

Report seeking authority to recommission a home independence and warmth service

Date: 22nd February 2023

Report of: Deputy Director of Public Health

Report to: Director of Public Health

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

Leeds City Council commissions a home independence and warmth contract which aims to improve health, wellbeing, and independence in the home by addressing risks associated with falling and / or warmth. The current contract expires on 30th September 2023 and approval is therefore being sought to procure a new service.

The proposal in this report directly contributes to the Best Council Plan's overarching vision of reducing health inequalities. It aims to provide the right housing options to support older residents to remain independent as well as improving energy performance in homes and reducing fuel poverty. The service also supports the Age Friendly Leeds priority of promoting opportunities for older people to be healthy, active, included, and respected.

Recommendations

The Director of Public Health is recommended to:

- a) Grant authority to procure the 'Home Independence and Warmth Service' utilising the Negotiated Procedure without Prior Publication of a Notice under Regulation 32 (2) (b) (ii) of the Public Contracts Regulations 2015, as these services can only be provided by Care and Repair (Leeds) in partnership with Age UK (Leeds) and Groundwork (Leeds) owing to the absence of competition for technical reasons. The award of the contract will be subject to the satisfactory completion of procurement and governance processes.
- b) Approve a contract period of 3 years commencing 1st October 2023 (with an option to extend for a period of up to 2 years in any combination).
- c) Approve the confirmed budget of £570,367 per annum which is £366,870 from Public Health and £203,497 from Communities, Housing and Environment; and
- d) Approve that a further £150,000 per annum funding from the Integrated Care Board, which is to be submitted to the Board for approval on 23rd February 2023, be allocated to this service should approval be granted; this would allow a maximum budget of £720,367 per annum and £3,601,835 for the overall contract period should the full extension be taken up. Should the Integrated Care Board not approve the additional funding then the award would

be £570,367 per annum. The utilisation of the extension period will be subject to a separate decision at the appropriate time and will be as a direct consequence of this decision.

- e) Note that a report will be submitted for approval at the end of the procurement process to approve the contract award, which will be a direct consequence of this key decision and will therefore be a significant operational decision and not be subject to call in.

What is this report about?

- 1 The current Home Independence and Warmth service was procured in 2018 and commenced on 1st October 2018, under the name of Home Plus (Leeds). It is delivered by Care and Repair (Leeds) in partnership with Groundwork Leeds and Age UK Leeds. The contract was awarded for a period of three years and in February 2021 the full extension period of 24 months was agreed; the contract therefore expires on 30th September 2023 with no further options to extend.
- 2 A review of the current need for this service in the city has been undertaken (appendix 1), led by a project team consisting of officers from Adults & Health Commissioning, Public Health, Adults Social Care, Sustainable Energy and Climate Change, LCH Falls ACP/Pathway Lead, Community Falls Service and the Procurement and Commercial Service (PACs), overseen by the Public Health Programme Board.
- 3 The review included a thorough desktop review of the current local and national evidence base and local population needs brought together into a Needs Assessment and Evidence Review Report; a consideration of the best practice in other areas of the country for this type of service; a summary of local consultation undertaken in recent years validating emerging national themes around older people and housing, including consideration of the State of Ageing in Leeds report; a summary of consultation of current clients, partners, stakeholders, contractors and workforce involved in the current service. The review has determined that there remains a need for this provision and that it is considered of benefit to the city by both clients and stakeholders.
- 4 The review also considered the Covid-19 pandemic and what was learnt about the impact of Covid-19 on the needs of older people and those with long term health conditions in the city; the current service played a key role in the city's response to the pandemic particularly continuing to offer support to those being discharged from hospital.
- 5 The service availability and scope will stay largely unchanged since the review found no significant case for alteration. Therefore, the service will continue to offer:
 - falls prevention measures, such as installing handrails, fixing trip hazards and providing equipment;
 - warmth and energy efficiency interventions, such as heating system improvements or repairs and installation of smaller works like draught proofing and radiator panels;
 - repairs of electrical, plumbing and threshold hazards; and
 - advice about energy efficiency, benefits and grants available for larger works.
- 6 Approval is being sought to procure a contract for a period of 3 years plus an extension of up to 24 months (to be taken in any combination). This is because:
 - the funding from Communities, Housing and Environment is only available for a period of 3 years initially with confirmation of an extension to this pot of funding to be sought at that time.
 - the contract length will provide stability to the provider and clients.
 - it would demonstrate commitment to city health priorities.
 - this is a preventative service which reduces the burden on the wider health system

