

## CABINET PROCUREMENT & INSOURCING COMMITTEE

Provision of Care at Limetree Court and St Peter's House Housing with Care Schemes - BUSINESS CASE

### BUSINESS CASE (INSOURCING OR OUTSOURCING DECISION)

#### Key Decision No

AHI S128

#### CPIC MEETING DATE

03 October 2022

#### CLASSIFICATION:

Open

#### WARD(S) AFFECTED

All

#### CABINET MEMBER

Cllr Kennedy

#### KEY DECISION

Yes

#### REASON

Affects two or more wards

Spending/or saving

#### GROUP DIRECTOR

Helen Woodland, Group Director for Adults, Health and Integration

**CONTRACT VALUE, both Inclusive of VAT and Exclusive of VAT (for the duration of the contract including extensions)**

**CONTRACT DURATION (including extensions e.g. 2 yrs + 1 yr + 1 yr)**

2 (+1+1) years

## **CABINET MEMBER'S INTRODUCTION**

- 1.1. Cabinet Insourcing Procurement Committee (CPIC) is recommended to agree to the Adult Commissioning team's request to undertake a competitive procurement for the delivery of a care service at Limetree Court and St Peter's House for four years.
- 1.2. This interim service arrangement allows the continuity of care as well enabling the Mayoral commitment to promote independence in adult social care, by allowing individuals to maintain their own tenancies and deliver high quality services to those who need support.
- 1.3. In addition, this request also enables the Council to further explore the potential insourcing options for the delivery of care at both schemes as part of the wider Housing with Care review which is currently in progress.
- 1.4. Limetree Court and St Peter's House are two purpose built schemes of a high specification, demonstrating the Council's commitment to Hackney residents having options to plan ahead for their future care needs in high quality surroundings, that will be their homes for as long as they need them.

## **2. GROUP DIRECTOR'S INTRODUCTION**

- 2.1. This report seeks approval of the Business Case and progression to the tender stage for the provision of care at the Limetree Court and St Peter's House Extra Care schemes in the London Borough of Hackney.
- 2.2. The contract is due to commence in Spring 2023 and will be two years in length with the option to extend for a further two years (one plus one options).
- 2.3. The procurement process demonstrates the Council's commitment to supporting resident's independence for as long as possible while also achieving best value. It is also anticipated that care and support services at Limetree Court and St Peter's House will mean that service users may avoid the need to be placed in more expensive residential and nursing care provision.

## **3. RECOMMENDATION(S)**

- 3.1 The Cabinet, Procurement and Insourcing Committee is recommended to agree to a competitive procurement for the delivery of a care and support service at Limetree Court and St Peter's House for up to 4 years in total (2+1+1 years), with a view to bringing the service in house at the end of the contract.
- 3.2 The Cabinet, Procurement and Insourcing Committee is recommended to agree to the extension of the existing contracted provision with the

incumbent provider, for a period of up to 9 months, in order to ensure service continuity during the final stages of the procurement process and subsequent implementation phase.

#### **4. RELATED DECISIONS**

- 4.1. The first business case was agreed by the Director of Adult Services, Childrens, Adults, and Community Health Directorate, on 3rd May 2019.
- 4.2. A procurement process and subsequent Contract Award report was ratified by CPIC on 13th January 2020. However and unfortunately, the Council could not proceed with the award of contract.
- 4.3. Subsequently, a Single Tender Action waiving of standing orders was agreed and signed off in February 2021 as an interim arrangement. This enabled service continuity at the onset of the outbreak of the Covid-19 pandemic.

