

## Record of officer decision

<b>Decision title:</b>	To apply the contract option to extend the support currently delivered by Fitzroy at both Learning Disability Residential homes Southbank Close and Ridgemoor Road.
<b>Date of decision:</b>	24 June 2020
<b>Decision maker:</b>	Director Adults and Communities
<b>Authority for delegated decision:</b>	Chief Executive scheme of delegation SA02 In accordance with section 3.7.9 all necessary decisions in the case of emergencies.
<b>Ward:</b>	All Wards
<b>Consultation:</b>	A comprehensive review has been undertaken with stakeholders to inform future intentions.
<b>Decision made:</b>	<p>To extend the current contract by an additional 12 months from 1 August 2020 which will also include a contract variation. The contract value for 2019-20 was £1,334,734 per annum. The decision includes an increase to the contract value by £85,156 per annum in addition to the annual fee uplift, to take effect from 6 April 2020. The current contractual arrangement had an end date of the 31st July 2019 with an additional option to extend the contract beyond the initial term by a further two years.</p> <p>The first extension period has been taken (Key Decision 2 June 2016 Reference No: 2016-17.3286 H&amp;WB.001 KEY REG 10 HOSC). This decision relates to the option to take up the final 1 year extension period (01 August 2020 to 31 July 2021).</p>
<b>Reasons for decision:</b>	<p>ASC recommend this decision as a result of the need to maintain continuity for the 16 people living at the accommodation and avoid further disruption during the Covid-19 pandemic. The service is a CQC registered residential home for 16 people with complex learning disabilities over two sites, Southbank Close in Hereford and Ridgemoor Road in Leominster. It also provides a respite service for up to an additional 5 placements.</p> <p>ASC want to achieve continuity for residents and staff as they have continued to work as key front line workers during this pandemic and it is not the right time to put any additional pressure or concern onto the residents or staff during what is already a time of disruption.</p> <p>It is also unlikely in the current climate that the market would respond favourably to a procurement event to identify a new provider of this service when the market is already struggling to maintain service provision and have additional pressures with Covid-19.</p> <p>The price increase relates only to the block budget for the beds at total increase of 10.8% on 2019-20 contract rates (4.42% annual fee increase and 6.38% additional increase to contract) and so increases the residential bed price by an additional £82.69 per week , and the respite bed price by £91.61 per week after the annual inflation rate. At an additional contract cost of £85,156 per annum.</p> <p>The review identified some barriers to full utilisation of the service.</p>

	<p>The price increase is reflective of the additional costs the provider requires to fully utilize capacity within the residential service, and ensure capacity in the home can be released, which will create a cost neutral effect.</p> <p>Included within the contract variation will be the option to purchase additional 1-1 staffing at £16 per hour to meet assessed needs, as identified in the service review. This will allow flexibility to the block contract to enable additional hours to meet the needs of individuals as required.</p>												
<p><b>Highlight any associated risks/finance/legal/equality considerations:</b></p>	<ul style="list-style-type: none"> <li>• The 10.8% price increase incorporates the 4.42% annual inflation, and so presents an additional 6.38%. The annual budget impact is an additional £85,156 per annum.</li> <li>• To contain the cost pressure and ensure it is affordable two customers have been identified to move into the homes to use the available capacity that the service has traditionally held. It is planned that two new residents move into the new improved service. The current cost of their placements are £97,000 from 01 August 2020 to 31 March 2020, this will produce a net saving of £11,844 within this financial year.</li> <li>• The new contract prices are as follows;- <table border="1" data-bbox="571 846 1382 1088"> <thead> <tr> <th></th> <th>2019-20</th> <th>2020-21</th> </tr> </thead> <tbody> <tr> <td>Southbank respite</td> <td>£336,988.92</td> <td>£373,383.72</td> </tr> <tr> <td>Southbank residential</td> <td>£498,872.88</td> <td>£552,751.15</td> </tr> <tr> <td>Ridgemoor residential</td> <td>£498,872.88</td> <td>£552,751.15</td> </tr> </tbody> </table> </li> <li>• Risk mitigation exists via a financial rebalance contract clause.</li> <li>• The current contract allows for another 12 month period extension and therefore offers no risk of challenge to the council.</li> <li>• There is a need to maintain consistency and reassurance during the Covid-19 pandemic, as a result the council does not want to explore the alternative options that would put customers and staff at risk.</li> <li>• The council has a project group to ensure the review and recommendations are considered by the Commissioning Board so there is little risk that the contract will need any further extension beyond this 12 month period.</li> </ul>		2019-20	2020-21	Southbank respite	£336,988.92	£373,383.72	Southbank residential	£498,872.88	£552,751.15	Ridgemoor residential	£498,872.88	£552,751.15
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<p><b>Details of any alternative options considered and rejected:</b></p>	<p>Many options have been reviewed and rejected and include to:</p> <ul style="list-style-type: none"> <li>• Continue with an open tender; this option was rejected due to concerns bids would not be received from the market following a soft market exercise. In addition there are increased concerns about a change of provider during the Covid-19 pandemic during lockdown restrictions, increased infection risks of any staff movement and in order to minimise anxieties for customers.</li> <li>• Extend for 6 months; this option was rejected as there is still uncertainty of the pandemic timescales and impact.</li> <li>• Bring the service in house, this option was rejected at this time again due to ensuring consistency for residents, staff and families.</li> </ul>												
<p><b>Details of any declarations of interest made:</b></p>	<p>N/A</p>												

Signed

Date:

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