

**NORTH SOMERSET COUNCIL
DECISION**



**DECISION OF: COUNCILLOR MIKE BELL EXECUTIVE MEMBER FOR
ADULT SOCIAL CARE AND HEALTH
WITH ADVICE FROM: DIRECTOR OF P&C IN CONSULTATION WITH HEAD OF
STRATEGIC PROCUREMENT
DIRECTORATE: PEOPLE AND COMMUNITIES**

DECISION NO: PC41 2019/20 SCHEME

**SUBJECT: CARE AND SUPPORT PROVIDER FOR STRAWBERRY GARDENS EXTRA
CARE HOUSING DEVELOPMENT IN YATTON**

KEY DECISION: NO

REASON: This is a procurement plan therefore not a key decision

BACKGROUND:

The North Somerset Corporate Plan 2015-19 considers various areas of key focus. The following listed under Health and Wellbeing relate to this recommissioning.

- Enable residents to make healthy choices and promote active lifestyles which reduce ill-health and increase independence.
- Support families to give their children the best start in life.
- Commission or provide quality health and care services, which deliver dignity, safety and choice

The following listed under Prosperity and Opportunity relate to this recommissioning.

- Enable young people to fulfil their potential.
- Ensure that all our communities share in prosperity and employment growth.

The following listed under Quality Places relate to this recommissioning.

- Build and sustain great places to live and visit - vibrant, accessible and safe.
- Empower people to contribute to their community and communities to provide their own solutions.

The council's Housing with Support Strategy details;

In the past the solution for many people who needed care and support was a residential or nursing home where their needs could be fully met in one place. Whilst for some people the need for residential and nursing care will continue the link between wellbeing and independence is well recognised. Skills for Care highlights this in their core principles:

- An analysis of projected demand for extra care housing in North Somerset made in 2013 using the Strategic Housing for Older People Analysis Tool from the *Housing LIN, indicated that demand would outstrip supply by more than 200% by 2030.

** The Housing Learning and Improvement Network (LIN) is a sophisticated network bringing together housing, health and social care professionals in England, Wales, and Scotland to exemplify innovative housing solutions for an ageing population. Recognised by government and the housing with care sector as a leading 'knowledge hub' on specialist housing, our online and regional networked activities*

- It is apparent that there is less extra care housing in North Somerset than would be expected for the population, but demand involves appetite as well as statistics. The steady filling of the most recent development to open at Tamar Court would seem to indicate that there is an appetite for this type of provision in the area, but more work could be done with older people to ascertain the type of accommodation with support that they are looking for and what needs to be in place for them to be able to make a move.

DECISION:

It is requested that this procurement plan be approved to proceed to tender for the above service.

REASONS:

Introduction

Extra care housing is housing designed with the needs of older people in mind and with varying levels of care and support available on site. Residents of extra care housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra care housing is not a care home. There is an on-site care provider who will deliver care and support to the residents of the development with a view to enabling clients to remain as independent as possible in their own home.

The care provider is also available for any emergency calls required by the clients. North Somerset Council is committed to offering extra care housing as an alternative to residential care for those people who can no longer manage in their current home due to their care needs. Extra care housing should be a vibrant place to live with activities and facilities available for residents and the local community. Although the care provider is not

responsible for this, they will be expected to work closely with the housing provider to achieve this.

The council is responsible for commissioning a care provider to work within the extra care housing development.

The council currently has nominations to five extra care housing developments.

Development	Landlord	Care Provider	Number of nominated flats
Diamond Court, Worle	Housing and Care 21	Notaro Homecare	53
Lakeside Court, Worle	Hanover Housing	Notaro Homecare	33
Waverley Court, Portishead	Hanover Housing	Nobilis Care	45
Tamar Court, Worle	Alliance Homes	Alliance Living Care	33
Sandford Station, Sandford	St Monica Trust	St Monica Trust	15

Extra care housing eligibility criteria:

The eligibility criteria and application process does not apply to lease/shared ownership flats.

