

**HEALTH AND SOCIAL CARE  
SCRUTINY AND PERFORMANCE PANEL**

**Agenda  
Item No.**

**DATE: 30<sup>TH</sup> MARCH, 2006**

**6**

**GATEWAY REVIEW – REPROVISIONING OF DAY CARE SERVICES FOR  
OLDER PEOPLE**

**Ward(s)** All

**Portfolios:** Cllr A Paul

**Summary of report:**

Members will receive a presentation on the Gateway Review process and how it can relate to the role of Scrutiny. Previous reports have already provided members with the background to this project.

This report set out the overall Gateway process and the issues that are considered at each stage. The current stage for this particular project is Gateway 2.

The appendices to this report sets out the issues that the project team have taken into account during the course of this procurement. 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:** .....

**Executive Director:** David Martin

**Date:** 30<sup>th</sup> March, 2006

**Contract Officer:**

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## 1. GATEWAY REVIEW PROCESS

Members will receive a brief presentation outlining the Gateway review process.

## 2. SUMMARY

### **Gateway reviews and the role of scrutiny and performance panels**

In terms of the role of the panel, this is to consider the service as a whole as well as any associated procurement processes that may result. The Gateway process will allow this to take place within a methodology that provides the opportunity to carry this out in a robust and structured way. The intention is that members would be supported or facilitated on how to carry out this work.

The purpose of this report and briefing is to support members undertake this process and allow them to focus on the key issues of concern, for example details of the future service or the extent of stakeholder support or engagement.

To make an informed decision, there needs to be a view on where the current service is and where the various stakeholders (including members) believe the future should service should go. The appendices to this report provides detailed information for members to consider. This is consistent with your role on service scrutiny. The role of the review is not to substitute the project management or governance arrangements but to act as a critical friend to advise the project manager or decision makers of the issues that may require further consideration or indeed confirm that the actions planned are robust and appropriate. It is likely that the level of involvement will be different at each Gateway.

The chart below sets out the various stages within the procurement cycle that reviews can take place within this particular project and details of their purpose are set out below. Members will not have to consider every one of the points raised but to focus on those elements where they can challenge the process to ensure that the desired outcomes will be delivered.

### **Gateway Review 2: Procurement approach**

#### **Purposes of the review**

- Confirm the outline business case now the project is fully defined.
- Ensure that the procurement strategy is robust and appropriate.
- Ensure that the project's plan through to completion is appropriately detailed and realistic.
- Ensure that the project controls and organisation are defined, financial controls are in place and the resources are available.
- Confirm funding availability for the whole project.
- Confirm that the development and delivery approach and mechanisms are still appropriate and manageable.
- Check that the supplier market capability and track record is fully understood (or existing supplier's capability and performance).
- Confirm that the procurement (or acquisition approach) will facilitate good client/supplier relationships
- Confirm that appropriate project performance measures and tools are being used.

- Confirm that quality procedures have been applied consistently since the previous review.

### **Gateway Review 3: Investment decision**

#### **Purposes of the review**

- 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.

### **Gateway Review 4: Readiness for service**

#### **Purposes of the review**

- Check that the current phase of the contract is properly completed and documentation completed.
- Ensure that the contractual arrangements are up to date.
- Check that the business case is still valid and unaffected by internal and external events or changes.
- Check that the original projected business benefit is likely to be achieved.
- Ensure that there are processes and procedures to ensure long-term success of the project.
- Confirm that all necessary testing is done (e.g. commissioning of buildings, business integration and user acceptance testing) to the client's satisfaction and that the client is ready to approve implementation.
- Check that there are feasible and tested contingency and reversion arrangements.
- Ensure that all ongoing risks and issues are being managed effectively and do not threaten implementation.
- Evaluate the risk of proceeding with the implementation with any unresolved issues.
- Confirm the business has the necessary resources and that it is ready to implement the services and the business change.
- Confirm that the client and supplier implementation plans are still achievable.
- Confirm that there are management and organisational controls to manage the project through implementation and operation.
- Confirm that all parties have agreed plans for training, communication, roll-out, production release and support as required.

- Confirm that all parties have agreed plans for managing risk.
- Confirm that there are client-side plans for managing the working relationship, with reporting arrangements at appropriate levels in the organisation, reciprocated on the supplier side.
- Check that lessons for future projects are identified and recorded.

## **Gateway Review 5: Benefits evaluation**

### **Purposes of the review**

- Assess whether the business case justification for the project at Gateway Review 3 was realistic.
- Assess whether the anticipated benefits at this stage are actually being delivered.
- Confirm that the client side continues to have the necessary resources to manage the contract successfully.
- Confirm continuity of key personnel involved in contract management/'intelligent customer' roles.
- Where changes have been agreed, check that they do not compromise the original procurement.
- Assess the ongoing requirement for the contract to meet business need. Ensure that if circumstances have changed, the service delivery and contract is adapting to the new situation. Changing circumstances could affect: partner management; relationship management; service management; change management; contract management; benefits management; performance management.
- Check that there is ongoing contract development to improve value for money.
- Confirm that there are plans to manage the contract to its conclusion.
- Where applicable, confirm the validity of exit strategy and arrangements for re-competition.