#### **5. OPTIONS APPRAISAL AND BUSINESS CASE (REASONS FOR DECISION)**

##### **5.1. Background**

- 5.2. The Council currently commissions planned and unplanned care at Limetree Court (LTC) and St Peter's House (SPH) which are purpose built to a high specification and are currently the most recently built accommodation within Adult Social Care's Housing with Care (HwC) portfolio. The schemes are each owned by a Registered Social Landlord (RSL). The partnership arrangement with the RSLs demonstrates the Council's commitment to Hackney residents to have options to plan ahead for their future care needs in high quality surroundings that will be their home for as long as they are able to reside the re.
- 5.3. In 2012/13, at the request of the Council, Family Mosaic (now part of/known as Peabody) was asked to apply for a capital grant of £4m from the former Homes and Communities Agency to redevelop two of their sites to create extra care services. The Council then agreed to fund a further £300k capital directly to ensure that one of the schemes was designed specifically for residents with dementia and mental health issues. The capital funding was agreed by the Council on the understanding that these services would assist in delaying or preventing the need for residential care and to avoid costs to health and social care services. Hanover (now part of/known as Anchor Housing) had also developed an extra care purpose built building which was offered as one of the schemes. Both schemes are designed using the HAPPI standards (housing for ageing population). SPH in particular, is designed for residents who are living with dementia -

supporting one of the Mayoral priorities to ensure Hackney is a dementia-friendly borough.

- 5.4. Whilst this service was badged as Extra Care, the term Housing with Care is also used and applied interchangeably. Adult Social Care (ASC) was then awarded 100% nomination rights for both schemes. The pathway into this service would be via the HwC referral route, with the tenancy agreements managed by the respective RSL.
- 5.5. It was originally agreed that the care and support service at both schemes would be delivered by the in-house Provider Services staff, however a lack of available staff (at that time) resulted in the Council commissioning an external provider from the homecare framework to deliver planned and unplanned care at both schemes.
- 5.6. In order to ensure contract compliance in accordance with Contract Standing Orders and Procurement Regulations 2015, it was no longer possible to further extend the arrangement with Provider A for this service. Subsequently, in 2019, it was agreed to seek a provider through an open tender procurement process, with a view to re-assess and consider bringing the service in-house at the end of the new contract. Following the procurement exercise, the contract could not be awarded due to a discrepancy in the tender submission. As a result, STAs (Single Tender Action) were awarded to Provider A to continue with the service provision.
- 5.7. In addition, the Covid-19 pandemic and the necessity to ensure the continuity of wider and urgent social care services severely impacted the ability to progress with a care management review of care needs and any recommissioning as teams were diverted to support care homes, those who were shielding and manage infection control. This situation was further exacerbated by the cyber attack which severely impacted Council IT systems and client records. In order to ensure the stability of provision, continuity of staff and care for residents at a time of great change and uncertainty, a ratified extension of the current arrangement with Provider A was approved by CPIC in 2021 with the contract now ending 31st March 2023.
- 5.8. Historically, a substantial number of voids have occurred at both schemes. Subsequently, the RSLs widened the nomination rights in order to reduce the level of voids. Whilst the Council retained 100% nomination rights for both schemes, ASC were given an adjusted provision of 19/43 flats at LTC and 13/39 flats at SPH. Housing Needs were awarded the nomination

rights to the other flats respectively. This provision is still in place currently. However, widening the nomination rights has subsequently led to a mixed tenure of residents at both schemes, some with Care Act (2014) eligible needs and a cohort who, whilst meeting the minimum age threshold of 55, have no identified care needs.

- 5.9. As part of the initial HwC review in 2020, a series of project 'quick wins' was agreed by the Directorate's SMT. One of the considered options was to remove the Provided Services staff from the Non-24hr schemes and move to a sheltered housing/retirement scheme model with care being delivered by the respective incumbent locality homecare framework providers. This would have enabled the in-house Provided Services team to restructure and redeploy their workforce to deliver the care at both LTC and SPH. The reconstitution of the in-house team may have realised a degree of savings against the current costs at SPH/LTC or may have seen a wider HwC savings contribution. To date, this option could not be considered any further as it was interdependent upon changes to the existing in-house provision and on-going HwC review which was delayed due to the Covid-19 pandemic. The wider HwC service review considers these two schemes in the overall HwC portfolio and will determine whether the care will continue to be delivered by a mixed economy approach or will become fully insourced or externalised.
- 5.10. The procurement for the provision of care at LTC and SPH will ensure the continuity of service at both schemes, on an interim basis, whilst the HwC service review is completed and the recommendations for the future design of the service is finalised.
- 5.11. This report seeks to obtain the approval of CPIC to reprocure the delivery of planned and unplanned care at both Limetree Court and St Peter's House Housing with Care schemes for the duration of two years with the option to extend for a further one year.
- 5.12. The Model**
- 5.13. HwC is designed with the needs of frailer older people in mind and with varying levels of 24 hour care and support available on site. People who live in HwC have their own self contained homes, their own front doors and a legal right to occupy the property. This type of provision means that people can retain their independence for longer, delaying and often completely avoiding the need for residential care. This model promotes the Council's vision to promote independence and ensure that people are valued members of their community. This model also avoids higher cost placements in residential care.
- 5.14. The current cost and allocation of planned and unplanned care hours (as at July 2022) is as follows:

Current Weekly Hours		Current Annual Cost	
Planned	508	Planned	£481,271
Unplanned	336	Unplanned	£339,852
<b>Total Hours</b>	<b>844</b>	<b>Total Annual Cost</b>	<b>£821,123</b>

- 5.15. Unplanned care at each scheme is currently delivered over 24 hours covered by 1x staff (daytime across two shifts) and 1x waking night staff. A Team Leader is also present who coordinates the delivery of planned and unplanned care at both schemes.
- 5.16. 51% and 31% of residents at LTC and SPH respectively are in receipt of Care Act assessed care. These residents have a wide spectrum of needs. The number of residents in receipt of care delivered by Provider A amounts to 42% and 23% respectively. To date, 7 learning disability client residents across both schemes receive planned care delivered by other external homecare agencies. This was to ensure that their continuity of care arrangement ensued when they moved into the schemes.
- 5.17. The majority of care packages across the schemes require 3-4 planned care calls per day. The weekly average package of care is 13.8 hours. The majority of POCs are single handed care. However, currently 3 residents and 2 residents at LTC and SPH respectively require double handed care.
- 5.18. The current options that have been considered are as follows:
1. Insourced provision of care
  2. Commissioned 24 hour scheme
  3. Commissioned Non-24 hour scheme
  4. Commissioned rebranded sheltered scheme
- 5.19. Whilst the HwC review and redesign is ongoing, AH&I SMT have agreed for this service to remain as 24hour HwC provision of care. This decision has also been endorsed by each scheme's respective Social Landlord. This will ensure that the residents of each scheme will continue to obtain the care and support to assist them to live as independently as possible within their community. This will continue to be reviewed.
- 5.20. As mentioned within the previous Business Case (2019) and Contract Award (2020) reports, the delivery of care by the Council's inhouse care team was considered as part of the mid to long term provision of care and support. The capacity to insource is currently interdependent upon the completion of the Council's HwC review and redesign. This project has been delayed due to the impacts and legacy effects of the Covid-19 pandemic and cyber attack. Until the review and the outcome of the CQC inspection is favourable the continuation of an commissioned provision of

care and support is considered to be the best option in order to ensure and maintain service stability and value for money.

## 5.21. BENEFITS REALISATION / LESSONS LEARNED

- 5.22. Whilst the contract award in 2020 could not proceed, the model for the delivery of care has remained. Following a review of the planned and unplanned care needs of the residents at both schemes, efficiencies were sought from Provider A in the staffing levels required to deliver the unplanned care element. The new service specification and tender method statements will seek and enable potential providers to submit and deliver the most efficient staffing configuration to meet both the levels of planned and unplanned care across both schemes safely.

