

SLOUGH BOROUGH COUNCIL

REPORT TO: People Scrutiny Panel **DATE:** 15th June 2022

CONTACT OFFICER: Jane Senior, Associate Director People Strategy and
Commissioning

Avtar Maan, Group Manager People Strategy and
Commissioning

(For all Enquiries) 07545 065 447

WARD(S): All

PART I **FOR COMMENT & CONSIDERATION**

RE-PROCUREMENT OF EXTRA CARE CONTRACT

1. **Purpose of Report**

To seek comment and consideration of the re-procurement of the Adult Social Care Integrated Care and Support Services in Extra Care Contract.

2. **Recommendation(s)/Proposed Action**

People Scrutiny Panel is requested to:

Comment upon and consider whether the proposed model for Extra Care offers best value.

Approval will be sought from Cabinet in June 2022 to commence the procurement of Integrated Care and Support in Extra Care Services for a 3-year contract plus an opportunity to extend the contract by a further one year period. This will be subject to satisfactory performance and the contract continuing to deliver best value to the Council.

Commissioners Review

Commissioners have reviewed this report and the Cabinet report.

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Corporate Plan**

3a. **Slough Wellbeing Strategy Priorities**

The provision of good quality Integrated Care and Support in Extra Care enables individuals with assessed care and support needs to remain living in their own home, thus promoting independence and reducing the need for more expensive residential care.

Extra Care providers play an essential role within the health and social care system, not only by delivering care to those who are assessed as requiring it, but

also by averting the need for individuals to move to alternative residential care options, maintaining their independence and retaining greater control over their lives.

The Joint Strategic Needs Assessment, informing the Slough Wellbeing Strategy 2020-2025, contains the following data which is most relevant to the re-procurement of Extra Care:

- a) 1% of Slough's population were in very bad health, and 3.5% in bad health. Healthy life expectancy at birth for males in Slough is 58.1 years, and for females is 59.8 years. The percentage of the population whose daily activities were limited a lot is 6.1% and daily activities limited a little is 7.3%. (ONS Census 2011)
- b) The percentage of adults aged 18-64 years with a learning disability known to the local council who are recorded as living in their own home or with parents is 78.3% for females and 78.4% males.
- c) Life expectancy in Slough is less than the Southeast, and England, with males living on average to 78.4 years and females to 82.5 years of age.
- d) The disability-free life expectancy at birth for females is 61.1 years and for males 60.3 years. (ONS 2017-19)

The re-procurement of Extra Care meets the following priority contained within the Health and Wellbeing Strategy:

Priority 2 – Integration (relating to Health and Social Care)

- a) To increase the proportion of people living independently at home and decrease the proportion living in care homes.
- b) To reduce the number of attendees and admissions to hospital, and the length of those stays.
- c) To reduce delayed transfers of care.

3b. **Slough Borough Council Corporate Plan 2022-2025**

The re-procurement of Extra Care services will deliver against key priorities of the Corporate Plan:

- An environment that helps residents live more independent, healthier and safer lives

Effective Extra Care services support people to live in their own homes and to manage their long-term health conditions without the need to live in a care home or hospital settings.

- A council that lives within our means, balances the budget and delivers best value for taxpayers and service users

The use of the Dynamic Purchasing System in the commissioning of Extra Care services will drive competition and seek best value for future contractual arrangements.

4. Other Implications

(a) Financial

The council is responsible for procuring a suitable care provider and for the payment of care and support costs to meet assessed needs. As a demand led provision, Extra Care expenditure will be monitored very closely to ensure sustainability within the awarded block contract. The People Strategy and Commissioning Team will monitor utilisation and access to the scheme will be considered by a Panel.

The Adult Social Care transformation project initiatives to divert demand at front door and ensuring competitive “target price” for care provisions should mitigate against any adverse budgetary effects. The current contractual level for Extra Care services is outlined below:

Current Price – based upon 45,130 hours per annum

Scenario	No of Hours	Hourly Rate (average)	Total Cost per annum
Current price for Extra Care	45,130	18.79	848,200

The proposed level of care will encompass a mixture of planned care, unplanned care and urgent care providing a revised annual total of 38,942 care hours, a reduction of 6,188 hours from the existing contract, as outlined in the table above. The proposed level of commissioned hours is commensurate with the needs outlined within care reviews for the individuals for whom council care is currently provided across existing Extra Care schemes.

It should be noted that with a reduction in the number of contracted hours it is possible that a cheaper contract price could be achieved. The reduction in care hours will not compromise the care needs of individuals or contravene Housing Management requirements relating to the number of staff required on premises overnight. Rather, the block level of contracted hours will allow the care provider to flexibly allocate hours amongst clients aligned to actual care need. Additionally, given the complex needs of clients within these schemes it is unlikely the contracted block level of hours will be under-utilised.