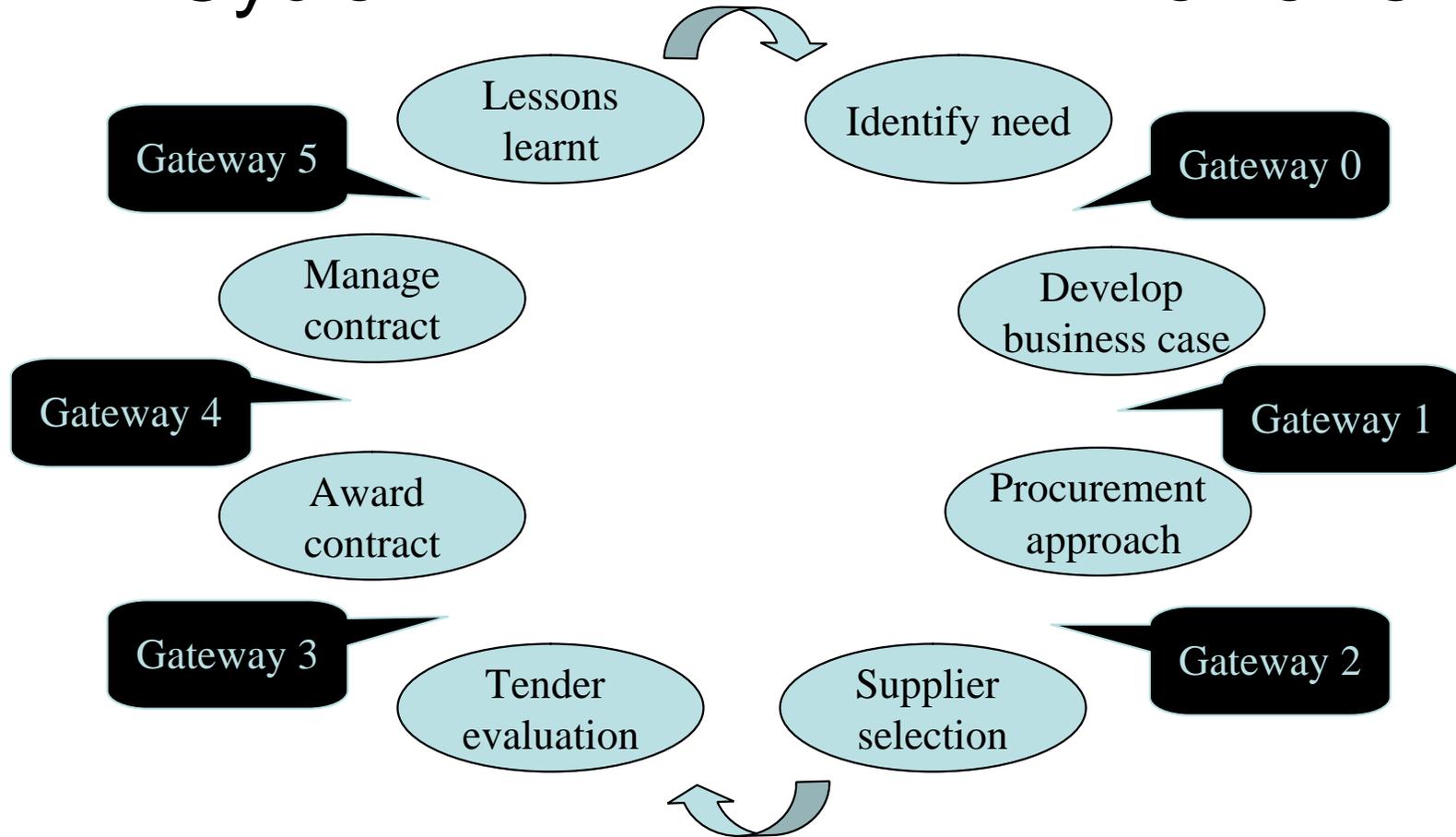
## Gateway Review High Level Questions

<b>Gateway 0</b>	<b>Gateway 1</b>
<p>What is the business need?</p> <p>Is it a project or programme?</p> <p>Is there an understanding of the business needs?</p> <p>Do we have the right skills?</p> <p>Is it supported by stakeholders?</p> <p>Does it contribute to the Authorities strategy?</p> <p>Are there resources for the next stage?</p>	<p>Is the high-level business case complete?</p> <p>Do we have authority and support to proceed?</p> <p>Is the feasibility study satisfactory?</p> <p>Are the scope, scale and outcome clear?</p> <p>Is our risk management plan complete?</p> <p>Do we have the correct project structure and plans?</p>
<b>Gateway 2</b>	<b>Gateway 3</b>
<p>Is the procurement approach appropriate?</p> <p>Have all approaches been investigated?</p> <p>Is the business case up to date?</p> <p>Are the specifications of requirement correct?</p> <p>Can the project team and its structure deliver?</p> <p>Is the project plan realistic?</p>	<p>Can the benefits specified in the business case be delivered by the contract?</p> <p>Has the procurement been appropriately managed?</p> <p>Is there continuing stakeholder support?</p> <p>Is the business ready for implementation?</p> <p>Are the contract management procedures satisfactory?</p>
<b>Gateway 4</b>	<b>Gateway 5</b>
<p>Is the business case still valid?</p> <p>Are the business benefits still deliverable?</p> <p>Is there sufficient contract management resource?</p> <p>Has all testing been successfully completed?</p> <p>Is the business ready for implementation?</p> <p>Are plans for managing implementation and operation in place?</p>	<p>Was the business justification realistic?</p> <p>Are the expected benefits being delivered?</p> <p>Is there sufficient contract management?</p> <p>Are agreed changes appropriate?</p> <p>Is there still a business need for the contract?</p> <p>Can lessons be learnt from experience?</p> <p>Are appropriate targets in place?</p> <p>Are plans in place for the future including possible exit?</p>

# Procurement Cycle

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# Gateway Reviews



### 3. APPENDICES

#### Appendix 1

#### Progress report from the Project Team

#### Gateway Review 2: Procurement approach for the Reprovision Project

#### Purposes of the review

**1. Confirm the outline business case now the project is fully defined.**

The outline business case was presented to Programme Board on the 17<sup>th</sup> January 2006, full details are included as Appendix A. The nature of the procurement is such that the process is iterative and the business case continues to be revisited in an iterative way as knowledge is created through interaction and open dialogue with the potential bidders.

**2. Ensure that the procurement strategy is robust and appropriate.**

The procurement strategy is robust and appropriate and is one that is seeking to encourage a healthy and competitive procurement that demonstrates value for money as well as meeting affordability criteria. Areas of risk are being considered and action taken to reduce uncertainty as far as is possible (e.g site surveys) and to manage the transfer of risks so that any risk charging premiums are wherever possible avoided.

A view was formed in consultation with Corporate Procurement and Legal Services that European procurement rules applied and that the negotiated procedures should be adopted (Invitation to negotiate route) rather than restrictive procedures (invitation to tender). The negotiated procedures can only be used in special circumstance where overall pricing is not possible, or the contract conditions cannot be specified with precision. The negotiated procedure affords greater flexibility than the restricted route and is ideal for the circumstances of the reprovision project, as demonstrated by the examples given in Table A below. To have adopted the restricted procedure would almost certainly have put the Council in a position whereby it was likely to be unable to implement the procedures to the letter of the law in the latter stages of the tendering process, and could therefore have been legitimately challenged.

Overall pricing not possible	Contract conditions cannot be specified with precision
<ul style="list-style-type: none"><li>• Different ways of funding with different access to money and funds</li><li>• Due to risk too high a contingency sum allowance may be inserted in documents and therefore may need to be negotiated away</li><li>• May be more appropriate to quote affordability envelope</li></ul>	<ul style="list-style-type: none"><li>• New method of service provision</li><li>• Different organisational approaches to risk.</li><li>• May involve different models of accommodation provision around tenure</li></ul>

Table A: Reasons for Adopting Negotiated Route Specific to Reprovision Project

The risk of challenge with the negotiated procedure comes early on in the process, when if challenged, the Council would have to justify why it chose the method.

**3. Ensure that the project's plan through to completion is appropriately detailed and realistic.**

The timescales on the project plan are indicative in part due to the complexity of the project. There are a number of key milestones. Progress is reviewed updated and amended on a regular basis. The most recent programme/plan is included in Appendix B.

**4. Ensure that the project controls and organisation are defined, financial controls are in place and the resources are available.**

The Project Governance structures and processes that are in place are robust, and have developed along with the project. Progress reports have been submitted to;

- Senior Management Board (SMB), the Executive Management Team (EMT)
- Programme Board (22/11/05), (17/1/06) (21/2/06) (23/3/06)
- Health and Social Care Scrutiny Panel (29/09/05)
- Cabinet (19/10/05).