Applicants must:

- be 55 or over;
- be eligible to receive care from North Somerset Council;
- be eligible for North Somerset Council funding;
- have a current application for housing via North Somerset Council's Home Choice Development;
- be resident in North Somerset.

People with exceptional circumstances may be considered on a case by case basis.

The current model of care in all developments, aside from Sandford Station, is that the council commissions the care provider and funds the care packages delivered to North Somerset Council nominated clients which includes 24-hour cover for emergencies.

Each development also has 15 hours per week to deliver housing related support to any Clients in need of short-term support to maintain their tenancy.

The developments in Worle are popular and have more nominations than Waverley Court in

Portishead. Diamond Court, Lakeside Court and Waverley Court have been open for over five years. Tamar Court was the last to be developed and is the only development where there is information readily available for analysis on the model of care and nominations process from opening.

COMMISSIONING PLAN

Executive agreed the Commissioning Plan on 25th June 2019

LESSONS LEARNED FROM PREVIOUS PROJECTS

- *This is a new scheme.*
- *Changing the model – propose adding core charge for 24hr cover – to the residents (due to benchmarking and experience of similar models)*
- *Robust Management of waiting list.*
- *Implementation plan will be included ITT.*

REQUIREMENT

As part of the Bloor 2 development in Yatton consisting of 107 dwellings comprising 4 x 5 bed, 46 x 4 bed, 41 x 3 bed and 16 x 2 bed, Bloor approached the council with an offer of the extra care housing development, but with no housing provider. Several housing providers were approached, including Alliance, Guinness and eventually Housing 21.

Quattro Design Architects has been engaged by Housing 21 to design the extra care housing development. The proposal is for 60 apartments and supporting facilities together with external landscaping and parking areas.

Housing 21 is a leading national provider of retirement housing and care services for older people, mainly those aged 65 and above. They are a not-for-profit organisation and operate in over 150 local authority areas – managing around 19,000 retirement and extra care apartments and providing over 80,000 hours of care each week to more than 31,000 people.

It is proposed that the new contract for the Yatton development will be with a single care provider, with the model being different from the other extra care developments in that the contract will only fund care delivered as part of a package of care. 24-hour emergency cover will be funded via a weekly payment of £23, made by every resident of the development, to the care Provider. This is known as a Core and Add-on model.

The rationale for recommending this model is:

1. The core service does not form part of the assessed need of the Client and therefore forms part of the overall extra care service. This is similar to that of the on-site meal offer. There is no financial opt out option should a Client not want to have the daily meal. Clients looking to move into extra care are choosing a service and all that comes with it.
2. Without a core charge, with a move to mixed tenures in extra care housing developments the council would increasingly be funding emergency cover for people who have bought a shared ownership flat in extra care housing and may either have no regular care needs or be a self-funding Client. A common core charge amongst all residents creates an equity in the delivery of the emergency cover.

Research undertaken via the Housing LIN, evidences that this is a model that has been implemented in varying forms by a number of councils across the country. It is expected that it would reduce the spend by the council by nearly 70k per year and means that the council is not funding emergency care to self-funding clients or clients without any care needs.

There is a risk that potential North Somerset Council funded clients are deterred from applying due to the additional cost on top of existing service charges. This will be monitored by the Contracts and Commissioning Team from the commencement of the waiting list.

ROUTE TO MARKET

- It is proposed to use a light touch OJEU Open Procedure
- The contract to be awarded will be for a single provider, for a period of 4 years with the option to extend, subject to satisfactory performance, for a further 3 years.
- The new contract will commence on May 2020.

TIMESCALES

- Procurement Plan developed and agreed by End-August 2019.
- Preparation of the specification and ITT documents will be completed by end of August 2019.
- The procurement process will commence through advertising the opportunity in early September 2019
- Tenders will be evaluated in October 2019 (including a scored Presentation)
- Approval of Contract Award Report by Director in November 2019
- The successful supplier will be notified in Nov/Dec 2019.
- The service will likely start in May 2020 (this will be subject to build completion).

