

SURREY COUNTY COUNCIL**CABINET****DATE: 27 MARCH 2018****REPORT OF: MR MEL FEW, CABINET MEMBER FOR ADULTS****LEAD OFFICER: HELEN ATKINSON, STRATEGIC DIRECTOR, ASC AND PUBLIC HEALTH****SUBJECT: APPROVAL TO AWARD A CONTRACT FOR PROVISION OF A HOME BASED CARE SERVICE IN EXTRA CARE SCHEME AT BROCKHILL SHELTERED HOUSING SCHEME****SUMMARY OF ISSUE:**

Surrey County Council is committed to improving the wellbeing of residents by ensuring that people can live and age well at home in their community.

One option is through the provision of Extra Care housing which is beneficial for continued resident wellbeing for eligible elderly people. It offers a choice of independent living in a community setting, with person centred care and support services directed by the individual and which are responsive to their changing needs. It helps people continue to live as independently as possible as their care and support needs increase, without the need to move into more institutionalised forms of accommodation. People continue to have their own front doors and legal rights to occupy.

The Accommodation with Care and Support Strategy was approved by Cabinet in December 2015 and stated the aim of increasing options available for residents needing accommodation with care and support. There are a number of live projects, both strategic and operational, underway to ensure there are services in place for residents in the short and long term and that they have access to the right support regardless of tenure.

In addition to these projects the Council currently in partnership with Borough and District Councils provides Extra Care housing and services in which the County has retained a number of units within their facilities.

As the contracts for these facilities will shortly end it is necessary to renew the tenures through a re-procurement process of the three existing Extra Care contracts (Brockhill, Mitchison and Beechwood), including taking the opportunity of reviewing the commercial and delivery models at these schemes.

In addition, the three other externally commissioned Extra Care schemes listed below are currently being reviewed: Huntley House (Elmbridge), Anvil Court (Reigate and Banstead) and Chestnut Court (Spelthorne).

This paper sets out the recommended approach to the re-procurement of Brockhill, Mitchison and Beechwood facilities including the procurement processes used, and seeks approval to award a three year contract with an option to extend for up to two additional two year periods to the successful provider of the Brockhill home

and for delegated authority to the Cabinet Member for Adult Social Care and Strategic Director for Adult Social Care and Public Health to approve the contract awards for Mitchison Court and Beechwood Court upon completion of the procurement processes.

Due to the commercial sensitivity involved in the contract award process, the Value for Money details have been included as a Part 2 report.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Approves the award of the contract for the provision of Extra Care support at Brockhill Sheltered Housing Scheme (Home Based Care services in an Extra Care setting) to A2 Dominion Housing Group Limited, starting from 1 June 2018 for a period of three years with an option to extend on an annual basis for two periods of up to two years for each period.
2. Approves the delegation of authority for the approval of the award of contracts at Mitchison Court and Beechwood Court to the Cabinet Member for Adult Social Care and the Strategic Director for Adult Social Care and Public Health.

REASON FOR RECOMMENDATIONS:

The contract awards will support the Accommodation with Care and Support Strategy in Surrey. They will deliver services to residents who are eligible for accommodation in Extra Care schemes, thereby retaining their independence in the community while offering flexible and responsive care and support arrangements to meet their needs, enhance quality of life and improve outcomes.

A summary of the current expiry dates for the existing operational Extra Care schemes and new contract start dates are as follows:

- Brockhill Sheltered Housing Scheme (Woking) contract expires on the 31 May 2018. The new contract will commence on the 1 June 2018.
- Mitchison Court Scheme (Spelthorne) contract expires on the 2 September 2018. The new contract will commence on the 3 September 2018.
- Beechwood Court Scheme (Spelthorne) contract expires on the 2 September 2018. The new contract will commence on 3 September 2018.

All tenders have been conducted under the Light Touch Regime in compliance with the requirement of Public Contract Regulations and Procurement Standing Orders and very similar approaches, evaluation methodologies and commissioning models have been applied to each scheme.

<u>DETAILS:</u>

Business Case and Strategy

1. The Council's vision for Extra Care Housing is part of the Council's Accommodation with Care and Support Strategy approved by cabinet in December 2015.
2. Within the strategy, the Council has found that Extra Care schemes reduce the average cost of care compared to the cost of alternative provision such as residential care. The Council seeks to increase capacity of Extra Care schemes in the county and to maintain existing schemes in the county. This will deliver the Council's vision to enable older people to maintain their independence in the community and to provide appropriate services for residents who have needs that would otherwise require them to live in a residential home or for whom the provision of Home Based Care at home is becoming uneconomic, impractical or does not offer sufficient flexibility to meet their assessed needs.

