

Report to Director of Adults & Health

May 2022

Award of Extra Care Contracts - Supporting People to remain Independent

Report by Carrie Anderson – Extra Care Housing & Tec Commissioner

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.

Following a compliant procurement process, the Council is now in a position to award contracts for the delivery of Extra Care Services for 13 schemes.

Recommendation

The Director of Adults and Health is asked to approve the award of the Extra Care Scheme Contracts, as set out in section 2 of this report, commencing on 1st October 2022 for an initial period of 3 years with the option to extend for a further 2 years.

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 explains 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 In 2017, Following a key decision by the Cabinet Member for Adults Services, ([Report Ref: ASCH916-17](#)) the Council set up a new dynamic purchasing system (DPS) framework for extra care housing. The DPS allows the Council to approve and add new appropriately qualified care

providers to the framework at any time. All providers on the DPS will meet core requirements. When new schemes are developed or there is a need for a change of care provider in an existing scheme, the DPS will be used to source the care provision. Subsequent decisions; ([Report Ref:AH03 20/21](#) and [OKD52 20/21](#)) extended the Dynamic Purchasing System (DPS) to 30 September 2025. The Official Journal of the European Union (OJEU) notice in relation to the extension states 30 September 2025.

- 1.4 The Cabinet Member for Adults Services delegated the authority for the award of contract and any subsequent awards within the agreed DPS Framework to the Director of Adults and Health. A mini competition under the WSCC Dynamic Purchasing System (DPS) for Care and Support in Extra Care Housing has been undertaken with all providers who had been successful in gaining a place on the DPS.
- 1.5 The 35 providers previously awarded a place on the DPS were invited to submit a tender for this opportunity on the 26th November 2021. 15 providers submitted a tender by the tender return date of 24th January 2022.
- 1.6 Procurement Services undertook compliance checks on the tender submissions on 25th January 2022 to ensure all schedules that were required were duly submitted and that tenders were correct.
- 1.7 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 10 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.
- 1.8 The tenders were evaluated by the evaluation panels between 31st January – 24th March 2022 with moderation meetings held between 14th February 2022 – 1st April 2022 to discuss and agree final scores. The evaluation panel comprised of a WSCC commissioner, Care and Business Support Team and operational leads from the Council.
- 1.9 The evaluation was completed as a 2-stage process. Providers were asked to submit responses to questions 1-5 as a generic response for all lots. Where a provider submitted for multiple lots, they were asked on question 5 to state their order of preference. 15 providers were evaluated and of these 14 progressed to the second stage. The second stage was evaluated by individual panels for each lot. Providers were asked to submit responses to questions 6-11 with responses related to the specific lot and include local resources.
- 1.10 Tender submissions that achieved the minimum technical scores were then combined with the commercial element score to determine the total awarded score.
- 1.11 The successful bidders were asked to submit their financial information and commercial finance carried out checks to ensure the financial stability of the successful bidder.

- 1.12 The appointed Procurement Manager has ensured that the procurement process was compliant with the Council's Standing Orders on Procurement and Contracts and the Public Contract Regulations 2015.

2 Proposal details

- 2.1 As per the terms and conditions of the DPS, the 13 Extra Care Schemes are part of the DPS, and the Council has carried out a mini-competition to award call-off contract for care in these schemes.
- 2.2 It is proposed that the contracts for the lots are awarded to the following providers:

Service Lot	Scheme	Area	Awarded Provider
1	Highdown Court, Elizabeth House & Abbotswood	Worthing	Care Outlook
2	Osmund Court & Leggyfield Court	Billingshurst & Horsham	Care Outlook
3	Hogshill Gardens & Walstead Court	Crawley	Housing 21
4	Leaholme & Lapwing Court	Chichester & Selsey	London Care
5	Prescott House	Burgess Hill	Carepoint
6	Marten House	Burgess Hill	Care Outlook
7	Arthur Bliss	Lindfield	Care Outlook
8	Lanehurst Gardens	Crawley	Cera Care

- 2.3 The contracts will commence on the 1st October 2022 and will run for a period of 3 years with the option to extend for 2 years.

