

Committee Minutes

Finance and Resources Committee

Edinburgh, 4 February 2010

Present:- Councillors Wheeler (Convener), Elliott-Cannon (Vice-Convener), Buchanan, Chapman, Dawe, Hinds (substituting for Councillor Child), Kate MacKenzie, McKay, Morris, Munn, Munro (substituting for Councillor Burns), Murray, Rose and Thomas (substituting for Councillor Aldridge).

1 Resolution to Consider in Private

The Committee, under Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting for the following item of business on the grounds that it involved the disclosure of exempt information as defined in Paragraphs 9 and 12 of Part 1 of Schedule 7(A) of the Act.

2 Contract for the Provision of Care and Support Services

Deloitte MCS Limited had been commissioned to undertake an independent review of the tendering process for the care and support services tenders and a summary of their main observations was presented for consideration of the Committee.

Decision

To note, with concern, the content of the letter from Deloitte and take cognisance of it when considering the Provision of Care and Support Services Overview report.

(Reference – letter from Deloitte dated 13 January 2010, submitted.)

3 Care and Support Services

(a) Deputations

The Committee heard deputations from the following organisations:-

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- The Consultation and Advocacy Promotion Service
- Learning Disability Alliance Scotland
- focus
- Felicity and Clare Stephen (presenting a petition)
- UNITE Edinburgh Voluntary Sector Branch
- Unison

The deputations spoke as, and on behalf of users of, the services and some related personal experiences. The deputations all welcomed the recommendation not to award contracts but urged further consultation take place on the basis of the determining and the rate proposed for Direct Payments. It was pointed out that the tendering process and subsequent problems had caused a great deal of anxiety and stress for services users, many of whom were very vulnerable and also for support staff. They asked the Committee not to make a decision today but to give further consideration to the following issues:

- the need for wider consultation and to make the process more open and transparent;
- the need for consultation on the level of direct payments;
- the need for service users to have genuine choice;
- the issue of continuity of care if Direct Payment rates reduced for current suppliers.

(b) Report by the Chief Executive

The Council at its meeting of 19 November 2009 had instructed that a special meeting of the Finance and Resources Committee be held on 3 December 2009 to resolve a number of outstanding concerns and issues on the provision of care and support services. The special meeting of the Committee on 3 December 2009 was adjourned to a future date to allow time to for an independent review of the tendering process to be carried out.

The Committee considered a report by the Chief Executive on:

- the policy and service rationale which underpinned the procurement of care and support services and, a “chronology” of key events;
- the findings of the review work carried out over the previous two months and, in particular, an assignment undertaken by Deloitte; and
- the proposed way forward.

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Arising from questions, the Directors of Health and Social Care and Services for Communities confirmed:

- as now proposed, the Direct Payment would be up to £15.04 per hour only for those people who had been included in the recent procurement process and had subsequently applied for a Direct Payment.
- Direct Payments had to be based on an assessment of need and it was possible for a higher rate to be paid for those people with very complex needs; and
- The two-phase approach would involve negotiation with those organisations already providing a service in relation to the rate to be paid.

Motion

The Committee agrees with the need to achieve Best Value in all of the services provided by the Council.

The way in which Care and Support Services have developed has resulted in a large number of providers with a wide variation in prices. Committee recognises that this does not represent Best Value.

The Committee notes that all political groups on this Council included the same level of savings from tendering housing support services in their proposed budgets for 2008/9 onwards.

The Committee notes that the competitive tendering approach was aimed at providing Best Value in the commissioning of care and support services for vulnerable people. However, Committee agrees that it is no longer appropriate to award the contracts as originally planned, given the shortcomings identified in the Chief Executive's report and the changes now notified in the original business case. Specifically, the level of Direct Payment applications had risen dramatically, bringing into doubt the viability of awarding contracts.

Notes that, according to the Deloitte high level analysis, the intended approach and process may be regarded as appropriate, reasonable and in accordance with guidance and regulations.

To express regret at the flaws in the implementation of the tender process.

To express regret at the uncertainty and anxiety experienced by service users.

Accordingly, Committee approves the recommendations in the Chief Executive's report revised as follows and notes that the budgeted savings can still largely be achieved.

