

Report to Executive Director of Adults and Health

January 2021

Supporting People to remain Independent - Award of Extra Care Contracts

Report by Head of Commissioning

Electoral division(s): All

Summary

The Council is working in partnership with District & Borough Councils, registered housing providers and registered care providers to develop and deliver extra care housing across West Sussex.

Extra Care provides an alternative option for people who require care but want to retain their independence through having their own front door.

The Council has invested capital grant funding into the builds of Monaveen and Lingfield Lodge ([Report Ref FN16 2019-20](#)). A return of investment has been agreed through the reduction in the cost of care the council may provide to a person through a council managed budget or placement.

Following a procurement process ([Report ref: AH03 2020-21](#)) between July and October 2020, the Council is now in a position to award contracts for the delivery of Extra Care Services at Monaveen and Lingfield Lodge.

Recommendation

It is recommended that the Executive Director for Adults and Health approves the award of the Extra Care Contracts until 30 September 2025 in relation to:

- Lot 9 – Lingfield Lodge – London Care
 - Lot 10 – Monaveen – Housing 21
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Proposal

1 Background and context

- 1.1 Supporting residents to live healthy and independent lives as they grow older in West Sussex is a key priority in the West Sussex Plan and the adult social care vision and strategy. The vision and strategy explain the need to deliver high

quality and sustainable services, which focus on the outcomes of individuals. Adult services are working with a Community Led Support model (CLS), that promotes a strength-based approach and supports residents to remain part of their community.

- 1.2 It is estimated over the next 20 years the number of people aged 65 years and over living in West Sussex will increase by more than 100,000. A third of this figure will be 85 years and over.
- 1.3 Extra care housing is a relatively new model of choice within social care and is a resource that can meet a mixed level of needs. Historically extra care has been a housing led model that would often only support residents with low needs. Often this would lead to them requiring a move to a higher intensity service such as residential care. In West Sussex this has changed, and extra care housing is now enabling residents to grow old in a place where they can spend the rest of their lives.
- 1.4 Extra care housing offers a hybrid model that sits between residential care and living in the community. Extra care offers a person the security of a tenancy/ lease and independence that can be lost when a person moves to residential care. Unlike living in the community, a person living in extra care is more likely to be socially active and maintain relationships. This model is reducing the risk of isolation that can lead to an increase in physical and mental health needs, and often subsequently to an increase in funded support. Extra care offers a community approach and resources that may have been inaccessible to a person living at home.
- 1.5 Housing is often a contributing factor to why a person will contact adult social care, which can lead to them requiring significantly higher support than someone living in appropriate accommodation. As a result, a person is likely to be placed temporarily in a residential setting as their needs cannot be met safely in the community. This is especially apparent when supporting discharges from hospital and due to the limited housing options available, these temporary placements have a greater chance of becoming long term. Extra care is providing a viable option to prevent this occurring, however there is a need for growth in this sector to meet the demand.
- 1.6 The Council is working in partnership with Arun District Council and registered provider Housing 21 to deliver a 60-unit extra care scheme in Westergate. The scheme named Monaveen will provide 31 affordable rent and 29 shared equity flats and communal facilities including an onsite restaurant. Housing 21 is due to receive £1.5m in capital grant funding from the Council and the scheme will be built using S106 agreement. Monaveen is due to open in April 2021, this has been delayed since the original report due to Covid lockdowns and restrictions.
- 1.7 The Council is also working in partnership with Mid Sussex District Council and registered provider Eldon Housing to deliver a 48-unit affordable rent extra care scheme in East Grinstead. Eldon are building this scheme on land that they already own with capital investment of £960,000 from the Council ([Report Ref:FN16 2019-20](#)). Lingfield Lodge is due to open in April 2021.
- 1.8 To ensure that both schemes provide a return on capital investment, an adult social care nominations process will be implemented. This will ensure that the people most in need of housing and care will be prioritised. The schemes will

adopt the home for life ethos and will meet the needs of people with both physical and mental health conditions.

