

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Adult Social Care
Date:	25 February 2011
Title:	Extra-Care Housing Tendering & Procurement – New Forest
Reference:	2296
Report From:	Director of Adult Services

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1 Executive Summary

- 1.1 This report proposes extending the current Extra-Care provision in the New Forest in the light of demographic pressures by enhancing four suitable, existing sheltered housing schemes with day and night time care and support and to deliver care and support to the local neighbourhood that can be reached within a ten minute walk. The schemes are Winfrid House in Totton, Gore Grange in New Milton, Quaker Court in Ringwood, and Riverside Court in Fordingbridge.
- 1.2 This will deliver an additional 124 units of Extra-Care Housing, totalling 176 units in the New Forest and would bring the total forecast number of units of Extra-Care Housing across Hampshire to 669, of which 429 are enhanced and 240 will be new build. This exceeds the original target number and will have been achieved within a shorter timeframe (Appendix E).

2 The purpose of this report is:

- a) to seek approval to bring together Supporting People housing support and the Adult Services personal care into a single contract for each Extra-Care scheme; currently each is delivered through a separate contract for each scheme
- b) to seek approval to tender for these contracts
- c) to align the current contracts at Barfields with the future tendering timetable
- d) to seek approval to increase the level of care and support within four existing sheltered schemes to enhance them in order to provide 24/7 care and support within the scheme and to the neighbourhood.

3. Contextual information

- 3.1 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. 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. All of these would be achieved by working in partnership with District and Borough Councils and with registered social landlords. It has been a strength of this partnership working that it will be possible to deliver 669 units of Extra-Care housing by 2012, with three of the new build schemes, Andover, Gosport and Fleet, opening in 2011 (see Appendix E).
- 3.2 It is 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 enables providers to deliver cost effectively and for people living in the schemes to retain a higher proportion of their income than they can when in residential or nursing care alternatives, where they retain an allowance only.
- 3.3 Nationally there is no single uniform model of Extra-Care Housing but all comprise of accessible housing where people have their own apartments, enjoy some additional communal facilities and where care and support is available day and night if required. Typically people in the schemes have varying levels of need for care and support but for all the emphasis is on being independent. Extra-Care Housing can offer a real alternative to residential care homes and can assist couples to remain together especially where one of them needs high levels of care. Extra-Care Housing has sometimes been called Very Sheltered Housing but it differs from most sheltered schemes in terms of range of facilities, the amount of care and support available to people living there, including at night, and the mix of people living in the schemes.
- 3.4 The Extra-Care project is a key enabler of Adult Services delivering the following key National Indicators (NIs):
- NI 136 (People supported to live independently through social services all ages)
 - NI 139 (The extent to which older people receive the support they need to live independently at home)
 - NI 142 (% of vulnerable people who are supported to maintain independent living).
- 3.5 For clarity, Barfields in Lymington is currently the only scheme in the New Forest operating as enhanced Extra-Care. The plan is to enhance four other smaller sheltered housing schemes by the addition of increased social care and Supported People funding. All units in these schemes are currently affordable rented housing and will remain so. These schemes are:

- Winfrid House in Totton,
 - Gore Grange in New Milton
 - Quaker Court in Ringwood
 - Riverside Court in Fordingbridge
- 3.6 The New Forest would thus have five enhanced Extra-Care schemes dispersed across the district. Each scheme would also be the hub from which to provide a neighbourhood aspect of care and support to those living locally within a 10 minute walking distance from the scheme. This has already proven to be an effective model of commissioning and delivering services in Lymington at Barfields and its environs. This extension of Extra-Care would be a relevant response to the housing and social demographic pressures faced in the New Forest. It would be in keeping with the rural nature of the district, would make use of good quality, existing buildings, and has the support of New Forest District Council Housing Department. New Forest District Council recognises that good quality Extra-Care Housing helps promote their strategic aim of optimising housing stock in the district by freeing up other accommodation as people move into Extra-Care.
- 3.7 The proposal is for the care and support at each scheme and neighbourhood to be offered by the same provider rather than personal care being provided by one agency and Supporting People support by another agency at each scheme.
- 3.8 The introduction of combined housing support and social care contracts will align the service provision across all of Hampshire's Extra-Care housing schemes. This approach will achieve benefits of a streamlined and more efficient contracting and monitoring process, greater economies of scale, and increased flexibility to both the provider and the service users.
- 3.9 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.
- 3.10 The decision to tender for the provision of combined housing support and social care was made by the Executive Member for Adult Social Care in June 2009 (decision number 783), for two new-build Extra-Care developments in Andover and Gosport. These schemes are due to open early in 2011.
- 3.11 Approval for the Barfields contract to be tendered had already been granted by the Executive Member on 9 October 2009 (decision number 868) but similar approval is now being sought for the other four schemes. The proposal is to advertise the invitation to tender for each of these schemes as one advert, hence the need to align the timeframes.
- 3.12 The current care and support contracts at Barfields will be brought into the same timescale as these new schemes. To enable this to happen a new one year contract will be required. The Head of Legal Services will be requested

to approve a single tender contract in respect of Barfields to end on 31 March 2012

- 3.13 The length of each new care and support contract will be three years. The detail of the funding arrangements and the financial analysis are set out in Exempt Appendix C.
- 3.14 In order to allow for a transparent process and ensure limits could be applied on the number of schemes that a care and support provider would be responsible for in the New Forest, the schemes have been divided into two Lots. Lot 1 will be Barfields and Winfrid House, Lot 2 will be Gore Grange, Riverside and Quaker Court.

4 Finance

- 4.1 The detail of the funding arrangements and financial analysis are set out in Exempt Appendix C. The total value over the three year lifespan of the contracts is in excess of £1m.
- 4.2 Extra-Care housing is an alternative to other forms of housing support and social care. People in these schemes must be eligible for these housing and care and support services. They therefore do not represent additional costs to Hampshire County Council as Adult Services and Supporting People would have to make other provision for these people in any case.
- 4.3 Extra-Care housing is more cost effective than residential care, as people meet their own accommodation costs. Evidence from other Extra-Care schemes in the region suggest that people in Extra-Care generally need lower care hours due to the inherent well-being benefits associated with Extra-Care.
- 4.4 In addition there are expected to be benefits of scale in terms of procurement, management and delivery in having care and support delivered via a block contract by one provider on site and in the neighbourhood. The experience gathered from the contract arrangements at Barfields, which have been operating since 2005, have amply demonstrated this. Service users have had an available, flexible and reliable service; the providers have found it an efficient way to organise their staff and service delivery and Hampshire County Council Adult Services have found it to offer value for money. (For further details see exempt Appendix C paragraph 5.7.)
- 4.5 The Supporting People funding, which includes an increase on current levels, is secure for the life of the contract.
- 4.6 Permission is sought to increase the level of spend on personal social care within these schemes compared to current levels in order to be able to offer the full 24/7 cover over the life of the contract.
- 4.7 The Adult Services costs will be met from a mixture of sources including monies already invested in the schemes and monies redirected from other domiciliary care or residential care purchase. As needs increase due to demography, some funding allocated to this pressure will be used. It should be noted that this is not a cost of Extra-Care housing per se but a cost related to demographic change pressures.

- 4.8 The additional revenue costs of the contract will fall to OP/PD operational budgets at the commencement of the contracts. It will be a recommendation to the 2012/13 budget setting process that this sum is held centrally until the schemes are fully implemented.
- 4.9 In accordance with standard practice, Hampshire County Council will be seeking to gain best value for money from the tendering process. The proposed tendering and procurement key milestones are contained in Appendix D. The expectation is that the contracts for the combined care and support at these schemes would commence in April 2012. As a measure of prudence, the level of care and support will build over the duration of the contract rather than commence at full value of the final year.

