

**Report of Deputy Director Integrated Commissioning, Adults and Health, Leeds City Council & NHS Leeds Clinical Commissioning Groups**

**Report to Director of Adults and Health**

**Date:** 21<sup>st</sup> February 2018

**Subject: Request to waive Contract Procedure Rules 9.1 and 9.2 to enter into 12-month contracts with Methodist Homes Association for extra care services at Assisi Place and with Anchor for extra care services at The Laureates with the goal of establishing long-term contracts via the use of negotiated procedure without prior publication of a notice under Regulation 32 of the Public Contracts Regulations 2015**

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

1. Extra care housing is a form of supported housing predominantly but not exclusively designed for older people. It provides individuals with the choice and opportunity to maintain independent living within the community in their own home and can delay the need for more intensive residential care. Each extra care scheme has its own onsite care service registered with the Care Quality Commission to provide an onsite response service and planned care and support in line with tenants' agreed outcomes.
2. Leeds Adults and Health (Leeds A&H) engages care and support services at a range of extra care sites across the city, either through direct in-house provision or via contracts. These contracted services include Assisi Place, a Methodist Homes Association (MHA) scheme where care services are delivered by MHA, and The Laureates, an Anchor operated scheme where care services are delivered by Anchor. In both instances the schemes were

developed through partnerships and the providers have long term lease arrangements which infers to them the exclusive right to provide the onsite care service. This however does not impact on individuals' right to choice in terms of their planned care and support.

3. Analysis of the lease documents and associated schedules for both schemes indicates long term arrangements in the form of partnerships covering both housing and care support. Initial conversations with MHA and Anchor have evidenced that this 'one service' approach to housing and care is the business model both providers wish to continue and that neither provider wishes to have a third party care provider establish an onsite presence in their respective schemes.
4. Leeds A&H holds nomination rights to a percentage of apartments at both schemes. At Assisi Place this continues to be 100% of the 45 apartments while at The Laureates it consists of 16 apartments out of the 62. Outside of the original lease agreements there were no formal contracts in place. Separate contracts were established 1<sup>st</sup> April 2016 with both providers for 2 years by virtue of a waiver of Contract Procedure Rules (CPRs) 9.1 and 9.2. These block contracts for onsite care and support for tenants nominated by Leeds A&H come to an end 31<sup>st</sup> March 2018.
5. The block contracts at both schemes appear to be underutilised. In terms of perspective this implies that we are overpaying for hours, however from the perspective of the providers the onsite care presence at both schemes are operating at a loss.
6. The lease documents and the position of both MHA and Anchor were discussed with colleagues from Projects, Programmes and Procurement Unit (PPPU). The outcome of those discussions is that there is sufficient justification to seek approval to utilise the negotiated procedure without prior publication of a notice under Regulation 32 (2) (b) (ii) of the Public Contracts Regulations 2015. This would be with the intention of awarding contracts to both MHA and Anchor at the end of the negotiations on the grounds that competition is limited due to technical reasons. The justifications for the use of this procedure are contained in paragraphs 3.1 to 3.6 of this report.
7. This report requests that 12-month contracts are established by waiver of CPRs 9.1 and 9.2 to commence 1<sup>st</sup> April 2018. This period is to accommodate the stated negotiations with both providers in light of the details in their respective lease documents. These negotiations will be with the ambition of establishing long term contracts for both schemes subject to officers addressing the service model, contract value and achieving value for money.
8. A key principle of these negotiations will be that any move from the current approach should have zero impact on existing tenants (where possible) and evidence value for money. The outcome of these negotiations will be summarised in a report that will seek a significant operational decision to approve the terms of the new arrangements.

9. Negotiations will ensure the contractual agreement reflects Leeds City Council's ongoing commitment to the values laid out in the Unison Ethical Care Charter and that salaries are set with a base value that is in line with the wider homecare framework contract.

