



Integration Joint Board Strategic Planning Delivery and Commissioning Committee

23rd July 2024

This Report relates to
Item 7 on the Agenda

Non-Registered Third Sector Contract Review Update

Paper presented by Sharon Walker and Rebecca Scott

For Discussion and Noting

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List of Background Papers:	<p>Procurement of Care and Support Services Best Practice Guidance (https://www.gov.scot/publications/procurement-care-support-services-best-practice-guidance/)</p> <p>Procurement Reform (Scotland) Act 2014 (https://www.gov.scot/publications/procurement-reform-scotland-act-2014-stautory-guidance/pages/13/)</p> <p>IJB Strategic Planning, Delivery and Commissioning Committee 'Third Sector Partners' Contracts' 27th October 2022 and 8th December 2022</p> <p>Health and Social Care Leadership Group 'Non-Registered Third Sector Contract Review' 17th August 2023</p> <p>IJB Strategic Planning Delivery and Commissioning Committee 'Non-Registered Third Sector Contract Review' 26th October 2023</p>

	IJB Committee 'Non-Registered Third Sector Contract Review' 7 th December 2023
Appendices:	Appendix 1: Third Sector Commissioned Services Letter Appendix 2: Elected Members Briefing Appendix 3: Procurement Work Plan Update
1. Introduction	
1.1	This paper provides the IJB Strategic Planning Delivery and Commissioning Committee an update on the current contract review of non-registered third sector services and the Day Centre tender.
2. Recommendations	
2.1	The IJB Strategic Planning, Delivery and Commissioning Committee is asked to: <ul style="list-style-type: none"> Note the outcome of the Day Centre tender Note the updated procurement plan for the contract review
3. Background and Main Report	
3.1	A total of 72 different services are commissioned from non-registered third sector partners. The financial value of these contracts is over £12 million.
3.2	The quality or availability of health and social care services can have a significant impact on the quality of life and health and wellbeing of people who might use them and their Carers. Therefore, buying any care and support service is a complex task and requires special consideration within a public body's overall approach to the procurement of goods and services.
3.3	Procurement practice has several processes used to ensure that appropriate, quality services are commissioned to deliver the outcomes determined by strategic commissioning plans within available resources. These processes are regulated through the Procurement Reform Act 2014 and associated guidance, see background papers.
3.4	To be compliant with procurement rules all activity must comply with principles of transparency, equal treatment and non-discrimination, proportionality and mutual recognition. Contracts must be awarded through genuine and effective competition unless there are exceptional reasons to the contrary.
3.5	When procuring services public authorities are required to adhere to provisions set out in the new Subsidy Control Act 2022. The purpose of the subsidy control regime is to prevent public authorities from giving financial advantages to organisations in a way that would create excessive distortions of competition.
3.6	The IJB on 7 th December 2023 issued a direction to both Dumfries and Galloway Council and NHS Dumfries and Galloway to commission services differently or terminate contracts that are not delivering as expected.
3.7 Contract Review Update	
3.8	A communication was sent out to all non-registered third sector organisations with non-compliant or no contract (Appendix 1) to outline the reason for the contract

review, the procurement tender process and support available both nationally and locally on how to undertake a tender.

- 3.9 A briefing for elected members (**Appendix 2**) was issued to ensure they were sighted on the review.
- 3.10 The current focus of the procurement compliance process has been on the 'Day Centre Contract', which there are 9 individual contracts.
- 3.11 The tender submission deadline for this contract was extended from February 2024 to March 2024 at the request of the day centres.
- 3.12 Following the tender evaluation stage, post tender clarifications on tender submissions was required. This delayed the award of new contracts from 1st April 2024 to 1st July 2024.
- 3.13 The funding arrangements already in place with the 9 day centres was extended to cover this period.
- 3.14 The Health and Social Care Leadership Group on 20th June 2024 approved the recommendations to award 3-year contracts to the 9 day centres and for a full review of day centres to be undertaken within the 3-year contract term, led by the Community Health and Social Care Directorate.

3.15 Procurement Work Plan

- 3.16 The phased work plan has been revised to reflect the additional steps required for the 'Day Centre Contract' tender as well as capacity of staff in commissioning, procurement and operations to produce the necessary service specifications and tender documentation.
- 3.17 **Appendix 3** provides the updated work plan timeline for the remaining non-registered third sector contracts as of June 2024.

3.18 Realising Savings

- 3.19 The £320K savings agreed in the budget paper presented to IJB in April 2023 has been met and exceeded; total of £373K. This has been achieved through changes in service delivery by one third sector provider partner and two terminated as not delivering as expected.

4. Conclusions

- 4.1 The day centre procurement process is now complete and the 9 day centres have been awarded 3-year contracts, in line with the direction by the IJB on 8th December 2022.
- 4.2 The revised procurement work plan provides an assurance to the committee that the contract review is currently on track for all non-registered third sector commissions to be compliant by 1st April 2025.
- 4.3 The £320K saving target agreed at the IJB in April 2023 has been exceeded.

5. Resource Implications

5.1 No resource implications.

6. Impact on Integration Joint Board Outcomes, Priorities and Policy

6.1 Non-Registered third sector organisations provide a wide range of services which support the delivery of the IJB Strategic Commissioning Plan and Model of Care.

6.2 Non-registered third sector organisations support delivery of the National Health and Wellbeing Outcomes and the IJB Strategic Commissioning Plan

6.3 Non-registered third sector support specifically aligns to:

- SCI 1 People are supported to live independently at home and avoid crisis
- SCI 3 People and communities are enabled to self-manage and supported to be more resilient
- SCI 7 People's chosen outcomes are improved through available financial resources being allocated in line with Model of Care and delivering best value.

7. Legal and Risk Implications

7.1 Having compliant contracts for all non-registered third sector commissions will help to ensure that all parties fulfil their legal and financial obligations as well as meet quality standards under the negotiated agreements.

8. Consultation

8.1 This paper has been developed in consultation with Health and Social Care Leadership Group, the Contract Management Group, Strategic Planning, Commissioning and Transformation Commissioning Managers and Contract Manager, Head of Strategic Planning and Commissioning, Deputy Head of Strategic Planning and Commissioning, Dumfries and Galloway Council Finance and Information Manager, Dumfries and Galloway Council Senior Procurement Officer.

9. Equality Impact Assessment

9.1 An Equality Impact Assessment is not required at this time and has not been undertaken for this paper.

10. Glossary

EQIA	Equalities Impact Assessment
IJB	Integration Joint Board
SPDC	Strategic Planning, Delivery and Commissioning
HSCLG	Health and Social Care Leadership Group