

**Report of Deputy Director Integrated Commissioning**

**Report to Director of Adults and Health**

**Date: 25<sup>th</sup> September 2019**

**Subject: Request to approve 3 x contract extensions in accordance with Contracts Procedure Rule 21.1 for extra care services**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Will the decision be open 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**

**1. Main issues**

- On 17<sup>th</sup> April 2019 contracts for onsite care provision were set in place at three extra care schemes in Leeds following the waiver of Contracts Procedure Rules 9.1 and 9.2. These contracts were for the onsite care provision, including 24-hour staffing presence at: Assisi Place with Methodist Homes (MHA) (contract DN404564); Yew Tree & Rosewood with Methodist Homes (MHA) (contract DN404600), and; The Laureates with Anchor Hanover (contract DN404629). Each of these contracts was for a period of 6 months with the option to extend for up to a further 6 months. The aim of these contracts was to ensure continuation of services as commissioning officers explored the best approach to longer term contracting arrangements in light of the Leeds Model of Extra Care, introduced in 2016 at Wharfedale View in Yeadon.
- The current 6 month period for all three contracts comes to an end on the 30<sup>th</sup> September 2019 and the best approach to managing future contractual relations is still to be agreed.
- The existing contracts are block contract arrangements, which reflects the commissioning approach that has been used at each of the three schemes since inception. The Leeds model for extra care introduced at Wharfedale View in Yeadon has seen a move away from the block contracting approach. This report looks to utilise the remaining time offered by the extension to reach an agreement on the

commissioning model going forward for these schemes and to set this agreed model in place in the form of longer term contracts.

- The services covered by this extension are affected by the Council's commitment made when signing up to Unison's Ethical Care Charter. This includes ensuring a living wage is paid to care staff. In light of this the overall annual values given in this report are subject to change but will be covered by finances allocated to meeting this commitment.

## **2. Best Council Plan Implications** (click [here](#) for the latest version of the Best Council Plan)

- The main domains of the Best City Priorities that these extensions contribute towards are 'Health and Wellbeing' and 'Age-Friendly Leeds'.
- All three contracts work towards achieving the outcomes: 'Be safe and feel safe'; 'Enjoy happy, healthy and active lives', and; 'Live with dignity and stay independent as long as possible'.

## **3. Resource Implications**

- This report covers three separate contract recommendations. The total values for each decision are:
  - Assisi Place at £162,757.50 for the 6-month period.
  - The Laureates at £65,550.00 for the 6-month period.
  - Yew Tree and Rosewood at £228,208.00 for the 6-month period.
- Officer time will be necessary in order to monitor and review each contract prior to any recommissioning. This will be met through existing capacity from within the Adults and Health Integrated Commissioning Team, along with officer time from support areas such as Finance and Procurement and Commercial Services as appropriate.

## **Recommendations**

- a) The Director of Adults and Health is recommended to approve the extension of the contract 'Extra Care Housing – Assisi Place' (contract DN404564) under Contract Procedure Rule 21.1 for a 1 x 6 month period commencing 1st October 2019 to 31st March 2020 with Methodist Homes (MHA). The total value of this decision is £162,757.50.
- b) The Director of Adults and Health is recommended to approve the extension of the contract 'Extra Care Housing – The Laureates' (contract DN404629) under Contract Procedure Rule 21.1 for a 1 x 6 month period commencing 1st October 2019 to 31st March 2020 with Anchor Hanover. The total value of this decision is £65,550.00.
- c) The Director of Adults and Health is recommended to approve the extension of the contract 'Extra Care Housing – Yew Tree and Rosewood' (contract DN404600) under Contract Procedure Rule 21.1 for a 1 x 6 month period commencing 1st October 2019 to 31st March 2020 with Methodist Homes (MHA). The total value of this decision is £228,208.00.
- d) For reference, funding for each of these services will be met through existing provision within the Adults and Health budgets.

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

- 1.1 To seek approval from the Director of Adults and Health for officers to utilise the 6-month extensions built into the current extra care contacts for Assisi Place, The Laureates and Yew Tree and Rosewood. Each of these requests is made under Contract Procedure Rule 21.1. In all three instances the extension is to commence 1<sup>st</sup> October 2019 and end 31<sup>st</sup> March 2020.

