



Report of the Deputy Director of Integrated Commissioning

Report to the Direct of Adults and Health

Date: 28th October 2020

Subject: Request 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 Lady Ida Lodge, Cookridge and authority to procure an approved framework agreement of providers for extra care.

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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

1. Main issues

- Lady Ida Lodge is a new independent extra care scheme scheduled to open in Cookridge, North West Leeds in January 2021. The scheme comprises of 63 apartments, 29 of which (45.3% of the scheme) are earmarked as affordable rent and available to Leeds City Council. It has been developed by Housing 21 at the former Ida Arthington Hospital building on what was the NHS owned Cookridge Hospital site. Both the housing management and care provision for the scheme is covered by Housing 21, which is reflective of the model they operate at their other schemes.
- As the Council will be accessing affordable rented apartments at the site it is necessary to ensure suitable arrangements are in place to manage the delivery of any planned care and support picked up by the onsite provider. To do this commissioning officers are looking to set in place a contract with Housing 21 via a direct award in accordance with Contract Procedure Rule (CPR) 9.5. This contract will be in line with the Leeds Model for Extra Care and will set out the quality expectations of the Council in terms of planned care and support, as well as what we would expect from the independently funded 24/7 wellbeing coverage.
- Commissioning officers are looking to make a direct award in this instance due to the absence of any overarching framework agreement through which to manage this

type of scenario. This represents the second instance this year of this taking place for a new scheme coming to market within the city. Previously there was little justification for establishing such a framework agreement, however market trends appear to indicate that this will continue to grow. A direct award in line with CPR 9.5 is the means commissioning officers are utilising on this occasion, with further work to take place to establish a framework agreement for the city to help manage the process of engaging with future providers where similar circumstances apply, e.g. a new or existing scheme with its own arranged onsite care presence and the presence of affordable rent apartments.

- 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 is estimated to be £756,174 for the full five years based on potential planned care hours calculated to be around 182 hours a week. This is based on a hourly rate of £15.98.
- Commissioning officers will also commence the work necessary to establish an open framework of approved providers to help streamline and manage future instances of the independent extra care market looking to engage with Leeds City Council. This framework agreement will establish the Council's expectations and how these would be met in line with the Leeds Model for Extra Care. It will also provide the means for providers to inform themselves of our nominations processes and rates for extra care. All care and support that will be commissioned through this framework agreement will be support that would otherwise have been covered through home care in the community or residential placements, depending on the level of assessed support needs. This framework agreement is to be in place in 2021.

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

- The contract and wider extra care work will contribute towards the Best City Priorities of 'Health and Wellbeing' and 'Age-Friendly Leeds'.
- Both 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

- The total value of the actual contract is £100 (based on a nominal value of £20 per annum for five years) for contractual purposes, with access to an estimated potential income of £756,174 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.
- With regards to the framework agreement of providers it is more difficult to provide an accurate estimate of expenditure that will be managed through this list. If 2020/21 represented a typical year, with 47 apartments coming to market at a cost of £15.98 per hour then the annual value of the framework agreement could grow by £250,950

per annum. This is expenditure that would otherwise have taken place as comparably more expensive home care or residential fees.

- 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 a contract award in accordance with CPR 9.5 to Housing 21 for a five year contract commencing 1st January 2021 for the provision of care services at the extra care scheme located at Lady Ida Lodge, Cookridge. The contract itself will be for £100, with an estimated potential income of £756,174 payable to Housing 21 through direct payments and/or managed budgets over the lifetime of the contract. Officers on behalf of Integrated Adults Commissioning will be responsible for monitoring the contract for its duration.
- b) The Director of Adults and Health is recommended to approve the authority to procure a framework agreement of approved providers for extra care for the city with the view to having this in place for 2021. Authority to go to market will be sought as a separate decision once the full model has been finalised. There will be no cost to the council other than through the use of direct payments and managed budgets for the purchasing of planned care and support through extra care. Based on 2020/21 market growth this is predicted for reference purposes to be approximately £250,950 per annum.

1. Purpose of this report

- 1.1 To seek approval under a key decision for a direct award to Housing 21 for the provision of extra care services at Lady Ida Lodge, Cookridge where Leeds City Council has access to nominate to 29 apartments out of a total of 63 apartments. The contract is to commence from the 1st January 2021 expiring on 31st December 2025, though these dates may slip depending on completion of the current construction works. This direct award is to be made in accordance with CPR 9.5 and is to facilitate the provision of extra care services at Lady Ida Lodge for the five year contract.
- 1.2 This report also seeks the authority to procure an approved providers list for extra care to the city with the aim of simplifying and managing the process of engaging with new providers going forward. This approved list is to be developed with the aim of having it up and running for 2021.

