CABINET

25 April 2017

Title: Contract for the Provision of Supported Accommodation for Older People	
Report of the Cabinet Member for Social Care and Health Integration	
Open Report	**For Decision**
Wards Affected: None	**Key Decision:** Yes
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Summary:

'Extra Care' enables people to live as independently as possible in self-contained homes alongside communal living facilities, with access to support 24 hours per day. Extra care housing is a form of specialist housing which sits between sheltered accommodation and residential care. Sheltered accommodation does not offer the same level of care as an extra care scheme, with residents only receiving support from a warden who is usually only on-site for a limited number of hours a day. Residential and nursing care is designed for people whose care needs mean that they are unable to live independently, requiring a higher level of support, such as 24 hour, 'round the clock' care and medication administration.

Extra care is commissioned externally as part of the council's older people's supported accommodation provision and is delivered over four schemes in the Borough, namely: Colin Pond Court, Harp House, Darcy House and Fred Tibble Court. The care and support contract at the four schemes is currently provided by Triangle Community Services. Two different Registered Social Landlords (RSLs) manage the four externally commissioned schemes, one for Colin Pond Court and a different housing association for Darcy House, Fred Tibble Court and Harp House.

The current contract value is £1,333,980 per annum and is due to expire on 31st October 2017 with no option for extension. A saving of £70,000 has been identified against the budget for this service which it is intended to deliver through the retender process.

Recommendation(s)

The Cabinet is recommended to:

(i) Agree that the Council proceeds with the procurement of a contract for the provision of Extra Care Accommodation in accordance with the strategy set out in the report;

(ii) Agree, subject to the outcome of a service user and carer consultation, to procuring the Extra Care provision at either:

(a) three of the existing schemes (Harp House, Darcy House and Fred Tibble Court), or
(b) at all four schemes (Harp House, Darcy House, Fred Tibble Court and Colin Pond Court),

(iii) Delegate authority to the Strategic Director for Service Development and Integration, in consultation with the Strategic Director for Growth and Homes, the Cabinet Member for Social Care and Health Integration, the Chief Operating Officer and the Director of Law and Governance, to conduct the procurement and enter into the contract with the successful bidder(s) in accordance with the strategy set out in the report.

Reason(s)

The procurement exercise will ensure compliance with the Council's Contract Rules and EU Legislation and ensure continued service provision beyond the contract end date of 31 October 2017.

The re-tender of the service will bring the Extra Care offer in line with the Growth Commission report and the Corporate Vision. Re-commissioning of the Extra Care schemes will help to deliver the vision of "One Borough; one community; London' Growth Opportunity" in the following ways:

i. **Encouraging Civic Pride** – Extra care services enable people to remain in a property which is their own home. This is an essential part of promoting a welcome, safe and resilient community for Barking & Dagenham residents. It should also be viewed as an integral part of helping residents to shape their quality of life. The services delivered by Extra Care schemes will help residents to take control of their own health and well-being whilst reducing their need for residential care. The successful providers will be required to organise a range of activities with the residents to help build a cohesive and respectful community amongst the schemes.
ii. **Enable Social Responsibility –** Extra Schemes help to protect some of our most vulnerable adults, keeping them healthy and safe whilst ensuring they have access to good quality health care when required.
iii. **Growing the Borough –** The proposed model will result in the residents of the Extra Care Schemes remaining in high quality accommodation whilst maintaining the economic sustainability of the service. The provider will also enable opportunities for local people to access employment and upskill themselves.

1. Introduction and Background

1.1 'Extra care' are housing developments that comprise of self-contained homes with design features and support services available to enable self- care and independent living. The schemes have communal facilities such as lounges and laundry rooms and offer 24-hour care and support to those who require it, alongside an activity programme which is often co-produced with the residents. It is one form of specialist housing which sits in between sheltered accommodation, which offers some low-level support but not on a 24-hour basis, and residential care homes which cater for people with high needs who may require 'round the clock' care.

1.2 The role of extra care housing is important when looking at the needs of the current and future older people's population. ONS population projections show that the older people's population will remain stable until 2021, with the population of over 65s remaining at approximately 9% of the total population of the borough, (20,900 by 2021). After which there will be a progressive increase in the older population, with the Black and Minority Ethnic (BME) population making up 30% of the Older People's population by 2030. Along with the population projections consideration is also given to the low healthy life expectancy at aged 65 for residents in the borough, with men having a life expectancy of 17.2 years of which 8.1 years is the healthy life expectancy, and females over 65 who have a slightly higher life expectancy of 20.2 years but a significantly lower (as a proportion of remaining life) healthy life expectancy of 8.7 years. Extra care housing can therefore play a significant part in catering for this population, particularly in ensuring that older people can stay active, live independently and in the community for as long as possible, and prevent and delay the need for individuals to go into hospital or residential care settings.

1.3 A much longer-term piece of work is currently being undertaken to look at the future of older people's housing in order that the Borough can be assured that our provision is 'futureproofed' for the predicted increase in, and the needs of, the older people's population. As such, this tender sets out the Borough's approach to commissioning the current portfolio of Extra Care housing for the next three-to-five year period whilst we review this future picture.

Current Service

1.4 The London Borough of Barking and Dagenham (LBBD) currently commission four extra care schemes across the Borough. The schemes are owned by two separate RSLs, Anchor for Colin Pond Court and Hanover for the remaining three schemes. The fact that the schemes are owned by RSLs and not the current service provider puts no restrictions on commissioning new service providers to deliver the services. Both RSLs are happy for the buildings to continue to be used as Extra Care accommodation and they will provide the housing management at the schemes.

1.5 Triangle Community Services (Triangle) are commissioned by the Council to provide the care and support at the schemes, 24 hours per day. These schemes are detailed in the table below and show a breakdown of the number of units along with the number of units that have residents with support needs:

Table 1: Extra Care Scheme

Extra Care Scheme	Total number of units	Number of units with support needs
Fred Tibble Court	32	17
Colin Pond Court	31	11
Darcy House	52 (37 units, 15 bungalows)	31
Harp House	36	32

1.6 It should be noted that Fred Tibble Court was contracted separately as a Dementia Specialist Extra Care accommodation. However, following a review of the demand for the service it was re-configured to a general Extra Care scheme. There is a separate contract for the services provided at Fred Tibble Court, however this contract has the same end date as the contract for the other three schemes so has been included in this proposed procurement process.

1.7 Barking and Dagenham Council make referrals to any voids in the four schemes and a waiting list is currently in operation at some of the schemes. Referrals made to the schemes are reviewed jointly between the care provider and the RSL before they are accepted. Any voids which are vacant past an agreed deadline are filled by the RSL. In the past, this has contributed to a number of residents moving into the schemes with no care needs. This will be explored in more detail below.

Care Act 2014

1.8 The Care Act has a number of aspects directly relevant to the delivery of extra care. These will need to be taken into consideration as the model and the specification for the future service is developed. This includes:

- **Wellbeing and prevention** - The promotion and maintaining of a person's wellbeing is now enshrined in law. As well as meeting the individual's wellbeing outcomes the service will be required to contribute to the prevention, reduction and delay of a person's needs.

- **Person-centred, person-led processes** - Central to the wellbeing principle is the ethos that the individual is best placed to make decisions about their care and support, and that a person-centred system takes account of the individual's views, wishes and beliefs. As part of the tender the successful provider will be required to involve the service user in all aspects of their care.

- **Personalisation** - Independence, choice and control are key themes of the Care Act which aims to complete the mainstreaming of personalisation and stimulate the proliferation of choice of services to meet different needs (and/or meet those needs differently).

Service Review Findings

1.9 A service review of our extra care provision was undertaken in 2016 which made a number of recommendations. The recommendations included the following and have been used to inform the development of the extra care tender;

- **Future removal of the housing-related support element from the care and support contract**

  In the current Extra Care contract, Triangle Community Services are paid to provide housing-related support to residents. On review, it was found that there were opportunities for the landlord to provide this support. This is envisaged to provide savings when the service is retendered. These will contribute to the MTFS savings for Adults.