- it provides stability to the provider/s and clients, and reduces disruption to service delivery and access.
- continuity of partnership working arrangements and pathways can be maintained thus improving overall outcomes for individuals.
- staff recruitment and retention will be easier because of longer terms of employment, greater job security and opportunities for development.

7 An options appraisal was carried out using the findings to consider procurement options for the service and in conjunction with Procurement and Commercial Services (PACS), it has been judged that only Care and Repair (Leeds) in partnership with Age UK (Leeds) and Groundwork (Leeds) is able to meet our requirements in terms of being a suitably qualified and experienced provider able to deliver the services required within the maximum budget envelope of £720,367 per annum if Integrated Care Board funds are approved, or £520,367 if they are not approved. As such, it is proposed that the contract be awarded to Care and Repair (Leeds) utilising the negotiated procedure without prior publication of a notice under the Public Contracts Regulations 2015 (Regulation 32 (2) (b) (ii)), instead of undertaking a competitive procurement exercise. The reasons for this are-

- The current providers of the Home Independence and Warmth Service in the city are Care and Repair (Leeds), Age UK (Leeds) and Groundwork (Leeds). All three organisations are vastly experienced at providing this type of service in the city with almost 100 years of combined experience in Leeds.
- Historically, Care and Repair (Leeds) and Groundwork (Leeds) were separately commissioned to provide the services which, through the commissioning exercise in 2018, were merged to create one Home Independence and Warmth Service for the city.
- A Market Sounding Exercise was undertaken in 2018 as part of the commissioning exercise which was undertaken mainly to test the new model and partly to gauge interest in the service from the market. 4 organisations provided a response to the exercise; 3 of which were only able to evidence any experience in fulfilling one element of the new model; and the final response was a joint response from Care and Repair (Leeds) and Groundwork (Leeds) which could evidence fulfilment of most of the model. Following the MSE Age UK (Leeds) joined the partnership to provide the final element which subsequently became the Home Plus model.
- The previous recommissioning exercise in 2018 was via an open tender and only Care and Repair (Leeds) in partnership with Age UK (Leeds) and Groundwork (Leeds) bid for the tender and following due diligence were subsequently awarded the contract. The 3 other organisations who responded to the Market Sounding Exercise did not bid for the tender.
- There are very limited numbers of Home Improvement Agencies (HIA) in the country likely to bid for this contract. Foundations, the national body which represents HIAs in the UK, state there are 148 HIA in the country, of these 101 are inhouse to their local council, 12 are independent, 29 are registered providers, and 6 are private sector. The 29 registered providers and 6 private sector companies offer mainly home adaptations but not the wider holistic service currently offered by Home Plus (Leeds). The 11 independent providers include 5 Care & Repair based organisations, and the remaining are not geographically near Leeds.
- Care and Repair (Leeds) is an independent, local based, Home Improvement Agency which serves Leeds and surrounding areas. Other Care & Repair agencies also work geographically and aim to be local services which build on local trust with clients.
- In the West Yorkshire area there are three inhouse local authority Home Improvement Agencies (Calderdale, Bradford and Wakefield) and Kirklees does not have a Home Improvement Agency. Only Home Plus (Leeds) offers these services within Leeds.

