

CABINET

21 June 2022

Title: Contract for the Provision of Supported Accommodation for Older People (Extra Care)	
Report of the Cabinet Member for Adult Social Care and Health Integration	
Open Report	For Decision
Wards Affected: All	Key Decision: No
Report Author: Arabjan Iqbal, Commissioning Manager, Commissioning Care and Support	Contact Details: Tel: 020 8227 5731 E-mail: Arabjan.iqbal@lbbd.gov.uk
Accountable Director: Chris Bush, Commissioning Director, Care and Support	
Accountable Strategic Leadership Director: Elaine Allegretti, Strategic Director Children's and Adults	
Summary: Extra care housing are housing developments that comprise of self-contained homes with design features and support services available to enable residents to live as independently as possible. The schemes have communal facilities such as lounges and laundry rooms and access to 24-hour care and support to those who require it, in addition to planned support calls. The schemes also run an activity programme which is often co-produced with the residents, and link up with other community and voluntary sector services and assets. 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 active 'round the clock' care. Within Barking and Dagenham, the extra care service is delivered across four schemes: Harp House, Colin Pond Court, Darcy House and Fred Tibble Court. The accommodation is made up of 1 bedroom flats in the main with some 2 bedroom flats available. This allows couples to stay together should one or both need Extra Care provision and supports them if their care needs increase. There are also 16 bungalows available at Darcy House which are a mixture of 1 and 2 bedroom units. The service is designed to adapt as the service users' needs evolve; residents can live in the flats for as long as it is safe for them to remain at the schemes. Service users are also supported through additional wrap around services which can be brought in to support individuals. An example of this is end of life care. The current contract value is £1,334,847 and is in the final extension year of the contract.	

Recommendation(s)

The Cabinet is recommended to:

- (i) Agree that the Council proceeds with the procurement of a contract for the provision of an Extra Care service in accordance with the strategy set out in the report; and
- (ii) Delegate authority to the Strategic Director, Children's and Adults, in consultation with the Cabinet Member for Adult Social Care and Health Integration, the Director of Finance and Investment and the Chief Legal Officer, to conduct the procurement and enter into the contract and extension documents with the successful bidder 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 the Public Contracts Regulations 2015, ensuring continued service provision beyond the current contract end date of 31 January 2023, and assist in achieving the following priorities:

- i. **Participation and Engagement** – 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. The services delivered by Extra Care schemes help residents to take control of their own health and well-being and their quality of life whilst reducing their need for residential care. The service reduces isolation and increases connections in the community, and supports positive outcomes through prevention and early intervention in line with the Joint Health and Wellbeing Strategy.
- ii. **Prevention, Independence and Resilience** – Extra care schemes help to protect some of our most vulnerable adults, keeping them healthy and safe whilst ensuring they have access to good quality care when required. Service users are supported to maintain independence through their own tenancy and are involved in the development of their care and support plans. An important aspect of the service is the co-production of activities with service users for the schemes, empowering service users to lead the design of service delivery.
- iii. **Inclusive Growth** – The proposed model for service delivery enables service users to remain in independent high quality accommodation that provides employment to local people. The contract will facilitate the Social Value vision for the borough through enabling access to training and employment opportunities for local residents.

1. Introduction and Background

- 1.1 Extra care housing are housing developments that comprise of self-contained homes with design features and support services available to enable selfcare and independent living. The schemes have communal facilities such as lounges and laundry rooms and access to 24-hour care and support to those who require it, in addition to planned support calls. The schemes also run 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 active 'round the clock' care. The service is currently provided by Care Support with Anchor as the Registered Social Landlord (RSL). This procurement seeks to procure the care and support provider that will work within the Anchor buildings.

- 1.2 Currently there are four schemes in the Borough: Harp House, Colin Pond Court, Darcy House and Fred Tibble Court. The accommodation is made up of 1 bedroom flats in the main with some 2 bedroom flats available. This allows couples to stay together should one or both need Extra Care provision and supports them if needs increase. There are also 16 bungalows available at Darcy House which are also a mixture of 1 and 2 bedroom units. Harp House, Darcy House and Fred Tibble Court offer a midday meal which is included as part of the tenancy and associated costs.
- 1.3 The service is designed to adapt as the service users' needs evolve and residents can live in the flats for as long as it is safe for them to remain at the schemes. Service users are also supported through End of Life care and additional wrap around services are brought in to support service users and enable them to remain in their own homes in the scheme.
- 1.4 Life expectancy in Barking and Dagenham has decreased recently and remains lower than the national average. Female life expectancy at age 65 in LBBB (19.8 yrs) is worse than the national average (21.1 yrs) and male life expectancy at age 65 in LBBB (16.7) is also worse than the national figure (18.7). The additional years of life achieved in recent decades are often impaired by ill health and disability resulting in poor quality of life and significant need for health and social care services¹.
- 1.5 The population projections for older people in the borough are set to increase with those aged 60-69 years by 3,600 (24%) to 18,700 by 2034.²
- 1.6 Locally, 1 in 4 people are between 65 -74 years and more than 40% of over 75's live alone in Barking and Dagenham. Additionally, 1 in 3 carers above 65 years don't have as much social contact as they would like. Isolation in older people is widely reported to have a negative impact on physical health and wellbeing, the provision of an extra care service contributes to reducing isolation and the negative impacts associated with this.³
- 1.7 Research shows that moving people into extra care from the community gave a care costs saving of £2,400 per person, per year to the Council⁴. This is through delaying the escalation of care needs into residential and other high-cost settings, as well as a reduction in hospital admissions. There are additional savings in non-care costs when postponing entry into residential care by one year with a cost avoidance of £15,500 to the Council. Having an option for extra care housing brings cost benefits in both the short and long term to the Local Authority as for example residential care is costly and would be the potential alternative. In comparison, sheltered accommodation does not meet the service user needs and

¹ Public Health Outcomes Framework 2018-20

² ONS 2018-based principal population projection

³ LBBB administrative data sources – 2020/Public Health Outcomes Framework 2018/19

⁴ Demonstrating the Health and Social Cost-Benefits of Lifestyle Housing for Older People, Housing LIN, 2017

residential care provides support that is surplus to requirements and can have a negative impact by reducing independence. Extra Care also supports the wider health economy by reducing the duration of unplanned hospital admission from 8-14 days to 1-2 days as compared to the community.⁵ This not only reduces pressure on hospital beds but also contributes to prevention and early intervention by preventing an increase in care and support needs as the individual maintains their independence as holistic support is available on discharge to an Extra Care environment.

1.8 Extra care housing is an ideal option for older people who:

- Find it hard to cope in their current home but want to stay as independent as possible;
- Require an alternative to a residential care placement which means they can remain in their own accommodation with their own tenancy;
- Are in hospital and need to return to accommodation with support and care available 24 hours per day.

1.9 The current service is accessed through an Extra Care panel to make effective use of the resource provision, ensuring that all of the options available to the resident are considered and providing transparency to the allocations process which is in line with the Borough's allocation policy.

1.10 The strategic context of Extra Care Housing supports the Council's Vulnerable People's Housing programme of work, our developing Community Hubs approach and addresses our current Corporate Plan commitment: 'All vulnerable adults and older people are supported to access safe, timely, good quality, sustainable care that enables independence, choice and control integrated and accessed in their communities, and keeps them in their own homes or close to home for longer.' The work also supports the developing commitments of the Integrated Care System and Place Based Partnership agendas, with Extra Care schemes playing a vital role in connecting services and community assets with individuals to meet their health, care and social needs. This will be developed further through the specification for the service.

1.11 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 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. The successful provider will be required to involve

⁵ Demonstrating the Health and Social Cost-Benefits of Lifestyle Housing for Older People, Housing LIN, 2017

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).

1.12 The *Health and Care Bill*⁶ looks to bring about a closer integration between health and social care and improve outcomes for people. This is further detailed in *People at the Heart of Care: adult social care reform white paper*⁷ that further integrates housing into local health and care strategies. This includes a focus on increasing the range of new supported housing options available of which extra care plays a key role. The paper identifies that the top 3 priorities for people who require care and support are:

- Remaining independent.
- Having access to the internet, phone and technology.
- Being able to stay in my current or own home.

1.13 Extra care and this procurement exercise supports all three of these priorities, by allowing independence and autonomy for people in their own home through their own tenancies.

COVID Pandemic

1.14 The service provision has provided valuable support to residents as part of the wider COVID-19 response in the borough. Both the care and support service and housing services supported service users within the schemes to access food and medication when movement in the borough was restricted and managing visiting in line with guidance. This was a difficult time for family and friends through infection control protocols, but service users were supported with online shopping, staff accessed shopping during protected shopping hours and staff supported individuals to use technology to make virtual calls to maintain contact with loved ones. Throughout the pandemic the extra care settings experienced outbreaks of COVID-19. They were able to contain the spread of the virus through strong infection control procedures and open communication with residents. This included the closure of communal spaces and asking those who were positive to isolate in their flats.

1.15 The Extra Care service provides valuable support to residents using an integrated model working with GPs, Pharmacies and specialist practitioners such as the mental health teams, Care Co-ordinators and the Community Treatment Teams. Alongside care calls passive observations of service users have enabled early intervention for service users such as UTI infection causing delirium. The GP is informed alongside the Community Treatment Team so that the service user can be tested and appropriate medication is put in place. This removes the need for an unplanned hospital admission due to a timely integrated approach to deliver beneficial outcomes for the service user.