GOVERNANCE

- Commissioner: People and Communities Contracts and Commissioning Officer
- Strategic Procurement Service: Procurement Officer
- Finance: Finance Business Partner for P&C

MARKET / SUPPLIERS

- There are 3 existing providers in the North Somerset area who provide these services.
- Having had initial discussions, we expect a minimum of 2 to apply with the possibility of Bristol providers being interested.

SOCIAL VALUE, SUSTAINABILITY & VCSE

It is proposed to include the following question within the methods statements:

Please set out the Social Value you are prepared to deliver in the context of the Public Services (Social Value) Act 2012. Further information, including North Somerset Council's target Social Value outcomes, can be found at:

<https://www.n-somerset.gov.uk/my-business/tenders-procurement/procurement-strategy/our-social-value-policy/>

Please ensure that your response contains specific, measurable commitments that are over and above the Services provided in the contract and are also incremental to Social Value that you are already providing.

EVALUATION

40% Quality

Stage 1 – Method Statement Questions Weighting of 70%

Method statement breakdown:

- Company Ethos and Managing Culture (15%)
- Partnership Working 15%
- Health and Wellbeing 25%
- Staffing and Service Implementation 20%
- Monitoring and Outcomes 15%
- Social Value 10%

Stage 2 – Presentations Weighting of 30%

Top 3 scoring Providers move to stage 2. Presentation scores will be added to method statement scores.

- We will reserve the right to exclude bidders that score below 3 on one or more method statement questions.
- There will be a few pass/fail questions.

➤ The standard NSC scoring below will be used:

Score	Classification	Award Criteria
5	Excellent	A response that inspires confidence; specification is fully met and is robustly and clearly demonstrated and evidenced. Full evidence as to how the contract will be fulfilled either by demonstrating past experience or through a clear process of implementation.
4	Good	A response supported by good evidence/examples of the Bidders' relevant ability and/or gives the council a good level of confidence in the Bidders' ability. All requirements are met and evidence is provided to support the answers demonstrating sufficiency, compliance and either actual experience or a process of implementation.
3	Satisfactory	A response that is acceptable and meets the minimum requirement but remains limited and could have been expanded upon.
2	Weak	A response only partially satisfying the requirement with deficiencies apparent. Not supported by sufficient breadth or sufficient quality of evidence/examples and provides the council a limited level of confidence in the Bidders' ability to deliver the specification.
1	Inadequate	A response that has material omissions not supported by sufficient breadth and sufficient quality of evidence/examples. Overall the response provides the council with a very low level of confidence in the Bidders' ability to deliver the specification.
0	Unsatisfactory	No response or response does not provide any relevant information and does not answer the question.

Price score (60%):

For evaluating the overall price from each supplier, it is proposed to use the standard cost evaluation method, which is widely used within the Council.

The tender with the lowest total price will receive the maximum score of 100 (weighted at 60%) and the prices of all other tenders will be expressed as a percentage of the maximum score.

Pricing schedule:

Suppliers will be required to bid a price per hour (against an approximate guide number of hours)

CONTRACT MANAGEMENT

The contract will be managed by officers in the Contracts and Commissioning Team in the People and Communities Directorate. The Contract Manager, with the support of the Procurement team will develop a contract management plan at the end of the tender process.

The following meetings will be held:

- Quarterly KPI meetings, and data reports

- Yearly – full reports including social value

OPTIONS CONSIDERED:

In making our recommendations we have considered;

- What is working and not working currently;
- What Providers of the services and operational colleagues have told us;
- The Council's Housing with Support strategy;
- Benchmarking of other Local Authority contracts.

Research was undertaken by reviewing advice on best practice by the Housing LIN.

Options considered:

1. Keeping the same model as existing developments where the council funds care packages and 24-hour cover for emergencies;
2. Implementing a weekly charge for 24-hour emergency cover paid for by Clients and
 - Collected by the housing provider
 - Collected by the care Provider
 - Fully paid for by the Client
 - Subsidised by the council

In recommending option 2, consideration was given to North Somerset Council subsidising the core charge for council-funded clients. However, this may then result in there being minimal re-charge of a core charge based on the percentage of council-funded Clients living within the development. Feedback from Housing 21 is that they have this model in a number of their developments; all Clients pay the same charge and it has not caused any issues.

