

## **Addendum: Compliance with Contract and Financial Procedure Rules**

### **Purpose**

- 1.1 To seek approval of Council Cabinet under Contract and Financial Procedure rules to approve a block contract with Agincare for the provision of adult residential care beds.

### **Recommendations**

- 2.1 Subject to agreement and exchange of contracts in relation to the sale of Coleridge House, Merrill House and Raynesway View to Agincare, to approve the award of a contract to Agincare for the provision of adult residential care up to a total value of £615,000.
- 2.1 To approve a waiver of Contract Procedure Rules paragraph 7.2 (*Competition Requirements*)) to permit the direct award of the contract for the provision of adult residential care to Agincare, in accordance with paragraph 56 (*Waivers*) of Contract Procedure Rules.

### **Reason**

- 3.1 To comply with the Council's Contract and Financial Procedure rules.

### **Supporting information**

- 4.1 In November 2015 Council Cabinet agreed to the "the commencement of a public consultation exercise to gain feedback on an alternative service model for Council owned care homes and day services". Subsequent to this, in December 2016 Cabinet delegated authority to the Strategic Director of Place following consultation with the Strategic Director of People, to sell five of the Council's care homes – Merrill House, Raynesway View, Coleridge, Arboretum House (including Morleston Day centre) & Bramblebrook to achieve the best possible outcome for the Council and to ensure that the existing residents are provided with a quality care service for the remainder of their lifetime, at no additional cost to them. Three of the homes have been exposed to the market and a sale agreed with Agincare for Coleridge House, Merrill House and Raynesway View. Arboretum House is now being retained by the Council and Bramblebrook (a closed home) is being considered for redevelopment purposes.

- 4.2 Exchange of contracts is now due with Agincare, however approval is sought to enter into a block contract up to a maximum value of £615,000 to purchase up to 25 residential beds at the homes, on a phased basis to manage demand and occupancy. Agincare will be carrying out required building developments to ensure that the care homes are modernised and offer good quality residential provision in Derby, and the block contract guarantees both the Council and Agincare that older people will access and benefit from these residential care beds. The block purchase will add financial value to the Council, allowing care to be purchased within existing costs.
- 4.3 It is also necessary to waive the Council's Contract Procedure rules which state that a competitive tender process should be carried out when procuring goods and services of this value.

### **Public/stakeholder engagement**

- 5.1 None directly arising from the report.

### **Other options**

- 6.1 Agincare are soon to become the owners and registered provider of the care provision with the Care Quality Commission of the affected care homes, therefore offering a block contract by way of open procurement is not feasible, given the conditions of sale include the provision of ongoing care to older people living at these facilities – today and in the future.

### **Financial and value for money issues**

- 7.1 As contained in the report.

### **Legal implications**

- 8.1 Further to the sale of the care homes to Agincare, the award of this contract to is permissible without a publically advertised tender process under Regulation 74 of the Public Contract Regulations 2015, which permits the award of contracts for adult social care services up to a total value of £615,000.

### **Other significant implications**

- 9.1 None directly arising.

This report has been approved by the following people:

<b>Role</b>	<b>Name</b>	<b>Date of sign-off</b>
<b>Legal</b>	Emily Feenan, Director of Legal	4 <sup>th</sup> October 2019
<b>Finance</b>	Alison Parkin, Head of Finance	4 <sup>th</sup> October 2019
<b>Service Director(s)</b>	Kirsty McMillan, Service Director – Integration and Direct Services	4 <sup>th</sup> October 2019
<b>Report sponsor</b>	Paul Simpson, Strategic Director of Corporate Resources	4 <sup>th</sup> October 2019
	Andy Smith, Strategic Director, People Services	
<b>Other(s)</b>		