⁶ <https://publications.parliament.uk/pa/bills/cbill/58-02/0140/210140.pdf>

⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1037663/people-at-the-heart-of-care_asc-form-print-ready.pdf

- 1.16 The service works very closely with several health partners to deliver an integrated response and reduce escalation in health and care needs for the individual. For example identifying risk of falls following an illness or physical change such as weakness. Referrals are made to the falls clinic and the matter discussed with the GP and the therapists to reduce the risk of falls, injury and potential hospitalisation.
- 1.17 The Extra Care schemes also supported the borough with hospital discharges in order that individuals could isolate after leaving hospital. This reduced pressure on the hospitals and the Council by providing short term interim flats through an agreed fast track process.

Service review findings

- 1.18 A detailed service review was completed for the service prior to the first 1 year extension being put in place. This was in 2020/21 and the service has since been extended by a further year to the maximum contract end date of 2023.
- 1.19 The service review demonstrated that the current service specification and delivery model is having a positive impact on residents and their health and wellbeing outcomes.
- 1.20 Since the review over the last 18 months the service has continued to build on the positive outcomes for service users and implemented the recommendations of the review. Alongside providing Care and Support, the service showed service users were involved in the co-production of activities and supported to adjust to the restrictions of the COVID Government guidance which was very challenging for the residents and posed infection control risks. Alongside this service users also benefitted from the inter-generational contacts with students from the college and development of activities when possible. The service also demonstrated positive risk taking to support reduction or maintenance of support hours using a strengths based approach. Service users are positive about the schemes and through contract monitoring family members/informal carers have spoken highly of the service and the impact that this has had on maintaining their loved ones independence, and provided reassurance to them regarding their family members.

Historic Allocation Policy

- 1.21 Historically and prior to the Extra Care Panel, several of the units were allocated in a bid to reduce voids rather than allocate the resource appropriately. This has meant that individuals were allocated directly to Colin Pond with many of them not requiring any social care input and of working age due to the 55 year age requirement.
- 1.22 Within Colin Pond Court there are still individuals that are going to work and should not necessarily be living in extra care, but are not able to be moved on because of their tenancy and this has left the borough with a legacy issue at this site. This historic issue of inappropriate placements has been addressed by the current landlord, Anchor Housing.

Voids

- 1.23 The Extra Care provision in place currently is delivered across four schemes and has been difficult to fill both pre and during the pandemic with the service showing a number of voids. Out of the three schemes Colin Pond Court has had the lowest number of service users residing in the extra care accommodation. This alongside historical allocation of the service has meant that Colin Pond in particular has a larger number of service users with no support needs but are unable to be moved because of their tenancy. This paper will set out the options appraisal for the number of schemes proposed to be commissioned for this contract, taking into consideration the future needs of residents. Based on projected population changes, we do anticipate the need for the the four schemes of Harp House, Darcy House, Colin Pond Court and Fred Tibble Court to continue. Fred Tibble Court also contains two bedroom units which supports equal access to Extra Care support for couples that require an additional bedroom due to their care needs.
- 1.24 Work was undertaken with social care colleagues at the beginning of the last tender (2017) to review those who did not have current care needs but had underlying conditions, to be assessed to see if it was likely that they would need care and support during the lifetime of the current contract. There have been no significant increases in the number of people requiring a care package across the four schemes over the five years of the contract, although it is thought that Covid-19 has had an impact on new referrals, as well as the important early intervention and prevention work undertaken by the on-site carers, including reducing isolation and participation in wellbeing activities.

Scheme	No of units	No of voids (exclusive of 4 interim flats)	% occupied flats with care packages.	No of care packages
Harp House	36 flats	7	68%	23
Darcy House	36 flats 16 bungalows	3	51%	24
Fred Tibble Court	31 flats	3	48%	15
Colin Pond Court	31 flats	1	46% (40%)	14* (12)

*It should be noted that two of these individuals receive external support from a PA/homecare agency

Care Technology

- 1.25 The new Care Technology service provided by Medequip will work closely with the newly procured care technology service to provide bespoke tech solutions to maintain and increase independence of service users and reduce additional costs to the Council and Health budgets. This tender will emphasis this partnership within the service specification, and although it is not possible to estimate the value of cost avoidance, there will be demonstrable benefits to residents and the Council. There will be no additional costs for this equipment as this cohort is already included in the initial unit drawdown and growth within the separate Medequip contract.