2. Background information

- 2.1 Lady Ida Lodge is the new independent extra care scheme which has been developed in the former Ida Arthington Hospital building and is scheduled to open in January 2021. Housing 21 own and will operate both the housing management and care provision for the scheme that now comprises of 63 apartments, 29 of which (45.3% of the scheme) are earmarked as affordable rent and available to Leeds City Council.

- 2.2 Ida Arthington Hospital building is part of the former Cookridge hospital and grounds in the Weetwood Ward, North West Leeds. The site, which was formerly owned by the NHS, had been subject to development and planning discussions since its original closure in 2008. As part of the planning application process a bid was submitted to panel by Chartford Arthington Ltd on the 24th May 2012 proposing a range of residential and social housing provision, including the development of, at that time, a 56 unit extra care scheme of which a number of the units would be allocated as social rented provision. The inclusion of these affordable rent apartments that would be developed by Housing 21 was a key element of the proposal.
- 2.3 This is the second extra care scheme that Housing 21 have recently developed in the city, with the first being Box Tree Court in Boston Spa. For this scheme officers utilised a direct award process after obtaining approval on the 19th February 2020. The contract established was in line with 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.
- 2.4 The independent extra care market appears to continue to grow in Leeds. This presents the likelihood that scenarios such as Lady Ida Lodge, where a provider with an existing service in place looks to offer the council nominations into that service, will increase.

3. Main issues

- 3.1 The contract relating to Lady Ida Lodge is to be awarded as a direct award under CPR 9.5 as the circumstances see Leeds City Council accessing Housing 21's services through the nominations process. The core reasons for this direct award are: Housing 21's business model sees the core care staffing presence in their extra care schemes covered by themselves; the affordable rent apartments allocated for Leeds City Council will see us engaging with that service for a significant number of placements; the contract allows the council to stipulate its reasonable expectations of such a service, and; allows a smooth process for placements to be made due to having an agreement in place with the onsite provider.
- 3.2 Undertaking an award of this nature does not infringe on individuals' rights to select any provider of their own choosing for planned care and support, though the onsite staffing presence will be covered by Housing 21. The award sets in place an overarching context of the quality and delivery expected of the provider who is established as part of the scheme, with Housing 21 being that provider in line with their business model.
- 3.3 General experience of other extra care schemes is that individuals tend to go with the onsite provider for their planned care and support and so undertaking a direct award with that provider contractually formalises arrangements to help manage this. It does not guarantee any planned care and support hours as individuals continue to still have the right to choose who they wish as their provider, however it does help provide an indicative context of the potential engagement that may take place.
- 3.4 It is necessary for commissioning officers to engage CPR 9.5 to make a direct award of contract in these scenarios where an extra care scheme will either have or does have its own care provision in place. This helps to ensure that the engagement with the provider is in line with our own procurement standards and

that the quality of the service can be more easily held to account and clearly stipulated.

- 3.5 Housing 21 has recently undergone engagement with commissioning officers for services at another extra care scheme called Box Tree Court, situated in Boston Spa. This engagement saw Housing 21 provide evidence of their suitability and capability of meeting the expectations set out by commissioners in a service specification written in line with the Leeds Model for Extra Care. Overall commissioning officers were assured that the provider will meet the requirements as laid out in the service specification. The award for extra care provision at Lady Ida Lodge will be made based upon the existing work already undertaken with Housing 21 in formalising an identical contractual arrangement for Box Tree Court.
- 3.6 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.
- 3.7 The contract 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 is estimated to be £756,174 for the full five years based on potential planned care hours calculated to be around 182 hours a week. This is based on a hourly rate of £15.98 for 2020/21. 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.
- 3.8 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.
- 3.9 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 11 apartments requiring higher care (40%) and 9 apartments requiring medium and 9 requiring 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 182 hours per week care over the 29 rental properties. 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 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 demand and alerts raised by the in-built digital call system.
- 3.11 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. 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.

- 3.12 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.
- 3.13 To date commissioning officers have made direct awards in accordance with CPR 9.5 for extra care schemes where there is either an established or known provider. As there appears to be a growing extra care market in Leeds it is logical to utilise market engagement to establish an open approved providers list for the city to manage this process going forward. This will incorporate the existing Leeds Model for Extra Care service specification, terms and conditions and the nominations agreement we would expect providers to adhere to if engaging with the council.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Officers have engaged with Housing 21 in relation to the scheme at Lady Ida Lodge as well as in general in relation to the growing portfolio of extra care schemes.
- 4.1.2 Engagement has also included linking both Housing 21 and the integrated health and social care team based at Holton Park in relation to the nominations process for the 29 apartments.
- 4.1.3 The wider independent extra care market will be engaged with as part of the process of establishing the citywide open approved providers list.
- 4.1.4 The Executive Board Member for Health, Wellbeing and Adults was briefed on the 22nd October 2020 regarding this intention to make a direct award and further market engagement.

