

HEALTH AND WELLBEING BOARD

20 October 2015

Title: Contract extension for the provision of extra care accommodation services	
Report of the Strategic Director for Service Development and Integration	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
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Sponsor: Anne Bristow, Strategic Director for Service Development and Integration	
Summary: <p>The local authority currently commissions four extra care schemes for older people in Barking and Dagenham. The contract for the care and support delivered in these schemes is with Triangle Care Services, formerly TLC Care Services.</p> <p>The contract for the four extra care schemes has an annual contract value of £1,333,980. The contracts for the provision of extra care accommodation at the four commissioned schemes commenced on 1 May 2012. The contracts were agreed by Cabinet for a period of 3 ½ years with the ability to extend for an additional two years, one year at a time.</p> <p>Due to the value of the contract exceeding £500,000, the Health and Wellbeing Board is recommended to agree to invoke the extension provision contained within the contract for extra care accommodation with Triangle Care Services for one year, from 1 November 2015 – 31 October 2016. An agreement of an extension will enable the continuation of extra care services at the four commissioned schemes to meet the care and support needs of the residents who live there.</p> <p>Additionally, the local authority will use the next 12 months to review older people's accommodation across the Borough, including extra care housing. Reviewing the way in which extra care services are delivered in the borough will enable the Council to take stock of our extra care provision and make recommendations for the future size and type of extra care provision that we will need to cater for our older population.</p> <p>It should be noted that negotiations with the provider on the extension has resulted in an increase in the hourly rate for providing the care element of the contract. Within the extension we will also vary the contract and reduce the maximum care hours available to ensure that the total contract value is not exceeded. This will not reduce the hours of</p>	

<p>care that is currently being provided in the schemes, as the contract is under spent and we do not anticipate an increase in the number of care hours required.</p>
<p>Recommendations</p> <p>The Health and Wellbeing Board is recommended to:</p> <ul style="list-style-type: none"> (i) Approve the extension and variation of the contract for the provision of extra care accommodation services with Triangle Care in accordance with the strategy set out in this report. (ii) Delegate authority to the Strategic Director for Service Development and Integration, in consultation with the Strategic Director, Finance & Investment and the Head of Legal and Democratic Services to extend and vary the contract and execute related documentation.
<p>Reason(s)</p> <p>The extension of this contract will allow the local authority the time to thoroughly review older people's accommodation in the Borough. Reviewing the way in which extra care services are delivered will enable the Council to ensure that the right amount and type of older people's accommodation and extra care provision is available, as well as ensure that services are provided in a personalised way. The Council will also be able to consider how this significant area of service provision can make a greater contribution to meeting the prevention duty set out in the Care Act, and the need to delay escalating social care need.</p> <p>The service also promotes the Council's vision of 'One Borough; One Community; London's Growth Opportunity' and particularly the priorities of :</p> <ul style="list-style-type: none"> • Encouraging civic pride by 'promoting a welcoming, safe and resilient community' and 'building civic responsibility and helping residents shape their quality of life'. • Encouraging social responsibility by 'protecting the most vulnerable, keeping adults healthy and safe' and 'supporting residents to take responsibility for themselves, their homes and their community'.

1. Introduction and Background

What is Extra Care?

- 1.1 The term 'extra care' is used to describe self-contained housing that has design features and services attached to it which enable residents to self-care and remain independent for as long as possible. It comes in a wide variety of forms and may be described in different ways, for example 'very sheltered housing', 'housing with care', 'retirement communities' or 'villages'.
- 1.2 Most residents in 'extra care' are older people, who often find it attractive because it offers them independent living in a home of their own with other services on hand if they need or want them.

- 1.3 Extra care is often seen as a good alternative to early entry into residential care because it enables people to live in their own home for longer.
- 1.4 Extra care housing is expanding and is now offered by local authorities, housing associations and private providers. There are now approximately 60,000 units of extra care housing in England.¹

Extra Care provision in Barking and Dagenham

- 1.5 There are eight extra care schemes in Barking and Dagenham for older people aged 55 and over. These schemes are geographically spread across the Borough, with 294 units available. Four of these are provided 'in-house' by the local authority, with staff providing personal care and housing-related support to residents. These schemes include:
- George Crouch Centre
 - Millicent Preston House
 - Ted Hennem House
 - Fewes Lodge – this is an extra care scheme specifically for people with dementia
- 1.6 Additionally, the local authority commissions four extra care schemes. Triangle Community Services (previously TLC Care Services) provide the personal care and housing-related support at each scheme. These schemes have a total of 176 units and include:
- Colin Pond Court
 - Darcy House
 - Fred Tibble Court – this is an extra care scheme specifically designated for people with dementia
 - Harp House
- 1.7 Extra care schemes are at capacity, with a small waiting list of Borough residents. All of the extra care schemes are for rent only, with no shared ownership options in the Borough.

