

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Adult Social Care
Date of Decision:	22 March 2013
Decision Title:	Extra-Care Housing Tendering & Procurement
Decision Reference:	4679
Report From:	Director of Adult Services

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1. Executive Summary

- 1.1. On 24 September 2007 Cabinet approved the Adult Services Development of Extra-Care Housing Report. This included Hampshire County Council's strategic aim of securing through multi-agency partnerships a total of 400 units of Extra-Care Housing over five years (2008-2013). It was anticipated that 200 of these would be within new-build Extra-Care developments and 200 would result from enhancing existing sheltered housing schemes.
- 1.2. The report also recognised that in revenue terms, Extra-Care is more cost effective than residential care or domiciliary care as the model attracts a wider range of funding sources such as Supporting People funding, and housing benefit. It also enables people to retain a higher proportion of their income than they can when in residential or nursing care alternatives, where people can retain an allowance only.
- 1.3. The delivery of Extra-Care Housing requires Hampshire County Council to work in partnership with the Borough and District Councils. The 'Partnership for Extra-Care Housing in Hampshire', agreed in 2008, formalised this approach.
- 1.4. This ongoing commitment was re-affirmed by the Cabinet decision of October 2011 when a further £45m of capital resources was agreed to develop the next round of extra care housing developments in partnership with district councils and registered providers.
- 1.5. We are seeking permission to re-tender the care and support for Lion Oak Court, a new build scheme in Andover, developed as part of the Phase 1 Extra Care Housing programme. The initial contract for this service, from its opening in 2010 was to First Wessex. This contract ends on 31 January 2014. This proposed tendering process will see a new contract awarded to provide a continuation of this service from 1 February 2014.

2. Contextual information

- 2.1. Cabinet approved the Adult Services Department Modernisation Strategy in December 2006 and the Better Housing Solutions Strategy in September 2007, which set the strategy for creating an alternative to residential care.
- 2.2. This proposal to tender is key to the ongoing strategy of offering 24/7 housing support and social care from one service provider at each of the extra-care services through alignment of Supporting People-funded housing support and Adult Services-funded care contracts.
- 2.3. The European Union (EU) Procurement Directives (current regulations 31 January 2006), and Hampshire County Council Standing Orders require that public procurement must be based on value for money which should be achieved through competition, i.e. a tender process, unless there are compelling reasons to the contrary.
- 2.4. Lion Oak Court was the first of the Phase 1 new build Extra Care schemes to be opened, and for which a unified care and housing support service was procured. Since that time, unified care and housing support services have been procured for three other new build Extra care schemes and also for eleven enhanced extra care schemes.
- 2.5. The proposed procurement approach set out below is based on the learning that has been gained through carrying out these successive procurements, and the successful delivery of services. By analysing how these services have operated in practice a number of efficiencies have been identified which will enable us to procure the new service at Lion Oak Court at a lower base cost than under the previous contract whilst ensuring that the housing support element of the contract remains the same, and all individual assessed care needs continue to be met.

3. Finance

- 3.1. Extra-Care housing is an alternative to other forms of housing support and social care. People placed in these schemes must be eligible for these services. They therefore do not represent additional costs as Adult Services and Supporting People would have to make other provision for these people in any case. Extra-Care housing is more cost effective than residential care, as people meet their own accommodation costs, either through rent or the purchase of a lease.
- 3.2. The cost of the current contracts at Lion Oak Court are already being paid and met from existing social care and Supporting People budgets.
- 3.3. The current value of the contracts for the provision of this service amounts to £370,257 per annum. It is proposed to procure the new service for these schemes at a minimum level of £240,751 a year for three years, with the option of a 2 year extension (a total contract value of £1,987,915). It is however recognised that the aim for Extra Care schemes, including those that form part of the enhanced programme, is to establish a community of individuals with a balance of care needs, comprising both those with low care needs (quantified as 0-5 hours of assessed care needs a week), and

those with high care needs (quantified as in excess of 11 hours of assessed care needs a week). To allow for the service to grow to meet this level of need it is proposed to set a maximum annual contract value of £397,583.

- 3.4. The level of the initial contract entered into with the organisation who is successful through the proposed procurement process will therefore be £240,751. No increase to this will be agreed unless it is on the basis of an increase in the care needs of clients resident at Lion Oak Court, identified and agreed through the established care management process. No additional funding is therefore required for the procurement of this service.
- 3.5. By procuring the new service on the basis set out above, Adult Services can ensure that the service delivered and paid for is in line with the needs of clients at Lion oak Court, with the flexibility for this to be varied according to the changing needs of individual clients, whilst at the same time being able to offer potential providers a minimum level of service sufficient for them to meet the requirements of delivering the required 24/7 service.

4. Other Key Issues

- 4.1. Continued support for this scheme will emphasise Hampshire's commitment to its long-term strategic approach to a new generation of housing support and care for older people, endorsed by Cabinet in September 2007 and again in October 2011. Extra-Care schemes promote and support Independent Living and Lifetime Neighbourhoods. Benefits include enabling residents to live in a home of their own for longer, enabling couples to stay together, building sustainable communities and preparing for the demographic challenges facing Hampshire County Council.
- 4.2. Evidence of the benefits of Extra-Care schemes is now being recognised. A report from the International Longevity Centre¹ found that those living in extra care were less likely to be hospitalised, experienced a lower number of falls, and better health outcomes as reflected in reduced care packages. Whilst a report from the University of Kent Personal Social Services Research Unit study² indicated that living in an extra care scheme improves mortality and survival rates when compared to more traditional residential care settings.
- 4.3. The Extra-Care schemes also represent a good example of partnership working with the Boroughs and Districts, formalised in the document 'Partnership for Extra-Care Housing in Hampshire', agreed in 2008, and with registered housing providers.

