

COUNCIL CABINET
10 January 2024



Report sponsor: Cllr Alison Martin, Cabinet Member for Integrated Health and Adult Care, Andy Smith, Strategic Director for People Services.

ITEM 9

Report author: Andrew Muirhead, Head of Adults Commissioning, Integration and Market Development

Commission of Adult Social Care Provision within Extra Care Housing

Purpose

- 1.1 Derby City Council commission the adult social care provision for the five extra care housing schemes within Derby. The services were previously re-tendered and contracts commenced in September 2021 for two years ending in September 2023, with the option for an extension for two 12-month periods.
- 1.2 In June 2023 an appointed provider delivering care across three of the five extra care schemes, terminated their contract earlier than anticipated and this resulted in an urgent need to re-tender care provision within the affected schemes. Three individual home care providers were temporarily awarded the care provision until the end of March 2024. The existing extra care provider delivering the other two schemes is now operating under a 12-month extension of the original contract.
- 1.3 This report seeks approval for a short-term extension of current contractual arrangements affecting three extra care schemes up to September 2024, whilst the whole provision of extra care is reviewed, redesigned and re-commissioned for all five schemes from September 2024. Co-production and consultation with all stakeholders has commenced. Negotiations and consideration of interface agreements with key partners is essential for the stability of extra care housing within Derby. Sufficient time is required to ensure that future services are as required for our adult residents, sustainable and provide value for money.
- 1.4 This report also seeks approval to delegate authority to approve the future model of care delivery and to award the contract following an open tender process for care provision within all five extra care schemes.

Recommendation(s)

- 2.1 To extend contractual agreements with current care providers at three of the extra care schemes from 01 April 2024 to 08 September 2024.
- 2.2 To run a concurrent re-tendering process of adult social care provision for all five extra schemes, to commence from 08 September 2024.

- 2.3 To delegate authority to approve the future model of care delivery, specifically the design and service specification, within extra care housing to the Strategic Director of People Services and Director for Financial Services, in consultation with the Cabinet Member for Integrated Health and Adult Care.
- 2.4 To delegate authority to award contract following an open tender process for care provision across all five extra care housing schemes within Derby City to commence on 09 September 2024, to the Strategic Director of People Services and Director for Financial Services, in consultation with the Cabinet Member for Integrated Health and Adult Care.

Reason(s)

- 3.1 The benefits achieved from the short term contract extension aim to redesign and reprocure high quality and sustainable services that support the duties placed upon Local Authorities through The Care Act 2014. The extra care model supports the ambition of Derby's Adult Social Care Strategy 'Your Life Your Choice', to enable people to remain living in community/ communal environments for as long as possible, where safe care can be delivered and therefore reduce the cost bracket for residential provision for the council.
- 3.2 The care provision across all five extra care schemes within Derby should be reviewed, redesigned and reprocured simultaneously to encourage consistency with how services are delivered and how they are performance monitored. Additionally, there are financial benefits and efficiencies achieved from single procurement and commissioning exercises where provisions are placed into 'lots' dependent upon factors such as housing provider, size of scheme and location of scheme including proximity to nearby schemes.
- 3.3 Initial consultation exercises have demonstrated the need for a thorough review of the current model. This is based upon a number of factors which include: satisfaction of service delivery and service quality; suitability to provide housing with care options that serve as an alternative to residential care; clarity regarding roles and responsibilities in interface agreements; and provision of sustainable services.
- 3.4 Failure to progress a short term extension poses a number of key risks, these include: insufficient time to redesign an effective and efficient model for the future care provision within extra care housing; risk of service interruption and provider failure due to provider viability concerns; management of foreseen budgetary pressures; reduced opportunity for engagement and coproduction activity; inadequate time to enter into and resolve negotiations with housing providers; and inability to comprehensively review joint protocols between key partners.