Interim Flats

- 1.26 As part of improvement work within Adults there have been a number of pilots run to test out new ways of improving hospital discharges. One of these has been a series of interim discharge flats that have been run out of the Extra Care settings.
- 1.27 The purpose of these flats is to aid timely hospital discharge and provide an opportunity for residents who would benefit from extra care to understand the schemes and how they work before entering into a formal tenancy. Since their introduction these flats have been well used. To date 8 people have passed through the interim flats, of which 2 have moved into extra care and 5 have returned home following remedial works at their properties, and 1 has moved to alternative supported accommodation. This has both reduced pressure on the hospital beds as well as not creating further needs as people are supported to return to or improve on their baseline abilities using a strengths based support approach.
- 1.28 We will be seeking to have four of these interim flats in the new service specification. This will continue to support timely hospital discharges and encourage people into the extra care schemes from the community where they will benefit from the level of care and independence. Each day in hospital costs the system £350 so there is a high level of cost avoidance for supporting timely discharges. Within the interim flats, whose costs are built into the contract, residents who moved in were in receipt on average of £228 of care a week. This translates to a cost avoidance of £2,222 per week to the health system. Discussions are ongoing with health colleagues in relation to an NHS budgetary contribution to the contract, as well as how the contract can be expanded in line with developments in the Integrated Care System and the Borough Partnerships.

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 Harp House, Darcy House, Fred Tibble Court and Colin Pond Court. This is the preferred option for this procurement exercise.
- 2.1.2 Due to the specialist nature of this provision, it would generally be expected that a single provider tenders for the care and support provision at the four schemes. However, consortium or sub-contracting bids would be welcomed as long as they could demonstrate flexibility in the use of hours across the four 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 organization could be sub-contracted to facilitate the activities in the schemes on behalf of the main provider. This would embody the ethos of the Borough Partnership which seeks to use the strengths of the collective health, social and community system to better the outcomes for Barking and Dagenham residents.
- 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 further 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

2.1.4 Extra Care is a care pathway that keeps people within their own homes and within the community. This contract will seek to strengthen the role that these schemes play in the community with their links with the community health services and voluntary sectors. How these schemes work with Primary Care Networks and the community hubs locally will also be key to the success of this contract.

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

2.2.1 If the option to commission four schemes is taken, based on current occupancy, this will cost £1.78 million per year, £8.9 million for the total period including extensions. If occupancy of the four schemes increases to an 80% occupancy level given increases in population projects and use of extra care, this contract could cost up to £2.1 million per year, or £10 million over the five year period, including extensions. As per the financial comments below, increases in occupancy and associated increases in the contract value would need to be borne from operational package and placement budgets as well as MTFS demographic growth.

Model of Costs

2.2.2 The extra care services will deliver support on a core and add on basis. This is where the contract is broken into core aspects and then the additional care costs for the residents are added on. This enables more accurate costings to the Council and reduces the risk of overpaying for care that is not required.

2.2.3 The provider will deliver the service through a core cost element which will ensure 24 hours staff provision, social activities and contribute to the support provided by the service in addition to the care calls. This includes reducing isolation, prevention and early intervention support. This has been allocated £100,000 per annum per scheme. This was calculated based on the number of hours of care delivered over the last period of the current contract.

2.2.4 The number of care and support hours will be based on staff being at each site for 24 hours per day, this equates to 1,260 hours a week across the four sites. Currently on average per week 430 hours of care and core activities are delivered per site. For Colin Pond Court due to the number of service users with care needs, we are proposing 1 member of staff to cover the scheme at night and that another member of the team can be requested from the other Extra Care

sites within the contract, should there be an emergency situation. This is what is currently in place at Colin Pond Court and works well.

2.2.5 With the new model that this paper is proposing, there will be £100,000.00 per scheme allocated for core costs and a further £1.38 million for add on costs in the form of care hours to total £1.78m. We believe that the average hourly rate proposed in this tender will be around £19.00 which allows for providers to pay London Living Wage.

2.2.6 The table below shows the costs of this contract, based on current average care hours per scheme and the core element. This model assumes that £20,000.00 of the core cost is allocated to care hours. This equates to 20 hours per scheme per week. It is important to say that we expect some care hours to be accounted for in the core costs, however this will be at the discretion of the tenderers.

New costs	Core	Average Weekly Care Cost @£19/hour	Yearly Care Cost	Total cost per year (core and care)
Harp House	£100,000	£8,292.17	£431,192.84	£511,192.84
Fred Tibble Court	£100,000	£6,139.39	£319,248.49	£399,248.49
Darcy House	£100,000	£8,714.52	£453,155.09	£533,155.09
Colin Pond Court	£100,000	£5,016.44	£260,854.72	£340,854.72

2.2.7 It is important to note that these figures assume no self funders or client contributions as well as a £19/hour rate. However, what is clear is that there are budget pressures that exist within the extra care contract, as it seeks to adjust to high inflation, increased running costs and ensuring employers can pay London Living Wage.

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 2-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 service is subject to the (EU) Public Contracts Regulations 2015 and are subject to the Light Touch Regime, however due to the value of the contract it will be an open tender and advertised on FTS.

2.4.2 The report has been drafted in line with the current contract rules; however, may be subject to change according to new guidance.

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 and the Council's Contract Rules 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 in Find a Tender, on the Council's e-tendering portal (Bravo), Contracts Finder and the Council's website. This process will widen the competition and ensure the Council gets best value for money for this service.
- 2.5.2 Potential suppliers will be required to complete Supplier Information in addition, to a tender submission document (including method statements) to ascertain suitability to deliver the services that they wish to offer. An evaluation of the Tender Submission will take place once the deadline has passed for submission. To ensure that the quality of the service is satisfactory there will be a pass threshold and a minimum quality score will be set that the provider must meet.
- 2.5.3 The Council will negotiate and 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 borough.

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, Colin Pond Court and Darcy House (all premises are located within the borough). 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 elsewhere in this report.
- 2.6.2 The contract will be funded from the Adult Commissioning Budget and delivered in line with the recommended option 2 below. Council standard terms including special terms for adult social care will be used.
- 2.6.3 A PIN event to engage with the market took place on the 19th May 2022 and with 18 providers in attendance.

Action	Date
Cabinet	21 June 2022
Publish ITT documents	6 July 2022
Clarification question deadline	26 August 2022
Tender Submission Deadline	9 September 2022
Provisional Award	4 November 2022
Standstill period	4 Nov- 18 Nov 2022
Go live	1 February 2023

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

- 2.7.1 There are no savings associated with this contract, however in line with the Care Act 2014 and the Borough Manifesto the service will deliver cost avoidance and longer term saving through the prevention, reduction and delay of additional support being put in place.
- 2.7.2 As part of this tender we will ask our providers to pay London Living Wage to all of their staff as part of our commitment to the London Living Wage. This will increase the cost of care being delivered.
- 2.7.3 As this budget was originally set nearly 5 years ago inflation pressures and annual increases in wages are predicted to mean that there are no cost savings associated with this tender. We are estimating that we will need £480,000 per year or £2.4m over the lifetime of the contract to accommodate these increases on top of the current budget envelope and this has already been forecast with Finance colleagues and discussed in the Financial Implications below.
- 2.7.4 This budget is presented as a worst case scenario as it does not include income from self funders and income from client contributions.

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 55% Quality and 35% Price and 10% social value. 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 development of questions and model responses based on service user experience and feedback. It is anticipated that the 55% quality score will therefore be made up of:
- 50% assessment of the method statement
 - 5% service user assessment

2.8.4 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 The Council is committed to ensuring that services are delivered in a way that protects the quality of the environment and minimises any adverse impact on community well-being.

2.9.2 The contractors will need to clearly outline and consider the following options from below:

- **Investment in local people:** working into the specification the need to employ local people, work with Barking and Dagenham College to access course based placements and to incorporate apprenticeships opportunities.
- **Community participation and engagement:** working with service users and informal carers to develop services. Building capacity through volunteering and mentoring opportunities and working with the community including the community and voluntary sector to support capacity improvements in civil society.

2.9.3 It has been agreed that the technical submission will expect the provider to focus on "Investment in local people" and "Community Participation and Engagement" elements. Commissioning has met with the Social Value Coordinator to discuss this.

2.9.4 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.

2.10 **Contract Management methodology to be adopted**

2.10.1 The contract will be subject to quarterly contract monitoring reviews monitoring performance against the specification.

3. **Options Appraisal**

3.1 We will be asking all providers to pay London Living Wage to their staff as part of this tender. In order to control costs to the Council passed through the rate paid to the successful provider for care will be subject to considerations as part of the Care and Support annual uplift policy. This is particularly important given the Adult Social Care funding reform legislation and the Fair Cost of Care exercises that will be undertaken over the coming months. This provides the provider/or Procurement Sub-Group and the Council protection from differing rates of inflation and ensures that staff continue to be paid fairly with cost of living uncertainty on the agenda.

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. To not provide this support would result in the Council neglecting its duties under the Act. As a result of not retendering this contract, there would be an increase on the social care and health budgets as some of the individuals will either have to be moved to residential care or passed through another community setting, be provided with large care packages or have recurrent unplanned hospital admissions. This option was therefore rejected.

3.3 Option 2: Re-commission all four schemes in a core and add-on model [RECOMMENDED OPTION]

3.3.1 This option looks to procure Extra Care provision across the four schemes Harp House, Darcy House, Fred Tibble Court and Colin Pond Court as per the model discussed above through a core and add-on arrangement. The provider will deliver the service through a core cost element which will ensure 24 hour staff provision, social activities and contribute to the support provided by the service in addition to the care calls. This includes reducing isolation, prevention and early intervention support. Best practice in this area will see work in partnership with our voluntary sector and Community Solutions.

3.3.2 On deciding whether the scheme is right for them and whether their care and support needs will be met by this provider, residents will be aware of the care provider on site and will make their choice based on this information. The opportunity to move into an extra care scheme with a prescribed provider or remain at home with a different provider provides the resident with choice and control. 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.

3.3.3 Additionally, the personalisation ethos will be used in the design of activities for residents. The provider will also be required to work with the voluntary sector and local volunteers in the delivery of the activities.

3.3.4 As stated in section 2.2 above, the cost of contracting for four schemes per annum is approximately £1.78m based on current occupancy. This is based on £20,000.00 of the core costs being allocated to care hours and divided between the care residents, and a subsequent cost of £19.00 per hour for the remaining care calls for each individual. This is also referred to as the add-on within the 'core and add on model'. Due to the number of residents in Colin Pond Court the specification will stipulate a greater number of the core hours are allocated to face to face care to reduce the number of add-on hours required as it is proposed that only one member of staff is on site at this scheme at night due to the lower number of care needs.

3.3.5 The minimum hours for all schemes will remain the same for the life of the contract but it is proposed that the maximum hours will be reviewed on a yearly basis to ensure that they meet the needs of the residents of the schemes and prospective residents that may be referred to the scheme.

- 3.3.6 The Insight Hub have provided information that shows that despite the projected population growth in older adults, care needs are projected to remain stable and not rise in conjunction with the population. This is based on care need increases over the past years in comparison with the population rise since 2011. It is therefore felt that the numbers of units within the schemes will be enough to provide for the numbers of care needs that we are likely to see coming through in the population over the course of this contract. The schemes do have a small number of voids and we will continue to work with the Housing provider to fill these. Covid-19 has contributed to a decrease in referrals over the last two years, however over the last quarter the Extra Care Panel has seen an increase in referrals. To illustrate this, four new residents are in the process of moving into Colin Pond Court at the time of publication (and included in the occupancy table above). We are therefore confident that the numbers of units will meet the level of need within the Borough and we will review the numbers and usage of extra care throughout the life of the contract.
- 3.3.7 **This is the proposed procurement model.** This option allows us to fully utilise the resources within the extra care schemes and deliver the priorities for the Borough around prevention and early intervention.
- 3.4 **Option 3: To decommission Colin Pond Court [Not recommended]**
- 3.4.1 The option to commission Fred Tibble, Harp House and Darcy House as extra care and decommission Colin Pond as an extra care scheme was seriously considered as an option due to the lower number of residents with care needs at Colin Pond. This would have seen Colin Pond Court de-registered as extra care and essentially becoming a sheltered accommodation scheme with the housing manager from the RSL continuing to support the residents in terms of their housing needs. The RSL, Anchor, were in support of this proposal and Anchor Housing would have retained the tenancies with the individuals, the costs of which are covered by rent or housing benefit payments. Additionally a Housing Officer would have been available at the scheme, Monday – Friday during normal working hours.
- 3.4.2 As part of this proposal, the residents with care needs would have had a review of their care needs and a discussion with a social worker to look at how they wished for their care needs to be met e.g. through a home care agency, a personal assistant or a different extra care scheme.
- 3.4.3 Due to the fact that the scheme would have been de-registered as extra care, this option would have seen 24 hour support withdrawn from the scheme. No activities or early intervention/prevention would have been undertaken at the scheme besides the housing support provided by the housing provider, and no one would have been available at the scheme at nighttime to provide care and support or reassurance, unless provided by an external agency for an individual's care needs. To address potential concerns regarding night cover, the Housing Provider would have continued with their current comprehensive alarm system and provide daily welfare calls to the residents. In addition, care technology would be offered to residents from the new Care Technology service provided by Medequip which would provide bespoke technology to support the needs of residents and a 24/7 monitoring and response service.

