

Report of Head of Commissioning

Report to Director of Adult Social Services

Date: 26th November 2015

Subject: Authority to procure an extra care support service for the Housing Leeds Yeadon site scheduled to open autumn of 2016.

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. This report seeks the authority to procure an extra care support service for the site currently under development in Yeadon. The site, officially named Wharfedale View, will be managed by Housing Leeds when it opens in the autumn of 2016 with Housing Leeds providing all landlord functions including housing related support. Adult Social Care (ASC) holds the responsibility of ensuring the presence of a suitable onsite care provider, which will be achieved through the proposed procurement and subsequent contract management.
2. The service to be procured consists of two components: an onsite, core service providing 24/7 cover to offer peace of mind, which includes responding to alarm calls, and; the provision of statutory planned care and support for those individuals who wish to purchase this from the onsite provider. This model of extra care is commonly known as the core and add-on model.
3. Income available through the contract comes potentially from two different sources. The core, 24/7 presence will be privately funded by the tenants of Wharfedale View and therefore falls outside the scope of this decision. The income source for planned care and support will vary depending on the outcomes of financial assessments and any caps in place in relation to personal contributions. ASC's contribution could potentially be as high as 100% and the estimated annual value of the proposed contract of £185,900 is based on that possibility. This cost would be met through either direct payments or managed budgets depending on individuals' choices in managing their own care. There will be no direct invoicing arrangements

between ASC and the successful bidder except for a nominal payment of £20.00 per annum to give the contract financial consideration.

4. Based on the estimated annual value of £185,900 income indirectly from Leeds City Council this decision will be a significant operational decision.
5. The proposed contract will be for five years, including break clauses that provide the opportunity to terminate the contract at the end of years three and four subject to a review of all variables with bearing on the contract.

Recommendations

6. The Director of Adult Social Services is recommended to approve the request to procure an extra care support service for Wharfedale View. The proposed contract if approved will commence 1st September 2016 and run until 31st August 2021 with break clauses built in at the end of years three and four. Expenditure of £20 per annum will be incurred by the Council as part of the contract arrangement to provide direct financial consideration between Adult Social Care and the eventual service provider. The opportunity is estimated to provide a potential annual income of £185,900 for any selected provider through charges for planned care and support for which Adult Social Care may be liable for up to 100% of the cost. This expenditure would take the form of Council contributions towards care costs following a financial assessment and falls under the Council's statutory duties as defined in the Care Act 2014.
7. The Director of Adult Social Services is recommended to approve that the gateway stages of authorising the invite to tender and the award of contract be managed through the ASC Commissioning Board.

1. Purpose of this report

- 1.1 To seek approval from the Director of Adult Social Services to procure an extra care support service for Wharfedale View, Yeadon. The element of this service that ASC may provide funding towards is the planned care and support in relation to the 35 apartments to be covered by the service specification. This provision falls under statutory duties as covered by the Care Act 2014.

2. Background information

- 2.1 Extra care housing is a form of supported housing. Primarily extra care housing is aimed towards older people and provides them with the opportunity to live in their own apartments with access to support and care commensurate with the level of their assessed needs. Additionally, extra care housing provides on-site access to 24/7 emergency/unplanned care, usually referred to as a wellbeing service as its function is primarily to offer peace of mind. Leeds ASC currently commissions extra care support services at four sites across the city. These schemes and their associated services have developed at different times, with the earliest established in 2005 in Moor Allerton.
- 2.2 The delivery of specialist accommodation for older people has been established as a priority in Leeds through the Better Lives strategy. Currently the growth of extra

care is led by a cross departmental team with representation from Planning, Asset Management & Regeneration, Housing and Adult Social Care. Overall governance responsibility for the development of extra care sites lies with the Housing Growth Board.

- 2.3 Leeds ASC has produced data (based on Department of Health More Choice, Greater Voice 2008) that reveals a current shortfall of 624 extra care units/apartments across Leeds and a predicted shortfall of 1,113 units by 2028. Progress on the development of new units across the city has not kept pace with the growing number of older people living longer and the aspiration to promote greater independence and choice.
- 2.4 Initial steps towards meeting the projected demand have taken place in Yeadon. Approval was given for a 45, two-bedroomed apartment scheme to be developed on the former Haworth Court site. Transformation of the site is being managed through Leeds City Council's City Development with a scheduled opening date of September 2016. Once complete the site will be managed by Housing Leeds with ten apartments designated for shared ownership and the remaining 35 earmarked for social rent. ASC will hold nomination rights to these 35 apartments.
- 2.5 While City Development manage the building phase, responsibility for securing an onsite care provider has fallen to ASC commissioning. Traditionally extra care support provision has been purchased on a block contract basis. This has involved calculating the projected weekly demand to establish the annual value of the block contract, usually in conjunction with a supplier engaged in the development of a scheme. However continuing with a block payment approach is not in keeping with the move towards empowering individuals through personal budgets and greater choice and control.
- 2.6 Focusing the nominations process towards those individuals with higher overall need for extra care is another variation in comparison to existing extra care contracts in the city. This approach aims to ensure that extra care is a viable alternative to residential care in the city as Leeds City Council moves towards a model of empowering individuals to remain living in the community for as long as possible.
- 2.7 Both of these changes form part of a new model for extra care proposed for Leeds. The procurement of an extra care support service at Wharfedale View provides the opportunity to pioneer this model as further discussions take place on the citywide approach.