The reason for our recommendation of the care provider collecting the core charge and not the housing provider is that the care provider is the party providing the staffing for the emergency cover.

FINANCIAL IMPLICATIONS

Costs

The true cost of the service will be based on individual care assessments however it is estimated that, based on the proposed model with an estimated extra care hourly rate of between £17.00 and £18.00 and 300 hours per week care provision, the service will cost approximately £275,000 per year. For a contract with a term of four years plus an additional term of three years this would equate to £1,925,000.

Extra care nominations provide savings to the council as they avoid more expensive residential placements. Financial information gathered from the nominations into Tamar Court have

indicated that the target expectation for the next extra care housing development is that for every five placements there will be one cash saving of an average £275 per week (someone who moves from residential care) and three cost avoidance savings of an average £225 per week (clients who would have required a residential placements if extra care had not been available). On this basis, annual savings of c£225k are expected to be made and are included in the published Medium-Term Financial Plan over a two-year period.

FUNDING

Funding will come from the Adult Social Care Budget and, as described above, is expected to be more cost effective than other forms of care, such as residential care.

LEGAL POWERS AND IMPLICATIONS

The services considered in this procurement are statutory requirements (Care Act 2014, Mental Capacity Act 2005, Mental Health Act 1983 as amended in 2009). Local Authorities cannot provide these services themselves as the legislation requires them to be provided independent of the Local Authority or NHS Providers.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

We will address and prioritise the climate change emergency with suppliers as part of the social value question (this could include sustainable transport, use of electronic systems, waste reduction / responsible recycling etc).

CONSULTATION

No formal consultation has been undertaken around the commissioning of the care provision. Prior to the development being completed, consultation work will take place. The Contracts and Commissioning Services Adviser will attend adult care and mental health team meetings. Joint events with Housing 21 have been arranged in July and August for the public and professionals to attend. A waiting list for the development will be set up and opened as soon as interest is shown. Our aim is to get tenants assessed and signed up prior to the completion date of the development to avoid void costs.

RISK MANAGEMENT

- Provider failure will be mitigated by robust contract monitoring and compliance of the contract. Performance indicators will be set for the contract with the monitoring of these being undertaken by the contracts and commissioning team.
- All community-based care and support is paid in arrears which lowers the risk of financial loss to the council.

- Risk of suppliers not being able to run the service within the contract price – There will be a robust contract management plan to monitor all aspects of the contract.
- Risk of not receiving bids – we have had conversations with potential bidders. The advert will go out via OEJU, Contracts Finder & Supplying the South West Portal.
- Risk of challenge to the procurement process – There will be a transparent and fair process to minimise any challenges.

EQUALITY IMPLICATIONS

Have you completed an Equalities Impact Assessment: Yes – Summary Completed

Positive impacts were identified for Disabled people, people of a certain age and informal carers. There were no negative impacts identified as the aim of the commissioning is to improve the availability of services and achieve best value.

CORPORATE IMPLICATIONS

N/A

APPENDICES

N/A

BACKGROUND PAPERS

Commissioning Plan

Extra care housing case studies and recommendations can be found on the Housing LIN website below.

<https://www.housinglin.org.uk/Topics/type/Approaches-to-Procurement-and-Delivery-of-Care-and-Support-in-Housing-with-Care/>

SIGNATORIES:

DECISION MAKER(S):

Signed: 

Title: Executive Member for Adult Social Care and Health

Date: 5.9.19

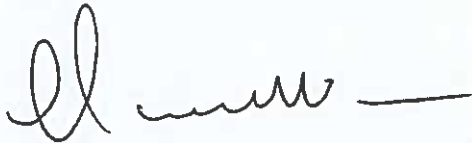
WITH ADVICE FROM:

Signed: Shrita Jind

Title: Director, People and Communities

Date: 5.9.19

IN CONSULTATION WITH



Signed:

Title: Head of Strategic Procurement

Date: 4.9.19

Footnote: Details of changes made and agreed by the decision taker since publication of the proposed (pre-signed) decision notice, if applicable:

