



Report of the Deputy Director of Integrated Commissioning

Report to the Direct of Adults and Health

Date: 23rd September 2020

Subject: To seek approval to award a five year contract to Housing 21 for the provision of extra care services at Box Tree Court, Boston Spa.

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 type="checkbox"/> Yes <input checked="" 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: 10.4 (3) Appendix number: Two Tender Evaluation Summary	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary

1. Main issues

- Box Tree Court is a new extra care scheme opening this summer in Boston Spa. It has been developed on the site of the former Primrose Hill Home for Older People. The provider Housing 21 owns and will operate the scheme that comprises of 44 apartments, 18 of which (40.9% of the scheme) are earmarked as affordable rent and available to the Adults and Health directorate through a nominations agreement. The remaining 26 apartments are marked for sale under a shared ownership scheme.
- On the 19th February 2020 a report requesting authority to undertake a direct award to Housing 21, in accordance with CPR 9.5, to deliver a five year contract for the provision of extra care services at Box Tree Court was approved. The contract will follow the Leeds Model for Extra Care, where the Council sets in place an agreement that governs the nature of the onsite care team with all services then being directly purchased from the provider by service users through a combination of direct payments, managed budgets and the service users' own means. This request was approved by the Director of Adults and Health, following which commissioning officers commenced the process of undertaking the direct award.
- In order to provide sufficient confidence in the quality of service provision offered by Housing 21, commissioning officers requested that Housing 21 complete a series of method statement responses. This entailed the organisation responding to six

questions focusing on the quality of their service provision, the contents of which will form part of the contract.

- A panel consisting of officers from within the Adults and Health Integrated Commissioning Team was convened and the submission scored using the council's standard scoring mechanism used in procurement exercises. The outcome of this process is the recommendation to award a contract to Housing 21 in accordance with the approval made by the Director of Adults & Health on 19th February 2020 noting that there are no requirements for an improvement plan around the quality of care proposed, based on the submission scored. For reference, the scores achieved by the provider are included in the confidentially marked Appendix 2.
- The contract to be awarded is a five year contract with a nominal value of £20 per annum, £100 over the course of the full contract period. The contract provides further opportunity for income through planned care and support that may be paid for by Leeds City Council through the handling of managed budgets. This income was previously estimated to be £480,792.00 for the full five years based on potential planned care hours calculated to be around 120 hours a week. In line with uplifts applied to extra care services as part of the 'Annual Fee Review for Externally Commissioned Adult Care Services – 2020-2021' report the value has been revised to £99,715.20 per annum (£498,576.00 for the full five years) based on a new hourly rate of £15.98.
- While the onsite care team will be provided by Housing 21, this does not restrict an individual's ability to select a provider of choice for any planned care and support.
- The award of this contract is not subject to the Public Contracts Regulations 2015 due to its value falling below the EU threshold of £663,540 for services of this nature.
- The services covered in this report will fall under the Council's commitment made when signing up to Unison's Ethical Care Charter and the finalised contract will reflect this.

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

- The contract will contribute towards the Best City Priorities of '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'.

3. Resource Implications

- The total value of the actual contract is £100 (based on a nominal value of £20 per annum for five years), with access to an estimated potential income of £498,576.00 from Leeds City Council through direct payments or managed budgets across the lifetime of the contract. There will most likely be an annual increase in the value of the potential income over the lifetime of the proposed contract as part of the council's commitments under the Unison Ethical Care Charter. Any increase in value will be addressed as part of future budget reports covering service uplifts.
- Officer time will be necessary in order to monitor and review the contract prior to it being recommissioned. 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 contract award to Housing 21 for a five year contract commencing 1st October 2020 for the provision of care services at the extra care scheme located at Box Tree Court, Boston Spa. The contract itself will be for £100, with an estimated potential income of £498,576.00 payable to Housing 21 through direct payments and/or managed budgets over the lifetime of the contract.
- b) Officers on behalf of Integrated Adults Commissioning will be responsible for monitoring the contract for its duration.

1. Purpose of this report

- 1.1 To seek approval under a significant operational decision to award a contract to Housing 21 for the provision of extra care services at Box Tree Court, Boston Spa where Leeds City Council hold nomination rights for 18 apartments. The contract is to commence, following final approval to award, from 1st October 2020 expiring on 30th September 2025. This decision is a direct consequence of the previously approved request to undertake a direct award to Housing 21 approved by the Director of Adults and Health on 19th February 2020, in accordance with CPR 9.5, to deliver a five year contract for the provision of extra care services at Box Tree Court.