5. Other Key Issues

- 5.1 Support for these schemes will emphasise Hampshire County Council's commitment to its long-term strategic approach to a new generation of housing support and care for older people, endorsed by Cabinet on 27 September 2007. Extra-Care schemes promote and support Independent Living and Lifetime Neighbourhoods. Benefits include enabling residents to stay in their own homes for longer, enabling couples to stay together, building sustainable communities, and preparing for the demographic challenges facing Hampshire County Council.
- 5.2 Extra-Care schemes are 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. New Forest District Council has been particularly supportive of the proposals for these enhanced schemes in the New Forest and is a member of the countywide Extra-Care Programme Board.
- 5.3 The New Forest faces major demographic pressures in terms of the growth in the numbers of older people in the district. Population figures for 2008 show 36% of the total population was over retirement age. This figure is set to increase to 51% by 2028 by which time over 18% of the total population will be over 75 years, an age when people typically experience a high level of personal care needs. This demographic pressure will bring social care demand which requires a response as the 'do nothing/ no changes' response is neither what people are seeking nor does it offer the most cost effective, sustainable way of service delivery.
- 5.4 There have already been considerable benefits recorded elsewhere from the introduction of night cover to other enhanced Extra-Care schemes.
- 5.5 Barfields has already been able to accommodate people with higher care needs who would otherwise might have been admitted to residential care. In such cases care packages are both noticeably more cost effective for Hampshire County Council compared to residential care as well as giving the people themselves the independence and dignity they were seeking.
- 5.6 For the last five years domiciliary care services have been available for older people living in the immediate neighbourhood of Barfields (within a ten minute walk) from the same care and support provider that supports people

living in the Barfields scheme itself. This commissioning approach has been successful in that it has allowed a better hourly rate to be achieved. It has been estimated that the cost and volume benefits accrued from the neighbourhood model of delivery of domiciliary care packages have been substantial (for more details see Exempt Appendix C paragraph 5.7).

- 5.7 The approach also facilitates meeting key targets of community, localism and neighbourhoods, maximises service provider capacity, reduces the use of motorised transport and secures value to the Department. It is anticipated that this approach will allow these schemes to act as a community hub and be part of a jigsaw of services offering a spectrum of care.

6. Legal Implications

- 6.1 It is intended to use the Supporting People procurement process adapted to take account of this being a single contract for support and care. The proposed one year contract in respect of Barfields is under £1m and therefore Single Tender approval is being sought from Head of Legal Services.

- 6.2 TUPE considerations will be taken into account as part of the procurement process.

7. Review of Other Options

- 7.1 The option to expand the enhanced Extra-Care schemes uses existing good quality buildings in the relevant locations, builds on existing investment and on the high level of support from New Forest District Council.

- 7.2 To do nothing is not an option due to the demographic pressures and the risks of financial pressures.

- 7.3 Due to the need for compliance with County Standing Orders the option to tender these schemes becomes a necessity.

- 7.4 The option not to tender for these services is not available due to the value of the contracts.

- 7.5 The option of tendering individually for the day care, night care and support elements of each scheme has been considered, and rejected on the grounds that:

- It is not in line with Hampshire County Council's approach to contracting services within Extra-Care schemes.
- It will offer no economies of scale and no opportunity to achieve benefit in terms of consistency of care and support provision such as are outlined in this report.

- 7.6 It has been decided to tender for the New Forest Schemes in two "lots". Lot 1 will cover Barfields in Lymington and Gore grange in New Milton. Lot 2 will cover Winfrid House in Totton, Quaker Court in Ringwood and Riverside Court in Fordingbridge. This is based on a number of factors:

- Desire to avoid monopoly of services in the New Forest
- Wish to avoid destabilisation of the current market in the New Forest
- Similar size of each lot
- Geographically easily separated, mitigating the risk of organisations having schemes at different ends of the District
- Opportunities to realise economies of scale and to ensure the spread of profitability and change management issues.

8. Recommendations

- 8.2 Approval be given to go out to tender for combined care and support contracts for a 3 year duration commencing April 2012 for the four schemes of Gore Grange, Winfrid House, Quaker Court and Riverside Court.
- 8.3 The annual cost of the contracts for provision of care and support for the schemes be approved, as set out in Exempt Appendix C.