Extra Care services are demand-led with any changes in assessed needs and hence increased care provision over and above the contracted value requiring approval via the routine Social Care Panel Approval process. This will provide the necessary scrutiny prior to any further commitment of council funds above the contracted level over the life of the contract.

Increasing income through a review of charging arrangements is part of the Adult Social Care Transformation Savings plan. A review of arrangements for Extra Care will be considered as part of the programme.

(b) Risk Management

Risks associated with the re-procurement of Extra Care services as will be recommended to Cabinet in June 2022 are considered in the table below.

Risk	Assessment of Risk	Mitigation	Residual Risk
Suppliers do not bid.	Medium The existing provider is likely to be keen to retain their customer base and a number of new providers have registered on the Dynamic Purchasing System.	A PIN notice will be issued directing interested parties to apply for registration on the DPS Market engagement will be undertaken to generate interest in the procurement,	Low
Suppliers bid at excessive and unaffordable hourly rates.	Medium / High The market is facing significant economic pressures. This includes increases in national insurance contributions, inflationary pressures and wage competition from other sectors.	There are specific tender development methods to deal with this scenario which set weightings according to constraints and evaluating in quality: price ratios. Providers will likely be mindful of Adult Social Care Reforms and the Fair Cost of Exercise which will need to be undertaken this year. Approaches to inflationary uplifts will be included within tender documents.	Low / Medium
Suppliers bid at rates which are higher than those currently, placing a pressure on Adult Social Care budgets.	Medium The market is facing significant economic pressures. This includes increases in national insurance contributions, inflationary pressures and wage competition from other sectors.	The instructions to tender will include reference to the scoring mechanism in relation to the price evaluation. Information will also be included in relation to how service users will be allocated to providers i.e., according to an individual's	Medium / Low

		<p>need, availability of staffing and price.</p> <p>Providers will likely be mindful of Adult Social Care Reforms and the Fair Cost of Exercise which will need to be undertaken this year.</p> <p>Approaches to inflationary uplifts will be included within tender documents.</p>	
Loss of continuity of supply for service users if the existing supplier does not bid or bids at an excessive price	Medium	<p>TUPE will apply to any transfer of service from one provider to another. Service users whose packages of care are identified as potentially requiring transfer will receive a service review to determine whether their individual needs can be met by the new provider.</p>	Low
Providers offering a lower price will result in a lower quality	Medium	<p>There are specific tender development methods to deal with this scenario which set weightings according to constraints and evaluating in quality: price ratios.</p> <p>The Extra Care contract will contain a clear set of KPIs which will be monitored. Care providers are also monitored by the Council's Quality Assurance team with issues discussed at the Care Governance Board with improvement plans being submitted to ensure that clear turnaround initiatives are implemented, where required.</p> <p>A suite of KPIs will be included within contracts and suppliers will be required to report against these.</p>	Low

(c) Human Rights Act and Other Legal Implications

Extra Care Services are provided in people's own homes and therefore where residents are living with members of their family the service supports the ability of individuals to have the right to family life.

Due to the nature of Extra Care, there is the possibility for care workers to be subject to Modern Day Slavery and therefore the Quality Assurance team works closely with immigration and customs services to ensure any matters that are brought to the attention of the council are reported.

Any instances of poor practice by care providers in this area are reported through the Care Governance Board process and appropriate embargos are put in place with possible termination of contracts considered through the Safeguarding Provider Concerns process.

(d) Equalities Impact Assessment

An Initial Equalities Impact Assessment has been undertaken and will be further developed through engagement with various groups and through workshops including the co-production network. Providers will be required to set out how they will meet equalities requirements through the tendering process. This includes meeting the diverse cultural and language needs within the borough and seeking to recruit sufficient male carers to meet demand.

(e) Workforce

There are no Council workforce implications.

A Fair Cost of Care exercise will be undertaken over the new financial year. £162M has been made available to Local Authorities in 2022-23 in order to prepare markets for reform (including undertaking the Assessment), with a further £600M being made available in each of 2023-24 and 2024-25, to be funded through the Health and Social Care Levy. The Council has been allocated £348K in 2022-23 and is likely to receive £1m in each of 2023-24 and 2024-25.

Inflationary uplifts will also be awarded to existing providers up to a maximum of 3% upon submission of a full and sufficient business case.

