

Tender evaluation and award of contract for Gascoigne House extra care scheme onsite care provider

Date: 31st May 2023

Report of: Deputy Director, Integrated Commissioning

Report to: Interim Director of Adults and Health

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

This report seeks approval to award a contract to deliver the onsite Care Quality Commission registered care service at the newly developed Housing Leeds-run Gascoigne House Extra Care scheme, scheduled to open August 2023. This recommendation of award is being made after the successful completion of a procurement exercise.

The onsite care service will provide 24/7 coverage at the scheme as well as providing planned care and support packages. This will be available to all 60 apartments that make up the main scheme, which are available to adults aged from 55 years onwards, as well as being available to 12 adjacent bungalows primarily aimed towards working age adults with either physical disabilities and/or sensory impairments.

The service will be contracted for three years with the option to extend for a further period of up to 24 months in any combination. The annual value of the contract is £20, total maximum cost of £100. This is a nominal figure that provides direct financial consideration between the Council and the provider as all other service charges are managed directly between the service provider and customer or Leeds City Council acting on behalf of the customer. The estimated cost with regards planned care and support based on 2023/24 values is between £430,248 and £519,883 dependent on how many of the 12 bungalows are occupied by tenants classed as older people. Over the lifetime of the contract this equates to between £2,151,240 and £2,559,415. This is an estimation and is subject to fluctuation dependent on changes in presented demand and future sector-wide uplift agreements.

Recommendations

- a) The Interim Director of Adults and Health is recommended to approve the award of contract for the onsite care and support service at Gascoigne House to Comfort Call Limited. The contract is forecast to commence the 7th August 2023 subject to site completion and run until 6th August 2026, with an option to extend for up to 24 months in any combination, which will be subject to a separate decision at the appropriate time. Contract Expenditure of £20 per

annum will be incurred by the Council as part of the contract arrangement to provide direct financial consideration between Adult Social Care and the eventual service provider.

- b) The Interim Director of Adults and Health is also recommended to approve the uplift to the hourly rate submitted for planned care and support from £17.60 to £19.70. This represents an uplift of 11.9% and is necessary to bring the contract in line with 2023/24 rates.

What is this report about?

- 1 On the 23rd March 2022 commissioning officers received the authority to procure an onsite care provider for a new Housing Leeds Extra Care scheme scheduled to open in 2023 at the Throstle Recreation Grounds in the Middleton Park Ward. This new scheme, named Gascoigne House, consists of 60 apartments within the main building and a further 16 bungalows in the adjacent grounds. The apartments are primarily designed for older adults aged 55 and over and 12 of the 16 bungalows marketed primarily for working age adults with either physical disabilities and/or sensory impairments. The remaining four bungalows would fall outside the remits of the contract and would form part of Housing Leeds wider 'Retirement LIFE' housing stock. The authority to procure was taken as a Key Decision in reflection of the income potential available through the opportunity.
- 2 The service specification was developed in line with the specification template established for extra care since 2016, when first used to procure a service for the Housing Leeds managed extra care scheme Wharfedale View. The specification was updated to reflect site specific details and any market changes that had taken place since last used in 2021. One of the changes specific to the Gascoigne House site was the provision of services for working age adults, with the contract requiring the successful bidder to also register with the 'Supported Living, Outreach and Domiciliary Care Services for Working Age Adults in the Leeds City Council Metropolitan District Area' preferred providers list to cover this.
- 3 The procurement exercise was undertaken using the Restricted or 'two-stage' tender process, with a request for Expressions of Interest being issued on the 9th January 2023 with the deadline for the receipt of the Standard Selection Questionnaire (SSQ) given as the 8th February 2023 and the full tender submission deadline as the 29th March 2023. The process followed used the 'price-quality separated' approach as covered under the Contract Procedure Rules (CPRs) 15.2(a), meaning all tenderers who pass the quality assessment would then be assessed purely on price.
- 4 The SSQ stage looked to evaluate bidders existing experience and knowledge of delivering extra care and consisted of four questions on the themes of: sector experience; client group experience; partnership working, and; recruitment and retention. Bidders had to score a minimum of 60% overall (600 points out of the available 1,000) to be considered for short listing to the full tender stage. Only the five highest scoring bids who passed the threshold would be taken through to the Invitation to Tender stage of the process. A total of 11 submissions were received at this stage with only four submissions qualifying to go through to the next stage of the evaluation following the panel scoring session held on the 22nd February 2023.
- 5 Of the four possible bidders going through to the Invitation to Tender stage, three bidders opted to respond by the 29th March 2023 deadline. The panel reconvened on the 18th and 19th April 2023 to evaluate these submissions which covered questions on: meeting the outcomes outlined in the specification; placing service users at the forefront of service delivery; a managing safeguarding scenario; ensuring community integration; partnership working on the contract; ensuring an affordable service, and; contract mobilisation. The first three questions had a minimum quality threshold of 70% to pass, with the remaining four questions not subject to any minimum threshold. All three bidders passed the quality evaluation, with the final award being determined on the price evaluation.

