

CONTRACT SCRUTINY COMMITTEE AGENDA



Monday, 18 October 2010

at 11.00 am

**in Committee Room C,
Civic Centre, Hartlepool**

MEMBERS: CONTRACT SCRUTINY COMMITTEE:

Councillors Aiken, Ingham, Lawton, London, Maness, Richardson, Simmons, Sutheran and Wells.

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

3.1 To confirm the minutes of the meeting held on 4 October 2010

4. ITEMS FOR INFORMATION

- 4.1 Exception to Contract Procedure Rules – *Director of Child and Adult Services*
- 4.2 Social Care Contracts (MIND, The Artrium & PROP) – *Strategic Commissioner – Mental Health*

5. ANY OTHER ITEMS WHICH THE CHAIR CONSIDERS ARE URGENT

CONTRACT SCRUTINY COMMITTEE

MINUTES AND DECISION RECORD

4 October 2010

The meeting commenced at 11.00 a.m. in the Civic Centre, Hartlepool

PRESENT: Councillor Frances London (In the Chair);

Councillors Martyn Aiken, Trish Lawton, Sarah Maness, Carl Richardson, Chris Simmons, Lilian Sutheran and Ray Wells

OFFICERS: David Hart, Strategic Procurement Manager
Karen Burke, Procurement Category Manager
Sally Scott, Procurement Officer
Kate Watchorn, Commercial Solicitor
Sarah Bird, Democratic Services Officer

42. Apologies for Absence

None.

43. Declarations of Interest

None.

44. Minutes of the meeting held on 20 September 2010.

These were confirmed as an accurate account. Members were informed that in relation to item 39, pertaining to the advocacy service an officer would attend the meeting on 18 October to answer member questions.

45. Regional Governance Framework Review of Collaborative Procurement – Business Plan *(Assistant Director (Resources))*

In 2008 the North Eastern Purchasing Organisation (NEPO) Joint Committee and the Regional Improvement and Efficiency Partnership (RIEP) had jointly commissioned a review in relation to the creation of a regional arrangement to meet the significant procurement challenges facing all North East local authorities and deliver efficiency targets.

Members were invited to comment on the report which would also be discussed at Cabinet and then Council. NEPO were in favour of

continuing with collaborative arrangements in order to obtain maximum benefits for Local Authorities. However there were concerns that a number of issues had not been addressed yet. In particular although NEPO had indicated that there would be savings made by joining the collaborative, Local Authorities were already making savings as a result of the government spending review. If this Authority undertook to collaborate regionally on all procurement, then jobs could be lost by workers at Hartlepool Borough Council. It could also affect the local economy if Hartlepool firms were not used, thereby affecting the jobs in local firms. A further proposal by NEPO was that each local authority had two members (one of whom would be an executive Member) on the Joint Committee. A decision had not yet been made on whether each Authority would continue to pay the same fee to NEPO or whether this should be proportional in relation to the size of the Authority.

A Member asked whether the Authority received savings from being a Member of NEPO that were in excess of the £30,000 cost of being a member. He was informed that benefits in excess of £30,000 were received although exact amounts were not currently available. Support was given for the letter appended to the report from the Mayor to the Chair of the Association of North East Councils which had expressed concern in relation to the loss of local jobs. Members also expressed disquiet about having only two Members on the Committee. It was established that current subscription fees to NEPO were up to date, but as the new collaborative agreement had not yet been fixed, no fees for this had been paid as yet. Early indications were that the existing NEPO staff would be TUPEd across to the new organisation. It was clarified for Members that there would be a six month opt out period for Local Authorities if they did not wish to continue with the new arrangements.

Members agreed that the business case for the new organisation was not proven. There was a case for some contracts being undertaken via government contracts rather than regional ones. Members highlighted that the first 10 priority areas of spend did not include Energy costs and expressed concern that Adoption and Nursing Care decisions may not be taken locally. A Member queried whether there was a national standard for contract evaluation and was informed that there was not. She expressed concern that contracts not evaluated locally may have different priorities to our Local Authority i.e. slippage in quality.