## **Recommendations**

10. The Director of Adults and Health is recommended to approve the waiver of CPRs 9.1 and 9.2 to award 12-month contracts to MHA (Assisi Place) and Anchor (The Laureates) for extra care services at their respective schemes. Contracts are to commence 1<sup>st</sup> April 2018 at an annual value in the region of £285,000.00 for Assisi Place (MHA) and £120,000.00 for The Laureates (Anchor).
11. The Director of Adults and Health is recommended to approve the use of negotiated procedure without prior publication of a notice under Regulation 32 of the Public Contracts Regulations 2015 during the 12-month period with the goal of establishing long-term contracts with both existing providers. The outcome of these negotiations and the recommendation to award contracts will be presented as a significant operational decision.
12. Officers on behalf of Leeds A&H commissioning and PPPU will engage with both MHA and Anchor to finalise the terms of the contracts and the long term vision to move towards the new Leeds model of extra care. These negotiations will take place during the 12-month period commencing 1st April 2018 and will establish the contractual arrangements for the four year contracts. A key component of this work will be evidencing that the finalised proposals offer value for money. The outcome of this engagement will be summarised and presented for significant operational decision prior to any award of contract.

## **1. Purpose of this report**

- 1.1 To seek approval from the Director of Adults and Health for the waiver of CPRs 9.1 and 9.2 to establish 12-month contracts with MHA for Assisi Place and with Anchor for The Laureates. These contracts are to commence 1<sup>st</sup> April 2018 and are to allow commissioning officers time to use the negotiated procedure without prior publication of a notice under Regulation 32 of the Public Contracts Regulations 2015 with the intention of setting in place contracts with:
  - Anchor for the delivery of extra care services to 16 apartments at The Laureates via a long-term contract commencing 1<sup>st</sup> April 2019 at an estimated annual value in the region of £120,000.00.
  - MHA for the delivery of extra care services at Assisi Place via a long-term contract commencing 1<sup>st</sup> April 2019 at an estimated annual value in the region of £285,000.00.
- 1.2 In both instances the contracts will be set in place on the proviso that successful negotiations are completed within the 12-month period of the waiver with the key aims of revising the service model, reviewing the contract value and achieving evidence of value for money. The outcome of these negotiations will be subject to a significant operational decision.

## 2. Background information

- 2.1 Extra care housing is a form of supported housing. It is usually designed to provide older people who have varying levels of care needs with a self-contained home and access to on-site care and support. The building provision is normally managed by a Registered Social Landlord (RSL), a not-for-profit housing provider approved and regulated by the Government through the Housing Corporation, or the Local Authority. The on-site care can be provided by the same group acting as RSL or through another provider contracted to operate at that site.
- 2.2 Leeds A&H currently commissions care and support services at extra care sites across the city, including 45-apartments at Assisi Place with MHA in Hunslet and with Anchor for 16 apartments at the 62-apartment scheme The Laureates in Guiseley.

### Assisi Place

- 2.3 Assisi Place is a 45-apartment scheme and was originally opened in January 2011. The scheme and its associated service provision came about following a joint bid submitted in 2008 by Leeds City Council (LCC) and MHA for Department of Health funding to redevelop the former residential home Hemingway House in to extra care housing for older people. The lease agreement (dated 21<sup>st</sup> February 2011) and its schedules cover the intended purpose of the site as well as an agreement on the percentage of apartments Leeds A&H can nominate to. The lease is for a term of at least 125 years and the nominations agreement which provides Leeds A&H with access to the apartments is for a period of 80 years.
- 2.4 During the development of the scheme commissioning officers engaged with MHA to develop the model of block hours with underpinning 24-hour onsite staffing provision, both funded by Leeds A&H. The core planned care and support hours are purchased in a block of 268 hours per week, which calculates to £165,984 per annum. The 24-hour onsite wellbeing service consists of 190 hours per week and calculates to £118,935 per annum. These hours are invoiced on a monthly basis.
- 2.5 With regards the planned care and support hourly rate at Assisi Place, this calculates to £11.87 based on the block hours and the annual contract value. Analysing performance data the average hours per week equals 172.6 hours, giving an hourly rate of £18.44 when looked at in isolation. If both components of the service were paid at a price similar to the urban rate for the home care contract the total annual value for actual hours would be estimated to be £282,471.00, which is close to but still lower than the actual total contract value. As it stands the cost of the 95.4 hours per week not utilised in the planned care and support comes to £59,046.52 per annum and is assumed to be contributing towards meeting the cost of operating the 24/7 onsite presence. Initial discussions with MHA have intimated that the actual cost of

delivering the contract is greater than the contract value, indicating a potential financial pressure.

- 2.6 Requests to waive CPRs and enter into an agreement with MHA for the delivery of care and support at the Assisi Place scheme were obtained on 29<sup>th</sup> May 2014 and again on 4<sup>th</sup> March 2016.

