



DERBY CITY COUNCIL

**COUNCIL CABINET
5 APRIL 2005**

ITEM 15

Report of the Director of Finance and
Director of Corporate Services

Contract and Financial Procedure Matters Report

RECOMMENDATION

- 1.1 To approve the waiver of contract procedure rule CPR15 tender requirements and award a three year contract to New Era Housing Association to continue to provide a supported living service from 8 January 2006, with an option to extend for a further two years.
- 1.2 To approve the write-off of outstanding debts at paragraph 2.2.

SUPPORTING INFORMATION

- 2.1 **Waiver of CPR15 tender requirements – supported living service at New Era, Grafton Street**
 - 2.1.1 New Era Housing Association Ltd was awarded a 5 year home care contract in January 2001 to provide a supported living service for five adults with learning disabilities. The care provided assists Service Users with daily living and helps to integrate them into the community.
 - 2.1.2 Approval is sought under Contract Procedure Rule 15 to waive the tender requirements and award a three year contract to New Era Housing Association Ltd from 8 January 2006, with an option to extend for a further two years.
 - 2.1.3 Five people with learning disabilities have been receiving home care support in their own tenancies from the current provider. New Era have an excellent record of inclusion whereby they support individuals to be involved in choosing their own support staff, support individuals to access a wide range of community based opportunities, and provide support with activities of day to day living in a manner which promotes independence. For this reason, it would be extremely disruptive to these service users if an alternative provider was brought in at this stage. As the services provided are high quality and cost effective, as well as highly responsive to individual needs, commissioners wish to retain the current provider. Cabinet is requested to support the request to waive Contract Procedure Rule 15 to enable commissioners to renew the contract with New Era.

2.1.4 In 2004/2005, the total gross contract value is £110,190. This service also attracts Supporting People grant funding. In addition, service users contribute towards their care package. The net contract value for 2004/2005 after these have been deducted is £42,362. The contract would be at the same rates and has been provided for in the Social Services revenue budget 2005/06.

2.2 Outstanding debt write-offs

2.2.1 All possible recovery action has been taken on the following outstanding sundry debts and there is now no immediate chance of recovering the amounts due.

Ionica plc £21,814.23

This company went into Receivership at the end of 1998.

The debt relates to rental of space for aerals. £20k of the above debt is invoices raised since this date despite no undertaking from either the Receiver's or any subsequent owners. The liquidators will make no further payments.

Reprise Ltd £11,802.72

This company went in Receivership. The debt relates to the purchase of plastic from the council for recycling. There are no funds available for the unsecured creditors.

Mrs S. B £14,106.85

This debt relates to a renovation grant. A charge was held on the property to secure this debt. However, the mortgage lender held the first charge and exercised it. Insufficient equity was in the property to cover the first charge, leaving the Council with no option.

Mr G.T £26,491.99

This was a residential care charge. The person has died and there are insufficient funds in his estate.

2.2.2 It is proposed, therefore, to write-off these debts. The write-offs will be charged to the bad debt provision held for this purpose. Under Financial Procedure Rules this requires Council Cabinet approval, as each debt write-off is over £10,000.

For more information contact:	Carolyn Wright 01332 255349 e-mailCarolyn.Wright@derby.gov.uk
Background papers:	None
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial

1. As detailed in the report

Legal

2. As detailed in the report.

Personnel

3. None

Equalities impact

4. None.

Corporate objectives and priorities for change

5. These recommendations, where relevant, are in line with approved budgets which accord with the Council's corporate objectives and priorities.