## 5.23 Strategic Context:

- 5.24. The proposals support the Best Value duty of the Council and several of the Mayor's Priorities including tackling inequality, delivering high quality services and connecting communities. These are further outlined below:

### *The Mayor's Priorities*

Mayor's Priority	How this proposal will support the priority
Tackling inequality	<p>These proposals ensure that the services being commissioned are available to those most at need, promoting equal access to services, and targeting the most vulnerable. They help close the service gap for those individuals who need longer term support, for example those with enduring mental illnesses and have been assessed using the Council's equality impact assessment to ensure they meet the Equality Act 2010 requirements.</p> <p>In addition, Providers will be encouraged to actively promote and recruit staff locally, thus providing employment opportunities for local people.</p>
An ambitious and well-run Council that delivers high quality services,	Commissioners believe that the proposals are ambitious and demonstrate the highest quality of service, with a well-defined specification that will hold providers to account.
Prioritising quality of life and the environment	The premises on offer are of a very high quality standard, offering individual and double rooms in new buildings. This is some of the best quality accommodation in Hackney.
Connecting with Hackney's communities	The specification will ensure that service users are helped to connect to their local communities, utilising local support groups and services to reduce isolation and promote inclusion. This will include the provision of wellbeing activities and housing-related support from the respective landlords.
Care Act 2014	How it Supports The Requirements
	By supporting the local Homecare market and providing choice for the residents of Hackney who are identified as requiring homecare.

- 5.25. Social Value will be sought from bidders as part of the tendering process. This will require providers to define their offer or social value and in particular, the environmental standards and benefits that their operation will

bring to the borough, in line with the priorities of Hackney's Sustainable Procurement Strategy.

- 5.25.1 The Council has a statutory duty to provide services for older people including nursing, home, residential and day care.
- 5.25.2 Local Authorities, under the Care Act 2014, have a duty to promote wellbeing. The Act highlights the importance of preventing or delaying the development of needs for care and support and the importance of reducing needs that already exist. This service is designed to reduce the need for individuals to go into residential or nursing care homes wherever possible and to promote independence and self care.
- 5.25.3 The previous re-procurement process (2019/20) demonstrated the market's ability to deliver this service in a cost efficient and effective manner in accordance with the service specification, such as an agile workforce delivering the planned and unplanned care elements as well as the potential to pool the planned and unplanned care hours.

#### **5.26. Preferred Option:**

- 5.26.1 The preferred option is Option 2. It is envisaged that the market can provide an efficient and cost effective offer in accordance with the service specification, both meeting the Council's business needs and providing measurable benefits.
- 5.26.2 The proposed contract model and duration provides the appetite to enable sufficient financial viability for prospective bidding providers and thus achieve greater value for money, whilst also allowing flexibility to the Council should the recommendation to insource the provision of care be taken upon completion of the HwC review and redesign.

#### **5.27 ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)**

- 5.27.1 As mentioned in 5.10.10 above, the current options that have been considered are as follows:
  - 1. Insourced provision of care
  - 2. Commissioned 24 hour scheme
  - 3. Commissioned Non-24 hour scheme
  - 4. Commissioned rebranded sheltered scheme
- 5.27.2 Options 1 (Insourced Provision of care), 3 (Non-24 hour scheme) and 4 (rebranded as a sheltered scheme) have been rejected for consideration as outlined below.