In more recent months the project team has been strengthened by the addition of legal and financial advisers (Eversheds and PwC). There are clearly defined controls in place through the:-

1. The new re-provision management team (RMT) comprising council officers and professional advisers with collective expertise in regeneration, finance, human resources, procurement, land and estates, law, older persons services, and housing strategy. The team is chaired by Head of Older People Services and report to SEG ...
2. A Senior Executive Officer Group (SEG) meets on a monthly basis, chaired by the Executive Director of Social Care and Inclusion and includes the Assistant Director, Adult Services, Head of Finance, Head of Procurement, and Head of Older People Services.
3. Programme Board which comprises a membership of senior officers and cross party elected members who oversee the project and have been meeting regularly on a monthly basis in recent months

**5. Confirm funding availability for the whole project.**

A significant amount of work has been undertaken in recent months identifying and confirming funding for the project including a number of alternative funding options and opportunities.

Work undertaken includes the reviewing of the affordability figure by an internal Corporate Finance resource and the inclusion within the brief of the appointed financial adviser (PwC) to produce more detailed financial modelling for a comparative benchmark scheme in order to ascertain funding requirements.

**6. Confirm that the development and delivery approach and mechanisms are still appropriate and manageable.**

Following extensive discussions with potential bidders the development and delivery approach and mechanisms are being considered. Focus is being centred on what is commercially deliverable by the bidders, particularly around the areas of risk. This is then considered in relation to point 5 above and particularly affordability.

**7. Check that the supplier market capability and track record is fully understood (or existing supplier's capability and performance).**

Detailed references were sought for all potential providers and a robust shortlisting process was undertaken. There is a good understanding of the potential providers capabilities. A detailed report was submitted to Programme Board on the 17<sup>th</sup> January 2006 and is included in Appendix C

***8. Confirm that the procurement (or acquisition approach) will facilitate good client/supplier relationships.***

The approach adopted has been one where communication and consultation has been considered as a key component. The invitation to negotiate document itself has been issued as a draft to all potential bidders as a consultative document, and there have been meetings and open dialogue. Similarly roadshows and presentation have taken place in all the existing homes to the residents and their relatives and to staff.

Many of the key performance indicators are around customer satisfaction and identifying and meeting the needs of the clients. Accordingly the procurement should facilitate good client and supplier relationship.

***9. Confirm that appropriate project performance measures and tools are being used.***

A key element of the ITN document is the identified key performance measures and their link to the payment mechanisms. A risk register has been produced and is monitored by the RMT (see item 4), monthly meetings of RMT are taking place together with the necessary progress and key reports.

***10. Confirm that quality procedures have been applied consistently since the previous review.***

Covered by points 1 – 9 and the monthly meetings taking place and associated records.

## Appendix A

### Outline Business Case for The Reprovision of Residential and Day Care Services

#### 1.0 What is the Aim?

The aim 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. Services are to 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 that will provide realistic alternatives to residential care.

#### 2.0 What is the current Position?

In accordance with the Market Consultation document there are

- Ten registered residential care homes, four of which have integrated day care centres.
- Two separate day care centres
- 348 FTE of which there are 50 FTE vacancies

The identified homes and occupancy capacity as at the 31/12/05 is scheduled below

Name	Residential Care Type places					Day Care Places	
	Total No	Long Stay Care No	Inter Care No	Respite Care No	Interim No	5 days per week No	7 days per week No
Baytree Resource Centre	34	28		6		15	0
Bentley Resource Centre	32	30		2		15	0
Castleview Residential Home	18	18				0	0
Delves Resource Centre	34	28		6		15	0
The Limes Residential Home	34	28	6			0	0
Meadow Residential Home	34	26	8	0		0	0
St James Resource Centre	33	28		5		0	0
Streets Corner Day Centre						25	0
Sanstone Resource Centre	37	27		3	7	15	0
Short Heath Resource Centre	34	31		3		0	20
Rushall Mew's	26	4	12	0	10	0	0
<b>Total Units</b>	<b>316</b>	<b>248</b>	<b>26</b>	<b>25</b>	<b>17</b>	<b>85</b>	<b>20</b>

#### Number and type of current residential care and day care places.

### 3.0 Future Demands and Demographics

Statistical analysis shows the similarities between Walsall and the national scene within the UK Accordingly the following statements extracted from the Green Paper (March 2005) on Adult Social Care are likely to apply to Walsall

- One-quarter (25%) of those over 85 develop dementia and one-third (33.3%) of these need constant care or supervision (statement A)
- But the number of people over 85, the age group most likely to need nursing, residential or home care, is now expected to rise from 1.1 million in 2000 to 4 million in 2051.[8] (statement B)
- There are currently over 700,000 people with dementia in the UK, and by 2040 it is estimated that this figure will be over 1.2 million.[12] (statement C)
- Evidence suggests that older people move to rural areas and younger people from rural to urban areas, giving a net shift of people to rural areas of 780,000 between 1991 and 2001. [9] (statement D)
- after the post-war and 1960s 'baby booms' the birth rate fell, so the proportion of working to retired people will change substantially after the first quarter of this century, creating challenges for the future Workforce. (statement E)
- By 2031, the oldest old are expected to more than double to 2,479,000 from 1,104,000 (census June article) (Statement F)

[8] Government Actuary, 2004.

