



## INTEGRATION JOINT BOARD

<b>Date of Meeting</b>	06/02/2024
<b>Report Title</b>	Annual Procurement Workplan 2024/25
<b>Report Number</b>	HSCP.24.004
<b>Lead Officer</b>	Sandra MacLeod, Chief officer ACHSCP
<b>Report Author Details</b>	Name: Neil Stephenson Job Title: Strategic Procurement Manager  Email Address: <a href="mailto:nestephenson@aberdeencity.gov.uk">nestephenson@aberdeencity.gov.uk</a>
<b>Consultation Checklist Completed</b>	Yes
<b>Directions Required</b>	Yes
<b>Exempt</b>	Yes. This report contains exempt information as described in paragraph 6 (Information relating to the financial or business affairs of any particular person (other than the authority)) and paragraph 9 (Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services) of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973, enacted by the Local Government (Access to Information) Act 1985. This is applied in this case because, in view of the nature of the business to be transacted or in the nature of the proceedings, if members of the public were present, there would be disclosure to them of exempt information as defined in the Schedule.



## INTEGRATION JOINT BOARD

<b>Appendices</b>	<p>Non-Exempt: Appendix A1 - Annual Work Plan for 2024/25</p> <p>Exempt: Appendix A - Annual Work Plan for 2024/25</p> <p>Appendices C to H – Procurement Business Cases</p> <p>Appendix B – Direction to Aberdeen City Council</p>
<b>Terms of Reference</b>	<p>5. Contracts, in so far as it relates to business services, the engagement of consultants, or external advisors for specialist advice, subject to necessary approvals through the Partners’ own procurement rules and Schemes of Delegation;</p>

### 1. Purpose of the Report

1.1 The purpose of this report is to present the Annual Procurement Work Plan for 2024/25 for expenditure on social care services, together with the associated procurement Business Cases, for approval.

### 2. Recommendations

2.1. It is recommended that the Integration Joint Board/Committee:

- a) Approves the **extension** for 1 year, of 24 National Care Home Contracts (NCHC) for residential services for older people, as is detailed in Appendices A1 and C
- b) Approves the **extension** for five (5) years to the existing Housing Support Services contract, as is detailed in Appendices A1 and D,
- c) Approves the **extension** for five (5) months to the current Complex Care Support Services framework agreements and, also approves the recommendation to undertake a **tender** to establish a new framework



## INTEGRATION JOINT BOARD

- for complex care support services, as detailed in Appendices A1 and E
- d) Approves the recommendation to undertake a **tender** to establish a framework for Supported Living Services, as detailed in Appendices A1 and F
  - e) Approves the recommendation to undertake a **tender** for Criminal Justice Support Services, as detailed in Appendices A1 and G
  - f) Approves the **extension** for one year to the five (5) Grant Funded Services, as detailed in Appendices A1 and H
  - g) Notes the update to Individual Out of Area Placements at 4.6 and notes potential supplementary work plans at 4.3
  - h) Makes the Direction, as attached at Appendix B and instructs the Chief Officer to issue the Direction to Aberdeen City Council.

### 3. Strategic Plan Context

- 3.1. This report seeks IJB approval for the social care contracts which have been commissioned under the eight Ethical Commissioning Principles: person centred care first; full involvement of people with lived experience; high quality care; human rights approach; Fair working practices; financial transparency and commercial viability; climate and circular economy; and shared accountability.

### 4. Summary of Key Information

- 4.1 The Integration Joint Board (IJB) directs Aberdeen City Council (ACC) to purchase and enter contracts with suppliers for the provision of services in relation to functions for which it has responsibility. ACC procures services through the Commercial and Procurement Shared Service (CPSS) in accordance with ACC's Scheme of Governance.
- 4.2 ACC Powers Delegated to Officers includes, at delegation 1 of section 7, that the Chief Officer of the Aberdeen City Integration Joint Board (also referred to and known as the Chief Officer of the Aberdeen City Health and Social Care Partnership (ACHSCP)) has delegated authority to facilitate and implement Directions issued to ACC from the IJB, on the instruction of the Chief Executive of ACC and in accordance with the ACC Procurement Regulations.
- 4.3 These Regulations require the submission of an annual procurement work plan prior to the commencement of each financial year detailing all contracts



## INTEGRATION JOINT BOARD

to be procured by Aberdeen City Council in the coming year with a value of £50,000 or more, to relevant Boards/Committees. In the case of adult social care services, this is the IJB. The Regulations also require that procurement business cases to support items on the work plan are brought to the IJB prior to any tender being undertaken or contract awarded directly. Although the intention is that all procurement should be planned, there may be occasions, such as with this report, where this is not possible and supplementary work plans and/or business cases may be required.

