

Report of Strategy & Commissioning

Report to Director of Environment & Housing and Director of Public Health

Date: 1st March 2017

Subject: Request to approve contract extensions and variations with Care and Repair Leeds to enable key Environment and Housing & Public Health services to be maintained in accordance with Contracts Procedure Rules 21.1 contract extensions and 21.7 contract variations.

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 checked="" type="checkbox"/> Yes	<input 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

- Care & Repair Leeds is a local Home Improvement Agency which has been operating for over 27 years. It is an independent agency with charitable status which provides a wide range of services to support older and disabled people to live in safe, warm, secure, healthy, well maintained and adapted homes in Leeds.
- Leeds City Council currently contract with Care and Repair Leeds to deliver a pilot contract which was established on the 1st April 2015 for 2 years (+6 +6 months). Following a joint strategic review and options appraisal it was recommended that a number of separate services managed across directorates were combined and delivered under one pilot contract. The pilot contract has allowed the development and testing of a new outcome focused model and is providing a sound evidence base in which to go out to competitive tender.
- This report is seeking approval to utilise both the available 6 month contract extension options with Care and Repair Leeds for the delivery of the Home Adaptations and Repairs for Independent Living Pilot for a total 12 month period which will provide continuity of service whilst enabling the Strategy and Commissioning team continued ability to review and procure a new service for the 1st April 2018.
- In addition, as a result of Public Health grant cuts announced by the Government in 2015, efficiencies and changes to the payment arrangements through Environments and Housing, this report also seeks a reduction in the contract value for the continued provision of the service.

Recommendations

5. The Director of Environment & Housing and the Director of Public Health are recommended to approve the full 12 month extension and variation to the value of the contract (9RXF-MZHGWW) held with Care and Repair Leeds for the delivery of Home Adaptations and Repairs for Independent Living Pilot as defined in Appendix 1 in accordance with Contract Procedure Rules 21.1 and 21.7.
6. The Director of Public Health has provided approval for the recommendations above and confirmed the financial contribution. The Delegated Decision Notification will be signed by the Director of Environment and Housing.

1 Purpose of this report

- 1.1 The purpose of this report is to set out the rationale for seeking a 6 + 6 month (12 month) contract extension and variation of the current contract provided by Care and Repair Leeds for the continuation of service of the Home Adaptations and Repairs Pilot for Independent Living as defined in Appendix 1 in accordance with Contracts Procedure Rules (CPRs) 21.1 (Contract extension) and 21.7 (Contract variation).

2 Background information

- 2.1 Care and Repair Leeds is a local Home Improvement Agency with charitable status which has been commissioned to deliver a wide range of service to support older and disabled people to live in safe, warm, secure, healthy, well maintained and adapted homes in Leeds.
- 2.2 A joint strategic review of the Council wide contracting arrangements of Care and Repair services was undertaken in October 2013 and completed in December 2014. The work was led by the Strategy & Commissioning Team in Public Health and included colleagues from Adult Social Care, Health & Housing, Environments & Housing and Public Health.
- 2.3 The joint strategic review found there to be no significant performance or quality issues with services provided by Care and Repair, however there was a need to streamline the contract monitoring, performance management and alignment of services to ensure continuous improvement, remove duplication of services and disparity of funding of core costs, improve efficiency and effectiveness, and increase focus on a city wide provision which can inform future Council wide delivery and commissioning decisions.
- 2.1 Following consultation at Project Board and with the Projects, Programmes and Procurement Unit (PPPU) the overall timescale of the pilot contract was recommended and viewed as realistic and feasible: 2 years plus (6 + 6) months.
- 2.2 This timeframe would allow a full 12 month delivery period to be reviewed. Following the delivery period - 3 months for reviewing, adjustments to scope/specification, 2 months for pre-procurement work including full suite of tender documents for publication, 9-12 months for procurement exercise (from publishing tender to award of contract) and the final 6 month extension would only be invoked if a mobilisation period was required.
- 2.3 The 5 services which formed the part of the pilot contract can be seen in the table below.

Service	Funder
Home Improvement Agency & Disabled Adaptations	E&H
Home Repairs	E&H
Hospital Discharge Service	PH
Asian Outreach Service	PH
Falls Prevention Service	PH

- 2.4 The pilot contract and review has been monitored and managed by Commissioning and Contract Officers within Strategy & Commissioning in line with the Contract Management Policy for housing related support services. This has included quarterly contract management meetings with the provider and key stakeholders to discuss service delivery and performance.

3 Main issues

- 3.1 The Strategy and Commissioning team have led on the review, evaluation and analysis of the pilot contract, and is continuing to lead on the strategic development of the future provision. This is being managed through close working with Adult Social Care, Public Health, Environment & Housing, key stakeholders and Projects Programmes and Procurement Unit. The review, evaluation and analysis have been undertaken under the Public Health and Strategy and Commissioning Governance requirements.
- 3.2 Throughout this evaluation, milestones and timescales have been reviewed through governance requirements to ensure the successful implementation of the future provision. It was decided through these processes that in order to ensure a future provision which is fit for purpose, ensures best value for money, efficiencies and effectiveness, a longer service delivery timeframe to capture contract performance data was required to ensure robust analysis and as such tender timescales were put back to allow sufficient time for full tender and mobilisation.
- 3.3 A single 6 month extension alone would not give officers significant time to ensure continuity of service and seamless transition through tender and mobilisation, therefore both 6 month contract extension options are required through this key decision.
- 3.4 The simultaneous extension of both 6 month contract options does not breach Contract Procedure Rules and to do so would provide best value for money as to allow full evaluation, analysis and review of existing provision, to shape the most effective and efficient future provision and ensure it is fit for purpose.
- 3.5 Continuity of these services is necessary to maintain progress towards meeting the Public Health and Environment and Housing responsibilities of the Council, and towards meeting the priorities set out in the health and wellbeing strategy, the Housing Strategy, Best Council Plan and Leeds Vision. If these services do not continue, there would be disruption to service users and a risk to the wider Council wide agenda's.
- 3.6 Furthermore the Strategy and Commissioning Team within Public Health has developed strategic priorities in order to have a robust programme of re-commissioning and procurement for key Council services. Officer resources are being targeted at these projects to achieve efficiencies and savings in the longer term and to extend both 6 month contract options available on this contract would make most effective use of Council officer time that will provide sufficient time to undertake a tendering exercise with a reasonable mobilisation period. The new contract will commence on 1st April 2018.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 As part of the review, evaluation, and analysis of this pilot contract, a Project Team consisting of representatives from each of the directorates was maintained and consulted throughout the contract and review process. A Project Board which consisted of strategic partners and budget holders has also been regularly consulted throughout the fixed term of this pilot contract and will continue to be consulted throughout the development of future provision.
- 4.1.2 Throughout the development of the pilot contract, its evaluation and analysis, extensive consultation has taken place with a wide range of clients, stakeholders, trustees and staff.
- 4.1.3 As part of ongoing consultation and contract management, the provider has been consulted regarding the extension and variation of this contract and is in agreement with the proposal.
- 4.1.4 The new specification will be developed in consultation with key stakeholders in the delivery of health and housing related services including, Leeds Teaching Hospitals, Leeds Community Health Care services, Clinical Commissioning Groups, Health & Housing, Adult Social Care, and Public Health.
- 4.1.5 Lead members and ward members will be briefed regarding the review process and progress.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality, Diversity, Cohesion and Integration screening paper has been completed and included as background information to this report. The screening tool indicates that at this time a full assessment is not required because request for a contract extension and variation of contract will not necessitate any significant changes which would impact negatively on service users, staff or stakeholders.
- 4.2.2 Due regard has been given to equality in the delivery of these services and this has been considered through contract management and the review process. Following initial contract award the provider completed an action plan, in which recommendations made following a joint strategic review prior to pilot contract were monitored. The action plan picked up on equality considerations and actions required and will be used to inform the design and future commissioning of these services.
- 4.2.3 Strategy & Commissioning will complete a full Equality Impact Assessment of the new specification to ensure that the impact of any changes on service users, staff and stakeholders are fully evaluated and addressed.

4.3 Council policies and City Priorities

- 4.3.4 The services through this provision support the delivery of key outcomes and priorities within the Best Council Plan (BCP) 2015-20, specifically the 2016/17 outcomes for everyone in Leeds to:
- be safe and feel safe
 - enjoy happy, healthy and active lives
 - live with the dignity and stay independent for as long as possible

- 4.3.5 The services also contributes directly to the ambition for Leeds to be a compassionate and caring city, and the Vision for Leeds 2011-2030 by contributing to the wider outcomes relating to community safety, health and wellbeing:
- people are safe and feel safe
 - people live longer and have healthier lives
 - people are supported by high quality services to live full, active and independent lives.
- 4.3.6 The services subject to this report also contribute directly towards the indicators within the Leeds Health and Wellbeing Strategy 2016-2021 by helping vulnerable people to live full, active and independent lives and to be involved in decisions made about them, notably:
- unnecessary time patients spend in hospital
 - time older people spend in care homes
 - preventable hospital admissions
- 4.3.7 The service contributes to the delivery of the Leeds Breakthrough projects through which the Council will deliver its priorities, namely:
- making Leeds the best place to grow old in
 - early intervention and reducing health inequalities
 - strong communities benefiting from a strong city

4.4 **Resources and value for money**

- 4.4.1 In relation to value for money it is important to highlight how adaptations and housing support services can prevent, defer or remove the need for an older or disabled person to be placed in residential care or hospital or to use day care services. National research indicates that an investment of £6,000 on major adaptations could generate a saving of £400,000 over a ten year period if the person is prevented from needing to be admitted to residential care.
- 4.4.2 It is widely established that it costs in excess of £350 per day for someone to stay in hospital after their treatment is complete. In 2015/16 528 people were discharged from hospital through service intervention. If this hastens hospital discharge by 1 day alone, the saving to health services would be £184,800.
- 4.4.3 It is estimated that it costs between £25,000 and £30,000 for health and social care services if a person falls and breaks their hip. The service delivers interventions to prevent falls, therefore if 20 people a year are prevented from falling and breaking a hip, the service will then create savings for health and social care well over the annual value of this contract.
- 4.4.4 There is financial provision for these services within the budget. The Director of Public Health and Head of Housing Support have confirmed the budget provision for the 12 month extension options available on this contract. The cost for this 12 month period of delivery is £464,870. Efficiencies of 5% have been applied across Environment and Housing, and Public Health funding contributions towards the service interventions, and a further reduction of £50,000 has been applied to the core funding contribution from Environment and Housing as a result of a change to the payment delivery method on major adaptation schemes. (see Appendix 1).
- 4.4.5 The extension and variation of the pilot contract will allow the time and continuity of service to fulfil our evaluation, analysis and future procurement, so that future provision can be as efficient and effective as possible, maximising opportunities to achieve value for money in the future commissioning of this service.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 This is a key decision as the maximum cost of services within the report is more than £250k per annum. A notice was published on the List of Forthcoming Key Decisions on 1st February 2017 and will be subject to call in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 4.5.2 The report seeks to approve a +6 +6 month (12 month) extension and variation to the value of the contract (9RXF-MZHGWW) held with Care and Repair Leeds for the delivery of Home Adaptations and Repairs for Independent Living Pilot (refer to Appendix 1) in accordance with Contract Procedure Rules 21.1 and 21.7. As highlighted in point 3.4 onwards, simultaneous extensions of both 6 month contract options does not contravene Contract Procedure Rules and supports value for money as detailed in point 4.4.
- 4.5.3 Advice has been sought from the PPPU throughout the duration of this pilot contract, and will continue to be sought through this review, analysis, evaluation and subsequent procurement exercise.
- 4.5.4 This report does not contain any exempt or confidential information.

4.6 Risk Management

- 4.6.1 Aside from the risk of service disruption if this course of action is not approved, there are no specific risks with respect to this report as the contract has the available extension provision.
- 4.6.2 Due to the value of the contract and changes in EU procurement regulations, services of this level will need to be tendered in future. Approving the contract extension for an additional 12 month allows the continuity of provision and time to undertake a full procurement exercise for future provision.
- 4.6.3 Should the services not continue to be delivered beyond the expiry of the current contract period, this would result in vulnerable older and disabled people being without support necessary to maintain independent living. This could result in increased numbers of older and disabled people being admitted to hospital and residential care homes at a greater cost to the local authority, and could prolong the time in which patients remain in hospital whilst awaiting discharge to independence at great expense to health services.

5 Conclusions

- 5.1 Contract extensions are required to ensure continuity of service whilst the Council develops plans and undertakes the review, analysis and evaluation of this service, with the aim to achieve a long term, value for money solutions, which will deliver high quality outcomes for the Council and service users. The contract variation achieves a 5% cut to the contract value.
- 5.2 Throughout the extension period, these contracts will continue to be routinely contract managed to ensure robust performance monitoring takes place and value for money is being achieved for the Council.

6 Recommendations

- 6.1 The Director of Environment & Housing and the Director of Public Health are recommended to approve a +6 +6 month extension and variation to the value of the contract (9RXF-MZHGWW) held with Care and Repair Leeds for the delivery of Home Adaptations and Repairs for Independent Living Pilot as defined in Appendix 1 in accordance with Contract Procedure Rules 21.1 and 21.7.
- 6.2 The Director of Public Health has provided approval for the recommendations above and confirmed the financial contribution. The Delegated Decision Notification will be signed by the Director of Environment and Housing.

7 Background documents¹

- 7.1 Equality, Diversity, Cohesion and Integration Screening tool.

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.

Appendix 1: Contract Details

Contract Information						2017-18 Contract Extension and Variation			
Provider	Contract Name	Contract reference	Current End Date	Period of extension available	2016-17 Contract Value	% cut	cut (£)	Contract value	Extension Length
Care & Repair	Home Adaptations and Repairs for Independent Living Pilot	9RXF-MZHGWW	31/03/2017	2 x 6 months	£536,230	-£50k + 5%	£71,360	£464,870	12 months