

Forward Plan reference number: FP/054/02/23

Report title: Re-procurement of the on-site care and support services at four extra care schemes	
Report to: Cabinet	
Report author: Councillor John Spence - Cabinet Member for Health and Adult Social Care	
Date: 18 April 2023	For: Decision
Enquiries to: Nick Presmeg, Executive Director, Adult Social Care, nick.presmeg@essex.gov.uk or Matthew Barnett, Head of Strategic Commissioning and Policy, Matthew.Barnett@essex.gov.uk ; or Jo Grainger, Commissioning Manager, jo.grainger@essex.gov.uk	
County Divisions affected: Uttlesford, Chelmsford, Basildon and Brentwood	

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, seven 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 and agree how the 24/7 on-site support provided at these schemes will be funded.

- 1.7 It is intended that the approach set out in this report will form the template for procurement activity for other extra care schemes when care contracts are due to be procured. These procurements will be the subject of separate decision papers.
- 1.8 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 five-year contracts for the on-site care and support services at four extra care schemes being: Cornell Court, Uttlesford; Montbazon Court, Brentwood; Poplar House, Basildon; and Freeman Court, Chelmsford, within the Medium-Term Resource Strategy budget of £6.7m across the five years of the contracts.
- 2.2 Agree the early termination of the current on-site care and support contract at Montbazon Court for the reasons set out in section 3.10 of this report.
- 2.3 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.
- 2.4 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.
- 2.5 Agree to the Council using its market-shaping powers under the Care Act 2014 to secure the 24-hour, 7 day (24/7) on-site support required for a scheme to be designated as extra care, by block funding 84 support hours per week at each scheme.
- 2.6 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 care provision, but will be assessed for a contribution for any chargeable care needs.
- 2.7 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 the on-site care and support providers at 14 extra care schemes across Essex, 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, seven 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 residents assessed eligible care and support needs. This forms part of the residents' personal budget to which they will pay an assessed contribution if appropriate.
- 3.5 The 24/7 on-site support falls outside of usual Adult Social Care charging arrangements. Partly because of this, and because of the ad hoc development of schemes over many years, this has resulted in inconsistent funding arrangements across schemes for this element of the service. The recommendations in this report seek to address these inconsistencies.

The schemes

- 3.6 Cornell Court is a 73-apartment scheme in Saffron Walden. The Council has nomination rights into the 40 extra care apartments within the scheme. The remaining 33 apartments within the scheme are sheltered housing. All 73 apartments are provided by the same landlord.
- 3.7 Poplar House is a 65-apartment extra care scheme in Basildon. The Council has nomination rights into 50 of the apartments within the scheme. The remaining 15 apartments are shared ownership. Residents within these shared ownership apartments may also have assessed eligible care and support needs.
- 3.8 Freeman Court is a 65-apartment extra care scheme in Chelmsford. The Council has nomination rights into all 65 of the units within the scheme.
- 3.9 The contracts and agreements for the on-site care and support services provided at these three schemes will expire in September 2023. Each of the landlords of the three schemes have now 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. Housing providers are increasingly withdrawing from providing care, choosing to focus only on the provision of housing because of the difficulties in recruiting and retaining care staff. This is a national trend and is not unique to Essex.

- 3.10 Montbazon Court is a 26-apartment extra care scheme in Brentwood. 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 in the same way as at the other three schemes. The landlord is also currently the on-site care and support provider. The contract for the on-site care and support service expires on 27 June 2025. However, the landlord has approached the Council requesting an early termination of the contract as it does not want to continue to provide the service. It is intended that this contract will also cease in September 2023.
- 3.11 The landlords of all four schemes have confirmed that they will allow the Council to contract for the provision of the on-site care and support services within the schemes. 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 contract

- 3.12 It is proposed that the new on-site care and support contracts at each scheme will commence in September 2023 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 four 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 ensure that it holds a current nomination agreement with the landlord for each scheme, including for Montbazon Court. There will also be a nomination panel, coordinated by the Council, in place for each scheme, that will meet regularly to maximise Adult Social Care placements into each scheme. The nomination panel will include the Council, the landlord, the on-site care and support provider and the Local Housing Authority.
- 3.15 There will be no direct contractual relationship between the landlord and the on-site care and support provider procured by the Council 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. 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 care will be between the residents and the Council (for the extra care and support) and/or the residents and their care provider(s) (for planned personal care).
- 3.16 The service specification and performance standards within the care and support contract will require that the on-site care and support providers for the four 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.