- 4.4** This report presents the Annual Procurement Work Plan for 2024/25. Supporting procurement business cases are attached at Appendices C to H. The work plan comprises six (6) items, including recommendations to go out to tender to provide continuity of care for service users and ensure best value, the extension of services for where ethical commissioning work is ongoing, and the annual NCHC extension. As noted in 4.3 regarding supplementary work plans, it is likely that we will submit a supplementary workplan to the IJB in May 2024 with business cases for the Carers Support Service, and the Care and Support at Home Service. At this point, the service is not ready to proceed in terms of strategic direction, achievable savings, and a suitable level of rigorous consultation.
- 4.5** Each entry on the work plan describes a contract or grouping of contracts that are due to expire in the coming financial year, together with the aggregated value of these over the defined period. For example, there is one entry relating to all the contracts for residential care homes for older people, rather than multiple entries. The value of the contracts is made up of the cost of all the individual placements in residential care establishments, or the cost of all the individual care and/or support arrangements in the case of non-residential or community-based services.
- 4.6** Out of Area or Cross Border Individual Placements. Residential: There are fifteen (15) contracts for individual out of area placements, but these will not expire until 2025/2026. Non-Residential: There are thirteen (13) contracts for individual out of area supported living placements for 2024/25. It is anticipated that direct awards will be made for these placements for a further three (3) years from 1 April 2024 to 31 March 2027. Approval for these placements will be sought from the Chief Officer.<sup>1</sup> Work is ongoing to assess these and future placements in terms of ensuring the best service/value is achieved.

---

<sup>1</sup> In accordance with Clause 15.5.2 of the Aberdeen City Council Procurement Regulations



## INTEGRATION JOINT BOARD

**4.7** Whilst this expenditure signifies an additional investment, the risks of not making this investment reduce the ACHSCP's opportunity to continue to offer the highest quality services and, subsequently, the achievement of outcomes for individuals.

**4.8** Links with Strategic Commissioning

The procurement of works, goods and services is driven by strategic aims. The ACHSCP has established a Strategic Commissioning and Procurement Board (SCPB) to create a clearer link between the programmes of work, the associated budgets, and the procurement work plan and outcomes, in line with the Commissioning Cycle. Throughout the year, the SCPB has considered the items on this Supplementary/Annual Procurement Work Plan and determined that the services are required to support the delivery of strategic intentions.

### **5. Implications for IJB**

**5.1. Equalities, Fairer Scotland, and Health Inequality**

As noted in the Business Cases, Health Inequalities Impact Assessment (HIIA) are being carried out by review teams as part of wider estate reviews or have been completed. There are no specific equality or health implications from this report. Nor is there any direct implication for our Fairer Scotland Duty.

**5.2. Financial**

The estimated contract values are based on current and future need in line with the Market Position Statement (MPS) and we have allowed 3% notional uplifts for 2024/25 to accommodate an annual national increase including the Real Living Wage (RLW). Notional uplifts have been applied to some business cases over each future year. The national negotiation on the NCHC is ongoing with a potential settlement offer being presented to COSLA leaders in February. If the offer is rejected by COSLA leaders we could see a protracted negotiation once again with the budgetary impacts not being known until the end of this financial year (2023/2024). We have included a 10% uplift in the budget for the NCHC due to this uncertainty. The value of these contracts forms part of the recurring base budget of the IJB and the uplift percentages have been considered when calculating future budget requirements within the Medium-Term Financial Framework



## INTEGRATION JOINT BOARD

### 5.3. Workforce

There are no direct workforce implications arising from the recommendations of this report.

### 5.4. Legal

The procurement of care and support services is a complex area, it is given special consideration under procurement legislation, with specific statutory guidance and best practice guidance issued by The Scottish Government. Because of this special consideration, there is a discrete team within the CPSS to support and manage the commissioning, procurement and contract management of care and support services, and the Work Plan for these services is presented separately to other reports. The Business Cases have been considered and no risk significant enough to warrant a halt to proceeding has been identified.

### 5.5. Unpaid Carers

There are no direct implications for unpaid carers arising from the recommendations of this report

### 5.6. Information Governance

All personal data required by all parties in respect to contractual arrangements will be managed within Aberdeen City Council's existing procedures and guidelines. Contract templates are reviewed and approved by Aberdeen City Council's Legal Services annually and before any contract is entered into the signing process. There are no direct information governance implications arising from the recommendations other than what will be managed through contract monitoring once contract are agreed.

