

Finance and Resources Committee

14.00 – Wednesday 13 May 2015

Award and Extension of Health and Social Care Contracts

Item number	7.15
Report number	
Executive/routine	
Wards	All

Executive summary

This report seeks approval to:

- (a) award 7 contracts on the basis of their special characteristics
- (b) extend 15 mental health and wellbeing contracts as a means of aligning their end dates with the planned strategic review of health and social care services
- (c) extend 5 contracts as a means of facilitating their better longer term management
- (d) transfer 1 contract to the grants portfolio

Links

[Coalition pledges](#)
[Council outcomes](#)
[Single Outcome Agreement](#)

Award and Extension of Health and Social Care Contracts

Recommendations

To agree:

- 1.1 the award of the contracts listed in Appendix 1 on the basis of their special characteristics
- 1.2 the extension of the mental health and wellbeing contracts listed in Appendix 2 at a reduced value until 31 March 2016 to allow for future arrangements to be addressed as part of the Integrated Joint Board Strategic Plan for Health and Social Care Services 2016-19
- 1.3 the extension and/or transfer of the disability service contracts listed in Appendix 3
- 1.4 the proposed transfer of the contract listed in Appendix 4 to the grants portfolio.

Background

- 2.1 The waiver of Council Contract Standing Orders is permitted where the circumstances of the proposed contract are covered by legislative exemptions, including where the nature of the market for the services to be provided has been investigated and is demonstrated to be such that a departure from the requirement of Standing Orders is justifiable in accordance with EU law and principles; for example, when for technical reasons the contract may only be awarded to a particular provider or it is in the Council's best interests to do so. It is on this basis that approval is sought to award the contracts listed in Appendix 1.
- 2.2 Section 10 of Council Standing Orders requires the approval of the Finance and Resources Committee in respect of the proposed extension of the contracts listed in Appendices 2 and 3. In light of current financial pressures affecting the Council, the recommendation to extend these contracts is made on the basis that a number will be let at a lower value than their predecessor contracts.
- 2.3 Council Standing Orders indicate Committee approval should be sought in circumstances where it is proposed to change the status of a current contract to that of a grant, as in the case of the contract listed in Appendix 4.

Main report

Waiver of Standing Orders

- 3.1 Health and Social Care currently contracts with Edinburgh Voluntary Organisations Council (EVOC) and the Volunteer Centre Edinburgh (VCE). Both

are recognised by the Scottish Government as key infrastructure support bodies for Edinburgh's Third Sector. As such, EVOG and VCE carry out functions unique to them and for which no 'market' of alternative providers exists. Therefore Committee is recommended to waive Council Standing Orders and agree the direct award of contracts for the annual values listed in Appendix 1, for the period 1 April 2015 to 31 March 2018. Relative to the value of their predecessor contracts, the value of both proposed new contracts has been reduced by 3.3%, making them subject to the same savings requirements as the grant aided organisations which EVOG and VCE support. This will deliver savings of £7,630.

- 3.2 East, Mid and West Lothian Councils and the City of Edinburgh Council all contract with the Lothian Centre for Inclusive Living (LCIL) to provide advice to people considering using Direct Payments, and support to those who decide to do so. The latter role involves helping people to advertise for and recruit Personal Assistants (PAs), providing them with access to LCIL's PA payroll service and helping them manage tax, National Insurance, pension payments and other matters related to their role as employers. LCIL is the only not-for-profit organisation currently offering these services in the volume required to deliver economies of scale. All four Lothian councils do, however, recognise that the implementation of self directed support legislation in April 2014 is likely to result in other providers becoming interested in entering this area of the social care market in the future. For this reason and on the basis that a future 'market' of alternative providers may emerge, Committee is asked to waive Standing Orders and approve the direct award of a contract for the value listed in Appendix 1 for a limited period of 1 year to LCIL, from 1 April 2015 to 31 March 2016. This will allow for a market testing exercise to be carried out during 2015 to assess the extent of any interest in competing for a contract for the provision of support to users of Direct Payments for the period April 2016 – March 2019.
- 3.3 The Royal National Institute for the Blind (RNIB) and Deaf Action (DA) both currently carry out specialist statutory assessment and care management functions on behalf of the Council and provide other support for people with sensory impairment. The Council has now agreed with both RNIB and DA that the completion, on a partnership basis, of a 'Best Value' review of their services will allow the Council to determine how best to guarantee the continuation of support on a sustainable basis from 2016 onwards. Pending completion of the review and on the basis that no alternative 'market' of providers delivering specialist sensory support functions has yet been identified, Committee is asked to agree the award of contracts to RNIB and DA, for the values listed in Appendix 1, for the period 1 April 2015 to 31 March 2016. The review process will seek to identify and realise any available savings during the course of 2015/16. Proposals for the delivery of sensory support services from April 2016 will be submitted to Committee in the Autumn of 2015.

