

Leicester  
City Council

Cabinet

14<sup>th</sup> December 2009

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**NHS Campus Re-provision Programme (Health Homes) – Procurement Requirements for Adults with Severe Learning Disabilities**

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**Report of the Strategic Director for Adults and Communities**

**1 PURPOSE OF THE REPORT**

- 1.1 This report seeks to inform Cabinet of emerging Health Homes procurement issues and to secure approval to include an addition to the Procurement Plan for 2009/2010. The Council is required to re-provide services for people with severe learning disabilities, who will become the responsibility of the Council following discharge from the NHS. The 61 adults concerned will require 24 hour supported living services to be provided in City and County geographical locations.
- 1.2 The Procurement Plan serves two purposes:
- (a) To inform the market of future procurement, to enable potential suppliers to prepare for a future procurement process.
  - (b) To provide members with greater overview of procurement activity, as recommended by the District Auditor in his report on housing contracts.
- 1.3 The original 2009/10 Procurement Plan was approved by Cabinet on 30<sup>th</sup> March 2009, and listed probable procurement exercises above the EU thresholds (currently, £139,893 for supplies and services and £3,497,313 for works).

**2 REPORT**

- 2.1 Working in partnership with the Leicestershire County Council and the NHS the City Council plans to develop new services to replace Learning Disability NHS Campus accommodation by 2010. The requirement to re-provide all NHS Campus Accommodation stems from 'Our Health Our Care Our Say' (DoH 2006) and Valuing People Now (DOH 2007). It contributes to the One Leicester themes of Improving Health and Well-Being and impacts directly on the Local Area Agreement settled accommodation target (NI 145). Once discharged from the NHS the 61 people currently living in health homes will become the responsibility of the local authorities. In order to complete our Campus Closure Programme, new supported living services must be

procured from the Independent Sector. Due to the value of the contract involved and the need for economies of scale and value for money in the procurement process, it has been agreed by Directors that the City Council will lead a cross authority procurement exercise, based on the Council's Contract Procedure Rules. The Programme Plan indicates that services will largely be coming on stream from October 2010, and due to the long lead in time required for a European Union compliant tender exercise, the tender is required to be advertised imminently.

- 2.2 Section 2 10.5 of the Contract Procedure Rules, states that "Cabinet approval must be obtained prior to undertaking any procurement exercise over the EU threshold. This can be by inclusion of the requirement in the Procurement Plan, which is prepared periodically by the Head of Corporate Procurement. Contract Awards must be approved by Cabinet prior to commencement of the Alcatel standstill period. The Cabinet has delegated approval of contract awards to individual Cabinet leads for procurement exercises included in the Procurement Plan".
- 2.3 In order for the Council to be able to meet the mandatory Department of Health Deadline for the re-provision of people living in health homes by December 2010, urgent approval is sought from Cabinet to prevent any slippage to the Programme. Cabinet is requested to note that the lead in time for the start of service provision post contract award is long. This is because Providers will both have to recruit new staff, and manage the TUPE transfer of unqualified employees from the NHS. It is imperative therefore that the procurement process starts imminently and officers are hoping with Cabinet Approval to place an OJEU notice for a target date of 14<sup>th</sup> December 2009.

### **3 RECOMMENDATIONS**

#### **3.1 Cabinet is recommended to:**

- a) **Approve the additions to the Corporate Procurement Plan as set out in the appendix of this report**
- b) **Note the strategic dependency of this work on the Council achieving the re-provision deadline of December 2010.**

### **4 CONSULTATION**

- 4.1 Geoff Organ, Head of Corporate Procurement  
Angela Sutaria, Health Homes Project Manager

### **5 FINANCIAL, LEGAL AND OTHER IMPLICATIONS**

#### **5.1 Financial Implications**

As the existing health homes service is being de-commissioned by the NHS the expectation of Council Directors is that the Primary Care Trusts will fund the revenue costs of re-provision. The City Council is represented on the

multi-agency Finance Sub Group to ensure the Council's interests in this area are protected. Supported living is more expensive than traditional institutional care models, although the outcomes for individuals are significantly improve as services are based on individually tailored hours. Work is underway to determine the precise revenue implications of the contract, but initial work shows that it far exceeds the European threshold, due to the impact of the TUPE transfer and the fact that 24 hour services are needed.

## 5.2 Legal Implications

The purpose of this report is to seek Cabinet's approval to add this procurement activity to the Procurement Plan. As such, the legal implications are that since all the procurement activities are above the EU Public Procurement thresholds, as well as compliance with the Council's Contract Procedure Rules, the relevant law is contained in the Public Contracts Regulations 2006 and the Commissions Interpretative Communication of July 2007. Each procurement will need to follow due process in accordance with our internal and legislative requirements, with advice from the Corporate Procurement Team and Legal Services. Although the Council is not a legal party to the Transfer of Undertakings and Protection of Employment Legislation 2006 (TUPE) the City Legal Team has confirmed that it is applicable in this case.

Beena Adatia, Senior Solicitor/Team Leader, Commercial, Contracts and General Team, Legal Services ext. 29 6378

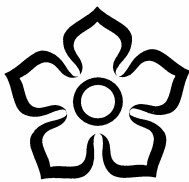
## 5.3 Other Implications

Other Implications	Yes/No	Paragraph References within this Report
Equal Opportunities	Yes	The Health homes re-provision is essentially a rights based agenda aimed at improving the lives of some of the most socially excluded people with learning disabilities. A full equalities impact assessment has been conducted in relation to the programme.
Policy	Yes	
Sustainable and Environmental	Yes	
Crime and Disorder	No	
Human Rights Act	Yes	
Elderly Persons/People on Low Incomes	Yes	All new build accommodation developed in the programme will comply with the Homes and Communities Agencies Standards and Sustainability Toolkit the majority being to Leicester City Wheelchair Standards.

## 6 REPORT AUTHOR

Kim Curry, Strategic Director Adults & Communities Ext 29 8300.

<b>Key Decision</b>	No
<b>Reason</b>	N/A
<b>Appeared in Forward Plan</b>	N/A
<b>Executive or Council Decision</b>	Executive (Cabinet)



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Appendix

**LEICESTER CITY COUNCIL PROCUREMENT PLAN 2009/2010  
FINANCIAL YEAR APRIL 2009 TO MARCH 2010**

**PORTFOLIO – ADULTS & COMMUNITIES**

**1**

Division:	Personalisation and Business Support
Section	Service Contracting and Procurement Unit
Name of Contract:	<b>Health Homes – Supported Living Services for Adults with Learning Disabilities</b>
Description of Contract:	Provision of 24 hour Supported Living Services for Adults with learning disabilities currently living in NHS Campus accommodation (Health Homes). All adults have severe learning disabilities and complex health needs. The Council is required to re-provide services for these adults by December 2010 (DoH target linked to LAA indicator). Unqualified staff will be TUPE transferred to successful independent sector care providers. .
Expiry Date of existing Contract:	These will be 9 new contracts.
Anticipated start of new Contract:	June 2010
Duration of new Contract:	2 +1 +1 years
Value of new Contract:	Above EU Thresholds
Lead Officer:	Angela Sutaria

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