#### **5.27.3 Considered Options**



Option	Detail	Pros	Cons
<b>1. Insourcing:</b>  <b>Provided Services to deliver the care and support at LTC/SPH on a 24 hour scheme basis.</b>	<p>Planned care with 24 hour onsite staffing presence (to cover elements of unplanned care) to be delivered by Provided Services. Based on the revised existing model.</p> <p>The schemes could also be rebadged as Non-24hr schemes.</p> <p>This would be dependent upon the finalisation of the HwC review and Provided Services function.</p> <p>The completed <a href="#">Insourcing Toolkit</a> provides the full details of this option.</p>	<p>Fulfils Mayoral objectives for insourcing of services;</p> <p>Brings LTC/SPH in line with other HwC schemes, i.e.in-house delivery of care.</p>	<p>Est. annual cost - 24hr scheme - £1.2m* higher than market.</p> <p>Negative annual saving: £ to be reviewed further.</p> <p>Provider Service currently do not have the capacity to undertake the delivery of care at both schemes.</p> <p>*Calculation based average budget costs for Rose Court and Penn St 24hr HwC schemes which are comparable in size and provision to LTC/SPH.</p>
<b>2.Commissioned Service:</b>  <b>24 hour scheme. Portfolio of hours (planned + flex for element of unplanned care)</b>	<p>Competitive tender for the Housing with Care service to be delivered at LTC and SPH. Care based on a portfolio of hours to cover planned care element with onsite presence for small element of unplanned care.</p> <p>Initial proposed contract duration: 2 year with 1yr +1yr extension options to either enable In-house migration to deliver the service or ensure continuity of service whilst the longer term options are finalised (completion of the HwC review and redesign) i.e. whether both schemes remain within the HwC portfolio or are repurposed (subject to RSL agreement) or relinquished.</p>	<p>Supports market development</p> <p>Vfm through tender process</p> <p>Enables continuity of care and service provision in model.</p>	
<b>3. Rebadge as Non-24 hour schemes</b>	<p>Planned care and unplanned daytime care hours delivered via an Insourced/commissioned service at LTC and SPH.</p> <p>If care is outsourced, initial proposed contract duration: 2 year with 1yr +1yr extension options to either enable In-house migration to deliver the service or ensure continuity of service whilst the longer term options are finalised (completion of the HwC review and redesign) i.e. whether both schemes remain within the HwC portfolio or are repurposed (subject to RSL agreement) or relinquished.</p> <p>This option is also dependent upon the agreement of the respective RSLs.</p>	<p>Est. total annual cost - c.£707k -</p> <p>Annual saving: (Insourced) → c.£227k</p>	<p>Negative effect of the removal of unplanned care during out of hours</p>

<p><b>4.Rebadge the Schemes - Sheltered /Retirement Housing:</b></p> <p><b>Planned Care hours only</b></p>	<p>Planned care hours delivered via an Insourced/commissioned service at LTC and SPH.</p> <p>If care is outsourced, initial proposed contract duration: 2 year with 1yr +1yr extension options to either enable In-house migration to deliver the service or ensure continuity of service whilst the longer term options are finalised (completion of the HwC review and redesign) i.e. whether both schemes remain within the HwC portfolio or are repurposed (subject to RSL agreement) or relinquished.</p> <p>This option is also dependent upon the agreement of the respective RSLs.</p>	<p>Est. Annual Cost - c.£469k*</p> <p>Annual saving: <i>Insourced</i> →</p>	<p>Negative effect of the removal of unplanned care and thus not meeting the needs of a large cohort of residents at both schemes.</p>
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## 5.28 Success Criteria/Key Drivers/Indicators:

### 5.28.1 Outcomes Framework for 2020/21 (ASCOF), as follows:

Domain 1	Enhancing quality of life for people with support needs in particular.
1A	Social care-related quality of life score
1B	The proportion of people who use services who have control over their daily life
1(H)	Proportion of adults in contact with secondary mental health services living independently with or without support.
1I(1)	The proportion of people who use services who reported that they had as much social contact as they would like.
1J	Adjusted Social care-related quality of life – impact of Adult Social Care services
Domain 2	Delaying and reducing the need for care and support.
	When people develop care needs, the support they receive takes place in the most appropriate setting and enables them to regain their independence.
2B(1)	The proportion of older people (aged 65ov) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services.
2B(2)	The proportion of older people (aged 65ov) who received reablement/rehabilitation services after discharge from hospital.
Domain 3	Ensuring that people have a positive experience of care and support.
3(A)	Overall satisfaction of people who use services with their care and support.
3D(1)	The proportion of people who use services who find it easy to find information about support
Domain 4	Safeguarding.
4A	Proportion of people using services who feel safe.