### 5.7. Environmental Impacts

- The business cases presented here will deliver care and support to vulnerable people. Whilst travel by car or public transport to provide care and support will have a negative impact on the environment, it is necessary for the services if they wish to fully carry out their statutory duties. The use of technology, such as eHealth, will be considered wherever face-to-face care and support is not required to balance the environmental impact. Any



## INTEGRATION JOINT BOARD

provider who submits a bid on a tender must respond to carbon reduction questions which are scored. All contracts will include clauses on carbon reduction and circular economy which are monitored through quarterly and annual contract monitoring along with business continuity and emergency response planning

- A full Environmental Impact Assessment (EIA) is not required for the direct or indirect implications of the recommendations of this report, as they do not fall within either Schedule 1 or Schedule 2 outlined in the Town and Country Planning (Environmental Impact Assessment) (Scotland) Regulations 2017.
- There is no direct environmental, net zero, and climate change impacts from the recommendations of this report. The recommendations relate to existing services rather than new or additional services. Where a service provider may change as a direct or indirect result of the recommendations of this report, any positive or negative climate change impacts will be captured through the ongoing contract monitoring.
- Commissioned services are key to the Partnership meeting its statutory climate change duties and the Commissioning team are collaborating closely with the ACHSCP Climate change team to develop and implement strategies to identify and reduce GHG emissions and other climate change impacts in support of the Partnership's net zero and climate change adaptation goals.

### 5.8. Sustainability

- The provision of social care services is key to the sustainable development of Aberdeen City Communities by providing the right care infrastructure for those with care needs. The commissioning of these services through both collaborative and competitive approaches ensures the best value for money, and supporting organisational sustainability. While social and economic factors are weighted higher than environmental, considerable work is planned to progress the identification and reduction of climate and environmental impacts as highlighted under 5.7
- All contracted providers must adhere to the Fair Work First dimensions notably the Real Living Wage and providing staff with an effective voice. Additionally, all providers who submit a bid on a tender must respond to questions on community benefits, which are scored, where there is an expectation that providers demonstrate a positive impact on people, communities, and the environment. The potential for environmental impact is noted at 5.7, however the social benefits to in-person participation in social



## INTEGRATION JOINT BOARD

care settings is thought to outweigh this. Outcomes on sustainability will be monitored through quarterly and annual contract monitoring

### 6. Management of Risk

#### 6.1. Identified risks(s)

- a) If the recommendations are not approved, there is a risk that denying both statutory and non-statutory services to vulnerable people will result in a high risk to safety and to life. The IJB has no or low tolerance for risks relating to patient/client safety and service quality.
- b) If the recommendations are not approved, there is a medium to high risk of reputational damage. The IJB will accept medium to high risks to reputation where the decision being proposed has significant benefits for the organisation's strategic priorities. Such decisions will be explained clearly and transparently to the public. In this case, the proposals in this report fit in with the organisation's strategic priorities so non-approval will require considerable work with providers, service users, their families, and the media
- c) If the recommendations are approved, there is a risk that contractual requirements are not met resulting in best value concerns. This is usually related to staff and staffing concerns. The IJB has medium to high tolerance for risks relating to service redesign or improvement where, as much risk as possible has been mitigated. By maintaining formal contractual arrangements and robust processes to monitor contracts with external organisations the IJB has assurance not only that it is getting best value but also that this expenditure is aligned to their strategic priorities and is reviewed regularly

#### 6.2. Link to risks on strategic or operational risk register:

These proposals are linked to **Risks 1 & 7** on the Strategic Risk Register

**Risk 1:** Description of Risk: Cause: The commissioning of services from third sector and independent providers (eg General Practice and other primary care services) requires all stakeholders to work collaboratively to meet the needs of local people.



## INTEGRATION JOINT BOARD

- Event: Potential failure of commissioned services to continue to deliver on their contract
- Consequence: There is a gap between what is required to meet the needs of local people, and services that are available.
- Consequences: to the individual include not having the right level of care delivered locally, by suitably trained staff.
- Consequences: ability of other commissioned services to cope with the unexpected increased in demand.
- Consequences to the partnership includes an inability to meet people's needs for health and care and the additional financial burden of seeking that care in an alternative setting.

**Risk 7:** Description of Risk: Cause-The ongoing recruitment and retention of staff

- Event: Insufficient staff to provide patients/clients with services required
- Consequence: Potential loss of life and unmet health and social care needs, leading to severe reputational damage.

All risks associated with commissioned services, including risks 1 & 7, will be mitigated primarily through collaborative working and relationship management encouraging dialogue to meet challenges together

Neil Stephenson 11<sup>th</sup> January 2023