- Care and Repair (Leeds), Age UK (Leeds) and Groundwork (Leeds) have an excellent working relationship. All three organisations work well in partnership and have a proven track record of delivering a quality service for their clients.
 - There are no concerns with the current provision which would suggest that there would be any meaningful risk with entering into a new contract with Care and Repair (Leeds). They have consistently met their contractual obligations and all three partners have engaged with both clients and commissioners with regard to ongoing service delivery and improvement.
 - All three organisations are well established in the city as leaders for their area of work; all three are strategic partners around thematic topics in the city such as Age Friendly and Fuel Poverty; and are also involved with other related projects and services in the city which gives Home Plus clients a route into onward referrals they may not alternatively reach.
 - The Home Plus (Leeds) brand is well established in the city for clients, health care professionals and third sector organisations; work to improve links further is a key priority for the service which continually aims to build and reach new clients and in recent months the service has shown increased referrals from the city's social prescribers Linking Leeds and new links being forged with local charities such as Zarach.
 - Recommissioning the Home Plus (Leeds) service in the city would provide continuity of care for clients and minimise disruption for those currently working with the service.
 - Home Plus (Leeds) have been awarded various pots of additional funding throughout the last contract period most recently the Place-Based Fuel Poverty funding which allowed the service to offer additional support to clients experiencing fuel poverty. The service is well placed to quickly deliver additional or new elements of support to individuals and families in the city through their already established links and structures.
 - Care and Repair (Leeds) are an award-winning Home Improvement Agency having won the Foundations Home Improvement Agency of the Year award in 2020 in recognition of their innovative approach and commitment to partnership working.
- 8 Utilising Regulation 32 (2)(b)(ii) would still require Care and Repair (Leeds) to submit a Due Diligence document, method statement responses and Service Cost Analysis Form (SCAF) for evaluation. The contract will only be awarded if they meet the minimum required standards and the price included in the SCAF is within the allocated budget. Care and Repair (Leeds) will be encouraged to review their costs for delivering this service, but it is not expected that there will be any scope for achieving efficiencies as the service is operating at full capacity, and there has been at least a 13% increase on the cost of equipment and installation over the last contract period, and therefore any reduction would impact on service delivery.
- 9 The Project Team has reviewed the Key Principles of the current service and concluded they are still relevant to any service commissioned and they will therefore inform the review of the current service model and will guide the features of the specification. The main principles are:
- A service which is responsive and efficient at managing referrals from a range and variety of sources in a streamlined and effective manner; including facilitating hospital discharge, preventing illness or injury to those most at risk, ensuring people are not left without heating or hot water for long periods of time.
 - A person-centred holistic approach to supporting individuals and households to stay independent and resilient with the client at the heart of what is delivered and how.
 - A service which is needs led and focused on the needs of the individual and/or household, gathered through a conversation with the client and their carers and what will make a difference in their home.
 - All staff involved will be trained skilled at having 'better conversations' to enable them to build on a client's strengths and what is important to them, this may mean

identifying additional needs to those already reported with a view to addressing them within service or making links to other organisations on a client's behalf for a more sustainable outcome.

- Accessible for all, the risk of falls or the need for warmth measures cuts across all groups irrespective of protected characteristics therefore provision, whilst targeted must also reflect the characteristics of all groups in Leeds.
- Although the service must be accessible for all, and for all city wide, it must also be targeted to specific groups including those with long term health conditions (particularly cold related), older people living with frailty or those very young, those at risk of falling, those on low incomes, those who may be isolated, and prioritise works to support hospital discharge.
- Service outcomes will cut across a number of strategic and funding areas such as health, social care, and housing. Provision must be reflective of these cross-partner outcomes and enterprising in the funding and grant opportunities that such a cross-cutting provision offers, leveraging in additional resources where possible and appropriate, as well as always considering the impact of delivery against the 'Leeds Pound'

10 The project review team have recommended no significant changes to the current service model, eligibility criteria, and referral routes although some small delivery changes are proposed through the review and these are:

- It is recommended that the eligibility cut off point stays at the increased figure of £30,000 (ie to lower the threshold and increase the number of people eligible) which was amended through contract management in December 2022, this would bring it in line with other national and local criteria for similar services; and reflects the impact of the ongoing cost of living crisis allowing more individuals and families to be supported and help the city to reduce the impact of fuel poverty.
- In recognition of the impact dementia has on the demographic that this service support and the key priorities of the city to make Leeds a city which has services that are equipped and skilled to meet dementia care needs, a current support worker should be trained to work specifically with people who live with dementia should be incorporated into the structure of the service and allow those individuals with dementia better access to the support offered.
- There is a recognition of a need for improved support for those with hoarding disorders. This could take the form of a support worker who has had specialist training in hoarding disorders and would be able to work with the individual to better access local NHS support.
- Offer a programme of staff training aimed at those who are at the point of enquiry for clients so that they can confidently answer general enquiries about the range of benefits and grants that may be available for clients but are also able to recognise the need to refer on to specialist colleagues for in-depth support when needed.
- Include a programme of follow up conversations with clients and engagement to both gather feedback to inform future delivery of the service and to see if any additional works are needed by that client.
- Consider including in an inhouse handyperson role; the role would be someone who would be able to offer a range of support to clients from smaller jobs to larger jobs. There would be a cost implication for this if a handyperson were to be added to the current structure.
- Consider amending the eligibility for the warmth element of the service to include working age adults who have a low income. This would lead to an increased number of referrals and therefore is likely to have a cost impact.

- Consider adding a target to the new service around equity of access to ensure that the service is reaching those in the city who are in most need of this type of service.

What impact will this proposal have?

- 9 The home independence and warmth service will continue to contribute to a range of key strategic and initiatives in particular the key aims of the Best Council Plan 2020-2025 which focuses on reducing health inequalities and improving the health of the poorest fastest; supporting self-care and more people can manage their own health conditions in the community; 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; and improving energy performance in homes and reducing fuel poverty.
- 10 The service also contributes to the Health and Wellbeing Strategy which aims for people to live full, active and independent lives; that housing and environment enables all people of Leeds to be health, social and active; and an Age Friendly city where people age well.
- 11 An Equality Diversity Cohesion Integration screening has been completed and is attached. There are no issues to be addressed.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 12 The home independence and warmth service directly contributes to the Health and Wellbeing pillar and the Zero Carbon pillar particularly the following indicators:
- Investing to ensure better and more equal access to essential services in health and learning, developed with and accessible or every community across Leeds
 - Delivering a safe and welcoming city for people of all ages and from all communities in which residents feel more secure and have good friends
 - Working with housing providers, landlords, tenants and communities to improve poor quality housing, so everyone can have a home which supports good health, wellbeing and educational outcomes
 - Addressing the challenges of housing quality and affordability, tackling fuel poverty and creating vibrant places where residents have close access to services and amenities

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 13 A service review was undertaken which included a range of consultation regarding the current service this included:
- A summary of local consultation undertaken in recent years validating emerging national themes around older people and housing, including consideration of the State of Ageing in Leeds report.
 - Staff from the current service carried out a SWOT analysis with clients, staff, trustees, stakeholders involved, and this information informed the consideration of the key principles.

- Clients of the current service gave their feedback on their experiences around delivery of the service.
- Client feedback is gathered by the current service around outcomes and satisfaction levels and this was considered.

- 14 Public Health Programme Board was consulted on 26th January 2023.
- 15 The Executive Board Member for Public Health will be briefed on 23rd February 2023; she is aware of the current service.
- 16 Procurement and Commercial Services have been consulted about the procurement approach and are supporting the project team in commissioning this service.

What are the resource implications?

