> <p>Print Name .....</p>	

