

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Adult Social Care
Date:	21 September 2016
Title:	Direct Award for Care and Support Services in Winchester Extra-Care Schemes
Reference:	7738
Report From:	Director of Adults' Health and Care

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1. Executive Summary

- 1.1. The purpose of this paper is to seek approval from the Executive Member for Adult Social Care to put in place by Direct Award a contract to provide older persons Extra-Care services in Winchester for a period of four years, commencing 1 October 2016. This follows a tendering exercise which proved successful in four areas but not in Winchester where no suitable tender submissions were received.
- 1.2. The approval sought for Winchester would cover provision of 24/7 care and support services within the Extra-Care schemes in that locality. It is intended that a direct award of the contract would ensure a safe provision of services within the schemes within the time there is available. The existing contracts for these services have a final end date of 30 September 2016 and it is anticipated that the new contracts would commence 1 October 2016.

2. Contextual information

- 2.1. As a result of the consultation and reviews undertaken over the last twelve months regarding extra-care, and in order to resolve the issues that came to light from this review, it was considered necessary to implement a new model of service delivery with the Hampshire schemes. The County Council's new approach involves moving towards a proven and effective model favoured by a large number of other authorities across the region, and across the country. A paper outlining the new model, on which the contracts proposed in this paper would be based, was outlined in the Executive Member for Adult Social Care report dated 22 March 2016.

2.2 The County Council has recently undertaken an OJEU compliant tender process to award new care and support contracts for 6 areas across Hampshire under the new model outlined above

2.3 However, despite receiving a number of bids in other areas, the Winchester area attracted only one bid. Unfortunately, the bid for this area did not meet the minimum quality threshold, and therefore no suitable provider was identified.

2.4 The Winchester area has one scheme, consisting of two buildings, providing between them 55 one and two bedroom flats.

3. Proposed Approach and Next Steps

3.1. Following on from the recent tender exercise through which no suitable provider was identified, consideration has been given to delivering the care and support requirements within this scheme.

3.2. In order to identify the extent of the market for this service, potential providers have been evaluated to establish if they have:

- Recently demonstrated their value for money and suitability to deliver an extra care service through a successful tender submission.
- Knowledge and experience of delivering care and support services in extra-care housing settings.
- Knowledge and experience in taking over existing extra-care contracts (or similar), whilst ensuring continuity of care, the safety of residents and working with existing staff.
- The strategic interest and capacity to take on services in the Winchester area
- Demonstrated an ability to quickly establish a good working relationship with an Extra-Care landlord in order to maximise the opportunity of a smooth transfer.

3.3. Further market engagement was carried out to identify why providers did not bid for these services during the Tender process and what reasons they had for not considering taking on this service. During this process, providers gave a number of reasons for not bidding, including:

- Winchester not being a target zone in terms of their development strategy
- The scale of the service being offered not being sufficient to warrant specific investment in an area in which they are not already operating
- The cost of delivering the service being prohibitive given their current governance, operational and administrative structures not already being located in Winchester
- The challenges of recruiting care staff in Winchester

- 3.4 While a number of providers that were subsequently engaged with indicated a general interest in the delivery of Extra-Care services, only meeting the criteria in 3.2 was identified as being able and willing to deliver this service set out in the tender process and within a cost envelope that could be accommodated within the agreed spend limits. Details are in the exempt appendix.
- 3.5 Therefore, to meet our statutory duties to ensure safe delivery of care for clients, and to minimise further disruption given the relatively short time available, approval is sought to award a new contract on a Direct Award basis to Alexander's Care and Support Agency, to provide 24hour care and support services at the Winchester schemes with the intention to commence from 1 October 2016.
- 3.6 A 4 year term would align with the initial term of other contracts awarded following the tender and is considered to be required to enable the service to be provided taking into account:
- the costs incurred by the provider when transferring the service including sufficient time for the service to stabilise and generate an income which allows the provider to either break-even or generate an acceptable return
 - allowing sufficient time to make required service enhancements and to implement the new model outlined in the service specification
 - ensuring a reasonable degree of continuity for both residents within the scheme (many of whom have dementia) and staff employed to deliver the service
 - the capacity of the current market and any potential future changes to it that may affect its ability to respond to future tender processes
 - the providers ability to deliver the service on the shortest term possible given their business plans to deliver other contracts also over the same four year term.
 - Experience from similar service transfers of this nature which require such a term to meet objectives

4 Finance

- 4.1 In order to ensure the contracts have the ability to respond to changing levels of need over time, a 'maximum spend' position is identified, based on an average of 8.5 hours of care per week per client across all clients within the range of needs. While regular payments will be made that reflect the current level of care delivery within the schemes, by asking for authority to spend up to the maximum spend position, the County Council safeguards the schemes against future changes and avoids needing to come back for further authority to spend at a future date. On this basis, the maximum spend position is £481,000 per annum, and a cumulative total of £1.928m if awarded for a four year term. However, within these Winchester schemes, current levels of actual spend amount to c£300,000 per annum and therefore

falls below the maximum spend position by an average of c.£180,000 per annum. Any increase in spend above the current level will be, as a minimum, mitigated by an anticipated reduction in spend on other types of care provision.