[9] Department for Environment, Food and Rural Affairs (2004) *Social and economic change and diversity in rural England*, Defra

[12] Association of the British Pharmaceutical Industry estimates

It is reasonable to assume that the source data [8] is more appropriate to use and more reliable than [12], although there may be other variables for example the development of drugs and improvements in understanding and reducing the onset of dementia.

Accordingly it is necessary to rethink the whole approach to the current service provision in Walsall, as outlined in the Green Paper, due to the demographic changes. It is likely for example in Walsall for the number of over 85's to increase in accordance with the following chart. Accordingly greater numbers will need supporting

	2001	2006	2010	2020	2030	2040	2050
85 plus	4,073*	4,774	5,336	6,676	9,179	11,995	14,811
2001 prediction	3,486*	3,867					

The 2001 prediction referred to is information contained within the residential home prospectus which was prepared in 2001. The implication of this is that with the benefit of hindsight and the census, the figures were somewhat understated.

Accordingly what has been referred to as the demographic time bomb needs to be at the forefront of the thinking. Services need to 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.

### 4.0 Strategic Fit

Whilst commenced by the previous political administration, there is a continued strategic intention to proceed with the proposal. At a national level there is a very close fit and alignment with the proposed vision for Adult Social Care as outlined in the current green paper (March 2005) which outlines the need for Independence, Well – being and Choice for older persons (consultation period ended July 2005).

There requires to be further articulation and definition of the new vision for the reprovision of residential and day care services and a subsequent redesign and re-configuration of its services, which is likely to include the decommissioning of the current care homes to provide extra care housing, in order to provide a built environment in which independence, well-being and choice is facilitated and encouraged, in a way that maximises participation, partnering and joint working, within the current resources that are available. Consideration and debate took place around the best way to provide intermediate and dementia care services. Some considered that this might best be provided direct by the Council. However all of the shortlisted 3 Providers have the ability to provide these services

## **5.0 Options**

### **5.1 Council does nothing**

This is not a viable or acceptable solution due to current level of service and costs.

Research undertaken by Laing and Buisson identified that the average weekly fees for private nursing care and private residential care in March 2003 was £455 and £329 in the UK. The financial model identifies that the current cost for providing the services is high in that the Council under the current model pays for everything.

Research shows a strong preference for people to remain in their own homes.

In the long term it is not viable to provide more care homes (registration standards); it would not be possible to deal with the anticipated numbers. New model of services delivery required for all the reasons stated in the green paper.

### **5.2 Council provides the services and undertakes the required changes but by itself**

This would not be possible or easy to deliver due to challenges around people and change in culture, investment required in buildings and also the fact that the homes represent a small sector of the market and accordingly a small part of the overall solution. Additionally the financial model demonstrates the need to have a partner in order to reduce the proportion of costs paid for by Social Care and Supported Housing (SCSH) which is currently 100%

### **5.3 The Council contracts with a Partner to provide the complete service**

It may not be easy to find a provider due to the new service design and delivery that will be required and may need to be adapted.

May be possible but risks could be high particularly in the specialist areas of service delivery in connection with the most vulnerable. In the early business case draft it was considered that the position would be clearer once the initial responses to the advert had been received and considered. In view of the shortlisted providers and their capabilities this would appear now to be the stronger option

### **5.4 The Council delivers some of the services (**

eg the most vulnerable with regards to specialist intermediate and dementia care) and enters into a partnership with a provider for other aspects such as the provision and development of extra care housing. This was considered initially to be likely to be less attractive to potential Providers, but a realistic option for consideration in view of the uncertainty at the start of the process as to who the Partner might be. As detailed within 5.3 now that the short listing has almost been completed, and as anticipated this option was less attractive to the potential Providers in that they all preferred to provide the complete services, the outline business case is that the Partner should provide all the services.