2. Background information

- 2.1 Housing 21 acquired the former Primrose Hill site as part of a capital receipts funded programme to develop social housing in Leeds. Following the approval of funding, Housing 21 proceeded to redevelop the former Primrose Hill site into the Box Tree Court extra care scheme.
- 2.2 The scheme consists of 44 apartments in total, to which Leeds City Council holds nomination rights to 18 of those apartments. In terms of service provision, Housing 21 cover both the housing and care components. For the first year of service the council will hold nomination rights to 100% of properties with this reducing to 75% after the first year. The nomination rights agreement is for 60 years.
- 2.3 A report requesting officers undertake a direct award to Housing 21, in accordance with CPR 9.5, to deliver a five year contract for the provision of extra care services at Box Tree Court, Boston Spa was submitted for delegated decision to the Director of Adults and Health and was approved on the 19th February 2020 (delegated decision reference D50597). This report outlined how the grant agreement set in place as part of the Right to Buy process recognised Housing 21's power to own its assets and its right to do business there, with Leeds City Council having access through a nominations agreement. This agreement was set in place 25th September 2018 following approval of the Right to Buy grant by Executive Board obtained from a report by the Director of Resources and Housing dated 19th April 2017.
- 2.4 Following the approval of this request, commissioning officers commenced the necessary work needed to undertake the direct award. This included completing a service specification working to the Leeds Model for Extra Care, along with the necessary terms and conditions. Officers then compiled the quality questions and

completed all further necessary procurement work with the support of officers in Procurement and Commercial Services. A method statement evaluation process was then undertaken by a panel of officers from the Commissioning team.

2.5 Box Tree Court is scheduled to open 1st October 2020, with tenants moving in soon afterwards.

3. Main issues

3.1 The contract is to be awarded as a direct award under CPR 9.5 due to the reasons laid out in the background information of this report and the previous request to undertake a direct award report dated the 19th February 2020. Housing 21 was invited via YORtender to submit a method statement outlining how they would meet their contractual obligations at the scheme in line with the service specification supplied. This submission was made to the deadline of the 20th July 2020 following publication via direct invite on the 3rd July 2020. This submission was evaluated and scored on the 22nd July 2020 by a panel of three officers from the Integrated Adults Commissioning Team.

3.2 The submission from Housing 21 outlines how they will meet the required outcomes of the service specification for the delivery of extra care at Box Tree Court by responding to six outcomes focused questions. These questions were assessed individually by 3 panel members from the integrated commissioning team, following which an assessment panel took place for officers to agree upon the consensus scores. No minimum score threshold was set for any of the six questions due to the nature of the process of engaging with just the one provider, however no concerns arose during the evaluation and scoring process. Overall the panel was assured that the provider will meet the requirements as laid out in the service specification.

3.3 The method statement was evaluated in accordance with the instructions set out in the invitation issued to Housing 21 and covered information around 5 qualitative questions and a sixth question on social value for Housing 21 to respond to. Points for each of the questions were allocated, with 900 points for quality and a further 100 points allocated to the statement on social value. The method statement questions and their allocated points breakdown as follows:

- How the provider would generally meet the outcomes detailed within the specification (200 points);
- How the provider would ensure they have a skilled and stable workforce within the service (200 points);
- How the provider would ensure that the service will be delivered in a safe and person centred approach (200 points);
- How the provider would deliver a holistic 'one service' approach to care and housing (150 points);
- How Box Tree Court would integrate into the wider community of Boston Spa (150 points), and;
- How as a service they would incorporate social value with particular thought given to the values held by Leeds City Council (100 points).

3.4 A SCAF was also submitted by Housing 21 to provide confirmation that the organisation has robust financial processes in place.

3.5 Following the panel meeting it was agreed that the information submitted by Housing 21 evidenced that they could meet the requirements of the service specification. Commissioning officers will continue to liaise with staff from Housing

21 throughout the mobilisation period and early stages of the service to ensure that robust quality processes are in place.

