



INTEGRATION JOINT BOARD

| | |
|---|---|
| Date of Meeting | 04/02/2025 |
| Report Title | Annual Procurement Workplan 2025/26 |
| Report Number | HSCP.25.008 |
| Lead Officer | Fiona Mitchelhill, Chief Officer ACHSCP |
| Report Author Details | Name: Neil Stephenson Job Title: Strategic Procurement Manager Email Address: nestephenson@aberdeencity.gov.uk |
| Consultation Checklist Completed | Yes |
| Directions Required | Yes |
| Exempt | 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. 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.*Appendix B, |



INTEGRATION JOINT BOARD

| | |
|---------------------------|---|
| | IJB Standing Orders; b) The business relates to the commercial interests, contractual terms (whether proposed or to be proposed), financial or business affairs of any person and confidentiality is required, e.g. when there is an ongoing tendering process or contract negotiation. |
| Appendices | Non-Exempt: None Exempt: Appendix A - Annual Work Plan for 2025/26 Appendices B1, B2, and B3 – Directions to Aberdeen City Council Appendices C to E – Procurement Business Cases Appendices F to H - IIAs |
| Terms of Reference | 2). Any function or remit delegated under the Aberdeen City Integration Scheme, which is bound to be undertaken by the IJB itself; *As this report relates to the procurement of services in accordance with NHSG and ACC Procurement and/or Financial Regulations |

1. Purpose of the Report

1.1 The purpose of this report is to present the Annual Procurement Work Plan for 2025/26 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:

- a) Approves the **direct award** of a contract for a Care Home for people with alcohol and drug misuse problems for a period of five years, as detailed in Appendices A and C



INTEGRATION JOINT BOARD

- b) Approves the **extension** for one year, of 23 National Care Home Contracts (NCHC) for residential services for older people, as is detailed in Appendices A and D
- c) Approves the **direct award** of six contracts to Care Homes for adults with learning disabilities for a period of five years, as detailed in Appendices A and E
- d) Notes the update to Individual Out of Area Placements at 4.6
- e) Makes the Directions, as attached at Appendices B1, B2, and B3 and instructs the Chief Officer to issue the Directions to Aberdeen City Council.

3. Strategic Plan Context

- 3.1. This report seeks Integration Joint Board (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.
- 3.2. Proposals outlined in the business cases secure the care for current residents. The proposals do not preclude the Aberdeen City Health & Social Care Partnership (ACHSCP) from reducing spend across these contracts in pursuit of our aspirations outlined in the Market Position Statement on Independent Living and Specialist Housing Provision (MPS) and being mindful of the financial environment in which the ACHSCP is operating. Each contract has in-year termination clauses, so the IJB is not constrained by any decision flowing from this report in terms of contract length, contract terms, or contract value. This provides the ACHSCP with flexibility over time to, for example, create savings by reducing capacity and/or reallocate resource to spend which can help people stay in their own home longer where that is appropriate and represents best value. The Commercial and Procurement Shared Service (CPSS) has adapted contracts to ensure there's always measures available to remain responsive to changes.

4. Summary of Key Information



INTEGRATION JOINT BOARD

- 4.1** The 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 CPSS in accordance with ACC's Scheme of Governance.
- 4.2** ACC Powers Delegated to Officers includes, at delegation 1 of section 6, that the Chief Officer of the Aberdeen City Integration Joint Board (also referred to and known as the Chief Officer of the 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 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, 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 2025/26. Supporting procurement Business Cases are attached at Appendices C to E. The Work Plan comprises three (3) items, including recommendations which will ensure best value. Included are the direct award of contracts to where ethical commissioning work is ongoing, where the services are considered the service users' homes, and for the annual NCHC extension. As noted in 4.3 regarding supplementary work plans, currently, it is unlikely that we will submit a supplementary workplan to the IJB during 2025/26.
- 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. Out of Area or Cross Border Individual Placements - Residential: There are eighteen (18) contracts for thirty (30) individuals in out of area placements, but these will



INTEGRATION JOINT BOARD

not expire until 2026/2027. It is anticipated that direct awards will be made for these placements for a further three (3) years from 1 April 2027 to 31 March 2030. Out of Area or Cross Border Individual Placements - Non-Residential: There are five (5) contracts for individual out of area supported living placements. Two of these will expire on 31 March 2025 and approval for direct awards for these placements for a further five (5) years will be sought. The remaining three contracts do not expire until 31 March 2029. Work is ongoing to assess these and future placements in terms of ensuring the best service/value is achieved. Approvals for all these placements are sought from the Chief Officer.¹

4.7 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 Annual Procurement Work Plan and determined that the services currently represent best value in meeting need within the city.

5. Implications for IJB

5.1. Equalities, Fairer Scotland, and Health Inequality

As noted in the Business Cases, Inequalities Impact Assessment (IIA) 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 5% notional uplifts for 2025/26 to accommodate an annual national increase including the Real Living Wage (RLW) and National Insurance (NI). 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

¹ In accordance with Clause 15.5.2 of the Aberdeen City Council Procurement Regulations



INTEGRATION JOINT BOARD

presented to COSLA leaders in February. If the offer is rejected by COSLA leaders there may be a protracted negotiation once again with the budgetary impacts not being known until the end of this financial year (2024/2025). The ACHSCP has included a 10% uplift in the budget for the NCHC for 2025/26 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.

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 (including NHSG, where appropriate) in respect to contractual arrangements will be managed within Aberdeen City Council's existing procedures and guidelines. Where commissioned services work between ACC and NHSG, input will be sought from the Data Protection Officers (DPOs) of all partners to assure best practice is assured. Contract templates are reviewed and approved by Aberdeen City Council's Legal Services annually and before any contract enters the signing process. There are no direct information governance implications arising from the



INTEGRATION JOINT BOARD

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 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 Greenhouse Gas (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



INTEGRATION JOINT BOARD

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 (RLW) 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 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.



INTEGRATION JOINT BOARD

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.

- 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 19th December 2024