- **Clarifying the responsibilities of all organisations involved in the Extra Care process**

  The review found that it was not always clear where the responsibilities of the landlord and the care and support provider started and finished and how the landlord, provider and the local authority should be working together, particularly when this relates to referrals. The current process enables the landlords to place their own nominated tenants in vacant properties if they are not occupied by Council-nominated tenants within an appropriate period. As Table 1 shows, this means that a number of the schemes have tenants without any support needs, particularly Colin Pond Court. Within this new tender, a Service Level Agreement will be developed alongside the specification setting out the responsibilities of each of the organisations and a more streamlined referral process will be developed between Housing and Adults' Care and Support services with the landlord and the care and support provider to ensure that Barking and Dagenham tenants, with support needs, are accessing voids in Extra Care.

- **Ensuring that personalisation is improved**

  The current Extra Care schemes are not adequately personalised and the review recommended that the Extra Care service should be remodeled to deliver a core and add on model of service delivery which would in theory increase personalisation of the service. This has been explored as an option in the options appraisal section of this report.

- **A surplus in extra care accommodation**

  The Housing Learning and Improvement Network, (Housing LIN) in association with ADASS produced a Strategic Housing for Older People (SHOP) analysis tool. This was used to calculate the current and future older people's housing need in the Borough within the review and it was found that there was a small surplus of extra care accommodation in 2015 equating to 59 units. Population projections within the report show that the older people's population will remain stable until 2021. Given the stability in the projected population of older people in the borough and the surplus in the current provision of extra care accommodation there is justification in the approach to the future of Colin Pond Court in the options below.

2. Proposed Procurement Strategy

2.1 Outline specification of the works, goods or services being procured.

2.1.1 The service being procured is the provision of extra care support for older people to live independently with the provision of care and support in place to reflect their support needs. This procurement exercise will be undertaken to award a contract to a provider for the provision of extra care services delivered at all four schemes Harp House, Darcy House, Fred Tibble Court and Colin Pond Court or three schemes excluding Colin Pond Court subject to the outcome of the consultation exercise in April 2017. Following the consultation, it will become clear which of the two options will be put forward to Cabinet for approval.

2.1.2 Due to the specialist nature of this provision, it would be generally expected that a single provider tenders for the care and support provision at the extra care schemes. However, consortium or sub-contracting bids would be welcomed as long as they could demonstrate flexibility in the use of hours across the schemes, continuity of care for service users and innovation and creativity in the way that activities are co-produced with the residents. For example, an organisation could be sub-contracted to facilitate the activities in the schemes on behalf of the main provider.

2.1.3 The successful organisation will be required to provide 24-hour care and support to the residents of the schemes, including a range of personal care and support tasks which will enable residents to live independently for as long as possible. The provider will also be required to support residents by:

- Undertaking a person-centred, person-led service;
- Preventing, reducing and delaying social care and health needs where appropriate;
- Reducing social isolation;
- Providing emotional support;
- Monitoring health and wellbeing;
- Administering, prompting and monitoring medication;
- Supporting residents in times of crisis;
- Co-ordinating the production of a varied schedule of activities, co-produced with the residents.

2.2 Estimated Contract Value, including the value of any uplift or extension period.

2.2.1 For four schemes, the current contract value is £1,333,980. It is estimated that the annual value of the contract to be awarded will be of a similar order, allowing for a balance of efficiencies in the deployment of staffing resources, against the natural increase in wage and other costs for providers since the previous contract award. Therefore, the five-year contract value (three years with the option of extending for

up to a further two) will be of the order of £7m. There is a potential for a pressure against the budget arising from bids which reflect rising costs of delivery, should the four-scheme option be pursued. This will have to be mitigated from General Fund resources identified to meet demographic and inflationary growth pressures. Pressures arising from retender exercises such as this are part of the reason for the provision of additional government funding for Adult Social Care and the levying of the Adult Social Care precept.

2.2.2 For three schemes, the estimated value of the contract is estimated to be of the order of £6.5m over the same period. The annual equivalent cost of this option would maintain the costs within existing budget allocation.

2.2.3 In estimating the contract values mentioned above commissioners have had regard to market increases in the hourly rate tendered by likely bidders. Since the current rate was agreed with the current provider, the National Living Wage has been introduced which saw the living wage increase by 50p to £7.20 on 1 April 2016. The National Living Wage will continue to increase to over £9 by the end of this contract and this together with the introduction of pensions enrollment and other inflationary cost increases mean that the current rate will not be sustainable over the expected life of the contract.