- 3.6 An hourly rate of £15.98 for the delivery of care within the Housing 21 scheme has been agreed with the provider for 2020/2021. The hourly rate has potential to increase during the lifetime of the contract in accordance with annual uplifts to ensure a commitment to provide an ethical wage within care services in the city.
- 3.7 To provide an estimation of potential income to Housing 21 for the scheme in relation to the 18 properties which Leeds City Council holds nomination rights for, it has been calculated that an average of 120 hours care per week could be provided within these properties.
- 3.8 The scheme will operate based on a balanced community in terms of care requirements, split across high, medium and low levels of need. To estimate annual income commissioning officers have calculated this to be 8 apartments requiring higher care (40%) and 5 apartments requiring medium and lower levels of care (30% each). High care needs are estimated at 10 hours per week, medium 6 hours per week and low as 2 hours per week. This leads to an estimated prediction of 120 hours per week care over the 18 rental properties. These payments will be made by residents through either direct payments or managed budgets held on their behalf by the Council.
- 3.9 There will also be care and support needs in the shared ownership properties within the scheme, some of which may also be met through the planned care and support budget. As is standard for extra care, there will be a 24/7 care staffing presence. This onsite staffing presence will be able to respond to unplanned care needs and alerts raised by the in-built digital call system. All calculated hours are an estimate and do not represent any guarantee of hours or of demand, as individuals may express their right to choice and elect to go with a different provider for their planned support.
- 3.10 In addition to income through planned care and support, there will be a weekly wellbeing charge payable directly by individual tenants via their own means. This charge per apartment will be £48.81 per week. The weekly wellbeing charge is in relation to the cost of the onsite staffing presence, 24 hours a day 7 days a week. The provision of this service is to enhance 'peace of mind' for the tenants at the scheme and ensure a response is available in relation to alarm cord and pendant alerts. While this weekly charge is not paid for by Leeds City Council, the specification does request that the provider be mindful of the means people may have to cover it, i.e. through Attendance Allowance or equivalent.
- 3.11 Housing 21 is a social housing provider for older people and is regulated by both the Regulator of Social Housing and the Care Quality Commission. Officers from Integrated Adults Commissioning will also monitor the service in line with the contract and regular monitoring processes.
- 3.12 A vetting process has been undertaken in respect of Housing 21, which included undertaking checks to ensure that they have the required levels of insurance in place and that they hold appropriate Health and Safety and Safeguarding policies, all of which have been assessed as satisfactory.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Officers have engaged with Housing 21 following the initial approval for a direct award up to commencing the procurement process.
- 4.1.2 Engagement has also included linking both Housing 21 and the integrated health and social care team based in Wetherby in relation to the nominations process for the 18 apartments.
- 4.1.3 The Executive Board Member for Health, Wellbeing and Adults was briefed on the 6th February 2020 regarding the original recommendation to make a direct award. A briefing relating to the actual award of the contract was held on the 8th September 2020.

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 service meets the desired equality requirements.
- 4.2.2 Engagement with Housing 21 has evidenced that there are appropriate policies and procedures in place within the organisation.

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 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 This contract contributes towards the 'Best City' priorities of 'Health and Wellbeing'; 'Age-Friendly Leeds', and; 'Housing', all highlighted as part of the Best Council Plan 2020-2025. In particular the contract helps contribute towards achieving the outcomes:
 - Supporting self-care, with more people managing their own health conditions in the community;
 - Working as a system to ensure people get the right care, from the right people in the right place;
 - Promoting opportunities for older people to be healthy, active, included and respected;
 - Providing the right housing options to support older and vulnerable residents to remain active and independent.

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 the one 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 actual value of the contract will be £100 for the full five years. This is a nominal payment between Leeds City Council and Housing 21 for contractual purposes. The potential cost to the Council through either Direct Payments or managed budgets is estimated to be £498,576.00 across the full five years (£99,715.20 per annum). This total has been reached based on the following factors:
- Leeds City Council will hold nomination to 18 out of 44 apartments.
 - The apartment care ratio split will be 40% high (8 apartments), 30% medium (5 apartments) and 30% low (5 apartments).
 - These ratios will have care allocations averaging 10 hours a week for high, 6 hours a week for medium and 2 hours a week for low. Giving a total of 120 hours of care per week across all 18 apartments.
 - The hourly rate confirmed with Housing 21 is currently set at £15.98.
- 4.4.2 The above costs are to be met as part of the home care budget, reflecting the nature of the service being delivered.
- 4.4.3 The annual costs linked to the contract will increase in line with any agreed adjustments made as part of the Council's commitment to becoming an accredited Living Wage Employer. The funding to meet this probable future pressure will be addressed through the Council's Medium Term Financial Strategy, which gives consideration to committing to a real living wage.
- 4.4.4 Housing 21's rate of £15.98 per hour compares favourably with the home care rate. It is competitively priced in comparison to the urban rate (£17.40 per hour), which is the standard rate extra care is benchmarked against in light of the low to nil travel costs and down time between visits.
- 4.4.5 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 2020/21 the standard weekly cost of residential care to the Council is £559 per person. The cost per person per week for comparison at Box Tree Court is calculated to be £106.24. This value is based on the projected demand figures used to reach the annual value.
- 4.4.6 There will be some resource implications in terms of monitoring and reviewing the contract in order to ensure the service continues to meet the necessary outcomes and that it delivers best value. These resources will be provided from within existing hours in the Adults & Health integrated commissioning and contracts teams.
- 4.4.7 The services covered by this contract award fall under Leeds City Council's duties and powers to meet needs for care as stipulated in the Care Act 2014.