4B	The proportion of people who use services who say that those services have made them feel safe and secure
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## 5.29 Whole Life Costing/Budgets:

- 5.29.1 Currently 19/43 flats at Limetree Court have tenants in receipt of care. There is a potential for this to increase should any of the remaining 24 residents currently not in receipt of care develop care needs (following a care act needs assessment). The occurrences of this has been low to date, however, it is worth noting that this may increase as the latter cohort ages.
- 5.29.2 At this present time, 13 flats out of 49 available at St Peter's House are allocated to the Council's Adult Social Care HwC portfolio. As described above, there is potential for residents currently not in receipt of care to develop care needs as they age. As St Peter's House is a dementia specific scheme, the transition into the HwC cohort will need to be determined on a case by case basis so the likelihood of any rapid increases requiring planned care through this pathway will be lower than at Limetree Court. This continues to be closely monitored. The provider will be made aware of any potential increases within the tender documents and part of their response will require a clear process to facilitate any required increases in the demand of planned and unplanned care should they arise.
- 5.29.3 An extension for 8 months is then estimated at 8/12 of £821,123 = £547,415

## 5.30 Policy Context:

- 5.31 The proposals support the Best Value duty of the Council. The duty of Best Value makes clear that councils should consider overall value including social value when considering service provision; this would be achieved through the tender process.
- 5.32 Under the Care Act (2014) the Council has a statutory duty to provide the services described in this business case and set out in detail in the service specification.
- 5.33 The service also links to City and Hackney Clinical Commissioning Group's work to achieve the best possible health outcomes for residents to ensure:
- People live longer, healthier, happier lives
  - People receive high quality, safe and accessible care
  - The services are responsive and comprehensive, integrated and innovative, and delivered in a thriving and financially viable local health economy
  - Services are procured in a fair and ethical manner
  - Effective and sustainable use of the resources available.

5.34 Liberty Protection Safeguards (LBS) formerly Deprivation of Liberty (DOLs) under The Mental Capacity Act (2005) may apply to some of the service users.

5.35 The proposed care and support services reflect the following Mayoral priorities and Care Act duties:

- Tackling inequality
- Protecting and promoting the well-being of the borough and its citizens
- Connecting with Hackney's communities

5.35.1 Local Authorities, under the Care Act 2014, have a duty to promote wellbeing. The Act highlights the importance of preventing or delaying the development of needs for care and support and the importance of reducing needs that already exist. This service is designed to reduce the need for individuals to go into residential or Nursing Care homes and promote maintaining their levels of independence and self care as much as possible.

#### 5.36 Consultation/Stakeholders:

5.36.1 Whilst this reprocurement is focussed on an interim continuity of the delivery of care, there are minor opportunities to refine the service to obtain best non cashable value for the recipients of the service. A small number of residents who are in receipt of care will be invited to participate within the procurement process. This invitation will be extended to family members and carers who may wish to do this on behalf of their relatives using the service.

5.36.2 All existing stakeholders are currently involved in this re-procurement project. We have conducted a survey with the residents to consider what their needs are in terms of social engagement which we will share with the bidders. We have also been talking to the landlords about the review of provision here, and the planned tender.

5.36.3 A market engagement event will take place in early autumn to promote this opportunity to potential providers and further test assumptions.

#### 5.37 Risk Assessment/Management:

5.37.1 The risk rating of the Risk Assessment Tool [RAT] completed in July 2022 was High.

Risk	Likelihood	Impact	Overall	Action to avoid or mitigate risk
	L – Low; M – Medium; H - High			
Timescales- The timescale for this procurement is very tight with little room for extensions or	M	H	H	This project is being managed by the Commissioning team. It is being monitored by the Head of Service via fortnightly project meetings.

movement on time scales.				
Submitted contract costs exceeds expectation	L	M	M	Due to market buoyancy, there is a reasonable expectation that submitted pricing will be competitive with LLW and the ethical care charter being minimum requirements.
Low number of tenders received	L	M	L	Recent market testing indicates that there are a number of existing providers that would tender for this contract. The contract length ensures that this is a commercially viable contract.
Reputation to Council (Service Delivery)	L	L	L	Fundamentally, there is no change to the existing service model.

5.38 **Insurance:** Advice from Insurance Services has been sought and the following recommended levels of insurance will be included in the tender documentation:

- £2m Professional Indemnity insurance, for each and every claim
- £5m Public Liability insurance, for each and every claim (to include all healthcare activities undertaken as part of the provided service)
- Employer's Liability insurance (as required by law)

We will continue to work with the Insurance Services team to manage the risks relevant to this contract.