2. Current commissioned provision – Triangle Community Services

- 2.1 The contracts for the provision of extra care accommodation at the four commissioned schemes commenced on 1 May 2012. The contracts were agreed by Cabinet for a period of 3 ½ years with the ability to extend for an additional two years, one year at a time. The contract was subject to and procured in accordance with the (EU) Contracts Regulations 2006 and are Part B services.
- 2.2 The main elements of the support provided by Triangle Community Services at the schemes, include:
- Providing domiciliary (personal) care to residents.

¹ Source: Elderly Accommodation Counsel, June 2015

- Providing housing-related support to help residents to manage their tenancies and facilitating communications between residents and the landlord of the schemes.
- Developing and sustaining residents' capacity to live independently within the community through a person centred approach
- Empowering residents to make choices, and contribute and participate in their care and support
- Reducing the number of emergencies.
- Providing support to informal carers.
- Maximising the number of residents participating in community activities.

- 2.3 The overarching goal of the schemes are to provide conditions which enable older people to live in the community with the opportunity to maintain maximum independence, choice and control over their own lives.
- 2.4 The contract for the four schemes are split into two separate physical contracts, one which covers Harp House, Darcy House and Colin Pond Court and the other separate contract for Fred Tibble Court. Fred Tibble has a separate contract in place as this was initially designed as a dementia specialist scheme. In light of this, greater rates are paid at this scheme for care and support and housing related support in comparison to the other three schemes.
- 2.5 The contract has provision for a minimum and maximum number of hours to be delivered at each scheme, with more hours per week contracted at Fred Tibble due to the dementia-specialist nature of the scheme. All four schemes have on-site care available 24 hours per day, seven days per week. Fred Tibble also currently has two waking staff members throughout the night to ensure the safety and care of residents at the scheme. The other three schemes have one waking staff member and one sleeping night staff member.
- 2.6 The extra care schemes are subject to regular monitoring and quality assurance visits. Performance at the schemes is satisfactory with residents reporting good levels of satisfaction.
- 2.7 As stated above, the contract contains provisions to extend the contract for two additional years. It is proposed to invoke a contract extension for all four of the commissioned extra care schemes for one year from 1 November 2015 – 31 October 2016. This is recommended for the following reasons:
- The option is contained within the contract
 - A one year extension will allow for the current service to be re –designed following the review of the older people's housing pathway which is currently being undertaken. Please see Section 3 below.

Contract value and negotiations

- 2.8 The current annual contract value is £1,333,980. This encompasses all personal care and housing-related support delivered by Triangle Community Services at the schemes.
- 2.9 In March 2015, Triangle Community Services wrote to the local authority to request an uplift in the hourly rate paid for personal care in all four of the extra care

schemes. They stated that due to market changes and staff costs, the contract in its current form was not financially viable.

- 2.10 Following protracted negotiations, it has been agreed to increase the hourly rate paid at Harp House, Colin Pond and Darcy House. We have agreed to this uplift to ensure that we are fully compliant with our duties under the Care Act, especially those duties in relation to ensuring a sustainable marketplace.
- 2.11 To counteract this increase we have also agreed to a reduction in the amount paid for housing-related support across all four sites. Triangle have agreed that they will make efficiencies in the way that housing-related support is delivered whilst maintaining a level of support which adequately assists residents to help manage their tenancy.
- 2.12 Financial modelling has shown that the increase in the hourly rate will cost the local authority a maximum of £78,000 per year. However, due to the fact that three of the four schemes are not delivering the maximum number of hours allocated in the contract, the contract is currently underspent by over £120,000. This means that even with the agreed increase, the contract will remain in budget over the next year as long as the care hours remain consistent. An increase in care hours is not anticipated over the coming year and to ensure that the provider does not exceed the contract value, the contract will be varied to reduce the maximum care hours available in the contract in line with the existing care hours required by residents in the schemes.

