

# Finance & Resources Committee

10:00am, Thursday, 16 June 2022

## Award of Overnight Responder Service

|                     |     |
|---------------------|-----|
| Routine             |     |
| Wards               | All |
| Council Commitments |     |

### 1. Recommendations

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- 1.1 It is recommended that Finance and Resources Committee.
  - 1.1.1 Approves the contract for Overnight Responder Services to Blackwood Homes and Care.
  - 1.1.2 Approves the commencement of the contract on the 1<sup>st</sup> September 2022 for an initial period of 3 years with the option to extend for a further 3 years.
  - 1.1.3 The estimated value of the contract is £5,170,745.

**Judith Proctor**

Chief Officer, Edinburgh Health and Social Care Partnership

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# Report

## Award of Overnight Responder Service

### 2. Executive Summary

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- 2.1 This report seeks approval to award the Overnight Responder Service to Blackwood Homes and Care to commence in September 2022 for a period of three years with the option to extend at twelve month intervals up to a total of 36 months, undertaken at the sole discretion of the Council at a total estimated value of £5,170,745.
- 2.2 The award of this contract will facilitate the continued use of a responder based provision in place of sleepovers where appropriate.

### 3. Background

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- 3.1 An audit of contracted sleepover provision indicated that at least one-third of the current contracted sleepovers could be transformed to responder-based provision providing a more personalised and cost-effective service.
- 3.2 A trial has taken place with Blackwood Housing since 2016 which has provided support to individuals within their homes remotely in the first instance. This will increase options for service users for overnight care, reduce reliance on staff in peoples own homes and utilise technology for planned and emergency situations. This service now covers 80 clients with an annual cost of £456,422, with an estimated saving each year of £2,815,259 compared to the cost of providing physical staff sleepovers.
- 3.3 The current contract has been extended until 30 September 2022 and there is an opportunity to provide a new city wide service. It is likely that an expansion would be filled over a number of years by transitioning existing service users if appropriate and through the provision to new users.

### 4. Main report

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- 4.1 Commercial and Procurement Services (CPS) published a Prior Information Notice (PIN) on Public Contracts Scotland (PCS) on 16 November 2020 to determine

interest from potential providers and inform the market of the tender opportunity. The PIN indicated that over fifteen providers were interested in the tender opportunity.

- 4.2 This was followed up by an online meeting with interested parties later in November 2020. The feedback from the meeting drove the decision to continue with a single provider approach as the supply market indicated that a multi provider ranked framework wouldn't be appealing and would create operational difficulties.
- 4.3 On 10 December 2021, the Council published an Invitation to Tender on PCS with a submission deadline of 1 February 2022. This was done via the Open Procedure, meaning any provider could review the requirements and submit a tender.
- 4.4 A cost/quality ratio of 40:60 was applied as the project team required a suitably strong focus on the qualitative elements of the tender, while ensuring commercially strong and viable offers.
- 4.5 On 1 February, two tenders were received via PCS. One tender was not compliant with requirements and the qualitative elements of the remaining tender were provided to the evaluation panel.
- 4.6 The tender results, combining the quality scores and the price evaluation to derive an overall score for each provider out of a maximum of 100%, are:

| <b>Provider</b>          | <b>Cost Score<br/>40%</b> | <b>Quality Score<br/>60%</b> | <b>Overall score (maximum of<br/>100%)</b> |
|--------------------------|---------------------------|------------------------------|--|
| Blackwood Homes and Care | 48.75                     | 40.00                        | 88.75                                      |

- 4.7 A summary of the tender evaluation criteria is provided in Appendix One.

## **5. Next Steps**

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- 5.1 Following standstill a contract management and handover report, detailing the necessary steps and measures, will be produced and agreed. It is envisaged that proactive contract management (to include robust monitoring of all appropriate management information, key performance indicators and budget/savings tracking) will assist in the delivery of an effective and efficient service for the Council throughout the duration of the contract.

## **6. Financial impact**

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- 6.1 The estimated six year value of this contract is £5,170,745.
- 6.2 Costs were sought against a predicted growth in volume of users with an estimated 120 users by year one growing to 360 users by year five and plateauing at this level.
- 6.3 The baseline cost of an overnight sleepover is £40,896 annually.

