

Forward Plan reference number: FP/039/02/24

Report title: Procurement of the on-site care and support services at four existing extra care schemes	
Report to: Cabinet	
Report author: Councillor John Spence, Cabinet Member for Health, Adult Social Care and ICS Integration	
Date: 23 April 2024	For: Decision
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County Divisions affected: Colchester, Tendring, Harlow and Rochford	

1. Everyone's Essex

- 1.1 Everyone's Essex sets out the Council's commitment and ambition to improve and support the health and wellbeing of the County's residents. This includes our commitment to support people with care needs to be as independent as possible through access to suitable accommodation, and to ensure they have the support they need to promote their wellbeing and quality of life.
- 1.2 The Care Act 2014 places a duty on local authorities to promote a sustainable market for care and support that delivers high quality services for all local people (however that care is funded).
- 1.3 Under the Care Act 2014, the Council has a statutory duty to meet eligible needs. Providing access to suitable accommodation with care and support, including extra care schemes, is one way to meet those needs.
- 1.4 Extra care schemes are defined as accommodation that provides access to 24-hour, 7 day (24/7) on-site support for residents, many of whom may also have care and support needs met by Adult Social Care as part of our duties under the Care Act 2014.
- 1.5 Extra care schemes are an important part of a wider accommodation pathway of care, support and housing solutions, enabling independence and positive outcomes for adults. They can prevent and delay a move into less independent settings, such as residential care.
- 1.6 The purpose of this report is to seek approval to procure and award contracts to the successful bidder/s for the on-site care and support service within four existing extra care schemes.

- 1.7 The proposals in this paper do not create any additional climate impacts, which is consistent with our net zero climate commitments set out in Everyone's Essex.

2 Recommendations

- 2.1 Agree to undertake a single-stage, competitive tender for the award of four contracts, each of five-year duration, for the on-site care and support services at four extra care schemes being: (1) The Cannons, Colchester; (2) Sumners Farm, Harlow; (3) Dobsons House, Rochford; and (4) Canters Meadow, Tendring, at an indicative cost of £8.1m over the five years of the contracts.
- 2.2 Agree that the procurement shall be structured with individual Lots for each scheme, using a single-stage tender process which complies with the light touch regime in The Public Contracts Regulations 2015.
- 2.3 Agree that the high-level evaluation criteria for the award of the contracts will have a price, quality split of 60:40, with 10% of the quality score assessing social value.
- 2.4 Agree to block fund 84 care and support hours per week at each scheme, which together with the planned personal care provided, will secure the 24-hour, 7-day (24/7) on-site support required for a scheme to be designated as extra care.
- 2.5 Note that the cost of the core 24/7 on-site support in these four extra care schemes falls outside the current Adult Social Care charging arrangements and therefore adults will not be required to pay for this aspect of the service, but will be assessed for a contribution for any chargeable planned personal care needs in the usual way by the Council.
- 2.6 Agree that the Executive Director, Adult Social Care is authorised to award the on-site care and support services contracts for the four schemes if he is satisfied that the contracts represent best value and are within budget when costed at expected volumes.

3 Background and Proposal

- 3.1 The Council currently has contracts with on-site care and support providers at 14 extra care schemes across Essex, including the four schemes covered in this paper, at which placements are made by Adult Social Care.
- 3.2 The Council can make nominations into all 14 schemes for adults with eligible assessed care needs who would benefit from a home environment with 24-hour, 7 day (24/7) on-site support that underpins their continued independence.
- 3.3 The on-site support provided within these extra care schemes ensures a 24/7 on-site presence and a person to call who can respond to any unplanned care needs and/or emergencies, for example if a resident has a fall or is unwell. It

includes the provision of personal care, regulated by the Care Quality Commission (CQC) as required, and can be accessed as needed rather than in a scheduled way. This 24/7 on-site support must be in place for a scheme to be designated as extra care, both in Essex and nationally.

- 3.4 The 24/7 support is delivered by a care provider based at the scheme and is available to all residents, irrespective of who provides their planned personal care. The on-site care and support provider can also provide planned personal care to residents (if an adult has chosen to receive their personal care from it) as part of meeting a resident's assessed eligible care and support needs.