- 1.9 The Council are currently developing a Community Led Support model across Adult Services teams. This approach will enable people to be supported at an earlier stage but also focusing on the strengths of people and their communities with a varying level of need. Both schemes will be supporting this approach by offering services for example restaurants, assisted bathing, and social activities to their local communities.
- 1.10 The decision to commence the procurement of these Extra Care contracts was taken by the Cabinet Member for Adults and Health in May 2020 ([Report ref: AH03 2020-21](#)). It needs to be confirmed that it has always been the intention to extend the Dynamic Purchasing System (DPS) to 30 September 2025 and this has been actioned. The Official Journal of the European Union (OJEU) notice in relation to the extension states 30 September 2025 as does the advertisement of the 2 new schemes (Lingfield Lodge and Monaveen).
- 1.11 A mini competition under the WSCC Dynamic Purchasing System (DPS) for Care and Support in Extra Care Housing was undertaken with all providers who had been successful in gaining a place on the DPS invited submit a tender.
- 1.12 A Prior Information Notice was issued in the Official Journal of the European Union (OJEU) on 17th July 2020 (ref 2020/S 137-338157) to give any new providers advance notice of the opportunity and give them time to submit an application to join the DPS ahead of the mini-competition.
- 1.13 The 14 providers holding a place on the DPS were invited to submit a tender for this opportunity.
- 1.14 Capita Procurement Services undertook compliance checks on the tender submissions on 5th October 2020 to ensure all schedules that were required were duly submitted and that tenders were correct.
- 1.15 The tender evaluation featured both a technical and commercial element with a 60 /40 split towards the technical response of the total points. The technical element of the tender featured responses to 7 method statement questions to determine the ability of the bidder to deliver the required services. The technical element incorporated the use of minimum scoring requirements to ensure that bidders are able to deliver an acceptable standard of service in line with the service requirements.
- 1.16 The tenders were evaluated by the evaluation panel between 6th and 12th October 2020 with moderation meetings held on 13th October 2020 to discuss and agree final scores. The evaluation panel comprised of WSCC commissioners and operational leads from the Council.
- 1.17 Tender submissions that achieved the minimum technical scores were then combined with the commercial element score to determine the total awarded score. Each of the schemes were evaluated separately as per the Invitation to Tender.
- 1.18 As a mini-competition process was undertaken under the WSCC DPS, bidders did not submit information in relation to Health and Safety as this had already been assessed when they applied to join the DPS.

- 1.19 The successful bidders were asked to submit their financial information and commercial finance carried out checks to ensure the financial stability of the two successful bidders.
- 1.20 The appointed Procurement Manager has ensured that the procurement process was compliant.

2. Proposal details

- 2.1 As per the terms and conditions of the DPS, Monaveen and Lingfield Lodge have been added to the DPS and the Council has carried out mini-competitions to award call-off contracts for care in these schemes.
- 2.2 It is proposed that the contracts for Monaveen and Lingfield lodge are awarded to the following organisations.
- 2.3 The Contracts will commence around 1st April 2020 pending no further delays to the building works. The agreement is until the 30th September 2025.

Service Lot	Scheme	Area	Awarded Organisation
9	Lingfield Lodge	East Grinstead	London Care
10	Monaveen	Westergate	Housing 21

3. Other options considered (and reasons for not proposing)

- 3.1 Alternative options were considered as part of the Decision Report ([ref AH0320/21](#)).

4. Consultation, engagement and advice

- 4.1 Consultation has taken place internally with procurement, legal and finance, this had looked at the options available for both existing and new services.
- 4.2 Wider consultation with Arun District Council and Mid Sussex District Council regarding Monaveen and Lingfield Lodge has been ongoing for 2 years.
- 4.3 Customer forums have been held within schemes once a year for the past 3 years to establish the views of people living in the schemes and their families / representatives regarding the services they receive and changes they would recommend.
- 4.4 This decision has been taken in consultation with the Cabinet Member for Adults and Health as the decision to commence the procurement of these Extra Care contracts, taken in May 2020, ([Report ref: AH03 2020-21](#)) refers to a DPS extension to 2024. It has always been the intention to extend the DPS to 30 September 2025 and this has been actioned. The Official Journal of the European Union (OJEU) notice in relation to the extension states 30 September 2025 as does the advertisement of the 2 new schemes (Lingfield Lodge and Monaveen).

5. Finance

5.1 Extra care housing contracts consist of two elements:

- A fixed element which covers core costs that are incurred regardless of occupancy levels.
- A variable element which is based on the assessed care needs of the people who are scheme residents. This is designed to recognise that those needs will change over time and according to occupancy.