3. Main issues

- 3.1 ASC commissioning is looking to procure an extra care support service for the Yeadon extra care scheme, Wharfedale View. The specification will be for an extra care service working to the core and add-on model. The core, 24/7 presence will be privately funded by individuals living at the scheme. This onsite provider would also have the opportunity of securing further 'add on' work in the form of planned care and support. This comes to an estimated total of 286 hours per week. These hours will be for statutory care and as such are eligible for Council funding up to 100% of value. This funding would be managed through direct payments and/or managed budgets.

- 3.2 The onsite provider will be recognised as the default provider for the add-on planned care and support. Including this approach should help to balance the costs across both elements of the service, for example by the provider having staff onsite during the day who could deliver add-on care as well as respond to emergency calls. While identifying the onsite provider as the default option, individuals' choice and control is still recognised and the specification will highlight that there is no guarantee of any of the 286 hours of planned care and support.
- 3.3 It is proposed that an open procurement process be followed. The opportunity will be advertised through YORtender and all tender related documents will be published at the same time. An evaluation panel consisting of stakeholders engaged in the development of the extra care service in Yeadon will evaluate the tender submissions. A 60% quality 40% price split will be applied to the evaluation process to ensure that the most economically advantageous tender is identified. The intention is to publish to market in December 2015, with the service commencing 1st September 2016 subject to completion of the Yeadon site.
- 3.4 This procurement falls under section three of the new European Union Procurement Regulations and therefore only the light touch regime is to be applied.
- 3.5 The contract itself has a nominal value of £20.00 per annum to provide financial consideration between the Council and the eventual service provider. This will provide the basis for the contractual arrangements between both parties. An annual potential income of £185,900 has been estimated based on projected planned care and support hours and an hourly rate of £12.50. This income is solely based on the demand from the 35 apartments to which ASC will hold nomination rights. Income will be collected by the service provider through the arrangements in place for personal budgets and /or managed budgets.
- 3.6 Further income will be available to the successful bidder through the privately funded core service and any potential demand coming from the shared ownership apartments. While ASC will not be contributing to the privately funded core service, the procurement process will evaluate the proposed charges to ensure an affordable rate is established.

4. Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 A significant part of the service specification is focused on the delivery of planned care and support. This part of the specification is reflective of the home care citywide service specification and is the part identified as eligible for ASC funding. An extensive programme of consultation was undertaken in developing the home care citywide service specification, including engagement with service users and providers as well as elected members.
- 4.1.2 A consultation session to discuss the core, 24/7 service was held 30th September 2015 with service users of a Neighbourhood Network local to Yeadon. The aim of this consultation was to confirm if the principle structure for this service would meet people's expectations. Feedback from this session emphasised the need to engage with the individual in service planning and delivery and highlighted a preference for

the core provider to be the same as the provider delivering any planned care and support.

- 4.1.3 A market sounding exercise was carried out through the YORtender procurement portal to gather feedback from potential bidders. A copy of the draft specification was published and comments were invited from providers to help clarify and shape the specification. Reception of the specification was positive with only one provider seeking clarifications. A total of four providers submitted interest in the service, indicating competition within the market.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality, Diversity, Cohesion and Integration Screening has been completed (Appendix 1) in relation to this request. The screening toolkit demonstrates that the service meets the desired equality requirements.
- 4.2.2 The provider will be required to have appropriate policies and procedures in place in line with the service specification and related terms and conditions.

4.3 Council policies and Best Council Plan

- 4.3.1 The commissioning of this service will help to deliver a number of elements identified in the Adult Social Care 'Better Lives' strategy by helping local people with care and support needs to enjoy better lives. The focus of the service includes: promoting choice, helping people to stay living at home in the community and working towards holistic services. This in turn will contribute to the ambition for Leeds to be the Best City in the country.
- 4.3.2 Additionally the proposed procurement will contribute to the achievement of objectives set out in the city's Health and Wellbeing Plan. This includes: supporting people to live full, active and independent lives; improving people's quality of life through access to quality services, and; empowering people to be involved in the decisions made about them.
- 4.3.3 The proposed procurement will also contribute to the city's Priority Plan by contributing to the indicators: best city for health and wellbeing, best city for business and, best city for communities.