Commissioning officers have worked to ensure that the financial impact of this decision is at the most favourable price and have engaged with colleagues within the Finance Team in doing so. Any future adjustments to rates associated to this contract will be made at the minimum cost possible to meet the specific requirements of the contract and any commitments made by Leeds City Council, such as commitments made under the Unison Ethical Care Charter. The recommendation to award a contract of five years is in line with the original request approved in February 2020 and is made in recognition of the long term nature of care and support and the importance of stability and consistency within these services.

4.4.8 The actual value of the contract will be £100 for the full five years. This is a nominal payment between Leeds City Council and Housing 21 for contractual purposes. The potential cost to the Council through either Direct Payments or managed budgets is estimated to be £498,576.00 across the full five years (£99,715.20 per annum). Any potential reduction of the council's budget over the duration of this contract will not have an impact on the contract continuing as all of the payments, less the £100 nominal payment, will be made through Direct Payments or managed budgets which are personal to the specific individual and will not be affected by the council's financial position.

4.4.9 Prior consultation regarding the award of this contract has taken place with the Deputy Director Integrated Commissioning, Head of Finance and Category Manager within Procurement and Commercial Services, who consent to the award of the contract based upon the contents of this report. The Head of Finance has confirmed that the required budget will be in place for the duration of the contract.

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

4.5.1 The procurement process has been undertaken in accordance with the council's Contracts Procedure Rules and the Public Contract Regulations 2015.

4.5.2 As the annual value of this decision is over £100,000 but below £500,000 this is a significant operational decision and is therefore not subject to call in.

4.5.3 Appendix 2 provides a summary of the evaluated submission and scores awarded. This document is identified as confidential as per the Access to Information Procedure Rules 10.4 (3). This rule states that information relating to financial or business affairs is exempt if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. For clarity, "financial or business affairs" includes contemplated, as well as past or current, activities. In this instance, the information contains details about the systems, processes and management of the relevant organisations which are sensitive by their nature.

4.6 Risk management

4.6.1 If the recommendations as laid out in this report are not approved there is a risk that individuals could be nominated to the scheme with no contractual agreement in place to ensure they receive quality care and that their rights are protected. The only option would be to utilise spot arrangements, which do not contain any instruction as to how a 24/7 care staffing presence should function.

4.6.2 If the recommendations are not approved there will be no framework in place for Housing 21 to work to in the interest of ensuring a quality service.

5. Conclusions

5.1 Box Tree Court extra care housing scheme is scheduled to open at the end of September 2020, where Leeds City Council will hold nomination rights to 18 apartments within the scheme available at an affordable rent.

5.2 The award of the five year contract will formalise the arrangements between Leeds City Council and Housing 21 to ensure service provision at a sufficient quality for the residents of the scheme.

5.3 Officers on behalf of the Integrated Adults Commissioning Team have shown due diligence in the commissioning, evaluation and recommendation to award a contract as covered by this report.

6. Recommendations

6.1 The Director of Adults and Health is recommended to approve the contract award to Housing 21 for a five year contract commencing 1st October 2020 for the provision of care services at the extra care scheme located at Box Tree Court, Boston Spa. The contract itself will be for £100, with an estimated potential income of £498,576.00 payable to Housing 21 through direct payments and/or managed budgets over the lifetime of the contract.

6.2 Officers on behalf of Integrated Adults Commissioning will be responsible for the monitoring of the contract for its duration.

7. Background documents¹

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.