

## Notice of KEY Executive Decision

<b>Subject Heading:</b>	Award of contract for the provision of care and support services in Extra Care Schemes
<b>Decision Maker:</b>	Councillor Gillian Ford, Cabinet Member for Adults and Health
<b>Cabinet Member:</b>	Councillor Gillian Ford, Cabinet Member for Adults and Health
<b>SLT Lead:</b>	Barbara Nicholls, Strategic Director of People
<b>Report Author and contact details:</b>	Suzanne West, Commissioning & Project Manager, Joint Commissioning Unit E: <a href="mailto:suzanne.west@havering.gov.uk">suzanne.west@havering.gov.uk</a>
<b>Policy context:</b>	<p>The Supported Housing Strategy 2022 - 2025 states that the estimated number of housing units with care needed (after existing extra care supply is deducted) to 2030 is 228 units. To meet the needs of the ageing population, plans are in progress to develop further Extra Care Schemes.</p> <p>At a local level, this contract supports Havering Council to meet its People Theme in its Corporate Plan. The contract will contribute towards delivering the objectives that matter to residents, in particular; the best health and social care outcomes for our residents and people are helped to live independent, socially connected and healthier lives.</p> <p>As outlined in the Joint Health &amp; Well Being Strategy 2019/20 - 2023/24, the Council's vision is that everyone in Havering enjoys a long and healthy</p>

**Key Executive Decision**

	life, and has access to the best health and care services. For Extra Care housing, the Council's vision is for quality housing for older people who wish to live independently with high quality care and support services that promote well-being, meet individual needs, lifestyles and inclusive communities.
<b>Financial summary:</b>	The budget for this procurement will come from existing revenue social care budgets. The total value of the contract is £7,914,973.16 over the five years length of the contract.
<b>Reason decision is Key</b>	This is a key decision as it is recommending expenditure of £500,000 or more
<b>Date notice given of intended decision:</b>	19 <sup>th</sup> April 2023
<b>Relevant OSC:</b>	People's OSSC
<b>Is it an urgent decision?</b>	No
<b>Is this decision exempt from being called-in?</b>	No

**The subject matter of this report deals with the following Council Objectives**

People - Things that matter for residents **X**

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place.

Key Executive Decision

**Part A – Report seeking decision**

**DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION**

This paper is seeking a decision to approve the award of a three year contract (with the option to extend for up to two years in one year increments) to Care-Away Limited t/a Care Support for the provision of care and support services in the Extra Care Schemes in Havering.

**AUTHORITY UNDER WHICH DECISION IS MADE**

Individual Cabinet members' responsibilities for functions as set out in Part 3, section 2.5 of the Constitution

The following Functions may be delegated to individual Cabinet members by the Leader.

(h) To award contracts, agree extensions of contract terms and awards/extensions of Consortia contracts, of a value above £5,000,000 and up to £10,000,000 and contracts where external funding is guaranteed and there is no longer term financial commitment to the Council.

**STATEMENT OF THE REASONS FOR THE DECISION**

**1. Background**

Havering Council, through its Housing Strategy, is committed to supporting older people to make choices through the availability of trustworthy options and continues to develop a range of services that seek to prevent dependency, encourage independence and promote an active lifestyle in later life, to enable greater numbers of individuals to remain as independent as possible within their own homes.

Extra Care housing is one of the range of options for people aged 55 and over who require some care and support but wish to retain the independence of living in their own home, rather than having to move into a care home setting. Extra care housing can provide a more intensive level of support than standard sheltered housing, normally with a 24 hour care team on site. Extra care housing may suit people who need a significant level of personal care or support, as well as those with relatively low support needs, but who are otherwise able, and wish, to live independently on their own.

An Extra Care housing scheme is a group of flats built on the same site, providing specialised accommodation with care and support services on hand 24 hours a day. The borough's three extra care schemes are as follows;

- 1) Paines Brook Court (Harold Wood)
- 2) St Ethelburga Court (Harold Wood)
- 3) Dreywood Court (Gidea Park)

### **Key Executive Decision**

Extra care can offer a number of benefits to residents including improving health and wellbeing, quality of life and allowing the continued involvement of family carers. In addition, there are a number of other key benefits that distinguish extra care housing from residential care settings:

- a) Extra Care can offer cost savings to local authorities as households maintain independence that reduces or prevents the need for residential care.
- b) People live in their own self-contained homes, which they have legal rights to occupy and which are underpinned by housing law.
- c) It is self-contained accommodation - one or two bedrooms
- d) Couples are able to stay together
- e) Residents come and go as they choose, in the same way as they would if living in the community
- f) The provision of care and support is separated from the provision of accommodation
- g) Care and support is based on an individual assessment of needs and can be more easily tailored to the individual and the on-site staff are empowered to be flexible in their delivery of care and support.

With the current contract ending on 30<sup>th</sup> November 2023, it was agreed that a new contract will be commissioned to ensure that the Council can continue to provide care and support to promote independence, prevent the need for more costly care, make the most of existing personal and community resources and therefore fulfil its duties under the Care Act 2014 to help vulnerable people remain safe in their homes.

## **2. Project Management of the Tender**

The project was managed using the Council's Project Management toolkit adapted for the particular needs of this project. A formal project management structure was established, including identification of peoples' roles and responsibilities. Throughout the project the following control measures were put in place:

- Reporting progress to the Project Board on a monthly basis
- Reporting progress on Verto on a monthly basis
- Managing the progress of the project through the monitoring and delivery of a Project Plan
- Assigning tasks and managing these with a regularly updated Action Log
- Identifying and managing risks with a regularly updated Risk Log
- Communication to wider stakeholders on a monthly basis where deemed necessary.

A Project Board was responsible for seeing that the project objectives were being achieved in a timely and effective manner. The Project Board met on a monthly basis from January 2023 – July 2023 to supervise the tendering of the service carrying out the key functions below;

- a) Supervise the redesigning of the current service so as to ensure that it will deliver the required outcomes
- b) Supervise activities across the tender process whilst ensuring required documentation is returned within specified deadlines.
- c) Ensure that procurement is monitored and effectively follows the project plan, ensuring the tender activities are acted upon within strict deadlines.

## **Key Executive Decision**

- d) Supervise the preparation and completion of other relevant tender documents in alignment with requirements.
- e) Evaluate tender documentation to ensure compliance with the requirements of the Council's tender.

### **3. Procurement Approach**

This procurement was subject to and adhered to the Council's Contract Procedure Rules. The procurement followed a formal tender process in accordance with the Public Contracts Regulations 2015, which requires compliance with the principles of non-discrimination, equal treatment and transparency. The procurement was an open procedure.

### **4. Evaluation**

The evaluation focused on examining how the suppliers would deliver a quality service (technical) and the cost of the service (commercial). Suppliers were asked to submit a cost for the service that was within the parameters set by the Council with scores weighted in favour of the lowest price. Cost was weighted at 35% of the total score, quality was weighted at 60% of the total score and 5% of the total score assigned to Social Value.

Bidders were asked to submit a five-year contract price which included both the flexi element of the service and the core element of the service. The flexi element of the service is the direct face to face care that has been commissioned by the London Borough of Havering and is paid on an hourly rate. The pricing schedule given to bidders provided them with a set number of care hours that were pre-determined based on an average over the last five years. Bidders were asked to submit an hourly rate up to a maximum of £18.34 per hour. The hourly rate was applied to the pre-determined care hours which provided the cost of the flexi element of the contract.

The core element of the service is to provide staffing 24 hours a day and includes well-being support, night care, management and administration. There are no pre-determined core hours. The Bidders, as part of their tender submission, were expected to determine the staffing level and composition necessary to deliver the service according to the requirements outlined in the specification. Bidders were asked to submit a price for the core element (within the parameters set by the Council) for the five-year contract.

The Council wanted to ensure that it would award the contract to a good quality provider.

The quality factors were weighted according to their importance with 65% of the total score assigned to quality. The quality factors evaluated were:

- a) Service Delivery Model
- b) Service Structure & Workforce
- c) Achieving Positive Outcomes
- d) Partnership Working
- e) Managing and Responding to Safeguarding
- f) Mobilisation Planning
- g) Social Value

### **Key Executive Decision**

Bidders were therefore informed in the Invitation to Tender that regardless of their price, to be considered for award of this contract, they must achieve a qualitative evaluation score of no less than 3 out of 5 for each Quality question and the Social value question. Bidders who did not achieve a 3 out of 5 for each Quality question and Social value question, did not have their Price evaluated.

In total, ten bidders completed and submitted their tender documents by the closing date of 29<sup>th</sup> June 2023. Compliance checks were carried out from 30<sup>th</sup> June 2023 until 7<sup>th</sup> July 2023 during which two bids were eliminated from the process. The two bidders failed to evidence that they had a minimum CQC rating of Good in an Extra Care Service they are currently providing and failed to evidence that they have at least 4 years' experience as an Extra Care Provider and advise which scheme/s this relates to. These questions were pass or fail question in the selection question of the Invitation to Tender document.