The schemes

- 3.5 Dobsons House is a 30-apartment extra care scheme in Rayleigh. The Council has nomination rights into all 30 of the apartments within the scheme.
- 3.6 Canters Meadow is a 30-apartment scheme in Clacton. The Council does not currently have a nomination agreement in place with the landlord, but placements are being made by Adult Social Care into the scheme.
- 3.7 The Cannons is a 38-apartment extra care scheme in Colchester. The Council does not currently have a nomination agreement in place with the landlord, but placements are being made by Adult Social Care into the scheme.
- 3.8 Sumners Farm is a 42-apartment extra care scheme in Harlow. The Council does not currently have a nomination agreement in place with the landlord, but placements are being made by Adult Social Care into the scheme.
- 3.9 The contracts and agreements for the on-site care and support services provided at these schemes will expire between October and December 2024. Each of the landlords of the schemes have confirmed that they do not want to take on or continue the responsibility of providing the on-site care and support service within the schemes.
- 3.10 There is a nomination panel, coordinated by the Council, in place for each of the schemes. The nomination panel also includes the landlord, the on-site care and support provider and the Local Housing Authority. The nomination panel ensures timely and efficient identification and processing of nominations for each scheme, ensuring all adults have care and support needs that can be met through a move into extra care. There is consistently good utilisation at all four schemes, driven by the creation of the nomination panels, with currently an average utilisation of 94%.
- 3.11 The landlords of each scheme have confirmed that they will continue to allow the Council to make nominations into each scheme and will allow the Council to contract for the provision of the on-site care and support services within each scheme. This will include allowing the successful care providers to have access to the necessary facilities at the schemes to provide the on-site care and support service.

The new contracts

- 3.12 It is proposed that the new on-site care and support contracts at each scheme will commence between October and December 2024 and will be for a five-year period with no options to extend further. This is consistent with the contract length for other extra care schemes across the County.
- 3.13 The contractual arrangements for the provision of on-site care and support services across the schemes will not tie the Council or residents into having to purchase planned personal care from the on-site care and support provider. Residents and the Council will be able to choose another care provider or carer to provide their planned personal care as required.
- 3.14 The Council will seek to agree a nomination agreement with the landlord for each scheme. The nomination panel, coordinated by the Council, for each scheme, will continue to meet regularly to maximise Adult Social Care placements into each scheme. Without a nomination agreement, the Council does not have a contractual right to make such nominations although it is in the landlord's interests for voids to be filled. If nominations are not or cannot be made into the schemes, the Council will still be responsible for paying for the on-site care and support service.
- 3.15 There will be no direct contractual relationship between the landlord and the on-site care and support provider relating to the provision of care at the scheme, but there will be an agreement between the landlord and the on-site care and support provider relating to the use of facilities within the building, access to and from the building and working arrangements.
- 3.16 There will be no contractual provision relating to the on-site care and support service and the provision of care within the residents' tenancy agreement with the landlord. All documentation and agreements in relation to the provision of planned personal care and the 24/7 on-site support service will be between the residents and the Council and/or the residents and their care provider(s).
- 3.17 The service specification and performance standards within the care and support contract will require that the on-site care and support providers for each of the schemes, as a minimum, meet the Council's quality standards, adhere to the CQC regulatory standards and adhere to the service delivery model for extra care. This will ensure high-quality service provision that maximises independence; with the schemes as community assets, benefiting the wider community as well as the residents within the schemes, and with a strong ethos of social interaction and maintaining and developing relationships. There will be key performance indicators and management information for the provider to report on and for the Council to monitor. Over the contract term there will be regular contract management meetings with each on-site care and support provider to discuss service delivery and performance. If needed, there is the standard provision within the contract to issue action plans and, contract breach letters, and ultimately the ability to terminate the contract if there continue to be significant performance concerns.

- 3.18 Increased flexibility in the suitability criteria has also been implemented across all extra care schemes in Essex, in terms of both the care needs and the age of prospective residents, including adults with disabilities, who may be under or over 55, where extra care is deemed suitable to meet need. This is a positive progression of the extra care model in Essex and means that a more diverse range of adults can benefit from living within an extra care scheme. This approach will continue to be promoted in these schemes over the life of the contract.
- 3.19 The anticipated cost of the four contracts is £1.6m per annum, based on an assumed rate tendered and fixed hours for the 24/7 on-site support. During the tender process the actual cost will become apparent, and agreed or otherwise by the Executive Director, Adult Social Care, based on affordability within the overall budget.

The procurement approach

- 3.20 It is proposed that there will be a single-stage, competitive tender process complying with the 'light touch' regime of the Public Contract Regulations 2015. The contracts will be awarded to the bidders who achieve the highest overall score using a price / quality split of 60%: 40%, with 10% of the quality score assessing social value and climate.
- 3.21 The tender will be in four Lots. Bidders will be able to bid for one or more Lot. Each Lot will be evaluated independently of each other. There will be no restriction on the number of Lots a bidder can win.