- 4.2 As the County Council already funds the provision of care and support within Extra-Care schemes and any development of this service provides opportunity to reduce higher cost placements, the identified spend above does not represent a new budget pressure for the Council.

5. Legal Implications

- 5.1 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 Equalities 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.

- 5.2 Legal advice is set out in the Exempt Appendix.

6. HR Implications

- 6.1 As the services at the proposed Extra-Care schemes will continue to be provided by an independent Service Provider there are no Hampshire County Council staff issues involved with this process.
- 6.2 It is considered that TUPE may apply in this instance; however the transfer of existing staff is an issue to be resolved between the outgoing and incoming providers. The County Council contracts state that all providers must comply with all applicable laws, including laws governing employment and national minimum and living wage, and not to do so could constitute a breach of these contracts.

7. Equalities Impact Assessment

- 7.1 Overall, the Equality Impact Assessment undertaken in respect of the development Extra-Care housing for Older People is positive.
- 7.2 For the individuals who moving into Extra-Care schemes, it enables them to remain independent for as long as possible and living in their own flat/apartment rather than having to move unnecessarily early into residential care or nursing home accommodation.
- 7.3 For the local community the schemes will offer a local neighbourhood focus and a community hub which will help in responding to the demands of Hampshire's growing older population, to which this scheme is directed. The

schemes will also offer employment opportunities. The variations to the delivery model identified in this report are designed to ensure fair access to services.

- 7.4 When implemented, the new model will represent a universal charge which applied equally and based on need. It is anticipated that the group who will be affected by this will be those individuals who currently live within the Extra-Care schemes who do not have assessed care needs but who are accessing the night care and wellbeing services free of charge where those who have an assessed care need are making a contribution.

8. Recommendation

- 8.1 That the Executive Member for Adult Social Care gives approval for the direct award of a contract to Alexander's Care and Support Agency for care and support services at Extra Care Schemes in the Winchester area and spend up to the maximum value of £1.928 million over a four year contract commencing 1 October 2016.

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

Hampshire safer and more secure for all:	yes
Maximising well-being:	yes
Enhancing our quality of place:	yes

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Modernisation of Adult Social Care – Project Extra-Care	3175	24/11/2011
Transforming Adult Social Care: Improving outcomes for older people through modernisation of care and support	3772	25/05/2012
Corporate Procurement and County Supplies Contracting Activity and Approvals for 2014/15 (BLAPP and EMPR)	5677 & 5678	18/03/2014
Capital Programme Review	6117	18/09/2014
Extra-Care Housing Tendering & Procurement	3546	16/01/2012
Extra-Care Housing Tendering and Procurement	4322	26/10/2012
Extra-Care Housing in Eastleigh - Tendering and Procurement	4533	11/12/2012
Extra-Care Housing Tendering & Procurement	4679	19/03/2013
Tender of the Care and Support contract at Surrey Court Extra-Care Assisted Living, Eastleigh	5455	24/01/2014
Procurement via Single Tender Approval of care and support services in Fernhill, Rowan and Laburnum Extra-Care schemes	6583	11/03/2015
Procurement via Single Tender Approval of care and support services in Gore Grange, Winfred and Barfields Extra-Care Schemes	5161	20/09/2013
Delivering Older Persons Extra-Care in Hampshire County Council	7287	22/03/2016
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

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.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

The Equality Impact Assessments undertaken in respect of the development Extra-Care housing for Older People is positive.

For the individuals who moving into Extra-Care schemes, it enables them to remain independent for as long as possible and living in their own flat/apartment rather than having to move unnecessarily early into residential care or nursing home accommodation.

For the local community the schemes will offer a local neighbourhood focus and a community hub which will help in responding to the demands of Hampshire's growing older population, to which this scheme is directed. The schemes will also offer employment opportunities. The variations to the delivery model outlined in the in the *Delivering Older Persons Extra-Care in Hampshire County Council (7287)* report are designed to ensure fair access to services

When implemented, the new model will represent a universal charge which applied equally and based on need. It is anticipated that the group who will be affected by this will be those individuals who currently live within the Extra-

Care schemes who do not have assessed care needs but who are accessing the night care and wellbeing services free of charge where those who have an assessed care need are making a contribution.

2. Impact on Crime and Disorder:

2.1. There will be no significant impact on crime and disorder.

3. Climate Change:

3.1. All new Extra-Care developments are required to meet the sustainability requirements for housing within the District Local Plans which requires all new housing to meet Code for Sustainable Homes Level 5. At this level the schemes will need to be designed in such a way as to minimise their carbon footprint / energy consumption to meet the standard. In addition the location of any proposed development is aimed at being sustainable, enabling residents to be within easy walking distance to amenities in the town centre reducing the reliance to use the car thereby minimising emissions.