## **2. Background information**

- 2.1 The three extra care schemes covered by this report vary to each other in terms of where they are sited within the city, their overall size and the number of apartments to which Leeds Adults & Health hold nomination rights.
- 2.2 Assisi Place is a 45 unit extra care scheme sited in Hunslet in South Leeds. The site was developed by MHA, the Registered Social Landlord, in agreement with Leeds City Council and officially opened in January 2011. Leeds Adults and Health continues to hold nomination rights to all 45 apartments. The hours of planned care and support, alongside the wellbeing service consisting of a 24-hour care staffing presence, has to date been managed through a block contract approach of 458 hours per week in total. Care and support at Assisi Place continues to be of a high quality. The service was assessed to be good overall when last inspected by the Care Quality Commission on the 15<sup>th</sup> January 2019. The service achieved 'Good' in each of the five domains, these being: Safe; Effective; Caring; Responsive, and; Well-led.
- 2.3 The Laureates is a 62 unit extra care scheme sited in Guiseley. The site was developed by Anchor, the Registered Social Landlord, in agreement with Leeds City Council and officially opened in 2009. Leeds Adults and Health hold nomination rights to 16 of the 62 apartments. The hours of planned care and support, alongside the wellbeing service has to date been managed through a block contract approach of 203 hours per week in total. Care and support at The Laureates continues to be of a high quality. The service was assessed to be good overall when last inspected by the Care Quality Commission on the 6<sup>th</sup> October 2017. The service achieved 'Good' in each of the five domains, these being: Safe; Effective; Caring; Responsive, and; Well-led.
- 2.4 Yew Tree Court and Rosewood Court is a 65 unit extra care scheme sited in Moor Allerton in North East Leeds. The site was developed by MHA, the Registered Social Landlord, in agreement with Leeds City Council and first opened in December 2004. Leeds Adults and Health hold nomination rights to 60 of the 65 apartments. The hours of planned care and support, alongside the wellbeing service has to date been managed through a block contract approach consisting of 733 hours per week in total. Care and support at Yew Tree Court and Rosewood Court is rated good overall, with the last Care Quality Commission inspection taking place on the 12<sup>th</sup> April 2018. The service achieved 'Good' in four of the five domains, these being: Safe; Caring; Responsive, and; Well-led. The service was marked 'Requires improvement' under the domain titled 'Effective'.
- 2.5 A new model for commissioning extra care services was introduced at Wharfedale View in Yeadon as part of the development of that scheme. This model moves away from the block contract approach to one where the care provider invoices for actual planned care and support delivered. The wellbeing component is also managed

differently when compared to the block model, with income drawn from each apartment via direct arrangements between the care provider and the tenants.

### **3. Main issues**

- 3.1 The current contracts were set in place through the waiving of Contracts Procedure Rules on the 4<sup>th</sup> April 2019. In all instances the waivers were to accommodate further work on how best to approach the commissioning of hours at each scheme in light of wider developments in extra care commissioning, namely the Leeds Model of Extra Care. Once an overall model is finalised officers will move on to setting in place contract agreements utilising the negotiated procedure method. Final recommendations for the award of contracts will be made via a significant operational decision.
- 3.2 The Leeds Model of Extra Care departs from the block purchasing approach historically used for extra care services to one where the supplier invoices for the hours of planned care and support delivered. Officers have engaged in work in evaluating how the model operates in comparison to the block approach. This work spans several extra care schemes, the majority of which are referenced in this report, and is still ongoing.
- 3.3 All reports produced in connection to this work have stipulated that officers would, wherever possible, endeavour to ensure: a zero impact on existing tenants; provide evidence that value for money is achieved, and; ensure the Council's commitment to the Unison Ethical Care Charter and a real living wage is included. These commitments continue to remain relevant.
- 3.4 The 6-month time frame of the extension provides a limited time to address the model, agree the way forward and implement any resulting changes into the existing service. The aim of officers will be to complete all necessary work within the allotted time.

### **4. Corporate considerations**

#### **4.1 Consultation and engagement**

- 4.1.1 The Executive Member for Adults, Health and Wellbeing has been briefed as of 19<sup>th</sup> September 2019 on the proposals to utilise the 6-month extensions to continue with existing arrangements at Assisi Place, The Laureates and Yew Tree and Rosewood.
- 4.1.2 Any future ensuing commissioning activity or changes to service arrangements will involve consultations with the providers, service users, carers and other stakeholders as identified as part of any review.

#### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 An Equality and Diversity Impact Assessment Screening Tool has been completed to cover the decisions in this report and is included at Appendix 1. The outcome of the assessment is the conclusion that the services meet the desired equality requirements.
- 4.2.2 Appropriate policies and procedures are in place with the providers for each scheme.