Supporting information

- 4.1 Extra Care is designed to provide an alternative to residential adult social care, and importantly as a means of prevention of longer-term admission to care homes. Schemes consist of individual apartments and communal facilities. The residents are generally adults over the age of 55, unless by exception, and the provision offers a mix of shared ownership and rental apartments. The extra care vision consists of continuing to enable older adults to be as independent as possible with an onsite and responsive care provision that can provide flexibility as needs vary.
- 4.2 There are currently five extra care schemes in Derby with ambitions to grow these settings further to support people's independence in a vibrant and community-oriented care establishment.

Scheme	Number of flats*	Weekly care hours**
Parkland View	82	641.25
Cedar House	38	278.00
Greenwich Gardens	98	544.50
Sunnyfield Court	70	739.25
Handyside Court	38	445.00

*Number of flats includes flats that are available for shared ownership. At Parkland View there are 19 flats available for shared ownership and at Greenwich Gardens there are 20 flats available for shared ownership.

**Weekly care hours are inclusive of double up care packages and of delivery from external care providers. Data correct as of 06 November 2023.

- 4.3 Current contractual arrangements, broken down per scheme, are shown in the table below.

Scheme Name	Current Contractual End Date	Proposed Contractual End Date
Parklands View	31/03/2024	08/09/2024
Cedar House	31/03/2024	08/09/2024
Greenwich Gardens	31/03/2024	08/09/2024
Sunnyfield Court	13/09/2024	08/09/2024
Handyside Court	13/09/2024	08/09/2024

Note, the contractual end date for the care provider at Handyside Court and Sunnyfield Court can be brought forward by giving three months' notice, this will be determined by the approvals sought in this report.

- 4.4 Feedback from adult social care professionals, care providers, housing providers, residents and their relatives has indicated that there have been issues with the current model of extra care, implemented in September 2021. This has included matters of flexibility within core care hours which has impacted on the delivery of responsive and person-centred care, supporting management of social isolation and participation in social activity. In addition, social care professionals report issues with the suitability of nomination for extra care housing, in some circumstances, impacting upon the scope for this housing and care option to provide a suitable alternative to residential care. Anecdotally this has resulted in increases to individual care packages that risk greater expense and financial pressure.
- 4.5 There have been issues with a lack of full utilisation of the additional element of service delivery referred to as the “wellbeing charge”, intended to support with activities of daily living, such as attending appointments or support with shopping for food. This was further compounded by the removal of this charge entirely and increase in hourly rates for care delivery to the three home care providers that took over from the early contract termination of one care provider across the three extra schemes in June 2023.
- 4.6 Within the contractual arrangements, there is a requirement for all tenants of extra care housing to pay a set fee direct to the onsite care provider for facilitation of a “24/7 Emergency Response Service”. This element of the service is also proposed to be reviewed in the re-tender specification in order to make improvements, and in areas associated with fees and charges and there will be engagement and consultation with the residents and tenants. This includes a live survey with tenants exploring the need and preference for the 24/7 Emergency Response Service. It is recognised that co-production and engagement of residents is vital in helping shape the specification and re-commission of the new extra care provision.

Public/stakeholder engagement

- 5.1 Consultation with key stakeholders has commenced. Meetings have taken place with Housing Providers across the extra care housing portfolio within Derby City, for the purpose of establishing clarity on roles and responsibilities between housing and care partners, to review joint working agreements and joint nomination agreements, and to negotiate details of future model options which may include financial contributions/benefits to care providers.
- 5.2 Feedback from other Councils operating similar extra care homes is underway, and information regarding models of care, service specifications, fee setting, and delegated responsibilities are being researched for best practice.
- 5.3 Engagement activity with current care providers will take place to review existing provision and to propose future models of service delivery.
- 5.4 Resident meetings have been held across all five extra care housing schemes where feedback upon quality of services as well as the current and future model of care delivery has been provided. Further person centred engagement activity has now commenced by way of tenant and family member surveys to seek views on quality of provision, models of care delivery and the importance of key services for instance overnight provision and emergency response.