Of the remaining eight bids that were evaluated for quality, seven bidders scored 2 out of 5 on a least one of the quality questions. As they did not meet the minimum quality threshold stipulated in the ITT their price submission was not evaluated.

#### **Price evaluation**

There are two elements of the service Core & Flexi. The core element of the service is to provide staff 24 hours a day and includes well-being support, night care, management and administration. The core element of the service also ensures that the care is being effectively managed and that residents remain safe and healthy throughout the day. The Flexi element is direct care hours based on an assessment of needs for each client. This is paid as an hourly rate and the hours will fluctuate during the contract based on the assessments. The bidders were asked to complete a pricing schedule for the five-year contract. Bidders were asked to submit a core contract price within the range of £520,000 - £620,000 per year (with an inflationary increase up to a maximum of 4% each year to be included). The core price submitted is fixed for the duration of the contract. Bidders were also asked to submit a price for the hourly rate, up to the maximum of £18.34 per hour. The pricing schedule asked bidders to assume a 4% annual inflationary uplift on the hourly rate but were advised that this uplift was not guaranteed and would be assessed annually based on inflation, similar to what the Council already does with Home Care Providers. Bidders were advised that the number of care hours that were on the Pricing Schedule would fluctuate based on needs. The hours that were shown on the Pricing Schedule were based on an average number of hours that had been delivered per year over the last five years. Based on the figures on the Pricing Schedule the maximum price that could be submitted for the contract over 5 years was £9,020,235.29 (Core Price £3,358,120 & Flexi Price £5,662,115.29).

Care-Away Limited t/a Care Support submitted a contract price of £7,914,973.16 (Core Price £2,862,771.73 & Flexi Price £5,052,201.43) with an hourly rate of £16.36 for the first year. The hourly rate is less than what is currently being paid. This is due to the increase to the core element of the service. The core element now includes costs that were previously included within the hourly rate. For the previous contract, the hourly rate needed to be increased each year to make the contract financially viable, the provider was finding it increasingly difficult to provide the service for the contract price. The tender provided an opportunity to remodel the service to ensure all costs were included in the contract price. The price for the core element is set for the duration of the contract and no increase will be considered. The flexi element will be reviewed annually, similar to what the Council already does with Home Care

### **Key Executive Decision**

Providers. Because the starting hourly rate of £16.36 is below the current hourly rate of £18.34, even with an inflationary uplift, the hourly rate remains a competitive price.

Commissioners are recommending the contract be awarded to Care-Away Limited t/a Care Support, who scored a total of 82% overall.

Once approved, all suppliers who submitted bids will be informed of the Council's decision in writing and followed by a mandatory standstill period before the Contract is awarded.

### **OTHER OPTIONS CONSIDERED AND REJECTED**

**1. Extend existing contracts;** Contracts have already been extended and so this approach would contravene the Council's Contracts Procedure Rules.

**2. Do nothing:** Allowing the existing contracts to lapse would lead to a potential destabilisation of the current service. The only feasible alternative would be to procure care packages on an individual, spot purchase basis. This is not a practical option and would lead to an increased administrative burden on the Procurement/Brokerage team, loss of the security of having an onsite care team, and a potential decrease in quality and value for money.

### **PRE-DECISION CONSULTATION**

The pre-decision consultation has involved engaging with a number of stakeholders throughout the course of this tender. In summary, the following table presents the type, methods and stakeholders engaged in the pre-decision consultation;

<b>Type</b>	<b>Methods</b>	<b>Consultees</b>
<b>Project Board</b>	Formal regular meetings phone, email	<ul style="list-style-type: none"><li>• Joint Commissioning Unit</li><li>• Adult Social Care</li><li>• Housing Services</li><li>• Legal Services</li><li>• Procurement</li><li>• Finance</li></ul>
<b>Prior Information Notice</b>	Notice published via the Council's procurement system	<ul style="list-style-type: none"><li>• Current Care provider</li><li>• Other interested providers in the market</li></ul>
<b>Preparing service specification, procurement and contract documents</b>	Formal regular meetings phone, email	<ul style="list-style-type: none"><li>• Joint Commissioning Unit</li><li>• Adult Social Care</li><li>• Housing Services</li><li>• Legal Services</li><li>• Procurement</li><li>• Finance</li></ul>

**Key Executive Decision**

**NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER**

Name: Suzanne West

Designation: Joint Commissioning Unit

Signature:



Date: 26<sup>th</sup> July 2023



## **Part B - Assessment of implications and risks**

### **LEGAL IMPLICATIONS AND RISKS**

The Council has a general power of competence under section 1 of the Localism Act 2011 to do anything that individuals generally may do subject to statutory constraints. The recommendations in this report are compatible with these statutory duties and power.

