

**Executive Procurement Committee      On 27<sup>th</sup> June 2006**

Report Title: **Social Services Spot Contracts (1<sup>st</sup> April 2005 – 31<sup>st</sup> March 2006)**

Report of: **The Director of Social Services**

Wards(s) affected: **All**

Report for: **Key Decision**

**1. Purpose**

1.1 To inform Members of the level of spot contracting over the period 1<sup>st</sup> April 2005 to 31<sup>st</sup> March 2006.

**2. Introduction by Executive Member**

2.1 This is a routine report required by Standing Orders that demonstrates the service continues to successfully increase the amount of care providers through spot contracts, rather than block contracts.

**3. Recommendations**

3.1 That Members note the contents of the report.

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**4. Executive Summary**

4.1 This report provides information on the number and value of spot contracts utilised by the Social Services Directorate during the period 1<sup>st</sup> April 2005 to 31<sup>st</sup> March 2006. Contract Standing Orders require that an Annual Report be provided to the Executive Procurement Committee on the level of such contracts.

**5. Reasons for any change in policy or for new policy development (if applicable)**

5.1N/A

## 6. Local Government (Access to Information) Act 1985

6.1 Report of Director of Social Services to Executive Procurement Committee of 12<sup>th</sup> July 2005 – Social Services Spot Contracts (1<sup>st</sup> April 2004 to 31<sup>st</sup> March 2005)

6.2 N/A

## 7. Background

7.1 Contracts for individuals are either 'block' contracts (where a set number of beds or places for services is provided by the contractor at a predetermined price to which the Council may refer users over the contract period), 'framework' contracts (with a predetermined price, which are similar to block contracts but with no guaranteed number of places) or 'spot' contracts (one off contracts meeting an individual's needs). Efforts are made to maximise the use of block and framework contracts where this represents best value for the Council.

7.2 Contract Standing Order 6.10 authorises the Director of Social Services to award spot contracts whilst requiring that an annual report on the level of usage is provided to the Executive Procurement Committee

## 8. Description

8.1 Block and framework contracts can have advantages in that it is sometimes possible to secure provision from selected providers at a more advantageous price.

8.2 It is not always appropriate or indeed possible to secure block or framework contracts as the residential home market is very much a sellers market and providers are often not willing to enter into this form of contract preferring to sell on the open market.

8.3 As previously reported work is continuing on the development of Pan London Consortium contracts for the provision of adults services, mirroring the highly successful model for the provision of children's services. Haringey is part of the pilot for the provision of services for adults with learning difficulties.

8.4 The table below shows that there has been an overall decrease in both the number and cost of spot contracts for the period covered by this report:

Summary: Social Service Spot Contracts		2005/2006	2004/2005	Change	%
<b>Older People</b>	Number Spot	829	1,110	-281	-25%
	Value £	£9,810,609	£10,107,238	-£296,629	-3%
<b>Adults</b>	Number Spot	712	947	-235	-25%
	Value £	£16,031,808	£16,862,860	-£831,052	-5%
<b>Social Services</b>	Number Spot	1,541	2,057	-516	-25%
	Value £	£25,842,417	£26,970,098	-£1,127,681	-4%

## **Reasons for percentage reductions**

- Older Peoples and Adults Services spot purchases have reduced due to several factors as follows:
  - Further block contracts have been entered into
  - A greater number of clients are being assisted to live independently
  - The number of residential places required has fallen
  - Block contracts already exist for support services such as home care

A more detailed breakdown of the figures shown in the table above is attached at Appendix A.

## **8.5 Reporting Arrangements**

Historically the Social Services report contained information with regard to spot contracts for Children and Families. Members were informed last year that due to the setting up of the Children's Service that future reports would be separate. This report therefore contains only information with regard to Older Peoples and Adults Services, information with regard to services for Children & Families is contained in a separate report being presented to this Committee.

## **9. Summary and Conclusions**

- 9.1 The purpose of this report is to inform Members of the level of spot contracting for the period of 1<sup>st</sup> April 2005 to 31<sup>st</sup> March 2006.

## **10. Recommendations**

- 10.1 That Members note the contents of this report.

## **11. Comments of the Director of Finance**

- 11.1 The Director of Finance has been consulted in the preparation of this report and has no further comments to make on the financial details included within it.

## **12. Comments of the Head of Legal Services**

- 12.1 The Head of Legal Services notes the contents of the report and does not have any further comments.

## **13. Comments of the Head of Procurement**

- 13.1 The Head of Procurement notes the decrease in spot purchases for 05-06. This decrease is in line with Social Services strategy to enter into more block contracting arrangements.

## **14. Equalities Implications**

- 14.1 The Council's Individual Placement Agreement which is utilised as a spot contract has recently been updated and now contains the specific Equalities Terms and Conditions recommended by the Commission for Racial Equalities thereby mirroring the requirements of the Council's block contracts. This has the effect of ensuring that both Clients and staff providing the services are better protected with regard to equalities issues.

## 15. Use of Appendices / Tables / Photographs

### 15.1 Appendix A – Breakdown of numbers and value of spot contracts by Service.

## APPENDIX A

### Social Services Spot Contract Comparison 2004-05 & 2005-06: Detail

	2005-06 Spot No	2005-06 £	2004-05 Spot No	2004-05 £	Change Spot No	Change £
<b>Older People</b>						
Older Day Care	2	10,822	7	20,500	-5	-9,678
Older Domiciliary	285	1,212,906	379	1,018,265	-94	194,641
Older Nursing	171	3,087,351	170	3,112,559	1	-25,208
Older Residential	369	5,476,890	374	5,661,319	-5	-184,429
Older Supported Housing	2	22,641	0	0	2	22,641
Older Other			104	65,916	-104	-65,916
Older Respite			76	228,679	-76	-228,679
Transfer to new BLOCK provider					0	0
<b>Total Olders</b>	<b>829</b>	<b>9,810,609</b>	<b>1,110</b>	<b>10,107,238</b>	<b>-281</b>	<b>-296,629</b>
<b>Adults</b>						
<b>Physical Disabilities</b>						
PD Day Care	3	12,064	11	32,554	-8	-20,490
PD Domiciliary	38	657,745	164	1,274,712	-126	-616,967
PD Nursing	20	553,863	24	657,352	-4	-103,489
PD Residential	73	1,113,098	34	844,721	39	268,377
PD Respite			16	37,266	-16	-37,266
PO Other	0	0	59	126,240	-59	-126,240
Sub-Total	134	2,336,770	308	2,972,845	-174	-636,075
<b>Learning Difficulties</b>						
LD Boarding School	1	40,062			1	40,062
LD Day Care	74	776,392	78	755,318	-4	21,074
LD Domiciliary	32	259,406	42	360,410	-10	-101,004
LD Fostering	2	47,632			2	47,632
LD Nursing	7	349,376	6	382,256	1	-32,880
LD Residential	186	8,360,882	172	7,760,253	14	600,629
LD Respite			3	40,107	-3	-40,107
LD Supported Housing	3	56,187			3	56,187
LD Other	0	0	67	477,076	-67	-477,076
Sub-Total	305	9,889,937	368	9,775,420	-63	114,517
<b>Mental Health</b>						

MH Day Care	9	20,935	13	49,323	-4	-28,388
MH Domiciliary	17	77,739	9	29,313	8	48,426
MH Nursing	8	144,744	5	92,310	3	52,434
MH Residential	138	3,085,902	140	3,342,721	-2	-256,819
MH Respite			3	65,127	-3	-65,127
MH Supported Housing	0	0			0	0
MH Other	0	0	20	149,433	-20	-149,433
Sub-Total	172	3,329,320	190	3,728,227	-18	-398,907
<b><u>HIV &amp; Substance Misuse</u></b>						
HIV & Subs. Counselling	11	11,807			11	11,807
HIV & Subs. Day Care	3	6,398	3	2,090	0	4,308
HIV & Subs. Domiciliary	12	26,920	11	51,986	1	-25,066
HIV & Subs. Nursing	2	68,929	2	44,732	0	24,197
HIV & Subs. Residential	73	361,726	25	110,586	48	251,140
HIV & Subs. Respite			13	74,261	-13	-74,261
HIV & Subs. Other	0	0	27	102,713	-27	-102,713
Sub-Total	101	475,780	81	386,368	20	89,412
<b>Total Adults</b>	<b>712</b>	<b>16,031,808</b>	<b>947</b>	<b>16,862,860</b>	<b>-235</b>	<b>-831,052</b>
<b>Total Social Services</b>	<b>1,541</b>	<b>25,842,417</b>	<b>2,057</b>	<b>26,970,098</b>	<b>-516</b>	<b>-1,127,681</b>