- 6.4 Costs for this contract were sought on the basis of user numbers and as such the cost per user will drop as the overall numbers increase. As this is a framework agreement there are no fixed fees and the Council will only pay for actual numbers of users however there is a financial incentive to increase overall volumes.
- 6.5 On this basis cost avoidance are estimated using targeted user numbers against the baseline cost of overnight sleepovers. The predicted cost avoidance is as follows;

| Year          | Users        | Predicted Value<br>£ | Predicted Value per person<br>£ | Estimated Standard Cost<br>£ | Estimated standard cost per person<br>£ | Annual Cost Avoidance<br>£ |
|---------------|--------------|----------------------|---------------------------------|------------------------------|---|----------------------------|
| <b>Year 1</b> | 120          | £435,074             | £3,626                          | £4,907,520                   | £40,896                                 | £4,472,446                 |
| <b>Year 2</b> | 180          | £613,393             | £3,408                          | £7,361,280                   | £40,896                                 | £6,747,887                 |
| <b>Year 3</b> | 240          | £799,855             | £3,333                          | £9,815,040                   | £40,896                                 | £9,015,185                 |
| <b>Year 4</b> | 300          | £985,246             | £3,284                          | £12,268,800                  | £40,896                                 | £11,283,554                |
| <b>Year 5</b> | 360          | £1,153,811           | £3,205                          | £14,722,560                  | £40,896                                 | £13,568,749                |
| <b>Year 6</b> | 360          | £1,183,366           | £3,287                          | £14,722,560                  | £40,896                                 | £13,539,194                |
|               | <b>Total</b> | <b>£5,170,745</b>    |                                 | <b>£63,797,760</b>           |   | <b>£58,627,015</b>         |

- 6.6 All figures in the above table are at current price base.
- 6.7 The costs associated with procuring this contract are estimated to be between £20,001 and £35,000.

## 7. Stakeholder/Community Impact

- 7.1 An Integrated Impact Assessment was carried out around the continuation and expansion of this service. The outcomes of this are as follows;
- 7.1.1 Develop appropriate implementation plan. The implementation plan will include details on objectives, planning, risks and mitigations. Discussions with key contacts during implementation will determine any impacts on staff groups and financial sustainability of the provider and any supportive measures which can be implemented;
- 7.1.2 Develop appropriate communication plan and where required ensure accessible formats for people who have additional communication needs. The communication plan will detail key contacts and highlight the benefits of an overnight responder service; and
- 7.1.3 Ensure the development of a range of information sources to promote understanding of an Overnight Responder service including leaflets and a website on what the service providers, all must be available in a variety of accessible communication formats when required.
- 7.2 Blackwood Homes and Care have committed to delivering community benefits in line with expenditure in this contract. This will include in supporting education

initiatives, employment for people with disabilities and employment of a Modern Apprentice.

7.3 Blackwood Homes and Care pay the Real Living Wage and actively support trade union membership amongst employees.

7.4 This service will have moderate environmental impact as it will reduce the need for carers to travel to homes each evening to carry out overnight stays. The impact of this is difficult to quantify as distance and mode of transport will vary in each circumstance however over 700 journeys (to and from the residence) will be avoided for each service user annually against a overnight stay model.

## **8. Background reading/external references**

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8.1 [EHSCP Strategic Plan 2019-2022](#) – Report sets out the need for the right services at the right time.

## 9. Appendices

### 9.1 Appendix 1 - Summary of Tendering and Tender Evaluation Process.

|  |  |                    |
|--|--|--------------------|
| <b>Contract</b>  | Overnight Support / Responder Service  |                    |
| Contract period (including any extensions)                       | Three years with the option to extend at twelve month intervals up to a total of 36 months |                    |
| Estimated Contract Value (including extensions)                  | £5,170,745   |                    |
| Procurement Route Chosen   | Open Competition via Public Contracts Scotland   |                    |
| Tenders Returned   | Two, one compliant   |                    |
| Name of Recommended Provider(s)                                  | Blackwood Homes and Care   |                    |
| Price / Quality Split  | <b>Price 40%</b>   | <b>Quality 60%</b> |
| Evaluation criteria and weightings and reasons for this approach | <b>Price</b>   | <b>40%</b>         |
|  | <b>Quality</b>   | <b>60%</b>         |
|  | Service Delivery - Methodology   | 30%                |
|  | Service Delivery – Resources, management and staffing                                      | 25%                |
|  | Promotion of Service   | 10%                |
|  | Implementation Plan  | 10%                |
|  | Business Continuity  | 10%                |
| Data Protection  | 5%   |                    |
| Community Benefits   | 5%   |                    |
| Fair Work Practices  | 5%   |                    |
| Evaluation Team  | Officers from the Edinburgh Health and Social Care Partnership                             |                    |