

**Report of Chief Officer – Care Delivery**

**Report to Director of Adult Social Services - Delegated Decision Panel**

**Date: 22<sup>nd</sup> December 2014**

**Subject: Procurement of a laundry service to ensure service continuity in the event of the failure of the Roseville Laundry and Linen Service.**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): City and Hunslett	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. The Roseville Laundry and Linen Service has seen a reduction in demand for the service in recent years. The service has always been heavily reliant on the in-house residential and day care service for its work and the income that generates.
2. As the number of residential care homes and day services decreased following the decision of the Executive Board in 2010 the financial position of the supported business has deteriorated further.
3. The laundry is reliant of key pieces of machinery which is expensive to maintain and the cost of any replacements would far exceed available resources and this places the supported business in an even more vulnerable position.
4. Given the declining demand for laundry services from Roseville and the pressure on financial resources generally, the Council would find it difficult to justify spending significant resources on the repair or replacement of equipment should it fail.
5. The above situation means that, should the laundry fail, we would be left without an alternative laundry service.
6. Initial recommendations in relation to the provision of an alternative laundry service were considered at the DDP held on 11<sup>th</sup> November 2014. This report provides an update on the position.

## **Recommendations**

1. The Director of Adult Social Services is recommended to approve a procurement process through The Crown Commercial Service [CSS] to put in place arrangements to utilise alternative laundry services in the event of Roseville being unable to provide a laundry and linen service at any time in the future.
  - 1.1. To authorise the Crown Commercial Service to undertake the procurement of a laundry service on behalf of the Council.
  - 1.2. The procurement process should run from January to March / April 2015
  - 1.3. The Head of Service – Care Services will be responsible for implementing the decision.

## **1 Purpose of this report**

- 1.1 To update the Director of Adults Social Services on the current issues relating to the Roseville Laundry and Linen Service and to seek approval to put in place revised procurement arrangements for an alternative provider should the laundry fail for any reason.

## **2 Background information**

- 2.1 Roseville Enterprises was established in 1986 to provide opportunities in supported employment for vulnerable adults. Over time the nature of the business has changed until the remaining business was a laundry. The main business for the laundry came from within the Council itself, principally from older peoples residential care homes.
- 2.2 The laundry business has faced challenges as the volume of their contracts dropped resulting in a loss of income. This has been exacerbated by the closure of a number of older people's care homes during 2012 - 2014.
- 2.3 We discussed the situation with colleagues in Procurement to develop a strategy to procure an alternative laundry service should, for whatever reason, the service currently provided by Roseville is no longer available.
- 2.4 The procurement unit have recommended that we seek the permission of the Director of Adult Social Services to undertake a procurement exercise to ensure that the laundry service continues uninterrupted.

## **3 Main issues**

- 3.1 Roseville Linen and Laundry Service is a supported business providing a laundry and linen service to the residential and day care services directly provided by the Council.
- 3.2 The principal customer for the supported business has been the residential and day care services directly provided by the Council. With the reduction in the number of directly provided services the supported business has seen a significant drop in income, placing increasing pressure of an already challenging financial situation.
- 3.3 The business relies on a range of specialist equipment to deliver the service which is both expensive to maintain and would be very expensive to replace should it fail.
- 3.4 The equipment is fairly old and approaching the end of its useful life. Without this equipment Roseville would be unable to provide the laundry and linen service. In the current financial climate it would difficult to justify spending in excess of £400K on replacement equipment to keep the laundry going. In week commencing 15<sup>th</sup> December 2014 one washing machine required repairs costing £6.5K and the start of work was delayed on 16<sup>th</sup> December 2014 while repairs were undertaken to pipework to the boiler. The cost of these repairs is yet unknown.

- 3.5 To ensure that the remaining directly provided services can continue to receive a reliable laundry and linen service it is vital that an appropriate alternative is identified to provide resilience should Roseville not be able to do so.
- 3.6 At the DDP Panel on the 11<sup>th</sup> November 2014, a report was discussed in relation to the procurement of an alternative laundry service. DDP requested further work to be undertaken and this report provides an updated position statement.
- 3.7 We approached the Leeds and Yorkshire Partnership Foundation NHS Trust [LYPFT] and the Leeds Teaching Hospital Trust to identify how they procured their laundry service and they both confirmed that they procure their service through the Crown Commercial Service.
- 3.8 The Council's own procurement processes take, on average, 6 months to complete. The Crown Commercial Service [CCS] offers an alternative process, allowing us to access suppliers from an already established framework of 12 reliable providers used by other statutory bodies including the NHS. 7 of these suppliers already operate in the Yorkshire and Humberside Region.
- 3.9 Using the documentation supplied by the CSS Leeds City Council is able to access this framework. Leeds City Council can elect to undertake the process itself or the CCS will undertake this on our behalf for a fee of 1% of the value of the contract awarded. If no contract is awarded then there is no fee. The CCS would be willing to scrutinise the paperwork prior to submission in any case.
- 3.10 The Head of Contracts has been consulted and they do not see a problem with ASC using this documentation.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 In the past year the Chief Officer for Care Delivery and Head of Service (Care Services) have met with
- The whole workforce October 2013 to explain the possible future of Roseville Laundry in the light of a reduction in business
  - The disabled workforce August 2014 to update them on work placement opportunities
  - The Roseville Advisory Board January 2014 to update the group on developments with the business and workforce options.
  - The Roseville Business Case Refresh Meeting April 2014 to inform the Executive Member of developments and the pressures on the supported business.
  - The Councillor David Blackburn, Chairperson of the Roseville Advisory Board, to brief him on progress with the implementation of the Roseville Business Plan.

## **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 The disabled workforce who mainly have a learning disability require sensitivity when communicating about future plans. Presentations and written communications are being checked before delivery to ensure clarity.

A stress risk identification assessment and action plan has been developed to inform the consultation of potential stresses that might arise due to the process and the workers disabilities.

The Equality, Diversity, Cohesion and Integration Screening Tool has been completed and is attached as Appendix One

## **4.3 Council policies and City Priorities**

- 4.3.1 Procurement of an alternative provider should Roseville fail will discharge the Council's duties to provide Resilience Plans for the provision of critical services.

## **4.4 Resources and value for money**

- 4.4.1 Procurement of an alternative provider will ensure that the Laundry and Linen Service can continue to be provided in an efficient and affordable manner should Roseville be unable to do so at any time in the future.
- 4.4.2 In the financial year 2015/16, the draft net available budget for procurement of a Laundry and Linen service is £535k. Based on the draft 2015/16 budget, the unit cost of an item of laundry is £1 per item (excluding the Work Choice grant). The private sector quoted unit cost per item is £0.77. At the level of projected activity in 2014/15 (646,000 items), the differential in unit cost would generate a saving of £149k. The actual cost and associated saving can only be confirmed through a robust procurement process.

## **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 This is a Key Decision and subject to call in.

## **4.6 Risk Management**

- 4.6.1 The proposal to procure an alternative provider for the laundry and linen service will mitigate the risk of a laundry and linen service being unavailable from Roseville at any point in the future.

## **5 Conclusions**

ASC needs to procure an alternative laundry and linen service in order to mitigate the risk of the service from Roseville failing at any point in the future.

## **6 Recommendations**

- 6.1 The Director of Adult Social Services is recommended to approve a procurement process through The Crown Commercial Service to put in place arrangements to utilise alternative laundry services in the event of Roseville being unable to provide a laundry and linen service at any time in the future.
- 6.2 To authorise the Crown Commercial Service to undertake the procurement of a laundry service on behalf of the Council.
- 6.3 The procurement process should run from January to March / April 2015
- 6.4 The Head of Service – Care Services will be responsible for implementing the decision.

## **7 Background documents<sup>1</sup>**

- 7.1 None.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.