- 3.4.4 This proposal was discussed with residents of Colin Pond Court and the findings of the consultation can be found in Section 5 below. This option is not being proposed due to the findings of this consultation.
- 3.4.5 In addition, the option would have generated little in the way of savings to the Council – the care packages for the individuals with care needs would have cost a similar amount if commissioned from external agencies or Personal Assistants. In addition, a value cannot be placed on the role that the extra care provider plays in information, advice, guidance, wellbeing activities, preventative and early intervention support with the individuals in the scheme and there is a concern that if this support was removed that residents with or without care needs could see a negative impact on their health, wellbeing, needs and social contact.
- 3.4.6 Finally, the scheme has seen an encouraging improvement in the numbers of residents with care needs moving in, with four residents imminently moving in with care needs, leaving one void. This increases the numbers of residents with care needs to 14 in Colin Pond (rather than 10 at the end of 21/22). The new core and add-on model that is being recommended for all schemes also means that there will be a reduced risk to the local authority paying for care that is not required and we will continue the arrangement of one member of staff at night-time at Colin Pond which adequately meets the current needs profile.
- 3.4.7 As in all the extra care schemes, Colin Pond will still see the introduction of new care technologies as a result of the Medequip contract and we will review the impact that this has at the scheme.

4. Waiver

- 4.1 Not applicable

5. Consultation

- 5.1 Consultation for this procurement has taken place through circulation of this report and briefings with relevant Members and officers. The Cabinet Member for Health and Social Care Integration along with Ward Members, Procurement Board and the Corporate Strategy Group have been consulted on the proposals. The proposals in this report were considered and endorsed by the Procurement Board at its meeting on 21 March 2022 and the Corporate Strategy Group on 17 March 2022.
- 5.2 All residents were written to across all the Extra Care schemes informing them of the upcoming re-tender. Residents at Colin Pond Court were sent separate letters bespoke to those that have care needs and those without care needs, outlining the initial proposal to decommission Colin Pond Court and the impact that this would have. The Commissioning team have also worked closely with Anchor Housing on the proposals for the schemes.
- 5.3 Residents of Harp House, Darcy House and Fred Tibble Court were written to regarding the re-tender and invited to take part in the re-tender process and provide feedback to inform the development of the service specification.
- 5.4 Colin Pond Court residents were invited to a residents meeting with 27 residents written to and 19 residents including family members attending the meeting. Three

individuals have written to or phoned the team with feedback regarding the initial proposal to decommission Colin Pond Court. The feedback, including the questions asked and key comments were compiled into an FAQ document to be shared with residents including those that did not have an opportunity to attend the meeting.

5.5 Overall feedback from residents and family members was as follows:

- Residents wanted their concerns recorded regarding the removal of staff on site 24 hours a day and more specifically around the overnight staff. Residents stated that they moved into the scheme because it had 24/7 support on site.
- The residents reported that the proposed change would have an impact on their mental health and wellbeing, particularly regarding the role that the care workers played in their everyday life in terms of regular social contact, reassurance and support. Many of the residents stated that the care workers were the first people they saw in the morning and said hello to, and the last people that they saw in the evening and wished a good night.
- There were concerns in accessing help in an emergency. Informal carers reported that if they are notified that their loved one has had a fall, or requested emergency assistance, that this will put increased pressure on them to be present with them as they worry there will be a delay in getting them help.
- Residents raised concerns around not having continuity of care in alternative care arrangements e.g. homecare agency with the same staff providing the care.
- Although they understood the concept of Care Technologies and were positive about the introduction of the service, some residents and carers were unclear how the technology would support the specific needs of some of the individuals in the scheme.

6. Corporate Procurement

Implications completed by: Euan Beales, Head of Procurement

- 6.1 The Councils Contract Rules require all spend over £50,000 to be procured in the open market, this report complies with this provision.
- 6.2 It is noted that the proposal is to seek either a single provide or a consortia, both avenues should be allowed so as to not inhibit smaller providers in bidding.
- 6.3 The evaluation criteria is weighted to Quality then cost and 10% Social Value, based on the requirements and the detail in this report, this level of criteria is suitable for the risk levels in providing this service.

7. Financial Implications

Implications completed by: Philippa Farrell, Head of Service Finance

- 7.1 The current budget envelope for the Extra Care contract is £1.3m per annum, with this being the last year of the extension. The contract is based on an hourly cost of care that is now out of line with the current market and the current low level of occupancy of the schemes.
- 7.2 This report recommends the new contract should be let for all the current four schemes. The new estimated cost of the contract is £1.78 million per year, £8.9

million for the total period including extensions, based on current occupancy levels. If occupancy of the four schemes increases to an 80% occupancy level given increases in population projections and use of extra care, this contract could cost up to £2.1 million per year, or £10 million over the five-year period, including extensions. Therefore, there will be a resulting budget gap of between £0.5m and £0.8m.