- 17 It is requested that the amount allocated for the contract be £570,367 per annum in order to meet the identified need. This is the combined value of the current funding which is made up of £203,497 Communities, Housing and Environment, and £366,870 Public Health. There is provision in all budgets for this service.
- 18 NHS West Yorkshire Integrated Care Board (previously Leeds Clinical Commissioning Group) have given up to £150,000 per annum to this service over the last 4 years to support additional capacity in the service and to allow recruitment to a dedicated outreach worker post to build links to primary care, other health agencies, social prescribing, community networks, and relevant health organisations. The Integrated Care Board have advised us of their intention to continue with this funding into the new contract period subject to a decision taken by the Board on 23rd February 2023, if the board approve this additional funding it is requested that this funding is allocated to this contract.
- 19 The total contract value is therefore a potential maximum of £720,367 per annum, however if the Integrated Care Board do not approve the £150,000 funding the maximum available for this contract will be £520,367.
- 20 It is recognised that the council is in a challenging financial position. However, it is important that falls prevention, warmth and energy interventions, and improved wellbeing of older people and those with long term health conditions remain key Public Health priorities.
- 21 This service represents good value for money and has significant return on investment.
- The service provides falls prevention measures such as installation of handrails and fixing trip hazards; warmth and energy efficiencies such as heating system improvements, draught proofing, and radiator panels; repairs of electrical, plumbing and threshold hazards; energy and benefits advice. Client outcomes for the current service show that 96% feel safer in their home, 94% are more independent in their home, almost 90% feel able to contact local agencies themselves for support in the future and 30% have improved support networks; therefore individuals who are supported by this service are less likely to need referrals into other care services in the city, and they are less likely to require a wider package of adaptations through Adult Social Care in the future.
 - Whilst the current client base is around 80% people over 50 due to the nature of the service, just under 5% of clients are aged 30 or younger, and around 3-6% of all clients have dependent children living with them. As well as the impact on services as a result of adult fuel poverty, there is also increasing evidence that children living in fuel poverty have higher risk of long-term poverty, poor health and poor education; therefore those individuals and families who are supported by this service are less

likely to require referrals to social care services, educational support, or require support with their health.

- Reducing the risk of hazards in the home such as those mitigated through this service such as falling, collisions, and excess cold could save the health sector in Leeds upwards of £22 million pounds per annum¹.
- An overnight stay in hospital is estimated at costing a minimum of £306² per night and the current service supports around 700 people a year with hospital discharge interventions, if each of these people were to return to home just 1 day earlier that would equate to around £214,200; and the current hospital discharge budget for this service is £150,500 per annum.
- It is estimated that it costs a minimum of £13,000³ in the first year alone for health care services if a person falls and breaks their hip. The current service has a falls prevention element costing around £96,000 per annum. Therefore, if just 8 people were to be prevented from falling and breaking their hip the cost to the public purse would be recouped. In the fourth year of the Home Plus Service over 2,800 people were assisted to reduce their falls risk which is likely to be a significant saving to the NHS and wider services in Leeds.
- Through the process of financial modelling, the development of the performance framework, evaluation and then ongoing robust contract management value for money will be achieved through the maximisation of outcomes for the budget available.

22 The new service will be closely contract managed to ensure robust performance monitoring takes place and value for money is being achieved for the Council.

What are the key risks and how are they being managed?

- 23 A small project team comprising of Adult and Health Commissioning Team, Public Health, Sustainable Energy and Climate Change, LCH Falls ACP/Pathway Lead, Community Falls Service, the Integrated Commissioning Board, and PACS has been set up to oversee the re-commissioning process and ensure that the process adheres to the Public Contracts Regulations 2015, as well as the council's Contract Procedure Rules.
- 24 A risk register has been established as part of the re-procurement process and this will continue to be managed and updated. Significant risks will be reported to the Public Health Programme Board.
- 25 Regarding use of the negotiated procedure without the publication of a notice, it must be noted that 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 under regulation 32 (2) (b) (ii) in accordance with the Public Contracts Regulations 2015, and that the Council is simply seeking to circumvent the application of the procurement rules. The reasons set out at point 7 of this report are what the Council would rely on to justify this decision, and therefore the risk is perceived to be low.
- 26 In addition, this risk can be further mitigated by the publication of a Voluntary Transparency Notice (VTN) in the Find a Tender Service in accordance with the Public Contracts Regulations 2015 and subsequent UK regulations, immediately after the decision to enter into negotiation has been taken and 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

¹ Housing Stock Modelling & Health Impact Assessment: Private Sector Housing, Leeds City Region, Ian Watson, Principal Consultant, Chartered Environmental Health Practitioner

² Department of Health reference costs 2015/16 estimate a night in hospital is £306

³ Falling Short: Delivering Integrated Falls and Osteoporosis Services in England. All Party Parliamentary Osteoporosis Group, Dec 2004

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.