### **4.3 Council policies and the Best Council Plan**

- 4.3.1 The work of extra care services helps contribute to all of 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 main domains of the Best City Priorities as stated in the Best Council Plan 2019/20-2020/21 that this extension contributes towards are 'Health and Wellbeing' and 'Age-Friendly Leeds'. The contract works towards achieving the outcomes: 'Be safe and feel safe'; 'Enjoy happy, healthy and active lives', and; 'Live with dignity and stay independent as long as possible'.

#### Climate Emergency

- 4.3.3 In March 2019 Leeds City Council unanimously declared a climate emergency. In response to this emergency the Council is working towards carbon neutrality by 2030. The plan to achieve this goal includes: reducing pollution and noise; improving air quality, and; promoting a less wasteful, low carbon economy. Extra care services such as those covered in this report contribute towards this by having a site based care team deliver care and support to individuals without the need for staff to drive between visits or utilise multiple vehicles to provide visits to individuals living within close proximity of one another.

### **4.4 Resources, procurement and value for money**

- 4.4.1 The total value of each decision covered by this report is:
- Assisi Place at £162,757.50 for the 6-month period.
  - The Laureates at £65,550.00 for the 6-month period.
  - Yew Tree and Rosewood at £228,208 for the 6-month period.
- 4.4.2 The funding to meet each of these commitments is included within the 2019/20 budget.
- 4.4.3 When considering value for money, the most relevant comparison for extra care is a residential-type service. This is due to both services sharing commonalities around staffing costs, with both extra care schemes and residential homes requiring adequate care staffing to ensure a feasible 24-hour presence. In Leeds in 2019/20 the standard weekly cost of residential care to the Council is £539 per person. The cost per person per week for comparison at each of the schemes covered by this report is: £249.80 at Assisi Place; £193.47 at The Laureates, and; £194.59 at Yew Tree and Rosewood. These values are based on demand figures for the four week period ending 23<sup>rd</sup> June 2019.
- 4.4.4 There will be some resource implications in terms of monitoring the existing contracts as well as establishing new arrangements for future service delivery post March 2020. These resources will be provided from within existing hours in the Adults & Health integrated commissioning and contracts teams.

## **4.5 Legal implications, access to information, and call-in**

- 4.5.1 In the instances of Assisi Place and Yew Tree and Rosewood the annual values for each decision is over £100,000 but below £500,000 making these significant operational decision and therefore not subject to call in. The Laureates is below £100,000 and is therefore an administrative decision and not subject to call in. This report does not contain any exempt or confidential information under the Access to Information Rules.
- 4.5.2 Contract Procedure Rule 21.1 allows a contract to be extended before its expiry date where it is in accordance with its terms and proves to deliver value for money.
- 4.5.3 Although there is no overriding legal obstacle preventing the extension of these contracts the contents of this report should be noted. In making their final decision, the Director of Adults and Health should be satisfied that the course of action chosen represents best value for the Council.

## **4.6 Risk management**

- 4.6.1 If the request to utilise the in-built extension periods is not approved there is a risk that the existing services will cease and service users will no longer have the protection rights under a formal Local Authority contract.
- 4.6.2 If the extension periods are not approved there will not be sufficient time to resolve the issues highlighted in this report. This may result in future contracting arrangements that are not fit for purpose.

## **5. Conclusions**

- 5.1 By approving the requests to utilise the in-built contract extensions, service provision will be maintained and continue to be delivered in line with signed contract agreements. The contract extensions will ensure no disruption to current services, which are delivering high quality outcomes for the Council and service users of the service.
- 5.2 Throughout the 6 month extension periods, the contracts will continue to be closely contract managed to ensure robust performance monitoring and value for money is being achieved for the Council.

## **6. Recommendations**

- 6.1 The Director of Adults and Health is recommended to approve the extension of the contract 'Extra Care Housing – Assisi Place' (contract DN404564) under Contract Procedure Rule 21.1 for a 1 x 6 month period commencing 1st October 2019 to 31st March 2020 with Methodist Homes (MHA). The total value of this decision is £162,757.50.
- 6.2 The Director of Adults and Health is recommended to approve the extension of the contract 'Extra Care Housing – The Laureates' (contract DN404629) under Contract Procedure Rule 21.1 for a 1 x 6 month period commencing 1st October 2019 to 31st March 2020 with Anchor Hanover. The total value of this decision is £65,550.00.
- 6.3 The Director of Adults and Health is recommended to approve the extension of the contract 'Extra Care Housing – Yew Tree and Rosewood' (contract DN404600)

under Contract Procedure Rule 21.1 for a 1 x 6 month period commencing 1st October 2019 to 31st March 2020 with Methodist Homes (MHA). The total value of this decision is £228,208.00.

- e) For reference, funding for each of these services will be met through existing provision within the Adults and Health budgets.

## **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.