Approach needs to be

- Commence with increasing capacity
- Focus on the whole market sector
- Act as a focal point for a holistic approach and solution
- Inclusive
- Incremental and develop
- Flexible
- Sustainable
- Achievable

Whichever option is finally adopted the Council must seek to stimulate the private sector service provision which represents a higher proportion of the market place. See appendix A

All options will include property and services solutions that involve:

- Changing the use of its administrative Hub
- Changing use to support the Day Service
- Develop extra care / residential services
- Further develop the specialist services (mental health/intermediate care/Dementia)
- Develop community based drop in sessional support centres (Prevention services)

Options identified in an early workshop included providing a new specialist dementia care centre(s) for 60 clients, extra care housing for 211 placements and possible intermediate care for 50 older people. The project will require the remodelling and or construction of a new built environment making full use of assistive technology and the re-provision and remodelling of the services including the transfer of a number of staff. A recent development is the possible use of the Goscote site for the location of the dementia unit and the use of LIFT

Whilst in the early draft business cases option 5.4 was considered to appear to offer the best solution, this was prior to receiving the responses from the market place and was

Alternatives to residential and nursing care include:

- Own homes
- Extra Care Sheltered Housing
- Intermediate care (rehab, therapeutic/respite)
- Sheltered Housing
- Day Support / Care
- Adult placements
- Small Group Home
- Equipment and adaptations

## **6.0 Achievability**

Decommissioning the care service and the proposals in connection with extra care housing is achievable, but only if there is sufficient monies within the budget and the financial model to allow such a proposal to take place. This is particular the case in connection with the proposals for the new Dementia care homes. Therefore a financial model was produced and developed that

- Identified the various variables
- Is sensitive to changes in the variables
- That identified the assumptions made
- That reflects changes if changes to the assumptions are made.

## **7.0 Value for Money**

Extra care demonstrably represents value for money for the reasons outlined in the various papers (Government) which promote an extra care housing approach. Value for money is also demonstrated through the financial model. Efficiency savings targets of 2.5% are required under the Gershon review which will be invested back into the service. Furthermore the extra care option can potentially harness the capacity of the whole community. However care needs to be taken to ensure that the maximum number of people benefit from any proposal due to projected rise in numbers of the 85 plus age group in future years.

This may mean encouraging mixed tenure and private extra care housing development on the sites.

## **8.0 Affordability**

The financial model indicates that the proposals are affordable. Although until the potential Providers submit their proposals there will remain a level of uncertainty which will depend on the degree of accuracy around the modelling of the variables and assumptions. It was considered that affordable needed to be defined and clarified by answering the following:

- Whether it is to be within existing revenue resources and budgets (including or excluding Gershon 2.5% savings – due to demographic challenges the 2.5% Gershon savings are almost irrelevant. It needs a change of thinking away from efficiencies towards a new vision and effectiveness as the number of 85+ to be served will double over the next 25 years), OR whether the budgets need to be significantly reduced.
- Whether all the monies from the sale or leasing of the existing sites are to be invested back into the service
- Whether it is necessary to retain the ability to grow the service and manage within a defined budget and self finance the increased numbers as a consequence of demographic challenges.

Affordability will be defined by the budget for 2006/07

## APPENDIX B

Item	Description of Activity	REVISED DATES	
		START	FINISH
1	Previous programmed activities completed from confirmation of soft market testing Issue of OJEU notice, adverts and provisional short listing		
2	Discussion with Bidders	24/01/06	
3	Sign off draft documents	31/01/06	
4	Tender evaluation panel meeting (10 <sup>th</sup> floor meeting room @ 10.00)	06/03/06	
5	Meeting with Bidders, commercial and legal ( p.m)	07/03/06	15/03/06
6	Meeting of Senior Executive Officer Group @ 12.30	20/03/06	
7	Reprovision project Team meeting (Council House @ 2.00)	20/03/06	
8	Programme Board meeting	23/03/06	
9	FURTHER DISCUSSION WITH BIDDERS		
10	Tender evaluation panel meeting (10 <sup>th</sup> floor meeting room @ 10.00)	04/04/06	
11	Briefing to pre meeting of cabinet	12/04/06	
12	Reprovision project Team meeting (Council House @ 9.30)	20/04/06	
13	ISSUE ITN DOCUMENT	24/04/06	
14	(Easter 16/4/06 and elections 04/05/06)	NOTE	
15	Reprovision project Team meeting (Council House @ 2.00)	30/05/06	
16	Clarification meeting/discussion with Bidders	05/06/06	
17	Revise documentation and send out clarifications / amendments	12/06/06	
18	Reprovision project Team meeting (Council House @ 2.00)	19/06/06	
19	First Return of Negotiated Proposals	10/07/06	
20	Discussions with Bidders for clarification of proposals	11/07/06	18/07/06
21	Use of Best and Final Offers (provisional)	19/07/06	24/07/06
22	INTERVIEWS & PRESENTATIONS to Panel	26/07/06	28/07/06
23	Draft appraisal and draft evaluation report	02/08/06	
24	Site visits to reference sites and mini presentations	29/08/06	31/08/06
25	Finalised evaluation report	06/09/06	08/09/06
26	REPORT TO SEG	Sept 06	
27	REPORT FORWARDED TO EMT	Sept 06	
28	REPORT TO PROGRAMME BOARD	Sept 06	
29	REPORT TO SCRUTINY	Sept 06	
30	REPORT TO SPECIAL MEETING of all Councillors and LNP	Sept 06	
31	Commence consultation	18/09/06	18/12/06
32	CABINET 13/09/06 & 18/10/06 (provisional dates)	18/10/06	
33	ISSUE LETTER OF INTENT, - subject to meeting conditions	19/10/06	
34	Negotiations to close with Preferred Bidder(s) -	19/10/06	18/12/06
35	De-brief any unsuccessful applicants	Oct 06	
36	Planning approval – start – finish phase 1 (8 weeks - could commence Sept)	01/11/ 06	Mid Jan
37	FINALISE DETAILS AND SIGN CONTRACT	Mid Jan 07	
38	Mobilisation and commence contract	01/04/07	