4.4 Resources and value for money

- 4.4.1 The actual contract value between the Council and the service provider will be £20.00 per annum. This is to provide financial consideration between the Council and the eventual service provider.
- 4.4.2 An estimated annual value of £185,900 through direct payments has been associated with the contract to provide context of potential income the service provider could generate in Council funded planned care and support. This calculation has been reached by looking at the weekly hours for an existing service of a similar size and adjusting these on the basis that a higher demand is predicted. This prediction towards a higher demand is based on the changes taking place to the nominations process.

- 4.4.3 The value of £185,900 per annum is based on the assumption that the weekly planned care and support hours for the scheme will be on average 286 hours across the 35 apartments for which ASC will hold nomination rights. An hourly rate of £12.50 has been applied. This estimated hourly rate has been reached following evaluation of existing service rates and feedback from the market.
- 4.4.4 A 60% quality 40% price split will be used to evaluate tender submissions. Bidders will be required to submit completed service cost analysis forms as part of the tendering process. These forms will detail the costs associated with delivering both components of the service. This will enable the officers engaged in the evaluation to ensure affordability and value for money for both the Council and individuals.
- 4.4.5 Discussions have taken place with the Head of Finance ASC in light of elements of this service being identified as privately funded and the context of the wider charging review currently taking place. It was discussed that the core service charge faced by an individual could be seen as an essential disability related expense and discounted when completing any financial assessment. This addresses one of the issues highlighted in the Housing Learning and Improvement Network (LIN) technical brief on funding extra care.
- 4.4.6 The Housing LIN technical brief also highlights Attendance Allowance as one of the potential funding sources to meet the costs of a core, 24/7 service provision. The brief does highlight the risk that not everybody would qualify for Attendance Allowance, however this risk is reduced by the nominations process leaning towards individuals with more substantial care needs. A finance officer has been allocated to the wider extra care project to assist the team in covering these matters further.
- 4.4.7 The costs associated with the planned care and support service will be met by the Council through direct payments and/or managed budgets. The extent of this contribution will be dependent on the outcome of financial assessments undertaken with each individual in receipt of service. These costs would be met through the budget the Council allocates to meeting its statutory duties in ensuring access to care and support to meet eligible needs.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The decision highlighted in this report will be taken by the Director of Adult Social Services in line with the officer delegation scheme as detailed in Part 3 of the Council's Constitution.
- 4.5.2 This report has been submitted as a significant operational decision in light of the potential income from direct payments falling between £100,000 and £250,000. This represents a significant opportunity for a service provider to financially benefit from the arrangements made possible by ASC.

4.6 Risk Management

- 4.6.1 The decision to request the authority to procure has been reached following consideration of the needs for the new extra care scheme. This includes recognising this as a brand new scheme with no previous history of extra care provision.

- 4.6.2 The procurement process will be conducted in accordance with the Council's Contract Procedure Rules in order to ensure that a fair, open and transparent process is undertaken.
- 4.6.3 Risks are being managed throughout this process. Risks have been identified and recorded and mitigating actions have been identified

5. Conclusions

- 5.1 By granting the authority to procure ASC commissioning will be able to establish an extra care support service for the new extra care scheme, Wharfedale View. This service will provide the privately funded onsite, 24/7 staffing presence and the opportunity for individuals to purchase planned care and support for which ASC may be liable for up to 100% of the cost through either direct payments or managed budgets.
- 5.2 A Commissioning Officer will undertake an open tender procurement process in line with CPRs in conjunction with the Programmes, Projects and Procurement Unit (PPPU). Following approval the governance for the procurement will be managed through the ASC Commissioning Board, including signoff on the invitation to tender and award of contract.

6. Recommendations

- 6.1 The Director of Adult Social Services is recommended to approve the request to procure an extra care support service for Wharfedale View. The proposed contract if approved will commence 1st September 2016 and run until 31st August 2021 with break clauses built in at the end of years three and four. Expenditure of £20 per annum will be incurred by the Council as part of the contract arrangement to provide direct financial consideration between Adult Social Care and the eventual service provider. The opportunity is estimated to provide a potential annual income of £185,900 for any selected provider through charges for planned care and support for which Adult Social Care may be liable for up to 100% of the cost. This expenditure would take the form of Council contributions towards care costs following a financial assessment and falls under the Council's statutory duties as defined in the Care Act 2014.
- 6.2 The Director of Adult Social Services is recommended to approve that the gateway stages of authorising the invite to tender and the award of contract be managed through the ASC Commissioning Board.

7. Background documents¹:

- 7.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.