- 3.17 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 four schemes over the life of the contract.
- 3.18 The anticipated cost of the four contracts is £1.2m 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

- 3.19 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.
- 3.20 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 £18.36 to £21.04, rising in 4p increments. Any bids outside the range will be disregarded. This matrix is consistent with previous extra care tenders.</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>
--	--	---

- 3.21 The Council is using this opportunity to address longstanding inconsistencies in funding arrangements for the 24/7 on-site support that have arisen from the ad hoc development of schemes over many years. The approach set out in this report ensures sustainability of the 24/7 on-site support and equity in the approach to funding this. The Council will ensure that no residents are disadvantaged as part of this process.
- 3.22 The proposed funding approach 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 four 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.
- 3.23 Where planned personal care is provided by the on-site care and support provider, this will be sourced at the care hourly 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.

- 3.24 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.
- 3.25 It is intended that this proposed procurement approach will form the template for procurement activity for other existing extra care schemes when care contracts are re-procured and when new schemes are developed. However, these procurements will be subject to separate decision papers.

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/landlord hand back the care contract

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 the four 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 and 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 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 that 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 four schemes.

6 Issues for Consideration

6.1 Financial implications

6.1.1 The proposal in this paper, relating to four existing extra care schemes, Freeman Court, Cornell Court, Montbazon Court and Poplar House, is the first step in creating a consistent approach to the 24/7 on-site support, and is expected to save the Council money over the next two years due to procurement of more cost-effective on-site support than the current arrangements, which have been individually arranged based on rates and requirements of the individual schemes at the time of setup.

6.1.2 Modelled on the projections used for 2023/24 budget setting, these four schemes will spend £867,000 in 2023/24 (including uplifts agreed in March 2023) on personal care and would have spent £482,000 on 24/7 on-site support in existing arrangements amounting to £6.745m over the 5-year period. Re-procuring the contracts to a consistent block provision as per the recommendations in this report will create 2023/24 under spend of £70,000 and by 2024/25 the full year effect of reprocuring these four contracts will create an ongoing annual saving of £120,000. Savings will be reviewed at the point of contract award.

4 Schemes £000	2023/24 budget	2023/24 Cost	Ongoing annual cost	Ongoing annual Impact	5 Year contract cost *
Personal Care	867	867	867	-	4,335
On-site support	482	412	362	(120)	1,810
Total	1,349	1,279	1,229	(120)	6,145

* The 5 year contract cost is based on current care requirements and is likely to change over that time period.

6.1.3 The Independent Living Older People (ILOP) Programme has a target saving included in the MTRS of £913,000 through avoidance of the use of more costly residential care. Cornell Court has already delivered £54,000 of savings to date, an overachievement against its MTRS target of £29,000, while the other three schemes referred to in this paper have reductions already included in the base budget. Therefore, this decision does not impact on the ILOP saving in the MTRS. The remainder of the saving will be achieved through future schemes coming into the Independent Living Extra Care Programme over the

course of the MTRS, and future decisions may impact on those savings. Individual decisions relating to these further schemes will be brought forward as and when current contracts are due to end.

- 6.1.4 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 for Montbazon Court and Freeman Court where services are already provided under a block contract. In Poplar House, the move to a block contract will not reduce resident's outgoings due to the related service charge covering activities management and concierge resources, and so will continue to be charged to residents. In Cornell Court, 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. 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 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 Award of the contracts will support the Council in delivering its care obligations.
- 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 four 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 four 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

None.