5. Legal Implications

¹ Kneale, D., *Establishing the Extra in Extra Care: Perspectives from three Extra-Care housing providers* 2011

² *Improving Housing with Care Choices for Older People: An Evaluation of Extra Care Housing*.2011

- 5.1. The proposals to tender the contracts for these schemes will be compliant with Hampshire County Council Standing Orders, and are subject to the European Union (EU) Procurement Directives (current regulations 31 January 2006).
- 5.2. All contracting for the joint care and support contracts will be done in line with the standard Adult Services two stage procurement process utilised for services classified as Part B under EU procurement regulations.
- 5.3 In exercising its functions an authority must have due regard to the need to: eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act and advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

6. Equalities Impact Assessment

- 6.1 Hampshire Adult Services, working in partnership with the Borough and District Councils, NHS Hampshire and third party partners (registered social landlords, care and support providers) ensures through its referrals and allocations process, that all service users have equality of access to Extra-Care Housing, in accordance with the guidelines contained within the *Hampshire County Council Guide to Designing Extra-Care Housing* and *The Partnership for Extra-Care Housing in Hampshire*. Impact assessment will be incorporated into the nominations and referrals process.
- 6.2 The contract ensures that the provider will perform their duties with due regard, to eliminate unlawful discrimination and to promote equality of opportunity to all people and to promote good relationships between different groups.

7. HR Implications

- 7.1 TUPE may apply given that the current provider of this services has indicated that they do not wish to continue. This will be dealt with in accordance with normal procurement processes and the staffing situation at the relevant times.

8. Review of Other Options

- 8.1 Due to the need for compliance with both County Standing Orders, and The European Union (EU) Procurement Directives (current regulations 31 January 2006), the option to tender these schemes becomes a necessity.
- 8.2 The option not to tender for these services is not available due to the value of the contracts.

9. Recommendations

- 9.1 That the Executive Member for Adult Social Care give approval to go out to tender for care and support for the Extra Care Housing scheme at Lion Oak Court in Andover.
- 9.2 That the proposed contract to be entered into be for a three year period with the option to extend for a further two years.
- 9.3 That the Executive Member for Adult Social Care give approval for a maximum spend of £1,987,915 (over 5 years) based on a total maximum contract value, calculated as set out in paras 3.3 & 3.4, with the initial annual value set at £240,751.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	Yes
Corporate Business plan link number (if appropriate):	
Maximising well-being:	Yes
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	Yes
Corporate Business plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Adult Services Modernisation Strategy	Cabinet	18 December 2006
Development of Extra-Care Sheltered Housing	Cabinet	27 September 2007
Extra-Care Housing in Gosport	Executive Member Adult Social Care	27 June 2008
Extra-Care Housing – Enhancement of existing sheltered housing to Extra-Care standards by the provision of night time care	Executive Member Adult Social Care	28 July 2008
Hampshire Personalisation Commission Report		November 2008

Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>
More Choice, Greater Voice	2008 DoH
Homes for the Future.	Housing Green Paper 2007
'Our Health, Our Care, Our Say'	A new direction for Community Services 2006
Delivering Housing for an Ageing Population	HOPDEV
Royal Commission into Long Term Care	1999
National Service Framework for Older People	2000
Valuing People	2001
Valuing People Now	2007
Quality and Choice for Older Person's Housing	2001

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

A comprehensive Equalities Impact Assessment on Extra-Care Housing has been carried out and there are no adverse impacts in terms of equality or inclusion. Input will be sought however, from the Equality and Inclusion team in developing the Referrals and Allocations Policy for the Extra-Care schemes.

It should be noted that Extra-Care Housing within Hampshire is aimed at vulnerable people over the age of 55, and where appropriate their partners and carers, in order to provide them with the housing, support and care that they need to enable them to live in a home of their own and maintain their independence for as long as possible.

Hampshire Adult Services, working in partnership with the Borough and District Councils, NHS Hampshire and third party partners (registered social landlords, care and support providers) ensures through its referrals and allocations process, that all service users have equality of access to Extra-Care Housing, in accordance with the guidelines contained within the *Hampshire County Council Guide to Designing Extra-Care Housing* and *The Partnership for Extra-Care Housing in Hampshire*. Impact assessment will be incorporated into the nominations and referrals process.

In preparing this report, account has been taken of the requirements of the Corporate Equalities Plan and Race Scheme. The contract ensures that the provider will perform their duties with due regard, to eliminate unlawful discrimination and to promote equality of opportunity to all people and to promote good relationships between different racial groups.

<http://www3.hants.gov.uk/as-equality-ia-archive.htm>

2. Impact on Crime and Disorder:

The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all decisions it makes on the prevention of crime.

Extra Care Housing is a more secure form of housing for older people. Support and care are provided on site over a twenty four hour period, providing enhanced levels of security and peace of mind for residents.

3. Climate Change:

All new-build Extra-Care schemes are being designed to facilitate the prudent and efficient use of resources and to encourage sustainable consumption and production.

Green travel plans are being developed for the new-build Extra-Care schemes. The aim is to reduce the necessity for private motorised transport and to drive down car use by care and support staff, as a result of having service-users concentrated in one location rather than spread across the community