Current Provision

3. Contracts for three existing Extra Care homes are due to expire in 2018/19. They deliver self-contained accommodation (single or double occupancy units) under a variety of tenure options with care and support services for those residents that require them.
 - a. **Brockhill Sheltered Housing Scheme in Woking** comprises 40 units of which the Council, working with Woking Borough Council who are the landlord, has nominations rights on up to 20 units for Council funded service users. The council currently commission between 190-200 hours of care per week. The landlord and housing provider is Woking Borough Council.
 - b. **Mitchison Court in Sunbury-on-Thames** comprises 39 units of which the Council, working with Spelthorne Borough Council, has nominations rights on up to 27 units. The council currently commission between 200 - 270 hours of care per week. The landlord is Notting Hill Housing Trust, who will be outsourcing their housing management responsibility to the successful provider.
 - c. **Beechwood Court in Sunbury-on-Thames** comprises 40 units of which the Council, working with Spelthorne Borough Council, has nominations rights on up to 20 units. The council currently commission 49 hours per week for Sleeping Night service, 14 hours per week Care Services and additional hours on a spot basis through Home Based Care providers. The landlord and housing provider is A2Dominion.
4. Commissioning Extra Care services at these schemes will support the Council's vision for Extra Care Housing which is to offer residents support within modern, purpose-built facilities that help older people retain their independence in the community while offering flexible and responsive care and support arrangements to meet their needs, enhance quality of life and improve outcomes. Securing continuity of care in the existing schemes are consistent with the strategic direction of the Accommodation with Care and Support programme.

5. The current delivery of home care in each scheme is over 24 hours a day, 7 days a week. The level of care required in this facility across all units ranges from low to substantial/moderate to critical in accordance with the needs of users.
6. Extra Care housing delivers a broad range of services for people who reside and meet the established criteria in terms of needs and the care contract is for the delivery of care and support directed by individual care support plans. Daily visits range from 15 to 60 minutes several times a day based on the individual's needs with delivery of personal care, domestic tasks as well as supporting an individual's access to the community and other services to maximise their health, wellbeing and independence in the community. Personal Care Services are of domiciliary care nature and as such are governed by these care standards. The provider will deliver the following:
 - Person centred, personal care and support available 24 hours a day as directed by individual support plans and responsive and reactive to both planned and unplanned events.
 - On-site response in an emergency to be delivered in a reasonable timescale, and ad hoc responses for individuals to reduce the risk of unnecessary hospital admission.
 - Supporting individuals to access social opportunities and activities.
7. In support of the Council's social value objectives which are about embracing a culture of civic leadership and delivering additional value over and above the core requirements outlined in the specification, the successful providers will be required to share this commitment to social value and work proactively to deliver social value within the local area as offered in their tender submissions for each contract.
8. The successful providers will be required to work closely in partnership with the landlords and housing providers at each scheme who will be responsible for housing management and maintenance services and health and safety of property and the environment of the Extra Care setting and residents as specified in their Tenancy Agreements with residents. The relationship between each party and their inter-dependencies is outlined in Appendix A.

Future Service Provision and Procurement Process

9. After a full and detailed options analysis, it was decided to tender each scheme separately under the Light Touch Regime with bespoke procurement process for each scheme.
10. A full competitive tender process, compliant with the European Public Procurement Regulations and Procurement Standing Orders has been carried out following the receipt of authority from Sourcing Governance Board (SGB). The projects were published on the e-tendering portal as per the following timescales:
 - Brockhill: Selection Questionnaire ('SQ') and tender documents were published on the 24 November 2017 with a closing date of 15 December 2017 with bidders given 20 days to complete and submit their responses. The

Invitation to Tender ('ITT') was published on 11 January 2018 and returned on the 9 February 2018