**Appendix C**  
**Short listing – an extract from**  
**Report on Prequalification Questionnaire Responses**

**1.0 Introduction**

This report is the second and final supplement to the previously produced detailed preliminary report which summarised the responses to the pre-qualification questionnaires, and provided the basis for the short listing. It covers the period from the 1<sup>st</sup> November 2005 up to 2<sup>nd</sup> December 2005.

**2.0 Previous Report Annex 1**

The previous report Annex 1 identified the seven organisations selected for interview and also stated that all the organisations including those who were unsuccessful had been contacted and expressed a satisfaction with the feedback and process undertaken. Subsequently Sandwell Community Care Trust, one of the unsuccessful organisations contacted the Assistant Director, Adult Services, Social Care and Supported Housing and it was apparent from their discussion, that whilst they would not be making a complaint, they had misunderstood the feedback given to them, accordingly a decision was made to provide written feedback.

Accord	Anchor Trust	Housing 21
MHA Care Group	Hanover	Shaw healthcare (Homes) ltd
Heart of England Housing Group (withdrew)		

**3.0 Pre – Interview Meetings**

At the evaluation panel meeting on the 7/11/05, the evaluation panel agreed;

- the agenda for the interviews
- the questions to be asked
- to provide project information to the organisations on the anticipated programme, type of core and variant bids, required service provision, land and ownership issues.

These were forwarded to the seven organisations on the 8/11/05 with a covering letter giving the date and time and location of the meetings as Appendix 2/B with a request to respond with the answers preferably on the Friday but no later than 9.30 on Monday the 21/11/05.

Heart of England Housing Group withdrew from the process on the 14/11/05 as they felt they were unable to respond to the questions to their own satisfaction, accordingly the Council proceeded with 6 organisations with the view of selecting a final list of three organisations.

Five of the six organisations forwarded their response to the Council before 9.30, one organisation (Hanover Housing Association) responded later in the morning following an enquiry on progress from Andrew Flood (AF).

All details and responses were forwarded to the tender evaluation panel members on the 21/11/05, a full copy of the responses are included within Appendix 2/C, and prior to this a proposed scoring chart for the questions was circulated to panel members together with the links to the PQQ scoring criteria, together with a summary of the scores prior to the interviews, by email on the 15/11/05, as Appendix 2/D.

#### 4.0 Interviews

The interviews took place in the same room and venue between the 22/11/05 and the 24/11/05 and each lasted for its allotted minimum 2 hours. There was a pre-interview meeting at 9.00 prior to the 1<sup>st</sup> interview meeting with Accord at 9.30. Scoring sheets and agenda details were Issued. The general format agreed was that AF would collect organisation representatives from ground floor reception (as per agenda instruction), Andy Cross (AC) would commence with a welcome and the introduction. The organisations would then present their organisation and responses to the questions, generally without any interruption, there would then be a comfort and drinks break. Each member of the panel in turn then would ask any questions, and finally the organisations would ask their questions of the Council. AC concluded by stating that Officers would be making recommendation to elected members for a final decision week commencing the 15<sup>th</sup> January 2006, however officers would seek to inform all organisations of their recommendation to elected members as soon as one was arrived out, so that they could prepare as appropriate.

Following the two presentations on day one by Accord and Hanover, the panel met and proceeded to attempt to score their approach. The panel found it difficult to score the individual questions sheets. It was agreed that the approach required to be modified. AF advised that the individual scoring sheets and comment sheets were an individual aide memoir and that it was the collective knowledge, perspective and decision making of the group that was important, and that their was no intention to collect the individual sheets. What was important was to collect and identify the main issues from a group perspective and to then apply these to the scoring of the PQQs as a means of challenging and verifying the previous scores.