The subject matter of the contract falls within the description of “Health, social and related services” under Schedule 3 of the Public Contracts Regulations 2015 (as amended) (PCR); and are services to which the light-touch regime (LTR) apply. The estimated total value of the contract is over the relevant procurement threshold for LTR services for advertisement (currently £663,540 inclusive of VAT), and therefore is subject to the full rigours of the PCR publication requirements. The open tender is compliant with the requirements of both the PCR and the Council’s Contract Procedure Rules for contracts of this nature.

Following the procurement exercise and evaluation of the bids the Council is proposing to award the contract to the most economically advantageous tender.

### **FINANCIAL IMPLICATIONS AND RISKS**

This decision paper is seeking approval to award the Extra Care Contract following a full procurement exercise for a 3 year contract with the option of a 2 year extension.

The contract value has been modelled on existing support needs (hours). This will invariably fluctuate dependent on of the current and future “unmet” needs of users.

There are 2 elements to the contract, a fixed element and a variable element which is based on the assessment of need of clients.

The total contract value for the first year will be £1,461,318.65 with the core element amounting to £528,545 and the flexi element amounting to £932,733. The flexi element of value is based on an average of care hours delivered over 5 years .

The total price of the contract over the 5 years is £7,914,973.16 (Core Price £2,862,771.73 & Flexi Price £5,052,201.43) with an hourly rate of £16.36 for the first year. The hourly rate is less than what is currently being paid. This is due to the increase to the core element of the service. The core element now includes costs that were previously included within the hourly rate. The prices submitted in the pricing schedule have included a 4% annual uplift on the hourly rate, however this inflationary increase is not guaranteed and will be reviewed in line with inflationary increases.

There is a dedicated annual budget of £259,910 for Extra Care, this previously funded the core element of the contract. The flexi hours always made up part of the homecare budget and there is not a separate dedicated budget for this expenditure.

### **Key Executive Decision**

The increase in the core element of the contract is £278,526 this increase is being mitigated by the decrease in the hourly rate of the flexi hours from £18.34 per hour to £16.36 per hour. If all 57000 hours are utilised the reduction in the flexi element would be £112,860. This gives a net increase in the annual contract value of £165,666 based on the assumption that the full 57,000 are utilised. Growth Funding of £30,000 was allocated to the extra care contract for 23-24 which leaves an increase in the contract value of £135,666 for the first year of the contract. As these costs are dependent on clients' needs these figures could vary accordingly.

However, the service does contribute to Cost Avoidance - People accessing Extra Care will not need to access Home Care or Residential Care which are more costly services and any additional pressure from the contract is expected to be mitigated from more expensive placements being sought.

The inflation element of the core element is fixed and this will be awarded to the Provider on an annual basis and this will need to be factored into any growth bids in future years.

Work is being undertaken to review how this offer links with other provisions.

### **HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

There are no implications or risks anticipated to council staff as the employees involved in the delivery of the current service are employed directly by the existing Provider.

### **EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

The action undertaken will include monitoring how the service meets the needs of all eligible users, including those from ethnic minority communities and the disabled. The

### **Key Executive Decision**

Council will also ensure that potential providers have undertaken equality training and adhere to the Council's Fair to All Policy or their own equivalent.

### **HEALTH AND WELLBEING IMPLICATIONS AND RISKS**

The service will directly support the health and wellbeing of older people living within Havering's Extra Care Schemes. It will allow them to maintain independence for as long as possible; to access the care and support they need; and to socially interact with other people reducing social isolation.

Not having a good quality Extra Care Service available could result in:

- Those requiring care and support not being able to access the service they require
- Unnecessary admission to residential settings which increased costs to residents, their families and the local authority
- Unnecessary admissions into hospital

### **ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS**

The Council's Social Value Framework will be used to assess the environmental impact and plans of those suppliers bidding for this contract. As a result, suppliers will be required to describe how they intend to minimise impact on the environment by:

- Ensuring that all waste is correctly recycled
- Eliminating the need for one use plastics
- Utilising public transport
- Employing locally wherever possible to reduce the environmental impact of travelling to work
- Employing digital solutions to reduce the need for manual recording and disposable materials.

### **BACKGROUND PAPERS**

None

### **APPENDICES**

None

Key Executive Decision

**Part C – Record of decision**

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

**Decision**

Proposal agreed

*Delete as applicable*

Proposal NOT agreed because

**Details of decision maker**

Signed

Name:

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date:

**Lodging this notice**

The signed decision notice must be delivered to Democratic Services, in the Town Hall.

**For use by Committee Administration**

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_