



**Haringey** Council

Agenda item:

**[No.]**

**Cabinet Procurement Committee Meeting**

**On 4<sup>th</sup> September 2007**

Report Title: Social Care Spot Contracts – Outcome of Benchmarking Exercise

Forward Plan reference number (if applicable): Not applicable

Report of: **Director of Adult, Culture and Community Services**

Wards(s) affected: All

Report for: Non-key Decision

**1. Purpose**

1.1 To inform Members of the outcome of a benchmarking exercise undertaken at the request of the Council's Procurement Committee following consideration of a report on 27<sup>th</sup> June 2007.

**2. Introduction by Cabinet Member (if necessary)**

2.1 The figures within this report show that Haringey's average costs compare favourably with those of three and two star authorities in Greater London.

**3. Recommendations**

3.1 That Members note the contents of the report.

3.2 That Members agree to receive future annual benchmarking reports in September of each year.

Report Authorised by: **Mun Thong Phung, Director of Adult, Culture and Community Services**

Contact Officers:

Angie Langley, Contracts Manager, Strategic Services, Adult, Culture & Community Services - X3906

Kim Sandford, Head of Supplies & Services Procurement, Corporate Procurement – X3918

#### **4. Director of Finance Comments**

4.1 The Director of Finance has been consulted. Haringey's benchmark prices are comparable with those of the authorities reported and the average cost per week achieved in 2006-07 is consistent with these prices. The service has identified the risk of increasing costs as new placements are made at higher prices that reflect the increasing rates being experienced by the market. The financial implications will need to be carefully managed through the commissioning strategies of the Directorate.

#### **5. Acting Head of Legal Services Comments**

- 5.1 There is a requirement under Contract Standing Orders that the Director of Adults, Culture and Community Services shall present regular reports to the Cabinet Procurement Committee detailing the nature, extent and value of spot contracts entered into by the Directorate (see CSO 6.13(d) ).
- 5.2 Pursuant to this requirement, a report was presented to the Cabinet Procurement Committee at its meeting on 27<sup>th</sup> June 2007.
- 5.3 After consideration of the report, Members requested information on benchmarking figures with particular emphasis on authorities that have achieved three star status for performance for adult social care.
- 5.4 The Acting Head of Legal Services notes the contents of this report and has no further comments to make.

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

- 6.1 The Corporate Procurement Unit have been involved in the development of this report.
- 6.2 The benchmarking information demonstrates that Haringey's spot purchasing activity represents value for money to the Council, and is above mid range across the disciplines with particularly good rates being achieved in Physical Disabilities and Learning Disabilities Residential care.
- 6.3 The Corporate Procurement Unit supports both recommendations.

#### **7. Local Government (Access to Information) Act 1985**

List of Background Documents:

Report to Cabinet Procurement Committee of 27<sup>th</sup> June 2007 – Social Care Spot Contracts (1st April 2006 – 31<sup>st</sup> March 2007)

#### **8. Strategic Implications**

8.1 N/A

#### **9. Financial Implications**

9.1 See Financial Comment at Paragraph 4

## **10. Legal Implications**

10.1 See Legal Comment at Paragraph 5

## **11. Equalities Implications**

11.1 There are no Equalities Implications with regard to this report.

## **12. Consultation**

12.1 Not applicable

## **13. Background**

13.1 The Cabinet Procurement Committee of 27<sup>th</sup> June 2007 considered a report that set out the number and value of spot contracting activity for Adult Services between 1<sup>st</sup> April 2006 and 31<sup>st</sup> March 2007.

13.2 Members noted the report and requested an analysis with regard to value for money containing benchmarking figures with particular emphasis on comparison with authorities that have achieved three star status for performance for Adult Social Care.

13.3 In July of each year Laing & Buisson publish a survey of local authority fee rates on behalf of Community Care a specialist publication for the community care sector. The submitted prices to Laing & Buisson for three and two star authorities in Greater London are set out at Appendix A.

13.4 Haringey's own benchmark figures for Older Peoples Services (as submitted to Laing & Buisson) were calculated by averaging benchmark figures from authorities across the South East of England.

13.5 Haringey's average costs are relatively low due to the fact that many of the current clients have been accommodated for many years with weekly costs being agreed at the outset of the placement. Annual inflationary costs have remained low with the effect of some placements being retained at below Haringey's own benchmark figures. New placements are reflecting the higher benchmark figures of neighbouring authorities.

13.6 It is also the case that there is informal agreement between local authorities within the North London Procurement Group that all authorities will respect the benchmark figure of the host borough when placing clients to avoid bidding wars and ensure availability of local beds where possible. Most authorities outside of this group also adhere to a similar agreement as this is regarded as good practice. Any future Pan London contracts will ensure an agreed London wide benchmark.

13.7 The annual report to Members had previously been submitted during September and it is recommended that future annual reports should be submitted during that

month to allow for up to date comparisons to be made using the annual survey referred to at 13.3.

- 13.8 Members should note that the bed prices which Haringey pays for both residential and nursing care and across all client groups, are well within the norm compared with other Local Authorities. Members should also note that particularly high costs of Physical Disability and Learning Disability placements are uniformly high across the board.

#### **14. Conclusion**

- 14.1 Haringey's benchmarks and average costs compare favourably with those of other authorities within Greater London.

#### **15. Use of Appendices / Tables / Photographs**

- 15.1 Appendix A – Benchmark Table