The process was therefore slightly modified and improved upon in the light of panels experience on day one to generally agree a ranking rather than a collective score based on notes and observations, with the emphasis on *“revisiting the allocated scores within the context of better understanding and then scrutinizing the original submitted PQQ response, which was likely to result in the scores of D1 D2 D3 E8 E9, & E10 and any other emergent criteria moving up or down in the light of the collective panel rankings.”*

Day one was inconclusive. On the one hand Accord were a smaller organisation and therefore might have difficulty with the deliverability of the project, on the other hand they had a local presence, good local knowledge and an ability to borrow from their reserves. Hanover and Care UK, were a consortia bid, and there was a concern as to how this might work on the reprovision project. Staff would transfer to CARE U.K.'s employment not Hanover's Whilst Hanover came across very positively there was concerns around Care UK, for example a statement made about staff transferred under TUPE. Care U.K. in many ways would be the key organisation. It was agreed that the original scoring would need revisiting to take into account the role of Care UK.

Accordingly the approach was modified to one of formally reviewing upon completion of all the interviews so that they could be compared with one another and the various scores reviewed.

Day two saw the interviews of Housing 21, Shaw healthcare (Homes) ltd, and Anchor Trust. Housing 21 were particularly impressive, however a question around their willingness to operate residential care homes was discussed. It was agreed that they would get back to AF by the Monday. It was also clarified that Housing 21 were not submitting a consortia but that would be sub contracting the building works.

Shaw healthcare (Homes) Ltd were generally considered to be disappointing with their lack of knowledge of the emerging care agenda for Older People, and they demonstrated very limited experience around extra care housing. Their emphasis seemed to be on the business side rather than care development. Anchor Trust came across very well with their demonstrable experience of residential care homes and being the largest provider of extra care housing in England and with experience of managing residential and nursing care homes, and integrated care and housing.

The final organisation interviewed was the MHA Care Group and they were extremely impressive being able to offer added value in a number of areas particularly dementia care. All panel members were impressed by the organisation's commitment to the highest standards of care for Older People.

## **5.0 Post interviews Review Meeting**

The review meeting took place on Thursday the 24/11/05 at 11.45, after the final interview. Each organisation was considered in turn together with the PQQ submission scores.

### **Accord**

It was unanimously felt that Accord could not at this stage be excluded due to their advantage of being a major regional player, and their response showing relevant regional experience, and a presence which may assist with decanting. Discussion took place around the size of the contract in relation to their turnover and their relative experience in delivering a major project of this type compared to other bidders,. The adjusted scores are included within Appendix 2/E together with the reason and logic for the adjustment. Scores D1, D2 and D3 were adjusted

### **Anchor Trust**

It was unanimously considered that Anchor Trust had impressed the panel with both their track record of similar developments and their approach to services for Older People. They qualified to be on a final short list of three. A review of the original scores and verification against the criteria resulted in adjustments to A.1.12, A1.13, E6 and F5 in addition to E8 and E10.

### **Housing 21**

It was unanimously considered that Housing 21 had impressed with their experience and philosophy of care , and this was reflected in the original assessed scores according no adjustment was made other than the insertion of scores for the financial criteria C1 – C4 which is explained in Appendix 2/E. The key dependent therefore was the willingness of Housing 21's Board to operate the residential care homes. Housing 21 confirmed on Friday 25/11/05 that they wished to proceed in connection with the residential care homes, following their Board meeting and that whilst they would work with a partner, similar to the Westminster project, all staff would transfer to and become direct employees of Housing 21. They were definitely in the top three organisations

### **MHA Care**

It was unanimously considered that MHA Care had been very impressive in outlining their philosophy of care and that the organisation had a wealth of excellent relevant experience. They had a good understanding and experience of the key issue and this was reflected in the increased scores for D1 and D2. They were definitely in the top three organisations.

### **Shaw Healthcare**

It was unanimously considered that Shaw Healthcare should not go forward to the next stage, the interview and presentation highlighted their lack of experience of extra care Housing and less well demonstrated attitude to promoting independence in the

community. Their forte appeared to be in high quality institutional care services. This was reflected with a reduction in the scores for D1 and D2.

### **Hanover and Care UK**

It was unanimously considered that Hanover and Care UK should not go forward to the next stage. The scores were reduced for D1 to reflect the more significant input to the project from Care UK rather than from Hanover, as staff would transfer to Care UK. A reduction of 1 point was made to D3 to reflect the references from Care UK and Hanover as an average.

## **6.0 Conclusion**

The evaluation panel considered that the top three short listed organisations were Housing 21, Anchor Trust, and MHA Care. These organisations prior to the interviews and the subsequent scrutiny and verification of the PQQ scores were originally ranked in 1<sup>st</sup>, 2<sup>nd</sup> and 4<sup>th</sup> places. A profile of the companies together with that of Accord as the reserve company in 4<sup>th</sup> place are included within Appendix 2/F and demonstrates the strength of the final short list. A number of the key points are listed for each of the organisations within Appendix A.

As agreed, all Organisations were informed on the 2/12/2005 of the Evaluation Panel's recommendations, and given specific verbal feedback by AF in relation to their submission and the reasoning and logic for the Panel's decision as contained within the body of this report.