- 7.3 The cost increase to £1.78m is due to the market price of care having risen during the contract period and the need to ensure that the London Living Wage can be accommodated within the price. This additional funding requirement should be addressed initially by managing the budget within the Adult Social Care available budgets, but it should be noted in the result of an overspend within this area this pressure will need to be met centrally. The area is currently forecasting to be on budget, without taking into consideration this pressure. It should be noted that there are additional requirements in relation to Fair Funding, the Cap on Care Cost, and the implementation of a formal CQC inspection process that are also yet to be factored in and therefore the approval of this contract does create a significant risk of an overspend that will need to be met centrally.
- 7.4 Adults Commissioning estimate that there is likely to be increased need for this provision during the life of the contract due to growing demographic demand for social care. This will result in increased costs. As an illustration an increase of around twenty users (to 80% occupancy with care needs) would increase the total by around £300-350k. This will need to be considered in the MTFs budget planning process and the increased cost met within the demographic provision in the MTFs. Likewise, if the level of need of the tenants increases this would also increase costs.
- 7.5 The contract contains an inflation clause which will increase the annual cost of the contract as it progresses through the five-year term. This will create a pressure on the financial envelope that will need to be maintained with offsetting cost reductions or additional funding. This will need to be addressed through the MTFs process and available inflation provisions. This needs to be kept in mind when approving the award as it increases the financial pressure on the organisation.
- 7.6 It should be noted that cost avoidance and the improved outcomes are well documented because of this service. If this contract were not approved alternative forms of provision for the service users such as Residential care would cost significantly more. Failure to let the contract would not lead to lower spending overall. There will also be some income available from Health funding, self-funders, and client contributions which are not accounted for within the financial estimations. There are no savings attached to the letting of this contract.

8. Legal Implications

Implications completed by: Kayleigh Eaton, Senior Contracts and Procurement Solicitor, Law & Governance

- 8.1 This report is seeking approval to tender a contract for the provision of supported accommodation for Older People (Extra Care) for a period of 3 years with an option to extend for 2 years.)

- 8.2 The service being procured is subject to the Light Touch Regime under the Public Contracts Regulations 2015 (the Regulations). The value of the proposed contract is above the threshold meaning that it will need to be advertised in Find a Tender. There are no prescribed procurement processes under the light touch regime, therefore the Council may use its discretion as to how it conducts the procurement process provided that it complies with principles of transparency and equal treatment of economic operators; conducts the procurement in conformance with the information that it provides in the Find a Tender advert; and ensures that the time limits that it imposes on suppliers, such as for responding to adverts is reasonable and proportionate. Following the procurement, a contract award notice is required to be published in Find a Tender.
- 8.3 Paragraph 2.5 of this report states that the contract will be advertised in Find a Tender, on the Council's e-tendering portal (Bravo), Contracts Finder and the Council's website in compliance with the Regulations. This appears to be following a compliant tender process.
- 8.4 Contract Rule 28.8 of the Council's Contract Rules requires that all procurements of contracts above £500,000 in value must be submitted to Cabinet for approval.
- 8.5 In line with Contract Rule 50.15, Cabinet can indicate whether it is content for the Chief Officer to award the contract following the procurement process with the approval of Corporate Finance.
- 8.6 The legal team will be on hand to assist and advise as required.

9. Other Implications

9.1 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
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	Medium	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 and provide advice relating to consortia arrangements
Contract award decision challenged by	Low	Low	Low	Procure contract in line with Council's contract rules and EU Public Contracts Regulations. Liaise with

unsuccessful provider(s)				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.

9.2 **TUPE, other staffing and trade union implications** - Eligible staff currently employed in the service will, in the event of change in service provision, transfer their employment to the new provider under the Transfer of Undertakings (Protection of Employment) Regulations 2014. With the proposed mobilisation period, we have the time to work with the outgoing and incoming provider to ensure a smooth transfer of care and TUPE.

9.3 **Corporate Policy and Equality Impact** - This contract 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 contract 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.

The service contract will support residents from varying backgrounds throughout their stay with person centred plans that take into account individual needs and wishes. The service contract is also able to support End of Life care in line with the service users and family wishes, taking into consideration individual's needs and requirements.

An Equality Impact Assessment screening tool has been completed for this procurement and ascertain the impact of recommissioning the Extra Care service. The Strategy and Partnerships Team are satisfied that a full EIA is not required.

9.4 **Safeguarding Adults and Children** - We would expect the new provider to work in line with the Multi Agency Protocol and play an active role in safeguarding in the borough. This will be evaluated as part of the tender process.

9.5 **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 our local community. We expect this service to work closely with our local health services, through initiatives such as discharge flats and long term care support planning to support hospital discharges and keep readmissions down.

9.6 **Property / Asset Issues** - The properties are owned by a registered social landlord Anchor who are committed to continuing using the schemes as Extra Care housing.

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

List of Appendices: None