2.2.4 The rate used in the calculation is in line with the rates achieved for similar schemes by other London Boroughs. The estimates do not, however, allow for the expected efficiencies that bidders will be required to consider when proposing their models for delivery of the services.

2.3 **Duration of the contract, including any options for extension.**

2.3.1 The contract period is 5 years (3 years contract with option to extend for a further 1+1 year period.

2.4 **Is the contract subject to (a) the (EU) Public Contracts Regulations 2015 or (b) Concession Contracts Regulations 2016? If Yes to (a) and contract is for services, are the services for social, health, education or other services subject to the Light Touch Regime?**

2.4.1 The contract is subject to the (EU) Public Contracts Regulations 2015 and as a social care contract are subject to the Light Touch Regime. Because the estimated value of the contract is higher than the set threshold (currently EUR 750,000), it needs to be opened up to competition and be advertised in the Official Journal of the European Union (OJEU) as required by the Regulations.

2.5 **Recommended procurement procedure and reasons for the recommendation.**

2.5.1 The Extra Care Services will be procured in line with the Public Contract Regulations 2015 through a ‘light touch regime’ taking into account the small number of specialist providers. The recommended procurement route is a competitive open tender procedure; the tender opportunity will be advertised on the OJEU, Contracts Finder, and the Council’s website. The process will widen the competition and ensure the Council gets best value for money for this service.

2.5.2 The Council will issue the contract in line with the Public Contract Regulations for the provision of the service with a break and variation clauses. The contracts will be further tightened with service specification requirements and expected outcomes. Key performance indicators will be outlined in the service specification and agreed with the providers. Performance management will be carried out by the Council.

2.6 **The contract delivery methodology and documentation to be adopted.**

2.6.1 The contract will be for the delivery of extra care services at Harp House, Fred Tibble Court, Darcy House and Colin Pond Court (all premises are located within the borough). Colin Pond Court may not be subject to this tender following the outcome of the consultation exercise in April 2017. The extra care service will involve the provider delivering 24-hour care and support to residents of the schemes. The provider will be required to deliver both personal care and health and wellbeing support to residents. Further details of the service can be found in point 2.1 above and in Option 2 below.

2.6.2 The contract will be funded from the general fund and delivered in line with the recommended option below. Council standard terms including special terms for adult social care will be used and will include the opportunity to add clauses such as the implementation of wellbeing plans for Borough residents. A break clause will be included in the contract allowing notice to be given by either party for termination. This allows increased flexibility should a significant change in service provision be required.

2.6.3 A soft market testing event will be put in place prior to the launch of the tender.

2.6.4 The procurement timetable is as follows:

Activities/ Tasks	**Date**
Social Care and Health Integration Portfolio	17 Jan 2017
Procurement Board Sub Group	30 Jan 2017
Procurement Board	13 February 2017
Service user consultation – first discussion of options for the service with residents	First two weeks of April 2017
Cabinet report	25 April 2017
Service User consultation II and developing focus group for evaluation	First week of May 2017
Prepare Tender Documents (Conditions, Specification, ITT, TUPE etc)	April/May 2017 – finalised paperwork by 12 May 2017
Market Engagement Event	W/C 8th May 2017
Issue ITT	15 May 2017
Develop Service User Questions and Evaluation criteria – focus group and workshop	1 – 15 May 2017
Deadline for clarifications	23 June 2017

Activities/ Tasks	Date
Return Tenders	30 June 2017
Tender Evaluation	3-21 July 2017
Service user evaluation	18 July 2017
Prepare award report/ get approval	24-28 July
Provisional Award (notify successful/ unsuccessful Tenderer's)	31 July 2017
Standstill period	1 – 11 August 2017
Final award	14 August 2017
Mobilisation including potential TUPE transfers	14 August – 31 October 2017
Contract commencement	1 November 2017

2.7 **Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract.**

2.7.1 The contract is anticipated to bring a modest saving from the current contract value as set out in the Adult Social Care transformation proposals. This saving relates to the removal of the housing-related support element of the current contract as discussed above. This saving has been factored into the contract value available. However, the cost of care is expected to increase. The use of Extra Care is still a more cost-effective way of meeting social care needs for some individuals especially if it avoids the need for more expensive residential care provision. These efficiencies have already been built into the budget (when the schemes were set up.)

