

DECISION TITLE: Extension of contract to Turning Point Ltd for the provision of the Community Based Supported Living Service.
ENTER NAME OF CABINET MEMBER EXERCISING DELEGATED POWERS: Cabinet Member for Adult Social Care.
ENTER MONTH IN WHICH DECISION IS BEING TAKEN: March 2014
Deadline date: N/A

Cabinet portfolio holder:	Wayne Fitzgerald, Cabinet Member for Adult Social Care
Responsible Director:	Jana Burton, Executive Director for Adult Social Care, Health and Wellbeing
Is this a Key Decision?	Yes. If yes has it been included on the Forward Plan : Yes Unique Key decision Reference from Forward Plan : KEY/07FEB14/01
Is this decision eligible for call-in?	Yes
Does this Public report have any annex that contains exempt information?	No
Is this a project and if so has it been registered on Verto?	NO Verto number:

RECOMMENDATIONS

The Cabinet Member is recommended to:

1. Extend the Council's contract with Turning Point Ltd for 1 year with an option to extend by a further 1 year the provision of the Community Based Supported Living Service.
2. Authorise the Strategic Director for Health and Adult Social Care to vary the terms of the contract to include:
 - reduction of the contract sum from £2, 011, 375 per annum to a sum not exceeding £1,750,000 per annum or such lower contract sum as may be agreed with Turning Point Ltd and/ or removal of individual services during the term of the contract;
 - the option to novate (transfer) the above contract from Turning Point to another company within the Turning Point group, Turning Point (Services) Limited if the novation will lead to further economic benefit to the Council.
 - the option to pay value added tax, where applicable, within 7 days after receipt of a valid VAT invoice.

1. SUMMARY OF MAIN ISSUES

- 1.1 The Turning Point Community Based Supported Living Service contract was awarded by NHS Peterborough on behalf of Peterborough City Council and commenced on 1 April 2011 for a 3 year period. The contract has provisions within it to extend it for a further period of up to two years.

- 1.2 The report seeks approval to utilise the contract extension provision to extend the contract with Turning Point for the period of 1 April 2014 to 31 March 2015 with an option to extend by a further 1 year from 1 April 2015 to 31 March 2016.
- 1.3 In the context of the extension, the service will seek to deliver savings on the existing contract through the impact of the expected transfer, under ordinary residence rules, of some clients supported to another local authority and through negotiation on the contract value. The minimum expected saving on current contract value is £261,375.
- 1.4 As part of a recent internal reorganisation of the Turning Point group of companies, the report also seeks approval to respond to a request by Turning Point to novate the contract from Turning Point to Turning Point (Services) Limited, a wholly owned subsidiary of Turning Point. The Council will either accept or reject the proposal depending on the financial or economic benefits that can be achieved.

2. PURPOSE OF THIS REPORT

- 2.1 This report is for the Cabinet member for Adult Social Care to consider exercising delegated authority under paragraph 3.3.8 of Part 3 of the Constitution in accordance with the terms of their portfolio at paragraph 3.10(b).

3. TIMESCALE *(If this is not a Major Policy item, answer **NO** and delete second line of boxes).*

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	
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4. DETAILS OF DECISION REQUIRED

- 4.1 The Community Based Supported Living Service contract (CBSLS) was awarded by NHS Peterborough on 1 April 2011 to Turning Point Ltd and provides a supported living service for adults with a learning disability living in 5 separate supported living schemes. The contract was subsequently novated to the Council following the transfer of adult social services to the Council on 1 April 2012. The supported living service was initially established to supported adults with a learning disability to move into supported living from NHS hospital campuses, with support services continued to be provided by NHS organisations.
 - 4.1.1 The Community Based Supported Living Service contract was awarded to Turning Point Ltd for a 3 year period with the option to extend for a further 2 years. The initial 3 year term expires on 31 March 2014 and the council wishes to utilise the contract extension option to extend the contract by the one year.
 - 4.1.2 Peterborough City Council and Turning Point Ltd have jointly undertaken service development work during the term of the contract with the intention of further improving the provision of person centred support services provided to those living within the service and enhancing value for money.
 - 4.1.3 The extension of the contract for one year will provide the opportunity to embed the service improvements and enhancements to value for money, and provide the opportunity to consider re-tendering the service either as a block contract or on a service by service basis at the end of the contract term utilising the Councils homecare contract framework.
 - 4.1.4 The option to extend the contract for a second year will be considered by the Council subject to the successful embedding of the service improvements and enhancements to value for money.

- 4.1.5 The contract value for the one year extension has not been formally agreed but will not exceed that identified in the recommendations to the report.

5. CONSULTATION

- 5.1 As a contract extension no formal consultation has been undertaken with service users or family carers, however extensive consultation and engagement with service users and their families was undertaken to inform the tendering and award of the current Turning Point Ltd contract. Consultation and engagement at this time involved service users and family carers undertaking site visits on those contractors short-listed to submit proposals through the competitive dialogue procurement exercise and a family carer sitting on the panel interviewing contractors prior to their tender submission.
- 5.2 An Equality Impact assessment has not been undertaken as there are no changes to the availability or scope of the support service being made available to service users within the contract extension period

6. ANTICIPATED OUTCOMES

- 6.1 The one year contract extension with Turning Point Ltd will support the embedding of service improvements to the provision and delivery of person centred support services to service users and enhanced value for money. As a consequence of service improvements service users will have greater choice and control over their lives within the constraints of within shared housing services, and enhanced value for money will be achieved through re-negotiation of the contract. Both service improvements and enhanced value for money will be achieved without detriment to the quality and availability of the support service to service users.
- 6.2 The option for the second one year contract extension will be considered by the Council subject to the outcomes in terms of service quality and value for money being successfully achieved.

7. REASONS FOR RECOMMENDATIONS & ANY RELEVANT BACKGROUND INFORMATION

- 7.1 The council and Turning Point Ltd have during the term of the current contract worked on service improvements and enhanced value for money, and the contract extension will support the embedding of these objectives.
- 7.2 The option for the second one year contract extension will be considered by the Council subject to the outcomes identified in section 6 of this report being successfully achieved.
- 7.3 As all service users within the service are eligible for community care services, the contract will enable the council to fulfil its statutory duties with regard to the National Assistance Act 1948 and subsequent legislation.
- 7.4 In relation to the novation of the contract to the subsidiary company, the Council will seek assurance from Turning Point that as the parent company it will continue to be responsible for the contract to avoid triggering a procurement challenge that the novation is a new contract, subject to procurement regulations.
- 7.5 The Council will be able to recover the VAT charged as long as a proper VAT invoice is made out to the Council and also as long as the subsidiary company will be making a supply to the Council.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 The option of re-tendering the contract at the end of its fixed term was considered and rejected as there is on-going service development work being undertaken between Peterborough City Council and Turning Point to further improve the service and enhance value for money. Undertaking a re-tender and potentially changing the service provider would be a detriment to this service development work and achieving enhanced value for money.

9. IMPLICATIONS

- 9.1 If approval to award the one year contract extension to Turning Point Ltd is not approved there will be insufficient time to undertake a procurement exercise to comply with the council's contract rules before the current contract ends on 31 March 2014. As the Council has a statutory duty to provide services to the people within the service, temporary approval under emergency regulations will be sought whilst a procurement exercise is undertaken.

10. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

None

11. BACKGROUND DOCUMENTS

None.