

CABINET

15 FEBRUARY 2011

REPORT OF THE CABINET MEMBER FOR HEALTH AND ADULT SERVICES

Title: Extension of Contract for the Provision of Care Services within Colin Pond Court and D'arcy Gardens (Extra Care Schemes)		For Decision
Summary: This report provides an update on the current position with regards to the provision of Extra Care housing at Colin Pond Court and D'Arcy Gardens. Extra care housing is part of the provision of support which is available to older people who require extra help and services to enable them to continue living independently for as long as possible. The report provides an update about specific contracting issues currently in hand. Wards Affected: Chadwell Heath and Goresbrook		
Recommendation(s) The Cabinet is recommended to agree: (i) To approve a two year extension to the contract for the Provision of Care Services in Housing with Extra Care Schemes with Care UK Homecare Limited. (ii) To delegate its power to extend contracts under Rules 4.3.1 and 4.3.2, to the Corporate Director of Adult and Community Services following successful conclusion of the negotiations.		
Reason(s) To assist the Council to achieve its Community Priority "Healthy".		
Comments of the Chief Financial Officer The financial comments appear below in section 3.		
Comments of the Legal Partner The comments of the Legal Partner appear below in section 4.		
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1. Background

- 1.1 In September 2005, Cabinet received and approved a report for the awarding of a tender to Care UK Homecare Limited for the provision of care services in housing with Extra Care Schemes at Colin Pond Court and D'Arcy Gardens. This contract was for an initial period of five years (with provision for a further two year extension) and had an annual value of approximately £744,000.
- 1.2 The objective of the service specification was to provide appropriate accommodation and care to meet the needs of residents at both schemes. Both Colin Pond Court and D'Arcy Gardens were to offer conditions that enable older people to live in the community with the opportunity to maintain maximum independence, choice and control over their own lives.
- 1.3 There are now eight Extra Care Schemes in the borough. As well as Colin Pond Court and D'Arcy Gardens, TLC Care provide support for residents within Harp House and Fred Tibble Court. Four in-house sheltered housing schemes have been remodelled into additional extra care schemes.
- 1.4 There are currently 31 service users receiving care packages at Colin Pond Court and 28 service users receiving care packages at D'Arcy Gardens. The service users, aged over 55, have personal care and domestic support provided by Care UK. The schemes are popular with service users and waiting lists are managed via an Extra Care panel chaired by the Council.
- 1.5 Individuals are assessed as falling into one of three levels of support needs low, medium or high. Each service user has a flexible Care and Support Delivery Programme, based on their individual care plan, which identifies targets and outcomes agreed by the service user or their representative, the Care Provider and the Social Services Assessor. The cost of this Extra Care service is met from existing budgets.
- 1.6 The eight Extra Care Schemes have so far made a significant contribution to the Council's ability to sustain people in the community and avoid admissions to long-term residential and nursing care. The Extra Care support has also helped avoid unnecessary admissions into hospital. Extra Care also has the benefit of allowing residents to remaining in one place as their condition deteriorates. The level of support will increase but their home will remain in the Extra Care setting.

2. Proposal

- 2.1 It is proposed to extend the Care UK contracts with D'Arcy House and Colin Pond to 5 December 2012. This is allowable under the terms of the contract but requires Cabinet approval.
- 2.2 An extension of the Care UK contract will allow for continuity for service users and the already established relationships with the provider to remain.
- 2.3 The extension of the contract will also enable learning from the Up2Us pilot (personalisation in Extra Care) to influence the Council future commissioning decisions for Extra Care.

- 2.4 HACT (the housing action charity) are running Up2Us pilots in partnership with housing associations and local authorities at six locations across England. One of the locations is at Harp House/Helmore Bungalows Extra Care Scheme in Barking. This pilot began in December 2009 and will run until December 2011. The expected outcome of the pilot is people with support needs will be enabled to gain more choice and control over their lives by pooling their individual support and care budgets and so save money by sharing the cost of support for services. It will also allow service users to create interesting and cost effective ways to spend personal budgets. Crucially, the scheme helps service users to stay independent and away from residential care.
- 2.5 The challenge is to see how personalisation can work effectively within Extra Care Schemes with a view to extending this approach across the other seven schemes in the borough. The outcomes from the Up2Us pilot are being collated so that further improvements can be made for the remainder of the pilot period. A full evaluation will take place as the pilot concludes in December 2011.

3. Financial Issues

- 3.1 The cost to the Council of Colin Pond Court and D'Arcy House is £15,000 per week for 59 people. This equates on average £254 per week per resident. Many of the residents have been residing in the Extra Care setting for several years and the cost of their care has gradually increased as their needs increase.
- 3.2 While many residents at Colin Pond Court and D'Arcy House have higher end needs leading to higher costs, the cost is still significantly lower than residential care. Residential care costs on average £404 per week (£21,000 a year).
- 3.3 The costs of the contract extension of Care UK will be met from existing budgets based on an annual estimated expenditure level of approximately £768,000.
- 3.4 Cost savings will be negotiated with the provider for the remainder of the contract. The proposed savings will be implemented as a formal variation.

4. Legal Issues

- 4.1 Where a decision is made to retender the service, TUPE implications will exist between the current and any new approved provider. However with the extension, this will not be an issue.
- 4.2 The Constitution (Contract Rules 13.3) provides delegated authority to the commissioning Chief Officer, in consultation with the Chief Financial Officer (Section 151 Officer), to award contracts upon conclusion of the procurement process where the value of a contract is in excess of £50,000.

5. Other Implications

- 5.1 **Risk Management:** The ability of the negotiation to attain much needed savings which will assist the Council in achieving all of its Community Priorities and a balanced budget within Adult & Community Services for financial year 2011/12.

- 5.2 **Contractual Issues:** This contract extension will allow the service to continue under contractual arrangements whilst ensuring that our future commissioning intentions are informed through the Up2Us project which will deliver personalisation in Extra Care Schemes.
- 5.3 **Staffing Issues:** There are no Council staff employed to deliver this service.
- 5.4 **Customer Impact:** The service is for all borough residents who are assessed as needing to live independently in a scheme that has care on site. It empowers residents to maintain their independence while encouraging choice and control over their lives.
- 5.5 **Health Issues:** These schemes help to improve the health and wellbeing of those residents living in them and make a significant contribution to keeping them out of residential care, hospital and limiting their exposure to nursing care.

6. Options appraisal

- 6.1 Option one would be to terminate the existing contract with Care UK and re-tender. This has three disadvantages and thus is not recommended:
- There would be a considerable time delay of up to six to nine months to tender which would mean that the current service would be being delivered outside a formal contracting arrangement.
 - The potential savings through re-tendering the service are unknown.
 - The re-tendering process will incur additional costs.
- 6.2 The 'do nothing' option would result in the schemes either operating outside a contracted arrangement or should the decision be made to stop care on site, this would mean that the scheme would revert to being Sheltered Housing for Older Borough Residents resulting in an increase in the number of residents placed in residential and nursing provisions. This, in turn, would result in the cost of care packages increasing significantly.

7. Background Papers Used in the Preparation of the Report:

Executive Report 25 January 2005 'Provision of Extra Care Housing – D'Arcy Gardens and Colin Pond Court'

Executive Report 13 September 2005 "Award of Tender for Provision of Care Services in Housing with Extra Care Schemes – Colin Pond Court and D'arcy Gardens". At this meeting Executive gave permission for the tender to be awarded.

Executive Report 29 September 2009 "Putting People First – Personalisation"

8. List of appendices:

None