Price Criteria	Quality Criteria	Social Value and Climate
<p>The price element will be based on the care rate (price per hour) for planned personal care.</p> <p>The care rate per hour selected will then be used to calculate the block price for the 24/7 on-site support based on 84 hours per week. This guaranteed funding will ensure the 24/7 on-site support can be provided with at least one member of staff awake on-site and with one member of staff local to the scheme on call.</p> <p>The pricing matrix on which bidders can submit tenders for hourly care rates is a range from £18.32 to £23.04, rising in 4p increments. Any bids outside the range will be</p>	<p>The quality criteria will be based on technical questions, which focus on bidders' proposed service model for the delivery of the on-site care and support service within the scheme, including ability to meet a range of care and support needs and providing enablement-focused care and support, mobilisation of the contract, the promotion of social inclusion, innovative practice and use of technology. For all bids submitted, minimum quality criteria must be met. Bids below these will fail and be discounted.</p>	<p>The social value and climate element will be based on what social value providers can offer and how this will be achieved and measured as part of this contract.</p>

disregarded. This matrix is consistent with previous extra care tenders.		
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- 3.22 The funding arrangements for the 24/7 on-site support set out in this report were endorsed through a Cabinet decision in April 2023 (FP/054/02/23) and set a precedent for all future procurements for the on-site care and support in both the 14 existing extra care schemes and any new extra care schemes with a contract with the Council for on-site care and support. The agreed approach ensures viability and sustainability of the 24/7 on-site support and equity in the approach to funding this across all 14 extra care schemes.
- 3.23 The funding approach for the 24/7 on-site support service will ensure that, at any one time, there is at least one member of staff awake on-site and one member of staff local to the scheme on-call. The landlords and current on-site care and support providers at each of the schemes have confirmed that this level of support will be sufficient to meet unplanned care needs and emergencies within the schemes. This level of support is also consistent with the approach taken in other extra care schemes across the country.
- 3.24 Where planned personal care is provided by the on-site care and support provider, this will be sourced at the hourly care rate submitted through the tender process. All planned personal care hours provided to residents in the schemes, irrespective of who provides this care, will be assessed and charged for in the usual way by the Council, following Adult Social Care charging policy. Individual arrangements will be set out in an adult's support plan in line with their assessed needs in the usual way.
- 3.25 The prices submitted will be fixed for the contract period, although the Council will have the absolute discretion to review rates if it so wishes. This is consistent with the Council's general approach to increasing prices for care services delivered to adults.

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
 - Develop our County sustainably
- 4.2 Approving the recommendations in this report will not impact on the Council's ambition to be net carbon neutral by 2030.
- 4.3 This report links to the following strategic priority in the Organisational Strategy 'Everyone's Essex':
- Health wellbeing and independence for all ages

5 Options

5.1 Option 1: Do nothing and let the contracts expire.

This approach is not recommended, as it would result in the on-site care and support services ceasing and the schemes being unable to operate as extra care. This could result in the Council needing to source new placements for residents, which might include residential care.

5.2 Option 2 (recommended): Undertake a single-stage competitive tender for the on-site care and support contract at each of the schemes, with the Council using its market-shaping powers under the Care Act 2014 to block fund 84 hours per week at each scheme.

This is the recommended option because it ensures best value through a competitive tender process, reflects the wishes of the landlords and maintains extra care capacity in the market, giving adults choice and control over their housing with care options. This option does not tie the Council or residents into having to purchase planned personal care packages from the on-site care and support provider. However, the provider of the 24/7 on-site support is not optional and will be the on-site care and support provider. Providing guaranteed block funding towards the 24/7 on-site support will ensure sustainability of this element of the service, which must be in place for a scheme to be classed as extra care.

5.3 Option 3: The landlord at each scheme takes on or continues responsibility for the care contract.

This option is not recommended or possible, as the landlords do not wish to take on responsibility or continue the provision of the on-site care and support contracts at these schemes.

6 Issues for Consideration

6.1 Financial implications

6.1.1 The recommended option in this paper has an annual cost of **£1.6m** and **£8.1m** across the five years of the combined contracts, see Table 1.

6.1.2 This has been modelled on the projections used for 2024/25 budget setting. The four schemes included within this paper are forecast to spend **£1.3m** on personal care and **£372,000** on 24/7 on-site support in 2024/25 in line with the existing arrangements. These values include the uplift that was agreed in the decision 'Care Market Uplifts' (FP/004/01/24) at February 2024 Cabinet. Any future year's uplifts are at the discretion of the Council and will be considered annually. The five-year contract cost is based on current care requirements and is likely to change over that time period as needs of residents change.

