

**LABEL: PUBLIC**



**COUNCIL EXECUTIVE**

**PROCUREMENT APPROVAL REPORT**

**REPORT BY THE HEAD OF CORPORATE SERVICES**

**A. PURPOSE OF REPORT**

To seek Council Executive approval to enter into contracts where Committee authorisation is required by Standing Orders.

**B. RECOMMENDATION**

It is recommended that Council Executive approve an exemption from Contract Standing Orders for a direct award for the period of 2 years with the option to extend for a further 12 month period for older people's day care at:

- a) Acredale House Day Care Centre provided by Acredale House. A direct award would be effective as of 1<sup>st</sup> April 2023 until 31<sup>st</sup> March 2025 with an option to extend for a further 12 month period with an estimated total value of £317,448
- b) Answer House Day Care Centre provided by Answer Project limited. A direct award would be effective as of 1<sup>st</sup> April 2023 until 31<sup>st</sup> March 2025 with an option to extend for a further 12 months with an estimated total value of £227,964.
- c) Linlithgow and District Day Care Centre provided by Linlithgow and District Community Day Care Centre. A direct award would be effective as of 1<sup>st</sup> April 2023 until 31<sup>st</sup> March 2025 with an option to extend for a further 12 months with an estimated total value of £219,339.
- d) Rosebery Day Care Centre provided by the Rosebery Centre. A direct award would be effective as of 1<sup>st</sup> April 2023 until 31<sup>st</sup> March 2025 with an option to extend for a further 12 months with an estimated total value of estimated total value of £148,977.

**C. SUMMARY OF IMPLICATIONS**

<b>I</b>	<b>Council Values</b>	Focusing on our customers' needs; being honest, open and accountable; making best use of our resources.
<b>II</b>	<b>Policy and Legal (including Strategic Environmental Assessment, Equality</b>	Standing Orders of West Lothian Council and the Public Contracts (Scotland) Regulations 2015.

	<b>Issues, Health or Risk Assessment)</b>	Carrying out adults' and older people's social work services is delegated to the West Lothian Integration Joint Board under the Public Bodies (Joint Working) (Scotland) Act 2014.
<b>III</b>	<b>Implications for Scheme of Delegations to Officers</b>	None
<b>IV</b>	<b>Impact on performance and performance Indicators</b>	None
<b>V</b>	<b>Relevance to Single Outcome Agreement</b>	Our public services are high quality, continually improving, efficient and responsive to local people's needs.
<b>VI</b>	<b>Resources - (Financial, Staffing and Property)</b>	All the proposals were included in the 2022/23 budget;
<b>VII</b>	<b>Consideration at PDSP</b>	N/A
<b>VIII</b>	<b>Other consultations</b>	<ul style="list-style-type: none"> <li>• Financial Management Unit</li> <li>• Contracts Advisory Group</li> <li>• Integrated Joint Board</li> <li>• Legal Services</li> </ul>

## **D. TERMS OF REPORT**

### **D.1 OLDER PEOPLE'S DAY CARE**

The Public Bodies (Joint Working) (Scotland) Act 2014 requires council and health boards to enter into a binding legal agreement called an integration scheme. This sets out the statutory functions delegated by council and health board to the integration joint board. It is the legal duty of council, health boards and the integration joint board to abide by the terms of the scheme of integration. It is the legal duty of the integration joint board to carry out the functions delegated to it.

The integration joint board must set out a strategic plan setting out how it will carry out its delegated functions. The integration joint board must carry out its delegated functions by issuing directions to council and health board instructing them what to do and how much money they have been allocated to do so.

The West Lothian Integration Scheme delegates adults and older people's social work and social care services to the West Lothian Integration Joint Board.

Adults and Older People day services are designed, commissioned and delivered under statutory functions delegated to the IJB and as such the Council must comply with directions from the IJB as to the delivery of those services on behalf of the IJB.

On behalf of the IJB, West Lothian Council currently commission day care services from five Older People Day Centres in West Lothian, Answer House, Acredale

House, Braid Health and Wellbeing, Linlithgow and District and Rosebery Centre to meet the assessed needs of older people in West Lothian.

