

**Forward Plan reference number: FP/192/07/23**

<b>Report title:</b> Procurement of the Moulsham Lodge Supported Living and Shernbroke Supported Living Contracts	
<b>Report to:</b> Councillor John Spence, Cabinet Member of Health, Adult Social Care and ICS Integration	
<b>Report author:</b> Nick Presmeg, Executive Director, Adult Social Care	
<b>Date:</b> 25 <sup>th</sup> October 2023	<b>For:</b> Decision
<b>Enquiries to:</b> Stacey Holloway, Head of Strategic Policy and Commissioning, Adult Social Care	
<b>County Divisions affected:</b> Chelmsford and Epping Forest	

## **1. Everyone's Essex**

- 1.1. One of the Everyone's Essex commitments is to support vulnerable people to live independently and be free from abuse and neglect. This proposal supports this goal by procuring the Moulsham Lodge Supported Living and Shernbroke Supported Living Care and Support Service and awarding the contracts to competitively selected service providers.
- 1.2. The purpose of supported-living schemes is to ensure people have access to a wide range of support needs while remaining independent; each scheme providing a number of self-contained flats with an on-site care and support offer to help when needed. These arrangements aim to increase each individual's independence and skills by reducing dependency over a period of time. This enables people to try new things, allows the provision of care and support in their own homes and may support people to move on to more independent forms of accommodation.
- 1.3. The provision of tenancy-based accommodation enables people with disabilities to rent their own home with security of tenure as long as they abide by the rules of their tenancy. This is in line with the Care Act (2014) and is in keeping with adults without disabilities and fits with the principles of living an ordinary life.
- 1.4. The Moulsham Lodge scheme was set up in 2020, providing care and support to adults with learning disabilities, autism, physical impairments and / or sensory impairments who require low-level support needs. The contract with the current provider ends on 31<sup>st</sup> March 2024; therefore there is a need to procure a new contract.
- 1.5. This scheme has not only enabled the current tenants to have their own tenancy, but also enriched their lives through support to:
  - live as independently as possible, which meets each of their aspirations
  - socialise and maintain their relationships with people who matter to them, including friends and family

- gain employment where possible; some are working in part-time roles, which enriches their lives and independence.
- 1.6. The Shernbroke scheme will be a Supported Living scheme in Waltham Abbey, providing care and support primarily to adults with learning disabilities, autism, physical impairments and / or sensory impairments who have low- to medium-level support needs. The scheme is currently being built and is anticipated to complete in February 2024. The services help the adults to live safe and meaningful lives through a modern and person-centred provision.
  - 1.7. The Shernbroke scheme will be built as part of a larger mixed redevelopment through Essex Housing where, in total, there will be 26 flats; most of these will be private residences. This will allow the tenants living in the scheme to be living as part of the community.
  - 1.8. The proposals in this paper will have a neutral impact on the environment.

## **2. Recommendations**

- 2.1. Agree to undertake two mini-competitions using the Council's Supported Living Framework to procure the following contracts:
  - a) Moulsham Lodge Supported Living Scheme Care and Support Services, which will commence on 1<sup>st</sup> April 2024 for a period of four years with an estimated value of £1.1million; and
  - b) Shernbroke Supported Living Scheme Care and Support Services, which will commence when the building is complete and ready for occupation (this is currently anticipated to be February 2024) for a period of four years; with an estimated value of £1.7m.
- 2.2. Agree to delegate authority to the Commissioning Director – Children, Mental Health, Learning Disabilities and Autism to award the contracts to the successful provider(s), following completion of the mini-competition process.

## **3. Summary of Issue**

### **Background**

#### Moulsham Lodge

- 3.1. The Moulsham Lodge Supported Living Scheme was established in 2020. Metropolitan Thames Valley Housing is the current provider, supporting seven adults with learning disabilities and autism and/or physical impairments living in this scheme.
- 3.2. A nominations agreement was entered into with the landlord, Chelmer Housing Partnership, in order for the Council to make referrals of suitable adults into the service. The nominations agreement places the responsibility for the

procurement of a care provider on to the Council.

- 3.3. The service comprises seven self-contained flats with an addition of one carer's flat in Chelmsford. Each self-contained flat is single occupancy, comprising a lounge, a kitchen, a bedroom and a bathroom.
- 3.4. If the outcome of the procurement results in a new provider, then a process for transition between new care and support arrangements must be conducted in the least disruptive way to the seven adults. Their continued wellbeing and the stability of their support provision must be at the centre of this process.

### Shernbroke

- 3.5. The Shernbroke Supported Living Scheme will be supporting up to nine adults with learning disabilities, autism, physical impairments and / or sensory impairments in Waltham Abbey.
- 3.6. Essex Housing is currently redeveloping the site as a Supported Living Scheme. The anticipated completion date of this redevelopment will be in February 2024.
- 3.7. It is planned that Chelmer Housing Partnership will sign a nominations agreement to enable the Council to make referrals of suitable adults into the scheme. This nominations agreement will place the responsibility for the procurement of a care provider on to the Council.
- 3.8. The service will comprise nine self-contained flats, with the addition of one carer's flat in Waltham Abbey. Each self-contained flat is single occupancy, comprising a lounge, a kitchen, a bedroom and a bathroom.
- 3.9. The service will support adults with learning disabilities, autism, physical impairments and / or sensory impairments who want to live independently, have low- to medium-level care and support needs and live in the administrative areas of Essex.