- 27 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.
- 28 If this decision to reprocure a Home Independence and Warmth Service is not approved, the current services will fall out of contract on 30th September 2023 causing significant risk to the Council and its providers. There is an evidenced need for this service and should it not continue to be delivered beyond the expiry of the current contract, this would result in significantly reduced numbers of people supported to be discharged from hospital, increased risk of falling and increased chance of being hospitalised through falling, and a reduced number of people supported to minimise the impact on their health of a cold home, and a reduced number of people and their families accessing energy efficiency advice at a time where there is an increasing impact in the city of fuel poverty. There will be financial implications to the wider health and social care sector in the city as this service has a clear cost benefit.
- 29 Requirements relating to information governance and the processing of personal data will be included in the specification and monitored through contract management processes including a Quality Management Framework.

What are the legal implications?

- 30 The decisions contained in this report are treated as a Key Decision as the overall value is more than £500,000 and is therefore subject to Call In. It was published on the List of Forthcoming Key Decisions on 13th January 2023.
- 31 The Council believes that the decision to award a direct contract to Care and Repair (Leeds) utilising the negotiated procedure without prior publication of a notice under the Public Contracts Regulations 2015 (Regulation 32 (2) (b) (ii)) is permitted for the reasons cited in paragraph 7 above.
- 32 Regulation 32 (2) (b) (ii) of the Public Contracts Regulations (2015) states:-
- 32 - (1) In the specific cases and circumstances laid down in this regulation, contracting authorities may award public contracts by a negotiated procedure without prior publication.*
- General grounds*
- (2) The negotiated procedure without prior publication may be used for public works contracts, public supply contracts and public service contracts in any of the following cases:—*
- (a) ...;*
- (b) where the works, supplies or services can be supplied only by a particular economic operator for any of the following reasons:—*
- (i) ...;*
- (ii) competition is absent for technical reasons,*

(iii)....,

But only, in the case of paragraphs (ii) and (iii), where no reasonable alternative or substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement.

- 33 It is considered the above ground applies in this case as there is strong evidence that no reasonable alternative to Care & Repair providing the services exists, the technical reasons of which are stated in paragraph 7, and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement. In making their final decision, the Director of Public Health should be aware of the risk of challenge to the Council identified above at paragraphs 25 to 27 and be satisfied that on balance the course of action chosen represents Best Value for the Council.
- 34 Given that this is not a competitive process and that there is a set budget for this contract, it is imperative that we obtain the best quality service available. Care and Repair (Leeds) will therefore be required to complete some method statement responses, in respect of which they must obtain a minimum score in respect of each question.
- 35 This report does not contain any exempt or confidential information under the Access to Information Rules.
- 36 Subsequent decisions arising from this report, for example the decision to award the contract, will therefore be treated as a consequence of this Key Decision and will therefore be treated as a Significant Operational Decision at most which will not be subject to call in.

Options, timescales and measuring success

What other options were considered?

- 37 There is the option of ending the provision once the current contract expires. However there is an evidenced need for this service.
- 38 Undertaking a competitive procurement process was considered, but for the reasons outlined in paragraph 7, it was considered that there would be no benefit to taking that approach.

How will success be measured?

- 39 The contract will include a Performance Framework for the purpose of monitoring service delivery and outcomes.

What is the timetable and who will be responsible for implementation?

- 40 If approval is given, the intention is to commence the procurement process in March 2023 and subject to the satisfactory conclusion of the process approval to award the contract will be sought in May 2023, with the new contract commencing on 1st October 2023.

Appendices

- Appendix 1 Health Needs Analysis and Evidence Review
- Equality Diversity Cohesion Integration Impact Screening

Background papers