

CABINET– 22 JUNE 2010

SPECIALIST HEALTH SERVICES FOR PEOPLE WITH LEARNING DISABILITIES CONTRACT AWARD

Report by Director of Social & Community Services

Introduction

1. Oxfordshire Social & Community Services and NHS Oxfordshire currently purchase services for adults with learning disabilities through a pooled budget with the Council as lead commissioner. As part of this responsibility, the Council contracts with Ridgeway NHS Partnership Trust for the provision of specialist health services for adults with learning disabilities in Oxfordshire as part of an integrated health and social care Learning Disability Service, including both community health support and inpatient services. The current contract runs until December 2010.

Exempt Information

2. This report contains information in Annexes 1 & 2 that relates to the competitive procurement process and is commercially sensitive. The public should therefore be excluded if cabinet wishes to consider Annex 1 further as their discussion in public would be likely to lead to the disclosure of information in the following categories prescribed by Part 1 of Schedule 12A to the Local Government Act 1972 (as amended): paragraph 3 – information relating to the financial or business affairs of any particular person (including the authority holding that information) – and since it is considered that, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that disclosure would distort the proper process of the transaction and the Council's standing generally in relation to such transactions in future, to the detriment of the Council's ability properly to discharge its fiduciary and other duties as a public authority.

Procurement Activity Undertaken

3. In line with the Council's Contract Procurement Rules, the business opportunity to provide Learning Disability Specialist Health Services was internationally advertised (via OJEU) as part of restricted procurement process in September 2009. The specification was for a whole system solution across community and inpatient services, ensuring that people are supported close to home and the provision of flexible support to facilitate swift discharge following admission.
4. The contract opportunity on offer was for 5 years with the option to extend for a further 2 years. This is a high value business opportunity with an indicative value over 5+2 years of £42 million.

5. Following advertisement and some initial interest, only three providers returned pre-qualification questionnaires (PQQs) for inclusion in the procurement, including the incumbent provider – Ridgeway Partnership.
6. PQQs were evaluated by a joint panel, including representation from NHS Oxfordshire and the LD Commissioning & Contracting Team (C&C Team), supported by the Council's Procurement Team. Following evaluation of the PQQ it was clear that submissions from two providers failed to meet basic criteria; achieving considerably lower overall scores, failing the Health & Safety section (gaining less than the clearly advertised pass-mark of 60%) and not demonstrating any resource or plan as to how they would deliver inpatient facilities within Oxfordshire. This outcome left the Council in the position where only one viable service provider was able to deliver the required service.
7. This situation has been discussed with the NHS Oxfordshire representatives, Legal Services and the County Procurement Team. In order to test robustness of the evaluation, PQQs from the two failing providers were further scrutinised but still failed to meet the required standard. Of further note, consideration was given to the potential conflicts of interest in decision making in light of long term and close working relationships between the Council and the incumbent provider. These issues were raised at an early stage and an agreed action plan and declarations of interest put in place.
8. It was agreed that the process had been fair and non-discriminatory and would withstand challenge.
9. The outcome of the PQQ stage put the Council in an unusual position with regard to continued procurement, there are no written guidelines for future action.
10. Extensive consideration has been given to the range of options. Taking into account the views of the NHS Oxfordshire, Legal Services, the County Procurement Team and the C&C Team approval was given to pursue negotiations with Ridgeway Partnership.

Negotiations

11. Ridgeway Partnership were asked to provide a detailed proposal for how they would deliver the service and make the required efficiency savings. They also provided an accessible version which was evaluated by a panel of service user representatives who also interviewed selected Ridgeway Partnership staff.
12. The proposal was evaluated by a panel made up of representatives of NHS Oxfordshire, LD Contracting & Commissioning Team, County Procurement Team and Assistant Head of Service (Learning Disabilities). A series of negotiation meetings to examine this proposal were held with the following results:-

- Ridgeway Partnership have accepted the service specification that was sent out as part of the tender process.
- Ridgeway have revised their proposal to incorporate all queries and clarifications from the panel. This document will form part of their contract

Financial and Staff Implications

13. Ridgeway Partnership and Oxfordshire County Council have agreed an efficiency saving plan which will deliver £500,000 of savings over the lifetime of the contract.
14. Negotiations have ensured that any future efficiency savings imposed by NHS Oxfordshire will not be included in the £500,000 mentioned above and further negotiations would be required between the commissioners and provider to agree the service changes that would be required to deliver these.
15. The proposed contract contains a clause which enables the County Council to break the contract if there are any changes to the pooled budget arrangements currently in place between it and NHS Oxfordshire resulting in a cessation or reduction in funding from NHS Oxfordshire.

Conclusion

16. Following constructive negotiations and positive feedback from service user representatives an agreement has been made with Ridgeway Partnership to recommend that Oxfordshire County Council enters into a contract with them.

RECOMMENDATION

17. **The Cabinet is RECOMMENDED to approve the signing of a contract with Ridgeway Partnership to provide specialist health services for people with Learning Disabilities**

JOHN JACKSON
Director for Social & Community Services

Background papers: Nil

Contact Officer: Adam Marshal Tel: 01865 323635

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