### The Laureates

- 2.7 The Laureates and its associated services has a similar history to Assisi Place, this time seeing Anchor redevelop the former residential home The Greenlands in Guiseley in to a 62-apartment extra care scheme. This agreement and its associated schedules was dated 7<sup>th</sup> February 2008 and provides Anchor with a lease of at least 125 years and a nominations agreement of 20 years. The nominations agreement provides Leeds A&H the right to nominate to 16 specified apartments as highlighted in the lease agreement.
- 2.8 Part of the lease agreement, titled the 'Anchor Letting Policy', stipulates that Leeds City Council would be responsible for ensuring the provision of a 24-hour on-site staffing presence for the scheme. The Anchor Letting Policy recognises this as a service that would be met by Anchor delivering a fully integrated housing and care service.
- 2.9 There are 203 hours of support associated with the 16 apartments. This contains hours utilised in the 24-hour onsite care presence as well as hours of planned care and support, though there is currently no clear delineation as to the split of these hours.
- 2.10 The care hours at The Laureates calculates to £11.29 per hour when working from the block hours of the contract. When working from the average hours delivered of 105.75 per week this works out to be £21.67 per hour. The home care rate for the area is £16.88 per hour, which provides an annual value of £92,823.12 for the actual hours delivered to benchmark against. When analysing the hours delivered, the service cost of maintaining a 24-hour waking staff presence is not included and would account for some of the underutilised hours.
- 2.11 Similar to MHA's position, initial discussions with Anchor have indicated that the actual cost of delivering the contract is greater than the contract value.
- 2.12 CPRs were also waived to enter into an agreement with Anchor on 29<sup>th</sup> May 2014 and 11<sup>th</sup> March 2016 for The Laureates.
- 2.13 For both schemes these agreements were reached after protracted periods where there were no contracts in place, largely due to uncertainties around how best to approach the management of the care hours delivered at the respective schemes.
- 2.14 While the care and support covered by the current extra care contracts is purchased on a block basis, it is done so with recognition that individuals may

wish to directly manage their support through either direct payments or individual service funds. In the case of Assisi Place, this was built into the interim contract agreement. With regards to The Laureates, Anchor disputed any clause supporting this being incorporated into the specification and affirmed that they would be the sole provider of care and support at The Laureates. In the Anchor Letting Policy however it is recognised that tenants should be enabled to exercise choice in and control over their everyday lives.

2.15 In May 2015 LCC signed up to Unison's Ethical Care Charter as part of the work on homecare services. The charter commits employers to move away from zero hour contracts, ensure the national minimum wage and travel time are paid, as well as make progress to a 'living wage' and provide good quality training to all staff. To date this charter has only applied to the homecare framework, approved on the 11th January 2016. This was following wide consultation about the homecare plans, working with staff, unions, homecare users and providers. Extra care is not part of the homecare framework, although discussions to introduce the Leeds Living Wage on a scheme by scheme basis have been taking place. Both MHA and Anchor operate hourly rates that pay higher than the Leeds Living Wage, though at Anchor this only applies to qualified care staff.

### **3. Main issues**

- 3.1 Within the lease agreement for Assisi Place there is a copy of MHA's assured tenancy document for apartments which states that MHA is recognised as the provider for the 24-hour onsite care staffing, emergency response to care needs and responsible for an active events programme and activities. MHA retain the right to refuse (on reasonable grounds) to grant assured tenancies on the understanding that Leeds A&H would then be able to nominate further tenants or licensees.
- 3.2 Engagement with MHA has established that they have no desire or intention to be a landlord to a separate service provider. MHA have expressed that they do not develop services where they are not responsible for care and housing provision as MHA believe tenants experience the best service provision from a one team approach. This means it would not be possible to commission an onsite third party care provider to deliver 24/7 support.
- 3.3 Anchor's stance is similar to that of MHA. Except in the instances where Anchor have opted to withdraw from the market, for example Hampton Crescent in Leeds, Anchor aims to deliver support under an integrated housing and care approach. This is summarised in the Anchor Letting Policy that forms part of the lease agreement for The Laureates. In the Letting Policy it stipulates that LCC will have the responsibility of ensuring community support is available, including provision for a 24-hour on-site staffing presence for the whole scheme as required. The policy then goes on to state how Anchor will meet these responsibilities by providing a service or support that will enable tenants to live independently and that a more independent lifestyle may be facilitated for some, whereas the provision of regular night care or a continually supportive community will be key factors for others.