#### 5.39 **Market Testing (Lessons Learnt/Benchmarking):**

5.39.1 Previous market testing, benchmarking and procurements has suggested that the market is dominated by homecare providers. Regular engagement by the Commissioning division currently takes place with the incumbent Homecare providers via monitoring visits and a bi-monthly forum.

5.39.2 As indicated from the previous reprocurement in 2020, feedback from the market suggests that this is an attractive contract as it has a guarantee of regular hours for staff, requires no travel between jobs and can offer the opportunity for flexible working, including night shifts.

5.39.3 Other messages and themes from providers have included the fact that longer contracts offer companies assurances, making them more willing to invest in staff training, building better links to communities and offering more sustainability.

5.39.4 We are carrying out soft market testing which will be open until 19/9/22. The result to date indicates that 38 providers have viewed the advert, 9 of which intend on replying, however we will not be able to see the responses until the deadline has passed.

5.40. **Savings:** Although no direct savings have been attributed to this contract it is anticipated that care support services at Limetree and St Peter's will

reduce the current spend in Adult Social Care, as the extra care services will mean that service users will avoid the need to be placed in more expensive residential care provision. Service users are also eligible for housing benefit in the two schemes, whereas in residential care the Council would be liable for the accommodation costs. Throughout the duration of this contract, the number of residential placements will be reviewed in order to determine the positive impacts of the Housing with Care provision.

- 5.41 Over the last two years we have negotiated efficiencies with the current provider that has saved c.150K. We anticipate that tendering this contract out and promoting increased flexibility of the planned and unplanned hours should achieve further efficiencies from bidders who can more fully integrate the provision.

## **6. SUSTAINABILITY ISSUES**

### **6.1. Procuring Green**

- 6.1.1 The Procurement Impact Assessment identified a small number of environmental impacts, around waste management and care worker travel. As part of the tender requirements, prospective providers will need to outline their plans to recruit local staff wherever possible in order to reduce the impact travelling long distances can have. Social Value and Sustainability will have a weighted score of 5% of the total Quality method statement scoring criteria.

- 6.1.2 The service specification will also require prospective providers to collaborate with the two respective scheme landlords in the development and implementation of environmental initiatives including guidance and support for residents on recycling, as well as scheme-wide energy efficiency advice programmes, for example, keeping warm, maximising income and reducing living costs, in partnership with other stakeholders which will benefit the residents.

### **6.2. Procuring for a Better Society**

- 6.2.1 The Procurement Impact Assessment highlighted the positive effect that this contract may have on the local economy. The market, via previous engagement events and tendering exercises, have maintained that longer contracts can contribute towards higher levels of staff retention, thus reducing staff turnover and helping to retain a motivated, well-trained and qualified staffing cohort.

- 6.2.2 As stated above, prospective providers will be asked to demonstrate Social Value as part of the procurement criteria, including the recruitment of local residents. Delivery of social value will be managed through contract management procedures. The tender method statement questions will seek the commitment from prospective providers to ensure that they outline a clear programme for the recruitment of local people to reduce travel and support local communities, provide employment opportunities that are

visible and accessible for people who have been long-term unemployed, as well as opportunities for younger and older employees. In addition, the interested providers will also need to demonstrate internal promotion career pathways to provide lifelong skills, qualifications and employability, as well as encourage the development of the local care workforce as an attractive career for local residents. All bidders will need to ensure that their staff on this contract are paid the London Living Wage as a minimum.

### **6.3. Procuring Fair Delivery**

6.3.1 A full Equalities Impact Assessment has been completed for this service as linked within this report. No negative issues were identified. Potential positive effects for people with protected characteristics would be managed through the new contract to ensure policies and procedures are upheld and monitored across the service. This will include the prospective provider's recruitment and staff policies. The successful provider will need to ensure that they are a Dementia Friendly organisation and will need to demonstrate their abilities to provide specialist support to residents with dementia within the tender method statements.