Table 1 – Projection In line with Existing Arrangements

4 Schemes Projection £000	2024/25 budget	2024/25 Cost	Ongoing annual cost	5 Year contract cost
Personal Care	1,256	1,256	1,256	6,280
On-site support	372	372	372	1,860
Total	1,628	1,628	1,628	8,140

6.1.3 There are price and volume risks and opportunities associated with this decision.

While care requirements have been modelled on the current providers matrix rate, if the new provider were to choose the highest rate on the matrix of £23.04 for 2024/25, the annual increase in cost would be £170,000, with the total annual cost rising to £1.8m. If the new provider were to choose the lowest rate on the matrix of £18.32 for 2024/25, the annual cost would be a decrease of £239,000, with the total annual cost reducing to £1.4m. The 2024/25 matrix rates were agreed at February 2024 Cabinet in the decision referenced in 6.1.2 above (FP/004/01/24). The specific matrix for this tender is yet to be agreed but it will be within these parameters. The opportunity is unlikely to materialise to the maximum value in the table below due to the changes to minimum wage. See Table 2 below to demonstrate the range of cost that could be incurred through this decision with the maximum and minimum exposure to variation in price. While care requirements have been modelled on the number of hours within the schemes at Period 7, they may increase or decrease based on need. If the risk materialises, any pressure will need to be managed within the overall Adult Social Care budget, including the Adults Investment Reserve, and will be monitored as part of budgetary control processes.

6.1.4 There are no future savings currently assumed within the Medium Term Resource Strategy (MTRS) for these schemes as they are existing schemes and are already in the baseline budget, but any savings potentially achieved through this procurement will be considered as part of 2025/26 budget setting.

Table 2 – Maximum and Minimum Exposure to Price Variation

Behaviour Scenario Modelling £000	<u>Lowest Matrix Rate</u>		<u>Highest Matrix Rate</u>	
	Ongoing annual cost	5 Year contract cost	Ongoing annual cost	5 Year contract cost
Personal Care	1,068	5,340	1,393	6,965
On-site support	321	1,605	404	2,020
Total	1,389	6,945	1,797	8,985

6.1.5 In extra care schemes where 24/7 on-site support is funded by the Council there is currently, and in the future will continue to be no contribution charged to the resident. As such the proposals in this paper will have no impact on charging as the Council currently provides this service at these schemes under a block contract. The wider principle of bringing on-site support into block arrangements across extra care schemes will have a larger positive impact, but dependent on the usage of the units and financial assessments of the social care residents at

the time, and so will be detailed as part of each future decision brought to Cabinet. Where residents currently pay a sum to the landlord for the 24/7 on-site support, this charge will stop with the new contract, leaving the resident with more chargeable income, which may increase the amount they can contribute towards their care, therefore having a minor positive impact on income received by the Council. Where the Council enters block arrangements for provision of 24/7 care, there is a risk that the value for money of this decision is reduced, if usage is low and void units are therefore high.

6.2 Legal implications

- 6.2.1 Care services within a supported living scheme fall within “social and other specific services” within Schedule 3 of the Public Contracts Regulations 2015. The procurement process and award of contracts must comply with the provisions of the Regulations and the Council’s internal policies and procedures. ECC can use one of the main procurement routes, such as the open procedure, for light touch services but is not obliged to.
- 6.2.2 Nomination agreements should be agreed with each landlord. If nominations are not or cannot be made into the schemes, the Council will still be responsible for paying for the on-site care and support service. The service considers this is a low risk.
- 6.2.3 The Public Services (Social Value) Act 2012 replaces a requirement on contracting authorities to consider, when procuring services, how the economic, environmental and social wellbeing of the local area may be improved and how this can be delivered through the procurement.
- 6.2.4 Contracts should be awarded on the basis of the most economically advantageous tender and qualitative, environmental and/or social aspects should be linked to the subject matter of the contract.

7 Equality and Diversity Considerations

- 7.1 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.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex, 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).

- 7.3 The Equalities Comprehensive Impact Assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic. The proposals will help ensure all of the schemes can continue as extra care schemes, providing a range of housing with care options for adults and ensuring that for current and future residents of the schemes choice, control, independence and wellbeing are maximised.

8 List of Appendices

- 8.1 Appendix One: Equality Comprehensive Impact Assessment

9 List of Background Papers

- 9.1 Cabinet Paper, FP/054/02/23 – Re-procurement of the on-site care and support services at four extra care schemes, April 2023 (published on the Council's website).
- 9.2 Cabinet Paper, FP/004/01/24 - Working Age and Older Adults Care and Support Provision Uplifts, February 2024 (published on the Council's website).