### **Engagement**

- 3.10. Early market engagement with providers who are already on the Supported Living Framework has been undertaken. This was to assess levels of interest from those providers in participating in the mini-competitions for the Moulsham Lodge and Shernbroke service provisions.
- 3.11. Several providers on the Supported Living Framework have expressed an interest and it is anticipated that there will be strong interest from the market in the opportunity.

### **Procurement**

- 3.12. It is proposed to run two separate mini-competitions on the Council's Supported Living Framework to award the contracts for a period of four years, through a single-stage call-off using open-to-all Framework providers qualified to deliver

Supported Living services to non-complex individuals. The proposed contract length will exceed the end of the Framework term by three years, which is necessary to make the contracts attractive to bidders and minimise resource for ongoing procurement processes.

3.13. The annual values of these procurements are as follows:

- For Moulsham Lodge, £260,000 in 2024/2025, rising to £276,000 by 2027/28, meaning that the lifetime value of the contract is estimated to be £1.1m.
- For Shernbroke, the costs are anticipated to be £62,000 in 2023/24 for the two months, increasing to £413,000 in 2024/25 for the full year, rising to £439,000 by 2027/28, meaning that the lifetime value of the contract is anticipated to be £1.6m. As the contract is estimated to end in January 2028, the estimated cost for that year is £366,000.

The total amount takes into consideration yearly uplifts due to National Living Wage (NLW) increases, as per the assumptions built into the Medium Term Resource Strategy (MTRS). It should be noted that actual uplifts awarded will be on a discretionary basis and in line with the Council's uplift strategy within each financial year.

3.14. Conducting the process through the Framework ensures that the providers are suitable for the service required for the individuals at this scheme and shortens the evaluation timescale significantly. The Call Off process will be evaluated on the basis of 100% quality, as the price is fixed by the Council, which means that the most suitable care provider will be appointed following evaluation of a number of technical questions assessing their proposed delivery approaches at the services. The hourly rate for care and support will be fixed at the Framework non-complex needs rate. The timescales for the mobilisation and implementation of the respective services are as follows:

Activity	Moulsham Lodge	Shernbroke
Contract award	December 2023	December 2023
Mobilisation	January 2024 – March 2024	January 2024 – February 2024
Contract start	April 2024	February 2024

3.15 The mobilisation period for Moulsham Lodge is longer than Shernbroke because of the need to allow for the TUPE of staff from the existing provider. This is not the case for Shernbroke, which is a brand new service.

## 4. Links to our Strategic Ambitions

4.1 This report links to the following aims in the Essex Vision:

- Enjoy life into old age
- Strengthen communities through participation

4.2 Approving the recommendations in this report will have the following impact on the Council's ambition to be net carbon neutral by 2030:

- Neutral impact.

4.3 This report links to the following strategic priority in the emerging Organisational Strategy 'Everyone's Essex':

- Health wellbeing and independence for all ages

## **5. Options**

### **5.1. Do nothing and allow the contract to end for Moulsham Lodge scheme only**

This option is not recommended, as it puts at risk the safety, quality of support and wellbeing of the seven adults receiving support at Moulsham Lodge. If the service were to cease with no provider identified, the adults would have to move to a different support setting. The adults are settled, Moulsham Lodge is their home, and a move would be very destabilising and would leave the property empty after it has been established to support vulnerable adults.

### **5.2. Landlord-led partnership for both schemes**

This approach would allow the landlords the choice of care providers, which would give them a greater role in the schemes. This approach would also prevent further problems of any incompatibility issues between the landlord and care providers. However, doing this would relinquish the Council's control to the landlord over who lives in the properties, which would also involve the transfer of nomination rights to the landlord. The landlord might not provide a stable basis for ensuring that the Council's aims and visions are met in the schemes. As Supported Living is an expanding market for the Council and demand is increasing year on year, maintaining and acquiring the nomination rights within properties that meet our accommodation standards is of significant benefit.

### **5.3. Hold an open procurement process for both schemes**

This approach would enable the submission of bids for the Moulsham Lodge and Shernbroke contracts, both from providers on the Supported Living Framework and from those who have not qualified for the Framework. This approach would go against the previously agreed streamlined and transparent process of mini-competitions for the procurement of Care and Support Services within Supported Living Schemes. In order to ensure that the most suitable providers with a good operational base in the area and a high level of expertise in supporting adults with disabilities are considered for the procurement, utilising the current Framework list is key. A procurement outside the Framework also risks a cost increase, as the hourly rate may be above the agreed fixed rate.