- 3.4 Leeds A&H only nominate to 16 out of the total 62 apartments at the Anchor run The Laureates. These 16 apartments are supported by the same Anchor team that covers the remaining 46 private apartments.
- 3.5 While holding nomination rights to 16 apartments, planned care and support is only delivered to 12 of these apartments. This is a result of changing circumstances seeing the tenant with care needs no longer living at the scheme while their significant other remains as covered under the assured tenancy.
- 3.6 As part of the partnership approach to developing both schemes, Leeds A&H has nomination rights to apartments. These Nomination Agreements are for fixed periods, 80 years for Assisi Place and 20 years for The Laureates. It is possible that agreements would be renegotiated to continue at both schemes, however it is possible that the nomination rights to the apartments could revert to the respective providers. This would remove Leeds A&H connection to the schemes if this was to take place. It is assumed that the length of both of these agreements reflects return on investment for Leeds A&H and so the continuation of nomination rights cannot be assumed.
- 3.7 In light of the circumstances detailed in this report it is proposed, following advice from PPPU, that the negotiated procedure without prior publication of a notice under Regulation 32 (2) (b) (ii) of the Public Contracts Regulations 2015 be used when looking to award long-term contracts to both MHA and Anchor. This is due to the fact that the services can only be supplied by the named providers at their respective schemes and therefore competition is absent and no reasonable alternative is available for service users living at either Assisi Place or The Laureates in terms of an onsite care team presence.
- 3.8 To accommodate these negotiations the report requests a waiver of 12-months commencing 1<sup>st</sup> April 2018. This is to ensure both services remain on contract for the duration of the negotiations.
- 3.9 For both schemes there have been periods when services have been operating as off-contract spend. In both instances service specifications were agreed and first signed to in 2015 following a waiver of CPRs. The purpose of the service specifications was to define expectations and service standards to be achieved for those tenants placed under the nomination agreements.
- 3.10 At both schemes the block contracts cover the costs of the onsite care staffing teams, though in both instances the providers have indicated the cost of maintaining the teams is higher than the value of the block contracts. This may be directly linked to both contracts not receiving any uplifts over the last four to five years combined with new pressures such as changes to pensions' obligations and wage increases.
- 3.11 A citywide approach to existing block contracted extra care has not as yet been finalised. The likelihood is that a scheme by scheme approach may be necessary with the long term ambition of achieving a single citywide model.

This work would be partially informed by the performance and financial data collated from Wharfedale View, a new extra care scheme in Yeadon which opened December 2016.

- 3.12 As part of the separate negotiations with both MHA and Anchor officers will be exploring a phased approach to moving away from the current block arrangement to one that reflects wider developments in extra care in the city. A key principle will be zero impact on existing tenants with a view of introducing the new model via new tenancies as and when they arise. The responsibility for meeting the costs of service will still lie with Leeds A&H.
- 3.13 Negotiations will be carried out to develop the contracts with both MHA and Anchor. Part of this work will include analysing the financial data and arrangements at both schemes in light of both providers stating the services are operating at a loss and the other issue of underutilised hours. Negotiations will also explore the feasibility of replacing the block contract approach at both schemes as well as the opportunity to incorporate wording relating to the Leeds Living Wage, as introduced to homecare services under Unison's Ethical Care Charter.
- 3.14 While both providers pay hourly rates which are higher than the homecare framework rate, the negotiations will ensure continued commitment to staff wages in line with the Unison Ethical Care Charter. In the case of Anchor, the negotiations will also focus on establishing a base rate in line with the hourly identified for the homecare framework. Assessments and recommendations will be presented to the Director of Adults and Health for significant decision following completion of the negotiations.
- 3.15 The recommendation that negotiations look to establish long-term contracts is made in recognition of the long periods associated with the nomination agreements and leases. In making any recommendation to award contracts officers will aim to evidence value for money and address circumstances where this may be a concern.