- Mitchison: ITT was published on the 15 January 2018 and returned on 26 February 2018, allowing 42 days for the completion of the open ITT.
 - Beechwood: Selection Questionnaire and tender documents were published on the 19 February 2018 with a closing date of 12 March 2018 with bidders given 21 days to complete and submit their responses. The ITT will be published on 27 March 2018 and returned on 25 April 2018.
11. For the Brockhill tender a total of 13 providers submitted responses by the SQ deadline. The submissions were evaluated by Procurement for overall compliance and evaluated as passing or failing mandatory questions for Exclusion Grounds, Economic and Financial Standing, Technical and Professional Ability, Requirements under Modern Slavery Act 2015 and Insurance. Four project specific quality questions were evaluated by Council representatives from Adult Social Care and a representative from Woking Borough Council.
 12. Bidders were asked to respond to quality questions with a total score of 100% and were required to obtain a minimum score of 50% to be considered for Invitation to tender. The quality questions included providing details around CQC registration (30%), Suspension of Placements (25%), Organisational Policies, Procedure and Information Governance (25%) and Proven Skills as a provider of Home Based Care in Extra Care schemes (20%).
 13. Five providers who satisfied the selection criteria were shortlisted for the tender phase.
 14. The final Tender documents were published to the shortlisted providers on the e-tendering portal with a closing date of 9 February 2018. Bidders were given 30 days to complete and submit their tender.
 15. Tenders received were evaluated against a number of quality questions. This aspect made up 55% of the overall score with the evaluation of price making up 40% of the balance. A final 5% was evaluated against social value that could be offered by suppliers.
 16. Bidders were asked to respond to quality questions with weightings and which included information about:
 - Promotion of Wellbeing and Independence (5%)
 - Staffing and Management (5%)
 - Operational Activity Monitoring (5%)
 - Personalisation (5%)
 - Integration with the whole Systems Approach (5%)
 - Service Quality and Continuity (10%)
 - Partnership Working (10%)

- Accessible Information Standards (5%)
 - Safeguarding (5%)
17. The above quality criteria and evaluation process is the same for Mitchison Court (though incorporated into a one-stage process) and Beechwood Court with the following differentiation for the Mitchison Court tender:
- Housing Management Quality Questions were added for the Selection stage to cover this element. Bidders were required to pass this element as well as the Care Service Questions for consideration for award.

Key Implications

18. The contract awards for the three schemes will support the Council's commitment to improving the wellbeing of residents by ensuring that elderly people eligible for Extra Care services can live and age well at home in their community.
19. The Council will meet its statutory duties by awarding a contract to the provider recommended for the provision of a Home Based Care service in an Extra Care scheme at Brockhill Sheltered Housing Scheme to commence on 1 June 2018.
20. In addition through the award of a contract to the provider recommended for the provision of Home Based Care service in an Extra Care scheme at Brockhill Sheltered Housing Scheme, quantifiable social value benefits will be achieved through their tender commitment which includes supporting 10 local people to achieve NVQs and offering eight local people apprenticeships during the initial three year term of the contract.
21. Should delegated authority be approved, this will follow for Mitchison Court and Beechwood Court subject to Cabinet Member for Adult Social Care and Strategic Director for Adult Social Care and Public Health approval of the award.
22. The Council can terminate the contract with three months' notice should priorities change, funding is no longer available or if the provider commits a breach of the terms of the contract. The contract through issue of variations and specification also facilitates flexibility in the hours commissioned, in case of greater or lesser demand.
23. The Terms & Conditions of the contract include standard provision for Default and Dispute Resolution.
24. Business Continuity Plans were evaluated as part of the Tender. The Provider successfully completed satisfactory financial and competency checks.
25. Performance will be monitored through a Performance Monitoring Framework which includes a series of Key Performance Indicators as detailed in the contract and reviewed at monthly operations meetings. The top performance indicators and targets for Brockhill Sheltered Housing Scheme are as follows:

KPI	Target	Notes
Pick up of new packages of care for all new residents following joint assessments and allocations for residents in the 20 units	100% acceptance of all new packages of care delivery for the 20 units	Quarterly reporting
Actual delivery of all expected hours against the support plans for all 20 units	100% of actual delivery against the expected hours on residents of support plan for 20 units	Quarterly reporting
Business Volumes, Growth & Turnover: Increase in total volume of home care packages delivered	Information only to understand acuity of residents within 20 units with aspiration to increase over time	Quarterly reporting
Partnership Working – Provider attend all daily hand over meeting with Woking Borough Council staff (Monday to Friday)	100% attendance	Quarterly reporting

26. The management responsibility for the contract lies with North West Surrey Adult Social Care Management Team. The contract will be managed in line with the Contract Management Strategy and plan as laid out in the contract documentation which also provides for review of performance and costs in line with identified continuous improvements in performance.

27. A detailed summary of the evaluation process is provided in the Part 2 report.

CONSULTATION:

28. The consultation process for the tendering of the existing Operational Extra Care contracts has been ongoing since July 2017 and meetings have taken place with stakeholders from both Woking and Spelthorne Borough Council and the services users onsite at each scheme.

29. The draft specification, KPIs and all quality questions were shared with both Woking and Spelthorne Borough Councils representatives and gained input from them before the tender was released to the market.

30. The draft specification, KPIs and terms and conditions have also been shared with officers working on the Strategic Extra Care project to ensure consistency and a document set that will allow for change as the Extra Care landscape in the county develops.

RISK MANAGEMENT AND IMPLICATIONS:

31. Three separate contracts will be awarded for these schemes and all incorporate the clauses and provisions set out in this paper.

