



REPORT TO HOUSING AND SOCIAL WORK COMMITTEE – 6 JUNE 2013

CONTRACTS AWARDED FOR SERVICES TO INDIVIDUALS (VALUES OF OVER £60,000)

1 Recommendations

The Committee is recommended to:

- 1.1 **Acknowledge that contracts have been awarded to independent sector service providers for services to individuals with annual contract values in excess of £60,000, in order to comply with Aberdeenshire Council Financial Regulations.**

2 Background/Discussion

- 2.1 The Council enters into contracts with a range of independent sector service providers for the provision of social care services. The majority of services for adults are commissioned from framework agreements that have been subject to competition and approved by Aberdeenshire Council's Policy and Resources Committee. The Council also has contracts in place with a range of service providers for the provision of residential places for adults and residential school places for children. (Work is taking place to bring residential school services into a national contract that will comply with procurement legislation and ensure best value; the anticipated start date for the commencement of the framework is end of September 2013).
- 2.2 Framework agreements do not guarantee any level of business or payment to the service provider and contracts are awarded on an individual basis when arrangements are made to meet an individual's needs; these are referred to as either call-off contracts or individual service agreements.
- 2.3 Aberdeenshire Council's Financial Regulations (5.3.6 & 5.3.7) require that contracts with a value exceeding £60,000 are subject to formal tender and the outcome reported to Committee. The Regulations also require that all new call-offs for goods and services made under framework agreements are reported to Policy and Resources Committee (5.3.16d).
- 2.4 Because it is not generally practical to apply these aspects of Financial Regulations to individual contracts for service users with care and support needs, an additional clause has been added to the Regulations (5.3.15) that gives the Director of Housing and Social Work delegated authority to enter into direct negotiations with a single provider without competition or further competition in the following exceptional circumstances:
 - 1) Where the requirement of the contract is unique or only one suitable source of supply can be identified.
 - 2) When for reasons of extreme urgency or risk to life or health and wellbeing, the other procurement procedures cannot be complied with.

- 3) Where there are limited spaces available for a specific type of care and those spaces only become available occasionally and at short notice.
 - 4) Where the Council is instructed by a Children's Hearing or Educational Tribunal to place a child in a particular setting.
- 2.5 The clause requires that when this exceptional procedure has been used, the Director of Housing and Social Work will report the details to the Social Work and Housing Committee annually.
- 2.6 It should be noted that the contract value of £60,000 referred to at 2.3 means the value for the entire duration of the contract. However, this has been interpreted as an annual contract value for social care services due to the unpredictability of contract duration.
- 2.7 During the financial year 2012/2013, the exceptional procedure was used for 10 adult placements and 10 children's placements. Appendix 1 contains details of the annual contract values, names of providers, types of service and circumstances under which the exceptional procedure was used.
- 2.8 Contracts are awarded following discussion about the reasons for the placement at the Resource Allocation Group for adult services and the External Placement Group for children's services. The placements are approved by the relevant Heads of Service.
- 2.9 The Monitoring Officer within Corporate Services, the Head of HR and OD, Head of Finance and the Head of Procurement have been consulted on this report and their comments have been incorporated.

3 Equalities, Staffing and Financial Implications

- 3.1 An equality impact assessment is not required because the reason for the report is simply for the Committee to note and consider and there will be no differential impact, as a result of the report, on people with protected characteristics.
- 3.2 There are no staffing implications arising from this report.
- 3.3 The cost of placements has been and will continue to be met from the relevant social work budgets.

Ritchie Johnson
Director of Housing and Social Work

APPENDIX 1

Annual Contract Value £	Service Provider	Service Type	Exceptional Circumstances Used *
	Adult Services:		
91,364	Carewatch Grampian	Supported Living	3
82,443	Community Integrated Care	Supported Living	3
110,926	Sense	Supported Living	3
99,106	Sense	Supported Living	3
149,552	Cornerstone	Supported Living	3
68,484	Community Integrated Care	Supported Living	3
93,000	ASC Balhousie	Supported Living	1
75,526	Cornerstone	Residential Care Home	3
75,526	Cornerstone	Residential Care Home	3
143,218	Nevisbridge Limited	Residential Care Home	3
	Children's Services:		
95,936	Troup House, Aberdeenshire	Residential School	3
195,755	Spark of Genius, Dunfermline	Residential School	3
199,920	Kibble, Paisley	Residential School	3
244,118	Kibble, Paisley	Residential School	3
63,200	Moorehouse School, West Lothian	Residential School	3
113,620	Balnacraig, Perth	Residential School	3
75,600	Sycamore School, Fife	Residential School	3
77,000	Bachlaw, Aberdeenshire	Residential School	3
208,000	Linn Moor, Aberdeen	Residential School	3
95,904	Abbeyfield, Aberdeenshire	Residential Home	3

* Exceptional Circumstances:

- 1) Where the requirement of the contract is unique or only one suitable source of supply can be identified.
- 2) When for reasons of extreme urgency or risk to life or health and wellbeing, the other procurement procedures cannot be complied with.
- 3) Where there are limited spaces available for a specific type of care and those spaces only become available occasionally and at short notice.
- 4) Where the Council is instructed by a Children's Hearing or Educational Tribunal to place a child in a particular setting.