2.8 **Criteria against which the tenderers are to be selected and contract is to be awarded**

2.8.1 The contract will be awarded on the basis of the most economically advantageous tender with a split of 30% Quality and 70% Price. Price will be assessed on the tenderers proposed prices based on the current volume of activity within the Extra Care schemes.

2.8.2 The Quality element will be formed of two parts, the tenderers method statement response and service user evaluation. The tenderers method statement will consist of their responses to a number of questions set which will cover:

- Service delivery and quality
- Service user involvement
- Safeguarding
- Choice and control
- Innovation and creativity
- Business continuity
- Staffing model

- Social value
- Equalities and diversity in service delivery

2.8.3 The service user evaluation element will consist of a service user focus group who will develop questions on areas that are important to them in service delivery. Approximately 8 service users will be identified from the initial consultation process who can commit to the initial training for the tender and the development of the tender questions. These individuals will then be trained on the evaluation process, what answers they anticipate and how those answers will be evaluated.

2.8.4 On the day, service users will ask the tenderers to answer these questions in a 'speed dating' exercise and will evaluate and score their answers. The 'speed dating' model consists of tenderers moving around a number of different tables at which one or two service users are sat. Service users ask providers two or three questions over a five-minute period before an alarm sounds and providers move to the next area in which service users are sat. This is a tried co-production process that has been used on several occasions and works well. The marks are then collated, weighted and incorporated into the overall tender score.

2.8.5 It is anticipated that the 30% quality score will therefore be made up of:

- 25% assessment of the method statement
- 5% assessment of responses to service user questions obtained at the speed dating event with service users

2.8.6 Clarification meetings may be held with individual providers on any clarifications that are required in the method statement. This will not be scored.

2.9 **How the procurement will address and implement the Council's Social Value policies.**

2.9.1 Through the procurement of the Extra Care services local employment opportunities can be secured as well as training and development of local volunteers and students/trainees. There is also the opportunity of partnership working with the voluntary sector that will provide increased capacity and learning between local providers and community and voluntary sector organisations.

3. Options Appraisal

3.1 It should be noted that the options that have been developed have been costed in order that they are financially sustainable and stay within the contract envelope that is available. Financial sustainability and proper remuneration of staff is central to the Care Act. Additionally, the National Living Wage will increase to over £9 per hour for staff by 2020 and this will need to be taken into consideration within this tender.

3.2 **Option 1: Do nothing [NOT RECOMMENDED]**

3.2.1 The do nothing approach would be to not renew the Extra Care service contract. This is not possible as residents of the scheme require social care support and meet the eligibility criteria set out in the Care Act 2014. As the Council are bound by the duties laid out in the Act, if the current extra care services were

decommissioned, other alternative services would need to be sought. Due to the nature of extra care and the fact that the service provides care and support 24 hours a day a large proportion of the residents would, in lieu of an extra care provision not being available, require residential care. This would not represent value for money as the cost of a residential placement in Barking and Dagenham costs a minimum of £565 a week. In comparison, a week in extra care costs £212 (calculated using the estimated contract value in point 2.2 and the full capacity of the four schemes, based on the current needs of the residents).

3.2.2 Decommissioning the service would result in the Local Authority reviewing all service users and, for those who do not require residential care, putting in place individual care packages via direct payments or managed personal budgets in alternative arrangements. Either way, a residential care placement or an individual care package would not represent value for money in comparison to extra care for these individuals and would also not provide continuity of care to the individual. This option is not therefore recommended.

3.3 **Option 2: Re-commission Fred Tibble, Harp House and Darcy House while De-Registering Colin Pond Court [RECOMMENDED OPTION]**

3.3.1 This option separates three of the sites as extra care schemes and will see Colin Pond Court being de-registered as an extra care scheme. It is proposed that Colin Pond Court will move to a sheltered accommodation scheme with the housing manager from the RSL continuing to support the residents in terms of their housing needs. It has been proposed to de-register the scheme as only 11 of the 31 residents have care and support needs and due to extra care requiring 2 members of staff on site 24 hours a day it is not cost effective to continue to deliver the service in this way. The Housing LIN SHOP analysis tool, mentioned earlier, shows that there is a small surplus of extra care accommodation in the borough; as such there is provision for one scheme to be changed and be de-registered without a shortfall of supported housing provision for Older People.