32. The contract includes a 'Termination Clauses' (Clause 47) that will allow the Council to terminate the contract with 3 months' notice should priorities change

or if the provider commits a breach of terms of the agreement. Due regard to early consultation with the provider will be given.

33. The following key risks associated with the contract and contract award have been identified, along with mitigation activities:

Category	Risk Description	Mitigation Activity
Financial	Potential risk that during the life of the contract the provider will request an inflationary increase against the annual service delivery cost	The rates are fixed for the initial 3 year term of the contract. Thereafter any increase in price shall not exceed the increase in the Consumer Price Index (CPI) minus one percentage point as shown by the Office for National Statistics.
Reputational	Quality of service delivered does not meet objectives and needs.	Strong contract management and regular performance review meetings will enable the Council to influence, closely monitor and understand performance delivery.

Financial and Value for Money Implications

34. Full details of the contract value and financial implications are set out in the part 2 report.
35. The price will be fixed for the 3 year initial term of the contract.
36. Although the retender does not deliver any cashable savings, it has avoided costs of £61,176 per annum that would most likely otherwise have been incurred if the contract had continued with the incumbent provider.
37. The current contract for these services was based on a minimum 300 hours per week block, whereas the new contract model only sees payment for delivered hours. This will remove the requirement to monitor and pay for voids and better align invoicing and payment process to our systems. This will see minor improvements in back office processing, reconciliation, and the ability to financially assess individuals in receipt of these services.
38. Benchmarking of Home Based Care contract rates, estimated against the cost of services required under this contract, indicates that cost of the awarded provider is lower than average for the geographic area in which the Extra Care will be delivered. This is evidence of the typical cost efficiency of Extra Care services compared to more traditional Home Based Care or Residential services.
39. Key Performance Indicators (KPI) reporting will be in place and robust contract monitoring will ensure targets are being met.

Section 151 Officer Commentary

40. The retendering of these operational Extra Care schemes is enabling continuity of service provision within the existing budgets included in the

council's Medium Term Financial Plan. In doing so, increased costs that would otherwise be incurred are being avoided, which is essential given the council's very serious financial position.

Legal Implications – Monitoring Officer

41. The procurement was conducted in accordance under the Light Touch Regime with the Restricted Procedure under the Public Contracts Regulations 2015. The Council made a short list of potential providers from those who had applied. A competition was held between short listed providers. Bids were evaluated using quality and price as selection criteria. The Council has used the selection criteria to identify the most economically advantageous tender.

Equalities and Diversity

42. An EIA has not been completed as there is no change to the service provided as the same level of support and coverage will be provided under the new provider for the contract.
43. A full list of staff has been provided from the incumbent providers for staff that will transfer to the incoming providers under TUPE arrangements and this information has been released to the bidders as part of the tender processes to inform their pricing for the contracts. TUPE was clearly identified in the tender documents as being applicable to all three contracts with the bidders instructed to seek independent legal advice and that the financial implications are a matter for discussion between the Providers awarded the contract and the incumbent Providers.

Safeguarding responsibilities for vulnerable children and adults implications

44. The Terms and Conditions of the contract, which the provider will sign, stipulate that the provider will comply with the Council's Safeguarding Adults and Children's Multi-Agency procedures, any legislative requirements, guidelines and good practices. This will be monitored through contractual arrangements.
45. The provider responded to safeguarding quality questions as part of this tender process. This service plays a key role in safeguarding adults and we are confident that the provider can deliver safe, quality and efficient services.

WHAT HAPPENS NEXT:

46. The timetable for implementation for the contract for Brockhill Sheltered Housing Scheme is as follows:

Action	Date
Cabinet decision to award the Brockhill contract (including 'call in' period)	6 April 2018
'Alcatel' Standstill Period	19 April 2018
Contract Signature	26 April 2018
Contract Commencement Date	1 June 2018
Contract award approval for Mitchison Court required.	May 2018
Contract award approval for Beechwood Court required	June 2018

47. The Council has an obligation to allow unsuccessful suppliers the opportunity to challenge the proposed contract award. This period is referred to as the 'Alcatel' standstill period.

Contact Officer:

Melanie Nunn, North West Surrey Adults Social Care Commissioning Manager –
Brockhill Sheltered Housing Scheme and Beechwood Court
Andrew Price, North West Surrey Adults Senior Social Care Commissioning Manager
– Mitchison Court
Sara Walton, Procurement Manager, 02085417750

Consulted:

Woking Borough Council, Spelthorne Borough Council and other stakeholders

Annexes:

Appendix A - Extra Care Inter-dependencies
Part 2: Annex attached as agenda item 11

Sources/background papers:

None