- 3.4 Edinburgh Cyrenians provide residential accommodation for younger people aged 16 – 30 years who have been affected by family relationship breakdown, drug and alcohol issues or mental health problems. A unique aspect of the service is that it is based in a working farm environment 10 miles from Edinburgh city centre. The farm is managed and run by service users with support from resident volunteers and a small team of permanent farm staff. The service is highly regarded and consistently achieves 'excellent' Care Inspectorate grades. On the basis no alternative market of therapeutic residential/farming service exists in Edinburgh, Committee is asked to agree the award of a contract to Edinburgh Cyrenians, for the annual value listed in Appendix 1, for the period 1 April 2015 to 31 March 2018.
- 3.5 NHS Lothian, East Lothian, Midlothian and City of Edinburgh Councils jointly fund Autism Initiatives (AI) to deliver 'one stop shop' support to people with High Functioning Autism and Asperger's Syndrome. AI has successfully established a range of advisory, outreach and housing support services at its 'Number 6' service. Following confirmation of the renewal of partner contributions to the service for the period 1 April 2015 to 31 March 2018, Committee is asked to agree the direct award of a contract, for the value listed in Appendix 1, for a similar period. This is on the basis that it is in the best interests of the Council to do so as a means of ensuring the costs of the service continue to be shared on an equitable basis.

Contract Extensions – Mental Health and Wellbeing Services

- 3.6 In 2011, the Council endorsed 'A Sense of Belonging', which is the joint strategy for improving the mental health and wellbeing of Lothian's population for the period 2011 to 2016. In 2012, the Council let a range of contracts to providers of mental health and wellbeing services in support of this strategy, initially for a period of three years. This was done on the assumption the strategy would be reviewed during 2014 and any new contracts required would be let in 2015. Legislation mandating the integration of health and social care services now requires that the future provision of mental health and wellbeing and other services is addressed by the new Integrated Joint Board in its strategic plan for the period 2016 – 2019. Work on the draft of this plan has begun. Pending the outcome of public consultation on the plan and publication of the final version later this year, Committee is asked to agree the extension of the contracts listed in Appendix 2 for the period 1 April 2015 to 31 March 2016. Relative to their current contracts, the value of the extended contracts (with two exceptions for the reasons noted in the Appendix), has been reduced by 5%, delivering a saving to the Council of £85,726. Proposals for the delivery of mental health and wellbeing services from April 2016 will be submitted to Committee in the Autumn of 2015.

Contract Extensions and Transfer – Disability Services

- 3.7 Health and Social Care is working to achieve transformational change in respect of the delivery of day and advice services for people with disabilities.
- 3.8 Historically, Capability Scotland (CS) has delivered a buildings-based day services to people with disabilities. It is, however, now recognised that this service model no longer meets the needs of service users in the most effective way. Working in close consultation with the Council and other stakeholders, CS plans to dispose of its 'E2' premises by March 2016 and its New Trinity Day Centre building by October 2016. The capital receipts from these sales will allow for investment in a small 'hub' facility, around which people will be helped to learn about and make use of the community resources and opportunities available to everyone. The timetable for transformation of the service has been agreed with service users and families, as a means of allowing them to make a gradual transition from the current to the new service model. In order to facilitate this, Committee is asked to agree the extension of CS' contract for the delivery of services at E2 until March 2016 and at New Trinity until October 2016. The annual value of both contracts is listed in Appendix 3.
- 3.9 The way people with learning disabilities and their families search for advice and advocacy support in respect of welfare rights, information about options for moving on from the family home and self directed support opportunities is changing. In order to allow current providers of such services to adapt their service to reflect changing 'customer' needs, Committee is recommended to agree short extensions, for the period 1 April 2015 to 31 March 2016, to the Council's current contracts with the Family Advice and Information Resource (FAIR) and the Edinburgh Development Group (EDG) for the values listed in Appendix 3. This will allow for the co-production with service users, their families and other stakeholders of a new and sustainable approach to meeting their support needs during 2015, and the procurement of the required service in 2016. Relative to the value of its predecessor contract, extension of the EDG contract will be offered at a reduced value, delivering a saving to the Council of £22,320 or 23.5%. This reduction has been discussed with EDG and is based on the fact that the service is not direct front line care, but a support service, from which it has been possible to make a higher saving.
- 3.10 The Black and Ethnic Minority Advice Service (BEMAS) offers support to parents/carers of disabled children. Given the transformation initiatives outlined above it is now considered that the lead for governance of this contract should sit with the Children and Families service. Committee is recommended to agree the transfer of this contract and its extension for the period 1 April to 2015 to 31 March 2016, for the value listed in Appendix 3. This will allow Children and Families time to review and make recommendations to Committee about the future of this service in the Autumn of 2015.