5. **Supporting Information**

- 5.1 Extra Care plays an essential role within the health and social care system, providing a cheaper and more personalised support to adults when compared to residential care settings as the council will only pay for the provision of care and support, the accommodation cost is the responsibility of the tenant. Tenancy or purchasing of Extra care properties are paid directly by the service user to the Landlord. This includes additional charges relating to maintenance, communal facilities, and support as described in the tenancy agreement. Where affordability is a barrier, this is often funded via housing benefits claims and/or council tax reductions.
- 5.2 Extra Care balances independent living with an enhanced sense of security where service users receive support to manage their tenancies. Essential to this are the

following Extra Care characteristics:

- Purpose-built, accessible design promoting independent living which supports people to age in place.
- Fully self-contained properties with own front doors.
- Secure tenancies or lease arrangements where the service user has full control over who has access to their own home
- Office for use by staff serving the scheme and sometimes the wider community
- Communal spaces and facilities
- Access to planned and unplanned urgent care and support services 24 hours a day, 7 days a week
- Community alarms and other assistive technologies
- Safety and security often built into the design with fob or person-controlled entry

5.3 Since 2008, there have been two Extra Care Housing Schemes in Slough; 56 properties at Northampton Place and 70 properties at The Pines. There are a total of 126 properties across the two schemes.

1. Northampton Place is designed with 47 one-bedroom and 9 two-bedroom self-contained properties. 10 of the 56 properties are sold on a shared ownership with the rest being available for rent.
2. The Pines is designed with 55 one-bedroom and 15 two-bedroom self-contained properties. 17 of the 70 properties are sold on a shared ownership with the rest being available for rent.

Under the shared ownership scheme, eligible applicants must buy 75% share of the property, with the Landlord Anchor/Hanover, retaining the remaining 25% share in the property.

5.4 Eligibility: Applicants must be 55 years or older, with care and support needs, and have a local connection to the area. For either setting, the applicant must make an application on the housing register to rent an Extra Care property or register with the Council for shared ownership. Applications are assessed for suitability by the Housing Panel; this is a joint Adult Social Care, Housing Allocations, care operator, and housing operator panel that reviews and agrees applications to the schemes from adult social care and housing allocations

5.5 Procurement approach: The following table sets out the options that have been considered in relation to the procurement route and strategy for the local Extra Care services supply in Slough.

Procurement Strategic Approach	Consideration	Recommended
<p>Option 1 Use of Supplier engaged through mini-competition stage on the ASC Dynamic Purchasing System (DPS)</p>	<p>The approach allows for regular refresh of the list of contracted suppliers at any time, as and when required, via advertisement of mini competitions.</p>	<p>Yes. Offers time efficient and flexibility for refresh of suppliers for generic and specialist services.</p>

Procurement Strategic Approach	Consideration	Recommended
	<p>New suppliers to the local market are engaged through application to join the DPS at any time with the knowledge that there will be opportunity to apply at mini-competition stage for supply contracts.</p> <p>Early engagement with suppliers successful on joining the DPS allows organisations to clearly understand service delivery requirements.</p> <p>The DPS also allows a time efficient process for specific specialist services to be procured.</p> <p>There are currently 160 providers registered to bid for call-off Contracts on the DPS, for care and support and will allow the Council to consider different service delivery options, such as multiple providers in the local areas versus one lead provider.</p>	<p>Maintains sufficiency of supply and encourages new entrant competition in the market.</p>
<p><u>Option 2</u> Open-market procurement</p>	<p>This option may increase new increase new providers into this market.</p>	<p>No.</p> <p>The Council has an effective mechanism for driving competition and seeking best value – the Adult Social Care Dynamic Purchasing System.</p> <p>A process for engagement and service development is underway to inform the new Extra Care service model. This work will be completed by September. The timetable for this exercise is compatible with adoption of the DPS contractual mechanism.</p>
<p><u>Option 3</u> Joint Procurement with another neighbouring local authorities/E Berkshire.</p>	<p>Neighbouring boroughs of Bracknell Forest and RBWM are not seeking a procurement of this service type currently.</p>	<p>No.</p>

Option 1 is considered the best option and is recommended to Cabinet as it ensures best value in securing a sufficiency of supply of Extra Care services in the local area, in a timely and efficient manner.

6. **Comments of Other Committees**

A report concerning the re-procurement of the existing Extra care contract was considered at Cabinet in January 2022. Cabinet approved the extension of the current contract to Creative Support for Integrated Care and Support in Extra Care to the value of £848,200 per annum for a period of two years, this is equal to £1,696,400 (one million, six hundred and ninety-six thousand, four hundred) over two financial years to cover the period 1st April 2021 to 31st March 2023. Cabinet also approved commencement of a new commissioning process to design a revised model of Integrated Care and Support in Extra Care services.

7. **Conclusion**

Further to consideration and comments provided by the People Scrutiny Panel and to recommendations to progress the procurement being agreed at Cabinet the People Strategy and Commissioning team will progress the re-procurement of Extra care services in accordance with the timetable set out within the background paper. This commenced with the publication of a Prior Information Notice on 23rd May 2022. Extensive market engagement will be undertaken to ensure adequate interest from suppliers.

Reports concerning contract award will be presented to Cabinet in November 2022.

8. **Appendices Attached**

'A' PowerPoint Presentation – Re-procurement of Extra Care contracts.

9. **Background Papers**

'1' Report to Cabinet 20th June 2022 - Re-procurement of adult social care Extra Care contracts