3.3.2 Residents of Colin Pond Court will be assessed by Social Care staff and assigned a Personal Budget to enable them to have a bespoke package of support in accordance with their individual needs. This may raise the need for some of the residents to move to alternative accommodation. They will need to be fully supported to set up the support package, which will be reviewed regularly to ensure that it continues to work well. In the long term this will bring about a cost saving as only one third of the residents in Colin Pond Court have support needs and the Council are paying the current provider to have two members of staff on site at all times; which equates to 336 hours a week. An initial estimate has suggested that the cost of providing personal budgets would be £140,000 less than providing the extra care staffing model at Colin Pond Court. This is based on the increased hourly rate that we would expect as a result of this tender. There is an overprovision of support on the site based on the needs of the current client group.

3.3.3 To address potential concerns regarding night cover, the Housing Provider have a comprehensive alarm system in place and provide daily welfare calls to the residents. Additionally, the Housing Provider are currently considering whether a night-time concierge service may also be viable. Alongside this, the local authority would work with the Housing Provider to look at additional assistive and adaptive technology that could be put in place to support the residents.

3.3.4 The deregistering of Colin Pond Court to sheltered accommodation will require consultation with service users and carers. This is being planned for April 2017. Dependent on the outcome of the consultation, the proposals for Colin Pond Court may need to be revised or included within the tender for the extra care provision alongside Harp House, Fred Tibble and Darcy House. This has been reflected in the recommendations of this report.

3.3.5 Option 2 will therefore see the delivery of extra care services at Harp House, Fred Tibble Court and Darcy House. The extra care service will involve the provider delivering 24-hour care and support to residents of the schemes.

3.3.6 The extra care services will deliver support on a minimum and maximum hours basis. The maximum hours will be pooled for the three sites to allow the successful provider to deliver a flexible service and make the best use of the resources, address variances in demand over time and to enable them to deliver choice and control to the service users. The minimum hours to be delivered will be 336 hours per scheme, this is the equivalent of the provider having 2 members of staff on site at all times, and will be the minimum hours stipulated in the contract. The maximum hours have been calculated on the current level of need at the three schemes, taking into consideration any expected growth for the life of the contract.

3.3.7 Although the ambition of a fully personalised model is not viable (as outlined in Option 4), residents are exercising their choice and control by deciding to live at the extra care schemes. Prior to accepting the accommodation as suitable for them, the individual will be supported by social care professionals and families in making their choice as to whether the provider will be suitable in meeting their care and support needs. If the individual does not want care and support to be delivered by the provider but wishes to move to the scheme there is some discretion to consider personal budgets so that service users can exercise choice and control. However, this will be on a case by case basis to ensure that value for money is achieved on the contract. The individuals who receive care and support from the on-site provider will have support plans in place in which the provider will be expected to ensure that they are demonstrating choice, control and flexibility in meeting the needs of residents. Additionally, we propose that the personalisation ethos is used in the design of activities for residents. This will be achieved by allocating a percentage of the budget (as part of the hourly rate) to the design and delivery of activities which are co-produced with the residents. The provider will also be required to work with the voluntary sector and local volunteers in the delivery of the activities.

3.3.8 **This is the proposed procurement model.** This option addresses the majority of the recommendations in the 2016 review, as well as ensuring that the local authority remains within the budget available for the service.

3.4 Option 3: Re-commission all four external Extra Care schemes [This option is considered]

3.4.1 Dependent on the outcome of the consultation to be held in April 2017, this option looks to retain the four external Extra Care schemes and provide 24-hour support. This would therefore mean that Harp House, Darcy House, Fred Tibble Court and Colin Pond would be included in the tender proposal

with the current service provision reinstated. As stated previously in Option 2, a fully personalised model is not viable (as detailed in Option 4), however choice and control are asserted through the choice of accommodation on accepting the schemes and further delivered through personalised support plans, and co-produced activities.

3.4.2 To move this proposal forward discussions with Finance would need to take place regarding the budget envelope. In this scenario, it should be noted that the current rate of £14 would not be sustainable and therefore recommissioning the four schemes would mean that a pressure would be in place on the existing budget.

3.4.3 This option is dependent on the outcome of the consultation and is therefore considered.

3.5 **Option 4: Personalised model [NOT RECOMMENDED]**

3.5.1 To deliver a fully personalised extra care service residents would need to be provided with either a managed personal budget or direct payment which they could use to purchase their care and support from a provider of their choice.

3.5.2 The issues with this model are that:

- A provider would still need to be commissioned to provide the 24-hour presence at the schemes in order that it is still an 'extra care' service. This may only be required at night, but would require a single provider to be commissioned to provide this 'core' service.
- The resident would receive some support from the provider commissioned to deliver the 24-hour presence which could result in them receiving care from two separate care agencies and reduce the element of choice and control over the care received, as well as issues regarding handover and continuity of care.
- The schemes would have various amounts of providers and personal assistants visiting on a daily basis which could compromise security at the schemes, particularly when some of the schemes hold 50+ residents.
- The direct payments and managed personal budgets would be paid from the Adult Social Care budget and would be difficult to monitor and manage and would exceed the financial cost of the contract.

4. Waiver

4.1 Not applicable.

5 Equalities and other Customer Impact

5.1 This service will be provided in line with the Equalities Act 2010 based on an open access service for all eligible individuals irrespective of their background and lifestyle. The service also has provision for couples to move into Extra Care accommodation so that family units are not split due to one individual's ill health or when the carer can no longer provide the caring role on their own. The service provides support to carers and onward referral to specialist support as required.

5.2 An Equalities Impact Assessment has been produced as part of the production of this report and can be seen on request.

6. Other Considerations and Implications

6.1 Risk and Risk Management

Risk	Likelihood	Impact	Risk Category	Mitigation
Delay to/ failed procurement process	Medium	Medium	Medium	Set and monitor a realistic timetable. Council to negotiate a new short term contract with current provider in the case of a delayed or failed procurement
Consultation response alters Colin Pond Court proposals	Medium	High	High	Commissioning to discuss alternative costed plans prior to consultation and discuss mitigation with Finance if Colin Pond Court needs to be included as part of the tender. This may have budget implications. If consultation is delayed, then the procurement exercise will go ahead as per timetable but providers will be asked to bid on both a three or four scheme basis.
TUPE issues prevents new providers from tendering for service	Medium	Medium	Medium	Gather TUPE information early in project; get expert advice from legal services. Make information clear in ITT documents. Negotiate new contract with current provider as contingency plan for no tenders received
No tender received	Low	High	High	High level of publicity around the soft market testing and tender launch in various contract register platforms and via the Council for the Voluntary Sector. Hold market engagement event
Contract award decision challenged by unsuccessful provider(s)	Low	Low	Low	Procure contract in line with Council's contract rules and EU Public Contracts Regulations. Liaise with legal and corporate procurement departments at all stages and ensure documentation is kept.

Provider fail to meet contractual obligations	Low	High	Medium	Clear set of outcomes set out in service specification and agreed with provider. Robust and regular performance monitoring procedures, performance indicators and consequences of failure to meet them set out in service contract.
Higher than anticipated hourly rate submitted by provider	Medium	High	Medium	Current hourly rates have been compared with the local market. Further analysis against the increase in the hourly rate for the National Living Wage have also been incorporated in the projected increased hourly rate.
Re-commissioning of the four external Extra Care schemes	Medium	High	High	To provide all four schemes with 24-hour support will create significant budgetary pressures as the cost will exceed the current financial envelope. To mitigate this the option of having three schemes, Harp House, Darcy House and Fred Tibble Court with 24-hour support and de-commission Colin Pond Court.

6.2 **TUPE, other staffing and trade union implications -** Eligible staff currently employed in the service will, in the event of change in service provider, transfer their employment to the new provider under the Transfer of Undertakings (Protection of Employment) Regulations 2014. This may also be affected by proposals around the deregistration of Colin Pond Court, and it is a possibility that there will be fewer posts under the new contract than are included in the current arrangements.

6.3 **Vulnerable Adults -** The provision of extra care services supports vulnerable adults in Barking and Dagenham as outlined in the above report. An effectively procured and commissioned extra care service will enable a quality, and value for money service for service users. As part of the tender process a robust quality assessment will be made which will include safeguarding, choice and control and service user involvement.

6.4 **Health Issues -** The proposal is in line with the outcomes and priorities of the joint Health and Wellbeing Strategy. The award of the contract should further enhance the quality and access of services for Older People. The proposal will have a positive effect on the local community.

6.5 **Property / Asset Issues -** The properties are owned by registered social landlords who are committed to continuing using the schemes as Extra Care housing. There are issues around nominations which will be addressed through a nomination panel.

7. Consultation

7.1 Consultation for this procurement has taken place through circulation of this report with relevant Members and officers. The proposals within this report were also considered and endorsed by the Corporate Procurement Board on 13 February 2017.

8. Corporate Procurement

Implications completed by: Adebimpe Winjobi, Senior Procurement and Contracts Manager

8.1 The service being procured falls within the description of services covered by the Light Touch Regime under the Public Contracts Regulations (PCR) 2015. However, as the estimated value of the contract is higher than the set threshold (currently EUR 750,000), it needs to be opened up to competition and be advertised in the Official Journal of the European Union (OJEU) as required by the Regulations.

8.2 In keeping with the EU procurement principles, it is imperative that the contract is tendered in a competitive way and that the process undertaken is transparent, non-discriminatory and ensures the equal treatment of bidders. The proposed procurement route to tender this service via EU Open Procedure will widen the competition, provide best competition to get best value for money for the Council and will be compliant with the Council's Contract Rules and EU Regulations.

8.3 The report gives details of the procurement procedure, evaluation criteria, award criteria and the timetable for the procurement exercise. All the above show evidence of a fair tender exercise, in accordance with the PCR 2015, which must be adhered to in compliance with the Regulation.

8.4 Corporate procurement will provide the required support to commissioners throughout the entire process.

9. Financial Implications

Implications completed by: Katherine Heffernan, Group Finance Manager.

9.1 There is a provision of c£1.2m to £1.3m per year for 2017/18onwards to cover the costs of the proposed award within the existing Adults' Care & Support Commissioning budgets.

9.2 The budgetary provision stated above includes the A2020 P1 Adults saving (ASC 1.1.5) provision of £70,000, profiled over 2 financial years; £35,000 to be achieved in 2017/18, with a further £35,000 expected from 2018/19 onwards.

9.3 The proposed option is within the budgetary provision for the Extra Care Contract. This is based on three schemes remaining as Extra Care and the fourth being deregistered. It makes some provision for personal budgets for some of the residents of this fourth scheme to replace the Extra Care Provision.

9.4 The other option being considered would be in excess of this cost. However, it is still likely to represent better value for money than alternative ways of meeting these clients' needs such as residential care.

9.5 There are known pressures within the Adults Care and Support service resulting from the increasing costs of care and complexity of needs. There is some additional budget support in the MTFS from the Social Care precept and other sources but the service will need to continue to manage these pressures including any arising from this procurement.

10. Legal Implications

Implications completed by: Implications completed by: Bimpe Onafuwa, Contracts and Procurement Solicitor

10.1 This report is seeking permission to undertake a procurement exercise for the contract for the provision of Extra Care Services.

10.2 The Extra Care Service can be described as falling within the Light Touch Regime (LTR). In line with this regime, the Public Contracts Regulations 2015 requires that contracts with a value above the current threshold of €750,000 (£589,148) be opened up to competition and be advertised widely enough for interested bidders to be aware of the procurement. The value of this contract is estimated to be above the LTR threshold, and as such it needs to be tendered as required by the Regulations.

10.3 This procurement also has to be procured in line with the Council's Contract Rules which require contracts with a value of £50,000, or more, to be advertised and opened up to competition.

10.4 Procurement of this contract has to show equality in the treatment of bidders, transparency as well as fairness in order to be compliant with the principles of the PCR and the Contract Rules. The proposed timetable, advertising media and evaluation criteria noted in the procurement strategy are indications of a compliant exercise.

Public Background Papers Used in the Preparation of the Report: None

List of appendices: None