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- notes the changed position in relation to the number of people who have now applied for Direct Payments and, accordingly;
- resolves not to proceed to award the care and support contracts as originally proposed;
- agrees the two-phased approach set out in the report;
- adopts a Direct Payment rate of up to £15.04 as qualified in the report and for service users covered by the current tender;
- notes that a Commissioning Strategy would be brought forward for consideration by Committee/Council in the summer; and
- notes that the Chief Executive would also report, prior to the Commissioning Strategy being brought forward, on the “lessons learned” from the recent procurement exercise.

The Committee is concerned that the execution of the tender evaluation process is, in the opinion of the independent report, “*not as sufficiently meticulous or as thorough as might have been expected*”, regrets the distress caused to users, and rightly expects any tender process to be robust. Committee therefore instructs the Chief Executive to:

- (i) review comprehensively the Council’s arrangements, including the communications and consultation strategy, for tendering to ensure that this situation is not repeated;
- (ii) carry out a rigorous assessment of the development and management of the care and support tender process, including the roles and responsibilities of those involved in the process, and to report on this as part of his report on lessons learned to the Finance and Resources Committee on 1 June 2010; and
- (iii) take account of the findings of these inquiries when preparing the overarching commissioning strategy as a template for future procurement activity.

- moved by Councillor Wheeler, seconded by Councillor Elliott-Cannon.

Amendment 1

Committee agrees recommendations 1, 2, 5 and 6.

Deletes recommendations 3 and 4 and inserts:

Committee regrets the distress caused by the adoption of an approach whose “execution was not as sufficiently meticulous or thorough as might have been expected”.

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Therefore, to address some of this distress, Committee instructs officials to consult relevant organisations on:

- (i) the two phase approach set out in the report;
- (ii) the proposed rate of Direct Payment; and
- (iii) how to achieve the best possible communications strategy on these issues.

Following consultation, to report on the outcome to the March meeting of the Health, Social Care and Housing Committee.

This report should indicate how this Council moves forward on the personalisation of care and support services.

- moved by Councillor Hinds, seconded by Councillor Chapman.

Amendment 2

To note that, according to the Deloitte high level analysis, the intended approach and process may be regarded as appropriate, reasonable and in accordance with guidance and regulations.

To express regret at the flaws in the implementation of the tender process.

To express regret at the uncertainty and anxiety experienced by services users.

To approve the Chief Executive's recommendations subject to the following:

- delete the following words from the first recommendation – 'the analysis undertaken by Deloitte and'; and
- add the following works in the fourth recommendation – 'as qualified in the report and for service users covered by the current tender'.

- moved by Councillor Rose, seconded by Councillor Kate MacKenzie.

Voting

The voting was as follows:

For the motion	-	8 votes
For amendment 1	-	4 votes
For amendment 2	-	2 votes

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Decision

- 1) To approve the motion by Councillor Wheeler.
- 2) In terms of Standing Order 53, the requisite number of members required that the decision be referred to the Council as a recommendation.

(References – Act of Council No 1, 19 November 2009; report by the Chief Executive 29 January 2010, submitted.)

4 Contact for the Provision of Care and Support for the Lochend Project

Approval was sought to award a contract for the provision of care and support for the Lochend Project. The proposed period of contract was from 1 March 2010 to 21 January 2013 with an option to extend for up to a further two years.

Decision

- 1) To approve the contract award for the provision of care and support for the Lochend Project to Carr Gomm for a period of three years, with a possible extension of up to a further two years.
- 2) That a briefing on the project be provided for local members.

(Reference – report by the Director of Finance 1 February 2010, submitted.)

5 Redeployment Procedure

The Council at its meeting of 28 January 2010 considered a report on the workforce management initiative that sought approval of three policies to support its key activities, namely Voluntary Early Release, Redundancy and Redeployment. As part of its decision the Council had agreed that the Finance and Resources Committee consider the proposed Redeployment Procedure.

Decision

To approve the Redeployment Procedure.

(References – Act of Council No 3, 28 January 2010; report by the Head of Legal and Administrative Services 4 February 2010, submitted.)