5.2 Total annual expenditure for the new contracts Monaveen and Lingfield Lodge is £0.76m, where the cost for each scheme is approximately the same. This cost is based on each scheme reaching full occupancy. The total of these amounts is expressed in 2020/21 prices, to which inflationary increases will be added through the decision report that the Cabinet Member for Adults and Health takes annually on fees uplifts for care providers. It is anticipated that the contract for Lingfield Lodge will commence on 1 April 2021 and for Monaveen on 1 March 2021 although the exact start date is dependent on the building works being complete. Both contracts will expire on the 30th September 2025.

5.3 Funding for the growth in expenditure because of the new contracts will come from the consequential benefits enabled by extra care housing. Based on the needs of the customers currently expected to be placed in the schemes, the average saving, comparing the cost of a placement to the alternative that otherwise would have been required, should be at least the £5,100 per unit per year on which the investment decision was based. Thus, the increase in spending, including the small part year effect that will fall in 2020/21, will be affordable from a reallocation of existing resources. Therefore, the overall impact on the budget is as follows:

	Current Year 2020/21 £m	Year 2 2021/22 £m	Year 3 2022/23 £m	Year 4 2023/24 £m	Year 5 2024/25 £m
Revenue budget	0.03	0.76	0.76	0.76	0.76
Cost of Proposal	0.03	-0.76	-0.76	-0.76	-0.76
Remaining budget	0	0	0	0	0

5.4 The savings expected from Monaveen and Lingfield Lodge have been taken into account as part of budget preparation. The former will secure a saving of £0.1m initially anticipated in 2019/20, while the latter will contribute £0.3m towards delivery of the demand management growth assumptions that will be included in the 2021/22 budget.

5.5 The effect of the proposal:

(a) **How the cost represents good value**

Extra Care Housing is more cost effective than other more conventional care settings. By increasing our supply of extra care units, the County Council will have the ability to divert customers from more costly alternatives, i.e. residential care homes, and help the service absorb growth in future demand.

(b) **Future savings/efficiencies being delivered**

As noted in paragraph 5.4, the total savings expected from the schemes is £0.4m which will be included within the 2021/22 budget. This is based upon an average net benefit of £5,100 per unit, per year which is the minimum likely to be achieved, based upon the needs of the current customers that we are expecting to place in each of those schemes.

6. Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Risk of Challenge	A fully Compliant process that meets standing orders and procurement regulations.
Risk of care provider failure	<p>The DPS enables mini competitions to be run in the event of a care provider failure.</p> <p>TUPE will apply and the Council has adequate contractual provisions in place in the existing contract to facilitate the transfer of relevant information between the outgoing and incoming provider.</p> <p>The security of tenure ensures that residents within schemes would not require rehousing as a result of care provider failure.</p> <p>The DPS enables care providers to be added to the list at any time with approval of the Council.</p>
Risk of delay to commencement of Contract	Due to the current pandemic, there is a risk that if further national or local lockdowns were implemented then a delay to the building works may occur.

7. Policy alignment and compliance

7.1 Extra care housing services are key to the delivery of the West Sussex Plan, particularly around the aims and priorities within 'Independence for Later Life' as identified below:

- People are healthy and well
- A good place to grow old
- Older people feel safe and secure

- Older people feel part of their community
- People are healthy and well

7.2 Extra care housing is also supporting local communities to develop a strong workforce within the care market sector. The schemes also offer additional resources to their local communities, which will support the roll out of adult social care community led support.

Equality and Human Rights Assessment

7.3 All residents of West Sussex with assessed eligible social care needs have the right to have these met with support from the local authority. The proposals have been developed to ensure the Council can meet this.

Social Value and Sustainability Assessment

7.4 The delivery of care within one building has a positive impact on the environment and is supporting a reduction in carbon footprint. The schemes will develop natural environments through outside space and improve the wellbeing of the local community and those living in the scheme. As part of the tender process providers will be asked to demonstrate how they will make a positive impact to the environment and how they will add social value.

Crime and Disorder Reduction Assessment

7.5 There are no anticipated crime and disorder implications.

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Appendices

None

Background papers

None