3 Other options considered (and reasons for not proposing)

- 3.1 Two alternative approaches have previously been considered. These contracts have been let via a conventional tender process in which schemes have been parcelled together in lots. This lacks the potential for flexibility and is more cumbersome than the DPS arrangement. The DPS makes it easier to step in and replace an existing provider who is deemed to be failing.
- 3.2 Another option that has been given consideration was to use the existing framework for Care and Support at Home. This was not pursued because it is believed that the 'extra care offer' is best delivered by staff whose primary commitment is to a holistic service within a specific scheme.

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 this service.
- 4.2 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.

5. Finance

Revenue consequences

- 5.1 The contracts consist of fixed 'block hours', relating mainly to nighttime cover, and a flexible element depending on the volume of care required by residents at any given time. The volume of care hours, and therefore the cost incurred, does fluctuate over time and from one scheme to another. This reflects factors such as;
- The proportion of residents who are eligible for adults services funded care. Currently within the schemes within this award there are 228 customers living within Extra Care that receive funded care. There will be opportunity to increase this by a further 163 customers when flats with non-funded customers become vacant.
 - Changes in individual care plans whereby residents require either more or less care
 - Occupancy levels, there are currently 37 customers in the process of moving into schemes within this award, all of whom have existing funded care, 13 will be moving out of residential /nursing placements. It follows that the level of spending through the contracts will be variable. However, in the majority of cases the new hourly rates payable from October will be lower than those currently being paid. Consequently, on a like-for-like basis expenditure under the new contracts will reduce. Based on average hours recently, this is forecast to total £5.1m per year:

Daytime Block	Nighttime Block	Spot	Total Spend
£1.5m	£0.9m	£2.7m	£5.1m

At that level of activity , there will be savings of £0.2m per year. These will contribute towards the Adults savings target from community care as summarised in the table below.

	Year 1 2022/23 £m	Year 2 2023/24 £m	Year 3 2024/25 £m	Year 4 2024/25 £m
Contract cost	5.2	5.1	5.1	5.1
Revenue budget	5.3	5.3	5.3	5.3

	Year 1 2022/23 £m	Year 2 2023/24 £m	Year 3 2024/25 £m	Year 4 2024/25 £m
Savings	0.1	0.2	0.2	0.2

Extra Care represents good value for money because in many cases it avoids the need for residents to access higher cost, institutional or residential care settings. Savings are achieved in a number of ways which include:

residents requiring fewer care interventions as a result of the 'enabling nature' of extra care

- residents avoiding the need to enter residential care
- residents making less unplanned use of NHS services
- the elimination of care workers' travel and logistical costs between calls

This means that the level of saving delivered by the contracts will increase if more customers with eligible needs are placed in the available flats when they become vacant.

Future increases in the hourly rates will be subject to the annual review that the County Council undertakes of the fees it pays to independent providers of adult social care.

5.3 The effect of the proposal:

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

Extra care is a cost-effective form of provision with average annual savings compared to residential care of around £5,100 per person per year. The level of that benefit will increase as a result of this procurement because the average hourly rate that the County Council will pay from October across all 13 schemes will reduce.

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

As above

(c) **Human Resources, IT and Assets Impact**

The procurement and management of the contract will be delivered within existing resources.

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.
Market Stability	To reduce the risk of a provider having more than 50% of the services, the ITT stipulated that a provider could only be awarded 7 schemes across 4 lots within this procurement. This has reduced

Risk	Mitigating Action (in place or planned)
	the risk to the authority if there is a provider failure and also ensure there is a stable market of Extra Care providers working within West Sussex.
Risk of provider failure	<p>The DPS enables mini competitions to be run in the event of a 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 provider failure.</p> <p>The DPS enables providers to be added to the list at any time with approval of the Council.</p>
Risk of delay to commencement of Contract	Providing there is no delay in the approval of the Council being gained there is sufficient time of 4 months to mobilise the contracts where an incumbent provider has not been awarded.

7. Policy alignment and compliance

- 7.1 The procurement has been undertaken in compliance with the Council's Standing Orders on Procurement and Contracts and with the Public Contracts Regulations 2015.
- 7.2 The Council will enter into a services contract using the DPS terms and conditions which were drafted by Commercial Legal Services and compliant with section 10 of the Council's Standing Orders on Procurement and Contracts.
- 7.3 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
- 7.4 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

- 7.5 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

- 7.6 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 were 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

- 7.7 There are no anticipated crime and disorder implications.

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Appendices None

Background papers None