Transfer of Contracts

- 3.9 The Council's Health, Social Care and Housing Committee agreed in January 2015 that its grant making function should be exercised in support of relatively low cost services, which operate in highly defined local areas of Edinburgh and/or deliver services designed to prevent or delay people's involvement in higher intensity/higher cost health and social care services. A review of Health and Social Care's contract portfolio indicates that one contracted service, ACE IT, which provides ICT training to older people, would be better managed through the grant making process, given it meets the criteria outlined above. On this basis, Committee is asked to agree the transfer of funding detailed in Appendix 4 to the grants portfolio.

Measures of success

- 4.1 That the need for any further health and social care waiver or contract extension requests in respect of block contracts is minimised and report recommendations allow Corporate Procurement Services and Health and Social Care to agree future contract renewal arrangements, which allow for full compliance with Contract Standing Orders, as amended in January 2015.

Financial impact

- 5.1 Budget provision for all recommended contracts has been made for 2015/16. Approval of recommendations will secure the delivery of savings totalling £108,356.

Risk, policy, compliance and governance impact

- 6.1 Report recommendations will provide for future compliance with Contract Standing Orders, reduce the need for future waivers and minimise the risks of legal challenge.

Equalities impact

- 7.1 The report's recommendations will have a positive equalities impact in terms of ensuring continuity of services, pending the completion of individual service and strategic planning reviews.

Sustainability impact

- 8.1 None arising directly from this report.

Consultation and engagement

- 9.1 The report's recommendations have been discussed with and, where appropriate, notified to the provider organisations listed in Appendices 1- 4.

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Appendix 1

Contracts Recommended to be Awarded Under Contract Standing Order Waiver Arrangements for the period 1 April 2015 -31 March 2018

Organisation	Annual Contract Value
Edinburgh Voluntary Organisations Council	£ 150,682
Edinburgh Volunteer Centre	£ 72,920
Royal National Institute for the Blind	£ 378,322
Deaf Action	£ 213,014
Lothian Centre for Inclusive Living	£ 242,592
Edinburgh Cyrenians City Farm	£ 206,731
Autism Initiatives No 6 Service	£ 73,500
TOTAL	£1,337,761

Appendix 2

Mental Health and Wellbeing Contracts Recommended for Extension for the period 1 April 2015 – 31 March 2016

Barony Contact Point	£ 158,203
Health in Mind	£ 389,961
Legal Services Agency	£ 53,318
Link Up	£ 60,691
Living Well North Edinburgh	£ 73,964
North East Edinburgh Counselling Service	£ 62,249
Penumbra Crisis Centre	£ 199,500
Penumbra Self Harm Project	£ 84,550
Pilton Community Health Project	£ 51,804
Positive Help	£ 33,000
Saheliya	£ 143,336
SAMH Redhall Walled Garden	£ 180,736

Support In Mind Stafford Centre	£ 170,540
Waverley Care*	£ 372,219
Link In Craigmillar*	£ 130,407

*These organisations have delivered alternative savings

TOTAL	£2,164,478
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Appendix 3

Disability service contracts recommended for extension for varying periods.

Capability Scotland E2 Service	£ 55,682
Capability Scotland New Trinity Service	£ 365,950
Family Advice and Information Resource	£ 85,200
Edinburgh Development Group	£ 72,500
BEMAS	£ 75,875
TOTAL	£ 655,207

Appendix 4

Contract Recommended for Transfer TO Grants Portfolio

ACE IT	£ 71,060
TOTAL	£ 71,060