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 helps to demonstrate 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.

4.3.3 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. This includes both the direct award for Lady Ida Lodge as well as the wider development of the open framework agreement.

Climate Emergency

4.3.4 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 £756,174 across the full five years (£151,234.72 per annum). This total has been reached based on the following factors:

- Leeds City Council will hold nomination to 29 out of 63 apartments.
- The apartment care ratio split will be 40% high (11 apartments), 30% medium (9 apartments) and 30% low (9 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 182 hours of care per week across all 29 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 Work around establishing an open approved list for extra care is currently based on the assumption of 47 apartments coming to market from the independent sector in a year. This is reflective of the growth witnessed in 2020/21 through engagement with Housing 21. Assuming a similar hourly rate of £15.98 that would see the value of planned care and support being managed through the list growing at £250,950 per annum. This is expenditure that would still have taken place, either as home care in an individual's own home or as residential placements.
- 4.4.6 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 Lady Ida Lodge is calculated to be £106.24. This value is based on the projected demand figures used to reach the annual value.
- 4.4.7 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.
- 4.4.8 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 done in recognition of the long term nature of care and support and the importance of stability and consistency within these services.
- 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 and the commencement of work to establish a framework agreement of approved providers 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 award of this contract is not subject to the Public Contracts Regulations 2015 due to its actual value of £100 falling below the EU threshold of £663,540 for services of this nature. The report is however submitted as a key decision due to the indicative value of potential income that could be generated through direct contracting arrangements with nominated individuals, either managed through Direct Payments or authority managed budgets. As a key decision this report is subject to call in.

- 4.5.2 The award of contract will be undertaken in accordance with the council's Contracts Procedure Rules.
- 4.5.3 Awarding a new contract direct to Housing 21 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, the requirement to be physically located in Leeds and the fact that we must utilise the on-site care provision, as well as the move to ultimately further empower individual choice over the provider of planned care and support, 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 the potential risk of challenge that there are no real technical reasons justifying the direct contract award, and that the Council is simply seeking to circumvent the application of procurement rules. However, due to the reasons set out in Section 3 of this report this risk is perceived to be low.
- 4.5.6 These comments should be noted by the Director of Adults and Health in making the final decision as to the award of this contract to Housing 21 being the best course of action for the Council and that in doing so it represents best value for the Council.
- 4.5.7 Future decisions arising from this report, for example the decision to award the framework agreement of approved providers for extra care, will be treated as a consequence of this key decision and will therefore be a significant operational decision at most which will not be subject to call in

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 instruction in place for Housing 21 to work to in the interest of ensuring a quality service.
- 4.6.3 If the recommendation to establish an open approved providers list is not approved then there is a high probability that the process to engage with providers will continue to be on an ad hoc basis and therefore less efficiently managed.

5. Conclusions

- 5.1 Lady Ida Lodge extra care housing scheme is scheduled to open in January 2021 and Leeds City Council will hold nomination rights to 29 apartments at an affordable rent within the scheme.

- 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 will ensure all necessary contractual arrangements are in place for the delivery of service.
- 5.4 Work will commence on establishing a framework agreement of approved providers for extra care to help manage the growing market going forward. This is with the intent of having such a list in place for early 2021.

6. Recommendations

- 6.1 The Director of Adults and Health is recommended to approve a contract award in accordance with CPR 9.5 to Housing 21 for a five year contract commencing 1st January 2021 for the provision of care services at the extra care scheme located at Lady Ida Lodge, Cookridge. The contract itself will be for £100, with an estimated potential income of £756,174 payable to Housing 21 through direct payments and/or managed budgets over the lifetime of the contract. Officers on behalf of Integrated Adults Commissioning will be responsible for monitoring the contract for its duration.
- 6.2 The Director of Adults and Health is recommended to approve the authority to procure a framework agreement of approved providers for extra care for the city with the view to having this in place early 2021. Authority to go to market will be sought as a separate decision once the full model has been finalised. There will be no cost to the council other than through the use of direct payments and managed budgets for the purchasing of planned care and support through extra care. Based on 2020/21 market growth this is predicted for reference purposes to be approximately £250,950 per annum.

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.