Services are provided in accordance with the Integration Joint Board (IJB) Strategic Plan, to provide effective services to all service users and carers within West Lothian Council area, promoting the highest standards of practice in accordance with statutory obligations, policies and procedures.

A contract based upon cost and volume commenced on 1st February 2016 and ended on 31st March 2021. This was subsequently extended until 30th September 2022 due to COVID19. A further 6 month direct award was agreed with the current contract arrangements for older people day care provision due to end on 31 March 2023

Throughout the contractual period, providers have been paid at a minimum of 90% of the contract value and have not been impacted financially if the actual referred uptake was below 90%.

In terms of Best Value requirements, which council is bound by, officers have been engaging with the day care centres to identify the contract value in relation to the level of service provision being delivered. As such, there have been discussions with the providers in relation to contract renewal on the basis of current performance.

It is proposed that procurement activity is undertaken for older people day centres for 2 years with the option to extend by a further year, based on new contract values derived from current reduced contractual performance.

Declining levels of people attending older people day care services was the key factor in concluding that older people day services contractual arrangements required review, in line with statutory best value duties.

Proposed contractual arrangements as noted above have been presented to the West Lothian IJB on 8 November 2022 and on 10 January 2023.

Following these presentations, West Lothian IJB directs West Lothian Council to implement new contractual arrangements for the delivery of Day Care services for Older People in West Lothian that are within the allocated budget and ensuring best value.

A direct award is being sought for 2 years with the option to extend for a further 12 months. The proposed contract values, along with the aggregated values are noted in the table below.

Ref	Day Care Centre	Previous 12 month period*	Proposed Direct Award value, including extension
1	Acredale	£191,219	£317,448
2	Answer	£72,763	£227,964
3	Linlithgow	£102,884	£219,339
4	Rosebery	£66,589	£148,977

\* to 30 December 2022

Regulation 3 (10) of the Public Procurement (Scotland) Regulations 2016 makes provision for the aggregation of public contracts where the value of all contracts for similar supplies and services awarded during the previous 12 months must be aggregated. The aggregated value determines whether the contract is over the Government Procurement Agreement (GPA) threshold. For Acredale House, Answer House, Linlithgow and Rosebery, each of their aggregated values are below the Light Touch Regime threshold (£552,950 excluding VAT) and therefore, in line with the Scottish Government guidance on the Procurement of Care and Support, the Council can choose not to seek offers for Health and Social Care Services contracts on a case by case basis. Whilst the Council's Standing Orders permit the Head of Corporate Services to approve the direct award, they may opt to seek approval from Council Executive. As permitted by Section 6A of Contract Standing Orders, Council Executive is therefore now requested to approve an exemption from Standing Orders, for a direct award for older peoples day care as follows:

- a) Acredale House Day Care Centre provided by Acredale House. A direct award would be effective as of 1<sup>st</sup> April 2023 until 31<sup>st</sup> March 2025 with an option to extend for a further 12 month period with an estimated total value of £317,448.
- b) Answer House Day Care Centre provided by Answer Project limited. A direct award would be effective as of 1<sup>st</sup> April 2023 until 31<sup>st</sup> March 2025 with an option to extend for a further 12 months with an estimated total value of £227,964.
- c) Linlithgow and District Day Care Centre provided by Linlithgow and District Community Day Care Centre. A direct award would be effective as of 1<sup>st</sup> April 2023 until 31<sup>st</sup> March 2025 with an option to extend for a further 12 months with an estimated total value of £219,339.
- d) Rosebery Day Care Centre provided by the Rosebery Centre. A direct award would be effective as of 1<sup>st</sup> April 2023 until 31<sup>st</sup> March 2025 with an option to extend for a further 12 months with an estimated total value of £148,977.

## **E. CONCLUSION**

It is recommended that the Council Executive approves the procurement set out in the report, which will support delivery of effective Council Services.

## **F. BACKGROUND REFERENCES**

- [West Lothian Integration Scheme](#)
- [Report by Head of Social Policy to Council Executive on 20 December 2022 for Older Peoples Day Care.](#)

Appendices:  
None

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17 January 2023