Decision

Members comments were noted and would be passed to the Assistant Director (Resources).

46. Local Government Access to Information

Under Section 100 (A)(4) of the Local Government Act 1972, the press and public were excluded from the meeting for the following items of business on the grounds that it convolved the likely disclosure of

exempt information as defined in paragraph 3 of Part 1 of the Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information)(Variation) order 2006

Minute 47 – Supply and maintenance of fire extinguishers and related equipment (ref 425) – para 3 information relating to the financial or business affairs of any particular person (Including the Authority holding that information)

47. Supply and Maintenance of Fire Extinguishers and Related Equipment (ref 425) *(Strategic Procurement Manager)*

Twenty tenders had been received in respect of this contract and these were opened in the presence of the Committee using the 'e-procurement' system.

Members queried the security of the e-procurement system and asked whether firms submitting a tender were able to see which other firms had done so. Members were also anxious that the pricing document was opened at the committee.

Decision

The opening of the tenders was noted and also the concerns of the Members.

The meeting concluded at 12.03 pm.

CHAIR

CONTRACT SCRUTINY COMMITTEE

18 October 2010



Report of: DIRECTOR OF CHILD AND ADULT SERVICES
DEPARTMENT

Subject: EXCEPTION TO THE CONTRACT
PROCEDURE RULES

1. PURPOSE OF REPORT

- 1.1 To advise the Contract Scrutiny Committee of the Portfolio Holder for Adult and Public Health Services' agreement to make an exception to the Contract Procedure Rules in relation to the following contracts:

- Richmond Fellowship – Eamont Terrace

2. BACKGROUND

- 2.1 Richmond Fellowship were appointed in 2004 to provide housing related support to People with mental health conditions at a purpose built supported housing scheme at Eamont Terrace, Eamont Gardens, Hartlepool.
- 2.2 The service commenced on 31 May 2004, and currently provides support for eight clients whose assessed need is either experiencing or recovering from mental health ill health and at risk of becoming homeless
- 2.3 Eamont Terrace is owned by Three Rivers Housing Association, with Richmond Fellowship managing the property on behalf of Three Rivers Housing Association.
- 2.4 The current contract with Richmond Fellowship will expire on 4 October 2010 and has an annual value of £214,432 per annum.

3. PROPOSALS

- 3.1 The Committee to note the report

4. CURRENT POSITION

- 4.1 The Commissioned Services Team carried out a review of this service in 2009.

- 4.2 The Service Review highlighted some areas for improvement and to ensure continuous improvement of the Service an Action Plan was issued and the Contract was extended for 12 months until 4 October 2010.
- 4.3 The Service is now being re-tendered with a commencement date of the new contract from 1 April 2011.
- 4.4 It is intended to award the contract in early January, using the period from January to March for the potential handover of the service and to allow for any TUPE arrangements to be facilitated smoothly.
- 4.5 In order to allow the Council time to retender for this service, it was proposed that the contract with Richmond Fellowship is entered into until 4th April 2011
- 4.6 On 20 September 2010 the Portfolio Holder for Adult & Public Health Services agreed to an exemption to the Contract Procedure Rules to allow for a contract to be entered into with Richmond Fellowship for the provision of mental health supported accommodation for 6 months.

5. FINANCIAL CONSIDERATIONS

- 5.1 The cost to the authority of entering into a contract with Richmond Fellowship for this service from 4 October 2010 to 31 March 2011 is £107,216.00.