### **5.4. Mini-competition under the Framework to nominate a provider (recommended)**

This option is **recommended** because, under the current Framework arrangements, levels of quality of care and hourly rates are set. The Service Specification for the Framework also sets out the obligations of providers and those on the Framework are already familiar with it and work towards its principles.

- The Moulsham Lodge and Shernbroke properties will continue to serve their intended purpose. The adults who hold tenancies at Moulsham Lodge will continue to be supported in their home.
- A smooth transition between service providers, with the option for TUPE, will ensure continuity of care for the adults living at Moulsham Lodge. The new appointed service provider for Shernbroke will ensure a stabilised move into the new scheme alongside care and support suited for the adults.
- The cost of the service will be kept in line with the current Supported Living Framework hourly rates,
- This allows sufficient time for mobilisation, as the process for a mini-competition is the quickest option.

## **6. Issues for Consideration**

### **6.1. Financial implications**

6.1.1 The estimated total cost of the recommended option is £2.8m; £1.1m for Moulsham Lodge and £1.7m for Shernbroke. Forecast costs for these support packages are included in the MTRS over the four-year period and are set out in Tables A and B below. This is in line with current National Living Wage (NLW) assumptions.

6.1.2 The following points should be noted:

- This is an estimate based on current expectations and will be revisited each year.
- Forecast costs are included in the MTRS but may not be in the correct budget line; for example, if the adult is currently placed in Residential, the cost of their care package will be in Residential not Supported Living.
- The difference in cost for the two schemes is due to the complexity of the adults and the size i.e., Moulsham is seven units, Shernbroke is nine.

Table A

Estimated Service Cost Moulsham Lodge	Base Package cost £000's	Inflation Increase %	Inflation Increase £000's	Total Package cost £000's
2024/25	243	7.00	17	260
2025/26	260	2.00	5	266
2026/27	266	2.00	5	271
2027/28	271	2.00	5	276
<b>Total</b>	<b>1,040</b>		<b>33</b>	<b>1,073</b>

Table B

Estimated Service Cost Shernbroke	Base Package cost £000's	Inflation Increase %	Inflation Increase £000's	Total Package cost £000's
2023/24	56	11.10	6	62
2024/25	386	7.00	27	413
2025/26	413	2.00	8	422
2026/27	422	2.00	8	430
2027/28	430	2.00	9	366
<b>Total</b>	<b>1,707</b>		<b>59</b>	<b>1,692</b>

6.1.3 There are target savings within the MTRS associated with Shernbroke of £67,000 in 2025/26, with a full year effect of £90,000 in 2026/27. As the development of this site has progressed more quickly than anticipated, the savings will be brought forward and updated at the next iteration of the MTRS in February 2024. It should be noted that this saving is an estimate based around assumptions of alternative package costs, as opposed to Supported Living. The actual saving may differ depending on the adults identified to occupy the property.

6.1.4 There are no financial implications regarding TUPE, as the incumbent provider is party to the existing Supported Living Framework contract and will remain so. The contract sets out the expectations of the provider in respect of their obligations under TUPE and states that they are not entitled to claim for any redundancy payments or employee claims arising from the expiry or termination of any placement under the contract.

## 6.2 Legal implications

6.2.1 Care and Support Services are 'Light Touch' Services for the purpose of the Public Contracts Regulations 2015 (the "Regulations"). Light Touch Services with a value in excess of £663,514 must be the subject of a competitive process consistent with the Light Touch Regime within the Regulations.

6.2.2 The Council's Supported Living Framework contains a mechanism to run mini-competitions to award contracts for the provision of care and support services

within Supported Living Schemes. The Council is therefore able to utilise this mechanism to comply with the requirements of the Regulations.

- 6.2.3 The contracts awarded using this mechanism will extend beyond the expiry of the Supported Living Framework. It is therefore important that the terms of the Call Off Contracts make it clear that the expiry of the Framework Agreement does not affect the individual Call Off Contracts, which shall continue until expiry or termination in accordance with their terms.
- 6.2.4 The mini-competition processes for each scheme must conclude before the expiry of the Supported Living Framework.

## **7. Equality and Diversity Implications**

- 7.1. The EqlA process was followed for the Supported Living Framework and the Moulsham Lodge and Shernbroke procurement would fall under and meet the same criteria and requirements.
- 7.2. The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.3. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 7.4. The equality impact assessment for the Supported Living Framework indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## **8. List of Appendices**

- Equalities Comprehensive Impact Assessment (ECIA535754406)

## **9. List of Background Papers**

**In consultation with:**



<b>Role</b>	<b>Date</b>
<b>Councillor John Spence, Cabinet Member for Health, Adult Social Care and ICS Integration</b>	27.10.23
<b>Executive Director, Corporate Services (S151 Officer)</b> <b>Stephanie Mitchener on behalf of Nicole Wood</b>	04.10.2023
<b>Director, Legal and Assurance (Monitoring Officer)</b> <b>Laura Edwards on behalf of Paul Turner</b>	15.09.2023