- 6 As part of the Invitation to Tender stage bidders were required to complete a Service Cost Analysis Form (SCAF). Each bidder was required to evidence how they had costed the service and how this cost split in terms of hourly planned care and support rate as well as the weekly wellbeing charge. It was necessary to go back to all bidders at this stage to clarify any omissions or errors in the submitted SCAFs as raised by the panel. Clarifications were issued to all three bidders on the 21st April 2023 with a deadline of close of business on the 28th April 2023. The panel reconvened on the 12th May 2023 to discuss the SCAFs and identify the successful bidder.
- 7 The evaluation panel for this particular procurement consisted of representation from both Older People's and Working Age Adults' commissioning teams. There was also representation from Housing Leeds and the local social work team that covers the Gascoigne House site, with the process being supported by Procurement and Commercial Services (PACS).
- 8 The attached confidential Appendix 1 provides a summary of the scores achieved by each respective bidder that submitted a response to the Invitation to Tender stage. This information is marked confidential in line with information procedure rule number 10.4 (3).

What impact will this proposal have?

- 9 The service will ensure the provision of high quality, outcome-focused services which are safe and that meet the quality outcomes and safeguarding responsibilities of the Council. This will involve working to achieve the agreed outcomes as defined by each service user, through a person-centred planning approach that puts service users and their carers at the forefront of all decision making. The services that this will be achieved through include a 24/7 care staffing presence to respond to unplanned care requests and help engage with the delivery of activities as well as through the delivery of planned care and support as requested by the individuals residing in the apartments and bungalows to which the Council holds nomination rights.
- 10 The contract will deliver additional social value outcomes, particularly in relation to local skills, employment and development opportunities.
- 11 An Equality and Diversity Impact Assessment Screening Tool has been included as Appendix 2.

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

Health and Wellbeing
 Inclusive Growth
 Zero Carbon

- 12 The delivery 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.
- 13 The main domains of the Best City Priorities as stated in the Best Council Plan 2020-2025 that this report contributes towards are 'Health and Wellbeing' and 'Age-Friendly Leeds'. This contract will contribute 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'.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 14 This request to approve the award of this contract is in line with Contract Procedure Rules and will see officers establish an onsite care provider at the Gascoigne House extra care scheme once it is completed in 2023. Housing Leeds is a key stakeholder and as such has been engaging with local Ward Members around the development of the scheme in Middleton. The care service will be an integral part of the scheme with services delivered in line with the published service specification.
- 15 The Executive Member for Adults Social Care, Children's Social Care and Health Partnerships was first notified on the 3rd February 2022 of the intentions around procuring a care provider for the Gascoigne House extra care scheme prior to the proposal being published on the list of forthcoming key decisions. A further briefing was presented on the 10th February 2022 covering further details around the intended procurement exercise. A briefing on the outcome of the procurement exercise was presented on the 23rd May 2023.
- 16 The intention to commence a procurement exercise was added to the list of forthcoming decisions on the 11th February 2022.

What are the resource implications?

- 17 The annual value of the contract is £20, total maximum cost of £100. This is a nominal figure that provides direct financial consideration between the Council and the provider as all other service charges are managed directly between the service provider and the customer (resident) or Leeds City Council acting on behalf of the customer.
- 18 The contract is estimated to provide a potential annual income for the service provider generated through charges for planned care and support for which Adult Social Care (ASC) may be liable for up to 100% of the cost. This expenditure would take the form of Council contributions towards individual care costs following a financial assessment and falls under the Council's statutory duties as defined in the Care Act 2014.
- 19 At the time of publishing the tender, commissioning officers had to issue documentation using the 2022/23 rates in terms of guide values and the Leeds Living Wage. To bring the values in line with 2023/24 rates it is necessary to apply an uplift to the hourly rate submitted as part of the bid, which in this instance involves applying an 11.9% uplift to the hourly rate submitted of £17.60. This gives an hourly rate for 2023/24 of £19.70, which is in line with the charge rate set by Leeds City Council for home care. Based on the estimated care hours highlighted within the Invitation to Tender this would provide an annual income of approximately £519,883 based on 507.5 hours per week. Over the life time of the contract including any extension that would equate to £2,559,415 based on the 2023/24 value.
- 20 Only hours delivered in support of older clients would be paid through this contract. Planned care and support delivered to working age adults living within the 12 bungalows would be covered under the 'Supported Living, Outreach and Domiciliary Care Services for Working Age Adults in the Leeds City Council Metropolitan District Area' preferred providers list. When taking this into account the potential hours per week associated with the apartments comes to an estimated 420 hours per week, or approximately £430,248 per annum. As the bungalows can be allocated to older people dependent on uptake and expressions of interest, this means estimated annual expenditure is between £430,248 and £519,883. Over the lifetime of the contract this equates to between £2,151,240 and £2,559,415.
- 21 The level of actual weekly hours will fluctuate and could be higher or lower than the estimates given in this report. This could be due to level of presented demand, expression of individual choice and changes in personal circumstances. The estimates of weekly demand for the bungalows where allocated for working age adults are also likely to be higher than the estimates for older people and therefore likely to result in higher than estimated expenditure.