6. RECOMMENDATIONS

- 6.1 That Committee note the Portfolio Holder for Adult and Public Health Services' agreement to make an exception to the Contract Procedure Rules in relation to the following contracts
- Richmond Fellowship – Eamont Terrace

7. BACKGROUND PAPERS

- 7.1 None

8. CONTACT OFFICER

- 8.1 Brian Ayre
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CONTRACT SCRUTINY COMMITTEE

18 October 2010



Report of: Strategic Commissioner – Mental Health

Subject: SOCIAL CARE CONTRACTS (MIND, THE ARTRIUM & PROP)

1. PURPOSE OF REPORT

That Committee note the Portfolio Holder for Adult and Public Health Services' agreement to make an exception to the Contract Procedure Rules in relation to the following contracts

- People's Relief of Pressure – Mental Health Services
- Hartlepool Arts Studio Project – Community Arts Studio
- MIND – Vision for Success

2. BACKGROUND

2.1 People's Relief of Pressure – Mental Health Services

2.1.1 The Council has funded the provision of the service under a contract with the provider since April 2004. The existing agreement commenced on 1 April 2009 and after subsequent extensions will terminate on 30 September 2010. The primary objective of the service is to provide a range of support to anyone suffering mental health problems, whilst preserving maximum independence and quality of life.

2.2 Hartlepool Arts Studio Project – Community Arts Studio

2.2.1 The Council has contracted with Hartlepool Arts Studio Limited (HASL) for the provision of an open access art studio since 2004. The current contract commenced on 16 April 2009 and will terminate on 30 September 2010. The studio is available for members of the public, particularly but not exclusively, those with a mental health problem.

2.3 MIND – Mental Health Recovery Service

2.3.1 The Council has contracted with MIND for the provision of Mental Health Recovery Services since 2004. The current contract

commenced on 1 August 2004 for 3 years with an option to extend and after subsequent extensions will terminate on 30 September 2010. The Mental Health Recovery Service provides social, emotional and practical support to people in Harlepool who experience emotional distress and/or mental health issues. The service develops appropriate responses to resolve the causes of stress and anxiety specific to individuals whilst preserving maximum independence and quality of life.

3. BACK GROUND AND COMMISSIONING INTENTIONS

- 3.1 A day service Commissioning Strategy was developed and agreed by the Mental Health Local Implementation Team (LIT) in 2007 and set out the strategic direction of modernised day services that would enable joined up working across the town. This was reinforced at a visioning event in 2008.
- 3.2 It was agreed that the funding for the three existing services provided by MIND, Artrium and PROP (value circa £120K), HBC services delivered through Integrated Mental Health Services (value circa £175K) and PCT funded component of day services (value circa £100K) would be re-invested in the new 'Moving Forward Day Services' model of delivery.
- 3.3 In a report to the Portfolio Holder presented on 7 December 2009, permission was requested to waive contract procedure rules and extend the existing contracts to 30 September 2010 to enable a tendering exercise to take place.
- 3.4 The tender was advertised on 12 April 2010 and submissions were received and opened at Contract Scrutiny Committee on 14 June 2010.
- 3.5 The decision to withdraw the tender process was made on 28 June 2010 and all tenderers were informed.
- 3.6 The decision to withdraw the tender was made due to the recent change in Government and a need to review the overall service delivery across the Council and the PCT. In the previous months there had been a change in the strategic direction both regionally and nationally and the need to modernise mental health services was identified as an area of improvement and development in particular in relation to the personalisation agenda. Therefore it was felt that at this juncture the proposed model for Mental Health Day Services required a further review to ensure fit with the overall direction of travel in relation to Mental Health, Personalisation and the strategic direction of the Council and the PCT.

4. FINANCIAL CONSIDERATIONS

4.1 The financial implications for new contracts will be as follows: -

- MIND – Vision for Success - £46,146
- PROP – Peer Support group - £52,200
- Atrium – Hartlepool Arts Studio Project - £52,600

4.2 The above costs will be incurred during in the period 1 October 2010 to 30 September 2011.

4.3 These costs are based on the current contract values with no uplift.

5. RECOMMENDATION

5.1 That Committee note the Portfolio Holder for Adult and Public Health Services' agreement to make an exception to the Contract Procedure Rules in relation to the following contracts

5.2

- People's Relief of Pressure – Mental Health Services
- Hartlepool Arts Studio Project – Community Arts Studio
- MIND – Vision for Success