
CONTRACT EXTENSIONS

**Responsible Cabinet Member - Councillor Andy Scott,
Health and Partnerships Portfolio**

Responsible Director – Murray Rose, Director of People

SUMMARY REPORT

Purpose of the Report

1. To seek Members' approval to waive Contract Procedure rules to extend the contract for a further period in respect of contracts for two services due to the exceptional circumstances created by the implementation of the Health and Social Care Act 2012 and national changes to the intentions for commissioning Children's Services.

Summary

2. The Health and Social Care Act 2012 gave local authorities a duty from 1 April 2013 to take such steps as they consider appropriate for improving and protecting the health of their residents. For transitional purposes, on 31 January 2013, this Council agreed to waive Contract Procedure in accordance with Rule 18 for particular contracts in relation to Public Health services and responsibilities that were transferred to this local authority on 1 April 2013.

Recommendation

3. It is recommended that Members approve agree to waive Contract Procedures in accordance with Rule 18 to grant a further 12 month contractual extension for Children's Services for 5-19 year olds service and a further six month contractual extension for NHS Health Checks.

Reasons

4. The recommendations are supported by the following reasons :-
 - (a) To ensure sufficient time to undertake robust reviews and development of commissioning intentions so that efficient service models are commissioned which are evidenced based and affordable.

- (b) To ensure sufficient time for robust procurement to be undertaken including lead in time for providers to set up services and for the management of TUPE implications.
- (c) To ensure that the contract for Children’s Services for 5 -19 years are re-procured at a point in time when the Local Authority has responsibility for the whole pathway for children aged from 0-19 years.
- (d) To ensure that the contracts NHS Health Checks are re-procured in a robust way that ensures fairness and transparency, in line with ‘Any Qualified Provider’ (AQP) framework to enable a range of potential other providers to offer this service to improve accessibility across the Borough of Darlington.

Murray Rose
Director of People

Background Papers

- (i) Health and Social Care Act 2012
- (ii) “Lifestyle intervention service: Health and lifestyle project” (Health and Wellbeing Board 28th January 2014).
- (iii) Darlington Public Health Contracts Transition (Council 31st January 2013).

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S17 Crime and Disorder	Contracts covered within this report contribute to Crime and Disorder Strategies
Health and Well Being	Contracts covered within this report contribute to Health and Well Being Strategies
Carbon Impact	There are no impacts included within this report
Diversity	There are no specific diversity issues included within this report
Wards Affected	All
Groups Affected	All
Budget and Policy Framework	This does not alter the budget or policy framework
Key Decision	No
Urgent Decision	No
One Darlington: Perfectly Placed	The contracts included within this report make a contribution to narrowing the health and equalities between different groups within the Borough
Efficiency	The terms Members are being asked to agree allow for effective re-procurement timescales which will enable efficiencies to be realised.

MAIN REPORT

Children's Services for 5-19 years

5. The contract extension for the Children's Services for 5-19 years Public Health Service expires on 31st March 2015. Since this contract extension was granted there have been National changes to the intention for Children's Services. Local Authorities will assume responsibility for the commissioning of Health Visiting Services (0-5 year olds) from October 2015. The initial Council decision outlined the need for the transfer of this responsibility to be taken account in any future procurement of Children's Services.
6. It is requested that a further contract extension for 12 months until March 2016 for the Children's Services for 5 - 19 years contract be entered into and that Contract Procedure Rules be waived to enable this to happen. This will enable the contract to be aligned with the future commissioning and contracting framework of the Health Visiting Service in preparation for the transfer of commissioning responsibility to Local Authorities in 2015. Aligning the two services gives the Council more options and more flexibility when re-procuring.
7. A further extension of 12 months will provide an opportunity to remodel existing services, including the Children's Services for 5 – 19 years, to produce an integrated 0 – 19 years pathway for early intervention and prevention service for Darlington. This will provide the Authority the greatest opportunity to maximise both the effectiveness and efficiency of Public Health and early intervention services and reduce the level of resources required from the Authority to re-tender these services whilst minimising any disruption to existing service provision.

NHS Health Checks

8. It is requested that Contract Procedure Rules are also waived to allow a further contract extension of six months be granted for the NHS Health Checks from September 2014 until 31st March 2015 to enable a new framework to be tendered in accordance with relevant procurement law and the Council's Contract Procedure Rules. This would also enable us to align this service with other Public Health Contracts.
9. It is envisaged that from April 2015 this service will be contracted using an 'Any Qualified Provider' (AQP) framework which will provide a transparent process and enable a range of potential other providers to offer this service in Darlington Work is underway to shape the framework including giving consideration to a potential provider event which will outline and explain the Council's procurement processes to enable a range of providers to come forward.
10. NHS Health Checks are a mandatory service that Local Authorities must provide the consequence of not granting the waiver in respect of these services will be a potential cessation in service delivery, the Council not fulfilling its mandatory responsibility and a risk of potential legal challenge from service users.

Procurement Implications

11. For contracts that have a value of over £75,000 the Contract Procedure Rules require that a tender process is undertaken before a decision to award the contract is made. The Contract Procedure Rules do however make provision (Rule 18) for a direct award to be made or an extension to be granted. As the contracts have already been extended, it is a matter for Council to consider any further extensions.
12. The details of any changes to the contracts, such as the extension of the term of contract will require an amendment to the Annual Procurement Plan.

Legal Implications

13. These contracts are excluded from the full European Union tender regime (as they relate to Part B services) and the Council is not therefore bound by EU law to follow a formal tender process. The Council has the power to waive the Contract Procedure Rules in appropriate circumstances to enable an extension to be granted.

Financial Implications

14. There are no direct financial implications as a result of this proposal as the budget for the contracts is all contained within the ring-fenced Public Health Grant allocation.