- 22 The annual costs arising through Direct Payments or managed budgets as a product of 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 any probable future pressure will be addressed through the Council's Medium Term Financial Strategy, which gives consideration to committing to a real living wage.
- 23 In addition to income through the delivery of planned care and support, the service provider will be charging a weekly wellbeing charge to each of the 60 apartments and 12 bungalows. This service charge is compulsory and payable regardless of eligible need and is met directly by individuals themselves. The procurement exercise identified that this charge would be set at £40 per apartment per week for 2023/24.
- 24 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 2023/24 the standard weekly cost of residential care to the Council is £655 per person. The average cost per person per week based on the values given in this report is calculated to be £139. In terms of home care hourly rate, the hourly rate of £19.70 compares favourably to the current home care rate for this area of the city, which currently is £22.35.

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

- 25 A risk register has been established as part of the procurement process and this will continue to be managed and updated. Significant risk will be reported to the Adults and Health Commissioning Board and Directorate Leadership Team if and as required.
- 26 The mobilisation period is particularly demanding though all bidders were able to evidence that they had resources to be able to manage this. Commissioning officers will continue to work with the successful bidder to track mobilisation and ensure this is completed in time to support the successful launch of Gascoigne House Extra Care scheme.
- 27 The contract award will ensure service provision is in place at Gascoigne House to cover the 24/7 onsite staffing provision and offer planned care and support on site for tenants moving into the scheme. This will be managed through the Older People's Commissioning Team working closely with Housing Leeds throughout the mobilisation period and first six-months of the contract, followed with a robust contract management process which will be led by the Older People's Commissioning Team.
- 28 If the decisions presented by this report are not approved then a registered onsite care provider may not be established at the Gascoigne House extra care scheme in time to meet the needs of tenants and individuals who have been assessed as requiring care and support under the Care Act 2014. Commissioning officers with the support of PACS colleagues will take steps to commence the mobilisation period as soon as the recommendations are approved to help minimise this risk.

What are the legal implications?

- 29 The authority to procure this service was granted through a key decision taken on the 23rd March 2022 and was subject to call-in. The decision for the award of the contract for this service is made as a direct consequence of that decision and is in keeping with the key principles and features described in that published decision report. As such this award of contract is a significant operational decision and is therefore not subject to call-in.
- 30 The procurement process has been undertaken in accordance with the Council's Contract Procedure Rules and the Public Contract Regulations 2015.

- 31 In making their decision the Interim Director of Adults and Health should be satisfied that the course of action proposed represents value for money.
- 32 Advice has been sought from Procurement and Commercial Services (PACS) colleagues throughout the duration of the procurement process and will continue to be sought through to contract award.
- 33 Appendix 1 provides a summary of the evaluated submissions 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.

Options, timescales and measuring success

What other options were considered?

- 34 A competitive procurement exercise was identified as the most appropriate means for delivering this service as opposed to adopting this as an inhouse service. This is in line with other extra care arrangements in the city which, on the whole, are covered through procured services.
- 35 Undertaking a competitive procurement exercise was identified as the best means to identify a service provider while also ensuring best value for the Council. It was also noted in this instance that there was no other contractual arrangement that could be utilised for the provision of these services.

How will success be measured?

- 36 The service will be subject to robust Performance Management Framework which includes a number of key performance indicators and other service delivery outcomes. This includes regular contract management meetings between the provider and commissioning officers to discuss operational issues, service quality, and to gauge the service's performance against the targets set out in the service specification.

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

- 37 The contract will commence on the 7th August 2023 subject to site completion. Commissioning officers from the Older People's Commissioning Team will liaise with colleagues in Housing Leeds and the Working Age Adults Team throughout the mobilisation period to ensure the smooth lead-in to the contract and bedding in of the service during its first six months.

Appendices

- Appendix 1 – Tender Evaluation Summary (Confidential)
- Appendix 2 – Equality and Diversity Impact Assessment Screening Tool

Background papers

- None