Other options

- 6.1 If this report is not approved, the procurement timeline may be revised with a future contract commencement date of 01 April 2024. However, this will result in limitations as to what is achievable for the review and redesign of future care provision within extra care housing schemes. This option may consider the need to separately retender care provision at various schemes within Derby City but this method will lose consistency in approach and risk to sustainability of the model longer-term.
- 6.2 If this report is not approved, an option is to extend the current contractual arrangements to September 2025 in line with the maximum extension term when the service was last procured through open procedure. However, this is not advised due to procurement regulations, budgetary implications and due to identified issues with the model of delivery impacting upon the support needs of tenants.

Financial and value for money issues

- 7.1 The short-term extension cost for the three homecare providers delivering care in an interim capacity at the three affected extra care schemes, is estimated to be £750k for the period 01 April – 08 September 2024, based on current weekly care hours and 2023/24 domiciliary care rates that are anticipated to remain at the current level into 2024/25 for extra care (to be outlined to Cabinet in a separate ASC Fees & Charges 2024/25 report to be presented for consideration in March 2024). The budget for extra care is covered within the existing ASC budget for care packages.
- 7.2 Care provision within extra care is procured via a Framework Agreement and the total contract term following re-procurement across all five extra care schemes, would be up to four years. The following table shows estimated contract value across all five schemes based upon current usage and existing wellbeing service charge.

Estimated annual spend (gross)	£2,358,721
Estimated contract value (gross over 4 years)	£9,434,884

- 7.3 The overall contract extension sought will have a neutral impact upon spend. It is anticipated that future spend on commissioned care will be at a reduced rate compared to inflated domiciliary care rates. For some tenants, the alternative to extra care is long-term residential care in a care home which would come at an even greater cost and poorer outcomes for the customer.
- 7.4 Financial models and analysis for the future care services will be considered following on going due diligence and engagement activity. For extra care housing to remain an attractive and sustainable housing and care option for current and prospective tenants, affordability must be considered. Allowable expenditure under the fairer charging policy will be explored, particularly regarding future tenant charges paid directly to the commissioned care provider to fund an emergency response service and to enable provision of oversight care and support.

Legal implications

- 8.1 Not meeting the Care Act Duty and instead narrowing control and choice of settings available to support customers care needs, specifically into residential care only.
- 8.2 The proposed contract term is from 09 September 2024 until 08 September 2027, with the option to extend for a further 12 months. The service will be procured via a Framework Agreement up to four years.

Climate implications

- 9.1 There are no implications to consider.

Socio-Economic implications

- 10.1 There are no changes in service delivery recommended for the extension period.

The future service specification will pull upon some detail of social value that exists within the current service specification and will develop further to broaden and promote the ethos of extra care housing working towards a community hub model of delivery where appropriate. There will be a dedicated question regarding social value in the tender exercise. Social value will be monitored as per monitoring schedules and will centre around early intervention, support and signposting activity as well as use of community services and groups. The service specification will be designed for the appointed provider(s) to monitor satisfaction and quality of services on an annual basis. All partners will sign joint nomination protocols and joint working protocols to demonstrate commitment to delivering extra care housing services and to promoting the inclusive and age well housing and care settings throughout the city. There will be consideration to include reporting on recruitment of care leavers. The future model will consider the flexibility of approach and how the service specification will promote the success of other local businesses i.e. onsite restaurant providers.

Other significant implications

- 11.1 There are no implications to consider.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu, Head of Legal Services	12/12/2023
Finance	Janice Hadfield, Head of Finance	11/12/2023
Service Director(s)	Gurmail Nizzer, Director for Commissioning and Delivery	13/12/2023
Report sponsor Other(s)	Perveez Sadiq, Director for Adults and Health	

Background papers:	
List of appendices:	Appendix A – Commissioning and Procurement Timeline