## **4. Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 Service users and carers are regularly consulted with on the quality at the schemes by the onsite care provider and this is then reported to commissioners as part of the contract performance management. This will continue to be the case for the duration of the proposed contract period. In terms of service quality, Assisi Place was classified as 'Good' when last inspected by the CQC in 2015, The Laureates classified as 'Good' when inspected 6<sup>th</sup> October 2017.
- 4.1.2 The intention to set in place contracts with MHA and Anchor using a negotiated procedure without prior publication of a contract notice were added to the list of forthcoming key decisions on 19<sup>th</sup> December 2017.



- 4.1.3 A briefing on the contents of this report is scheduled to be presented to the Executive Board Member for Health, Wellbeing and Adults on the 22<sup>nd</sup> February 2018.
- 4.1.3 Any adjustments to the service model or service costs will involve consultations with the provider, service users, carers and other stakeholders.

## **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 An Equality and Diversity Impact Assessment Screening Tool has been completed and is included at Appendix 1. This assessment demonstrates that the services covered by this report meet the desired equality requirements.
- 4.2.2 Appropriate policies and procedures are in place at the schemes.

## **4.3 Council Policies and Best Council Plan**

- 4.3.1 The work of extra care services helps contribute to the outcomes stated in the current Leeds Joint Health and Wellbeing Strategy. The nature and ethos of the services contribute to: people living longer and healthier lives; helping people to live full, active and independent lives; ensuring that people's quality of life is improved by access to quality services; involving people in decisions made about them, and; helping people to live in healthy and sustainable communities.
- 4.3.2 The Best Council Plan vision of Leeds being the best city for health and wellbeing is supported through the delivery of extra care services. This includes supporting more people to live safely and independently in their own homes and giving people choice and control over their health and social care services.
- 4.3.3 The investment in and development of extra care facilities is covered under the housing, care and support strand of the Better Lives programme. The aim here is to provide a variety of housing options that are adaptable to people's changing needs.
- 4.3.4 The provision of these extra care services means LCC is delivering and developing services in line with the ethos of the Care Act 2014, being "what can you do for yourself, within your local community, to help meet your own care needs". The overall environment of extra care services provides effective preventative services and information to help people maintain healthy and independent lives wherever possible.

#### **4.4 Resources and Value for Money**

- 4.4.1 The value for the proposed contract at The Laureates is based on the current contract value of £119,177.24 per annum. The value for the proposed contract at Assisi Place is based on the current contract value of £284,919.05 per annum. This consists of a planned care and support component at £165,984 and a wellbeing component at £118,935.05 per annum.
- 4.4.2 For both schemes budget has been identified within existing resources.
- 4.4.3 The current contract prices will be reviewed as part of negotiations, including any implications associated with the Leeds Living Wage. Additional funding pressures, should these arise, will be brought to DLT for approval with options to meet the cost and future year pressures to be dealt with through the annual budget setting cycle. The contract prices review will also look to evidence and ensure value for money, especially in light of the implied underutilisation of hours at both schemes.
- 4.4.4 There will be some resource implications in terms of monitoring and reviewing the contracts in order to ensure the services continue to meet the necessary outcomes and that best value is delivered. These resources will be provided from within existing hours in the Adults and Health commissioning and contracts teams.

#### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 The decisions highlighted in this report will be taken by the Director of Adults and Health in line with the officer delegation scheme as detailed in Part 3 of the Council's Constitution.
- 4.5.2 As the overall value of this decision exceeds £250,000 this is a key decision and is subject to call in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 4.5.3 Awarding new contracts direct to the providers in this way could leave the Council open to a potential claim from other providers, to whom this contract could be of interest, that it has not been wholly transparent. In terms of transparency it should be noted that case law suggests that the Council should always consider whether contracts of this value should be subject to a degree of advertising. It is up to the Council to decide what degree of advertising would be appropriate. In particular, consideration should be given to the subject-matter of the contract, its estimated value, the specifics of the sector concerned (size and structure of the market, commercial practices, etc) and the geographical location of the place of performance.
- 4.5.4 The Director of Adults and Health has considered this and, due to the nature of the services being delivered and the requirement to be physically located in Leeds, is of the view that the scope and nature of the services is such that it would not be of interest to providers in other EU member states.

- 4.5.5 There is a risk of an ombudsman investigation arising from a complaint that the Council has not followed reasonable procedures, resulting in a loss of opportunity. Obviously, the complainant would have to establish maladministration. It is not considered that such an investigation would necessarily result in a finding of maladministration however such investigations are by their nature more subjective than legal proceedings.
- 4.5.6 There is the potential risk of challenge that there are no real technical reasons justifying the use of the negotiated procedure without publication of a notice in accordance with the Public Contracts Regulations 2015, and that the Council is simply seeking to circumvent the application of the procurement rules. However, due to the reasons set out in Section 3 of this report this risk is perceived to be low.
- 4.5.7 In addition, this risk can be diminished further by the publication of a voluntary transparency notice in Official Journal of the European Union (OJEU) immediately after the decision to award a contract using the negotiated procedure has been taken and then waiting 10 days to see if any challenges are made. If no challenges are made the chances of a claim for ineffectiveness being brought are significantly reduced, and would only be successful if the Council had used the negotiated procedure without publication of a notice incorrectly. Further, publishing such a notice will also start time running for any other potential claim for breach of the Public Contracts Regulations 2015, which must be brought within 30 days of the date that an aggrieved party knew or ought to have known that a breach had occurred.
- 4.5.8 It should be noted that voluntary transparency notices themselves can be challenged. The recent case of *Italian Interior Ministry v Fastweb SpA (Case C-19/13)* highlights the limited protection that the voluntary transparency notice route can offer to contracting authorities wishing to make direct awards without following an OJEU process. A grey area remains around whether the protection of a voluntary transparency notice will be available where the contracting authority genuinely, but mistakenly, considers it was entitled to award the contract without notice. It shows that the safe harbour will only be 'safe' to the extent that the justification for the direct award is in itself sound and ready to stand up to the increased scrutiny that the publication of the voluntary transparency notice may well invite
- 4.5.9 These comments should be noted by the Director of Adults and Health in making the final decision as to the award of this contract being the best course of action for the Council and that in doing so it represents best value for the Council.

## **4.6 Risk Management**

- 4.6.1 If the recommendation is not approved there is a risk that the existing services will cease and service users will no longer be able to access these services. This would impact both LCC funded tenants as well as private tenants.

- 4.6.2 If the recommendation is not approved the services may be subject to competitive tender. It should be noted that this would have resource implications for the council and will be most likely challenged by the existing providers based on the respective lease agreements.

## **5 Conclusions**

- 5.1 In approving this request to waive CPRs 9.1 and 9.2 to enter into 12-month contracts for both schemes service provision will be maintained and continue to be delivered in line with specified expectations at both schemes during the negotiation period.
- 5.2 In approving the use of the negotiated procedure without prior publication of a notice with the aim of establishing 4-year contracts, commissioning officers can engage in discussions to establish the long-term arrangements for both schemes.
- 5.3 Commissioning Officers in conjunction with PPPU will oversee the negotiation process for the contracts where approved, which will include ongoing discussions to address the service model, contract price and value for money. All services covered by the contracts will be subject to robust contract monitoring and on-going review, both in terms of quality and value.
- 5.4 Any proposed changes established during the initial negotiations will be brought to the attention of the Director of Adults and Health in the form of a significant operational decision. This will include work to address issues relating to value for money.

## **6 Recommendations**

- 6.1 The Director of Adults and Health is recommended to approve the use of waiver 9.1 and 9.2 to award 12-month contracts to MHA (Assisi Place) and Anchor (The Laureates) for extra care services at their respective schemes. Contracts are to commence 1<sup>st</sup> April 2018 at an annual value in the region of £285,000.00 for Assisi Place (MHA) and £120,000.00 for The Laureates (Anchor).
- 6.2 The Director of Adults and Health is recommended to approve the use of negotiated procedure without prior publication of a notice under Regulation 32 of the Public Contracts Regulations 2015 during the 12-month period with the goal of establishing long-term contracts with both existing providers. The outcome of these negotiations and the recommendation to award contracts will be presented as a significant operational decision.
- 6.3 Officers on behalf of Leeds A&H commissioning and PPPU will engage with both MHA and Anchor to finalise the terms of the contracts and the long term vision to move towards the new Leeds model of extra care. These negotiations will take place during the 12-month period commencing 1st April 2018 and will establish the contractual arrangements for the four year

contracts. A key component of this work will be evidencing that the finalised proposals offer value for money. The outcome of this engagement will be summarised and presented for significant operational decision prior to any award of contract.

## **7 Background documents<sup>1</sup>**

7.1 None

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<sup>1</sup> 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.