3. Reviewing extra care and sheltered housing

- 3.1 Adult Social Care commissioners are working with Housing Strategy to undertake a review of the housing pathway for older people, starting this month. This review will include extra care provision. The review will look at existing older people's accommodation and will make recommendations for the way in which older people's housing in Barking and Dagenham could be delivered in the future. The review will take demographic changes, Social Care demand, budget pressures and the impact of the Care Act into consideration.
- 3.2 Reviewing the way in which extra care services are delivered in the borough will enable the Council to ensure that the right amount and type of extra care provision is available in Barking and Dagenham, as well as ensure that extra care services are provided in a personalised way in which residents have meaningful choice over the care and support that they receive in extra care accommodation.

4. Recommendations

- 4.1 This report requests an extension in accordance with the Council's contract rules clause 54.6 that requires that every decision to extend a contract must be in writing by a Cabinet/HWBB minute for all contracts over £500,000.
- 4.2 The Health and Wellbeing Board is recommended to:
 - Approve the extension and variation of the contract for the provision of extra care accommodation services with Triangle Care in accordance with the strategy set out in this report.

- Delegate authority to the Strategic Director for Service Development and Integration, in consultation with the Strategic Director, Finance and Investment and the Head of Legal and Democratic Services to extend and vary the contract and execute related documentation.

Alternative options considered and rejected:

- 4.3 Cease the contract: This option is not practical as the local authority has a statutory duty to provide support and services to the residents of the scheme.
- 4.4 Retender the contract for October 2015: This option was considered and rejected due to the fact that the older people's housing pathway review being undertaken will influence the service design moving forward.

5. Mandatory Implications

5.1 Joint Strategic Needs Assessment

The priority for consideration in this report aligns well with the strategic recommendations of the Joint Strategic Needs Assessment (JSNA). It should be noted, however, that there are areas where further investigation and analysis have been recommended as a result of this year's JSNA. The purpose of the ongoing JSNA process is to continually improve our understanding of local need, and identify areas to be addressed in future strategies for the Borough.

5.2 Health and Wellbeing Strategy

The report's recommendations are consistent with outcomes and priorities outlined in our joint Health and Wellbeing Strategy.

5.3 Integration

Over the next 12 months, the local authority will review older people's accommodation in the Borough, including extra care. This review will be informed by discussions with a range of health and social care services.

5.4 Financial Implications

Implications completed by: Carl Tomlinson, Group Finance Manager

This report seeks to extend the current contract for the provision of extra care accommodation services for one year. This will enable the Council to review the provision of older person's accommodation in the borough going forward.

The current contract is valued at £1.334m assuming maximum hours are utilised and is funded from existing revenue budgets. Extra care schemes have typically not fully utilised the maximum hours allowable in the contract, therefore resulting in under spend.

A request from providers for hourly rate price uplifts, to reflect changes in the market and the Local Authority's requirement to be Care Act compliant in ensuring market sustainability, would lead to additional cost of £78k on the contract. In order

to manage this pressure within existing budgets, the service will need to reduce the maximum number of hours available within the contract.

5.5 Legal Implications

Implications completed by: Bimpe Onafuwa, Contracts and Procurement Solicitor

This report is seeking approval to exercise the option to extend the existing contract with Triangle Care for the provision of Extra Care Services.

This report also states that an extension provision in respect of an additional period of 2 years was reserved in the initial contract.

Contract Rule 54 permits the approval of a contract extension by a Chief Officer if there is provision in the original contract for such extension.

As an extension period has been provided for in the original Extra Care Services contract, Legal Services do not see a reason why this extension may not be granted.

6. Other Implications

6.1 Corporate Procurement

Implications completed by: Euan Beales – Head of Procurement and Accounts Payable

As outlined in the report the Council requires extension of contracts to be viewed as new procurements in terms of process. The 1 year extension period will allow for a review to be conducted to enable the modelling of the service going forward to include personalization elements.

There would be no financial or operational benefit to compete this service as the requirements are unknown and any implementation would increase risks to the residents and the cost of the procurement again outweighs any potential benefit.

I therefore support the recommendations as set out in this report.

6.2 Equalities and other Customer Impact

The extension of this contract will allow us to achieve outcomes in the service provision for older people living in wards in the borough with levels of social isolation, low income deprivation and poorer health outcomes.

Public Background Papers Used in the Preparation of the Report:

None

List of appendices:

None