

HEALTH SCRUTINY PANEL**DATE: 28TH SEPTEMBER 2006****GATEWAY REVIEW – REPROVISION OF RESIDENTIAL AND DAY CARE SERVICES FOR OLDER PEOPLE****Ward(s)** All**Portfolios:** Cllr A Paul**Summary of report:**

Members will receive a report on the reprovion project in relation to the recently received bids within the context of a Gateway Review Process. The previous review undertaken by members was Gateway 2 the procurement approach. Accordingly this report has been structured within the context of the previous review and the key questions to be asked within Gateway 3 (the investment decision). Members should note that this is a partial review and can only be completed when further information is available around the decision to adopt a TUPE or secondment option and formal consultation takes place with residents and service users.

Section one of the report provides background information and section two outlines the current status of the project and the intention to seek cabinet approval on the 18/10/06 to proceed to the next stage. Section 4 provides detailed responses to the general questions identified in section 3 as part of the Gateway 3 review process.

Members will be given an opportunity to question members of the project team at the meeting.

Reason for scrutiny:

Due to the longer term nature, this project has been and will continue to be the subject of scrutiny. In adopting the Gateway Review process members will be provided with the opportunity to consider the project at key stages in the procurement cycle.

Signed: **Acting Executive Director: Kathy McAteer****Date: 28th September 2006****Contract Officer:**

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1.0 Background Information

At a previous meeting of the Health and Social Care Scrutiny and Performance Panel on the 30th March 2006 members received a presentation by the Head of Procurement on Gateway reviews and the role of scrutiny and performance panels. This demonstrated how the Gateway review process methodology provided the opportunity to members to carry out a review in a robust and structured way.

The Gateway review and its five stage process was outlined and following the presentation, members undertook the Gateway 2 review.

2.0 Introduction to Current Position

Following the receipt of bids and their initial evaluation the intention is that a report will be submitted to Cabinet on the 18/10/06 which will recommend;

- a. Commencing statutory consultation with regards to the reprovion programme which by necessity would require the closure of the residential care homes to enable the service to be modernised and the old care homes to be replaced by the new facilities.
- b. To report back the outcome of the consultations to Cabinet on the 28/02/07
- c. To note the details in relation to the bids received, and to inform the preferred bidder of the Council's desire to move forward to the next stage of the project which will include:
 - firming up further details around the bids in relation to cost, risk and affordability.
 - through the Public Sector Comparator and other methodologies, consider which of the bids in relation to the Secondment and TUPE models represent the best value for money.
 - the preferred Bidder commencing the due diligence process and moving forward with the necessary planning applications and approvals, and various consultations.
- d. To report back to Cabinet on the 28/02/07 progress made, and subject to the demonstration of value for money and affordability, then seek Cabinet approval to enter into a contract.

3.0 Gateway Review 3: Investment decision

The purpose of the Gateway review 3 process is listed below by the following bullet points, these are considered in detail in relation to the reprovion of residential and day care services within section 4.

- Confirm the business case and benefits plan now that the bid information has been confirmed.

- Check that all the necessary statutory and procedural requirements were followed throughout the procurement process.
- Confirm that the recommended contract decision, if properly executed within a standard lawful agreement, is likely to deliver the specified outputs/outcomes on time, within budget and will provide value for money.
- Ensure that management controls are in place to manage the project through to completion.
- Ensure there is continuing support for the project.
- Confirm that the approved procurement strategy has been followed.
- Confirm that the development and implementation plans of both the client and the supplier or partner are sound and achievable.
- Check that the business has prepared for the development (where there are new processes), implementation, transition and operation of new services/facilities.
- Confirm that there are plans for risk management issue management and change management (technical and business) and that these plans are shared with suppliers.
- Confirm that the technical and service implications have been addressed.

4.0 Gateway Review 3 Specific to Re provision Project

1. *Confirm the business case and benefits plan now that the bid information has been confirmed.*

The aim of the project is to improve the range, quality and choice of service for older people in Walsall, enabling people to remain in their own home as an alternative to residential care and to prevent unnecessary admissions into care homes. Services will be developed within key locality areas, which will provide the opportunities for the development of a range of community based services, including extra care housing, dementia care and intermediate care that will provide realistic alternatives to residential care.

Services will be developed to meet the challenges, namely providing a higher quality service that encourages independence, well-being and choice to a significantly higher client base.

These identified benefits are very much a part of the proposals.

2. *Check that all the necessary statutory and procedural requirements were followed throughout the procurement process.*

The procedures adopted to date have followed good practice. The Council's legal advisers Eversheds have advised in connection with the statutory consultation process and the need to allow for a 12 week period to commence after the Cabinet meeting on the 18/10/06. Once the potential provider is awarded preferred bidder status and the consultation process commences they will work on the development of the plans and obtaining the statutory

planning approvals. Formal consultation with staff will be dependent on the decision as to whether to proceed with either the TUPE or secondment option.

3. *Confirm that the recommended contract decision, if properly executed within a standard lawful agreement, is likely to deliver the specified outputs/outcomes on time, within budget and will provide value for money.*

The Council's legal advisers Eversheds are responsible for advising on all matters of law in relation to the project and for preparing all necessary contract documents.

PricewaterhouseCoopers (PwC), the Council's financial advisers will be rigorously reviewing all issues around affordability and value for money, and this process, which will include the preparation of a public sector comparator for the TUPE or secondment options, will help inform the final recommendation. Further work is needed over the next two months to robustly consider the secondment and TUPE options.

4. *Ensure that management controls are in place to manage the project through to completion, including contract management aspects.*

The project continues to operate using rigorous governance arrangements through Programme Board (comprising elected members and senior officers which meet on a monthly basis), the Senior Executive Group, and the Project Team (officers from the various directorates and specialist areas together with the council's advisers which meet on a monthly basis). A negotiating team which includes the Head of Older People Services, and the Acting Head of Finance, Social Care and Inclusion has also now been constituted.

5. *Ensure there is continuing support for the project.*

In addition to elected members' active involvement through Programme Board, which has included visiting a neighbouring authority's extra care housing scheme, a number of elected members from Programme Board were able to attend a recent bid presentation by one of the bidders. The benefits of the proposed model of service delivery continues to be evident. Presentations and briefings are planned for elected members within their political groups. The Housing Corporation continues to show interest in the proposals. There have been informal briefings with staff, residents and service users at all of the sites, however formal consultation has yet to commence and will do so following authorisation by Cabinet on the 18/10/06.

6. *Confirm that the approved procurement strategy has been followed.*

The approved procurement strategy around, the type, size, phasing and packaging of the works and compliance with procurement law has been adopted and followed.

7. *Confirm that the development and implementation plans of both the client and the supplier or partner are sound and achievable.*

These have been reviewed by the tender evaluation panel. The areas which will be further developed upon authorisation by Cabinet on the 18/10/06 will

be in relation to the major construction works and the decanting of residents. These will involve the further development of the planning proposals in relation to the sites, the phasing of the construction works and implementing the agreed actions from the consultation process, which are likely to include residents preferences in relation to the decanting process.

8. *Check that the business has prepared for the development (where there are new processes), implementation, transition and operation of new services/facilities.*

Initial proposals have been considered by the tender evaluation panel, and these will be further developed and considered within the period from the 18/10/06 to the 28/02/07.

9. *Confirm that there are plans for risk management, issue management and change management (technical and business) and that these plans are shared with suppliers.*

These are in place but will require to be further developed as the project moves into the next phase.

10. *Confirm that the technical implications, such as 'buildability' for construction projects; and for IT-enabled projects information assurance, the impact of e-government frameworks (such as e-GIF, e-business and external infrastructure) have been addressed.*

Initial technical proposals have been submitted as part of the bid, particularly in relation to the buildings and the development of the sites. These need to be further developed as part of a formal planning submission and application process. This will be over an eight week period from authorisation by Cabinet on the 18/10/06 for the project to proceed to the next stage with the identified bidder.

5.0 Conclusion

Members are:

- asked to note the contents of the report and project progress.
- invited to ask questions of the project team.
- to comment as they consider is appropriate.