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
	HOPDEV
Delivering Housing for an Ageing Population	1999
Royal Commission into Long Term Care	2000
National Service Framework for Older People	2001
Valuing People	2007
Valuing People Now	2001
Quality and Choice for Older Person's Housing	

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 full Equalities Impact Assessment has been published and is available on the County Council website at <http://www3.hants.gov.uk/as-equality-ia-archive.htm>.

The summary of the Equalities Impact Assessment is below:

This report looks at the equalities impact of developing small Extra-Care schemes in the New Forest by increasing the care and support available at four existing sheltered housing schemes for older people. The reason for doing this is to enable older people to remain independent for as long as possible and living in their own flat/apartment rather than have to move unnecessarily early into residential care or nursing home accommodation.

The equality impact is positive.

There will be four additional schemes to reach more people across the New Forest to complement the one already in action in Lymington which has already demonstrated the benefit as above.

Having smaller schemes across the New Forest is a response which recognises the rural nature of the New Forest and its smaller local communities, rather than a single large new build scheme. The schemes will offer a local neighbourhood focus and a community hub which will help in responding to the demands of the New Forest's rapidly growing older population, to which these schemes are directed.

The schemes have been commissioned in partnership with the District Housing department with attention paid to equalities in the procurement of the future care and support provider. All future care and support providers will have to demonstrate their compliance with this in all aspects of their work.

The schemes will also offer employment opportunities for those interested in working in housing, care and support provision.

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.

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.

Exempt Appendix C

This appendix is classified as Exempt Information:

This appendix is classified exempt from being disclosed under Part 1 of Schedule 12A to the Local Government Act 1972 for the following reasons:

- a) It contains information relating to financial or business affairs of any particular person (including the authority holding that information).

For information only:

The following has been considered in determining whether it was in the public interest to disclose this:

- a) It is in the public interest NOT to have the information disclosed as disclosure would inhibit the Council from obtaining best value.

Appendix D**Extra-Care Housing Tendering and Procurement: Key Milestones**

Key Milestone	
Advertise tender opportunity	March 2011
EOI deadline (PQQ Submission)	April 2011
Issue of ITT	End of May 2011
Tender Return deadline	End of August 2011
Contract Award	October 2011
Contract Start	1 April 2012

These timings are estimates and subject to change

Affordable Extra-Care Housing Schemes in Hampshire

Scheme Name	Type	Location	Number of Units	Predicted Earliest Go-Live Date
Brighton Hill	New-build	Basingstoke	64	Feb 2012
Campbell Close	New-build	Fleet	74	Aug 2011
Juniper Court Cunningham Drive	New-build	Gosport	50	March 2011
Lion Oak Court Salisbury Road	New-build	Andover	52	Jan 2011
Total New-Build Units			240	
Abbey Court	Enhanced	Basingstoke	51	Aug 2011
Barfields	Enhanced	Lymington	52	Apr 2012
				Apr 2012
Fernhill	Enhanced	Eastleigh	27	Apr 2012
Laburnham House	Enhanced	Hedge End	56	Apr 2012
Rowan Court	Enhanced	Eastleigh	21	Apr 2012
Surrey Court	Enhanced	Eastleigh	60	Apr 2012
Warner Court	Enhanced	Andover	38	Apr 2012
Winfrid	Enhanced	New Forest, Totton	26	Apr 2012
Gore Grange	Enhanced	New Forest, New Milton	37	Apr 2012
Quaker	Enhanced	New Forest Ringwood	36	Apr 2012
Riverside	Enhanced	New Forest, Fordingbridge	25	Apr 2012
Total Enhanced Units			429	
Total Number of Units			669	

Approval Timescale

Scheme

June 2009

Juniper Court, Cunningham Drive
Lion Oak Court, Salisbury Road

October 2009

Brighton Hill, Campbell Close, Abbey Court, Barfields, Fernhill,
Laburnham House, Rowan Court, Surrey Court, Warner Court