6.3.2 In addition, the service specification outlines prospective providers confirmed ensure the following:

- The organisation actively seeks to work with voluntary and community sector organisations and partners within Hackney, which helps its staff to support service users and carers through appropriate signposting and direct support to benefit from resources in the community.
- As part of health action plans, prospective providers will support service users at each scheme to eat healthily, exercise, attend primary care appointments and access wider support for health and wellbeing (e.g. smoking cessation). Input from specialists such as dieticians will be incorporated into day-to-day work as well as encouragement in the uptake of annual health checks.

## **7. PROPOSED PROCUREMENT ARRANGEMENTS**

### **7.1. Procurement Route and EU Implications:**

7.1.1 This will be a two stage procurement and the major milestones are outlined below. There will be specific criteria that bidders will need to meet to ensure that they are eligible to deliver a high quality service.

7.1.2 The procurement will be managed through the Council's eProcurement system, and any suppliers that have been invited to, or have responded to the Council's soft market testing exercise, will be encouraged to bid.

7.1.3 The process will follow the regulations as detailed in the 2015 Public Contract Regulations.

### **7.2. Resources, Project Management and Key Milestones:**

7.2.1 The procurement will be overseen by the Senior Commissioner within the Adults Social Care Commissioning Team, as well as the Head of Adult's Commissioning. The project has had an inclusive board to ensure that the service specification meets the considerations and needs of local residents who would utilise this service.

7.2.2 The tender panel will be supported by the Adults Social Care Procurement team and will be comprised of members from the following:

- AH&I Commissioning
- Adult Social Care
- Anchor
- Peabody
- Co-production group

7.2.3 The key milestones are as follows:

<b>Key Milestones</b>	
Business Case Report to CPIC:	03 Oct 2022
Find a Tender Service Advert Placed:	04 Nov 2022
Closing date for SQ:	End Nov 2022
SQ Evaluation:	Dec 2022
Issue ITT:	Jan 2023
Tender Returns:	Feb 2023
Tender Evaluation:	March 23
Contract Award Report to CPIC:	April/May 23
Mobilisation Period:	May - Oct 23
Start on site / Contract Commencement:	Oct-Dec 23

7.3. **Contract Documents: Anticipated contract type:**

The standard Adults Social Care Terms and Conditions will be used for this contract, with input from the Council's Legal team. These include the standard GDPR and safeguarding clauses. A specification and KPIs will set out service levels and expectations. Due to the nature of the care provided and the size of the contract, we do not anticipate subcontracting arrangements.

7.4. **Contract Management:** The roles and responsibilities are set out below:

- The contract will be managed by the Strategic Commissioner for Older People and Long Term Care, which sits within the Adults, Health and Integration Commissioning Team.
- Contract performance meetings will be held at least once per quarter, with more frequent meetings in the first few months. The Adults, Health and Integration Commissioning Team has systems for performance



monitoring, data collation and reporting. This will all be set-up as standard for this contract. This will be led by Quality Assurance staff within the Commissioning Team.

#### **7.5. Key Performance Indicators:**

- 7.5.1 The KPIs will be monitored quarterly. KPIs for social value will be developed around the bidders' response to social value. This will take place during mobilisation and will be monitored.

### **8. COMMENTS OF THE GROUP DIRECTOR FINANCE AND CORPORATE RESOURCES**

- 8.1. The recommendation of this report is to approve the business case and progress to tender for the provision of care at the Limetree Court and St Peter's House Extra Care schemes for up to 4 years (2 years + optional 1+1 extension) commencing in spring 2023. It also requests approval to extend the existing contract to spring 2023. Extension of the existing contract and tender of the future service would ensure continuity of service for existing residents in these schemes, helping to delay or prevent people escalating to require higher levels of care and support.
- 8.2. The contract value is built from two parts: a planned care element where care packages are built around individuals' scheduled daily needs (and so a variable element) and an unplanned care element where permanent on-site staff respond to care calls (at a fixed annual cost). The unplanned care costs are £340k per year and the estimate within this report of planned care costs for 22/23 is £468k resulting in an annual estimated cost for 22/23 of £808k.
- 8.3. The planned care element of the contract will continue to be funded from the existing Home Care budget within Adult Services. The unplanned care element of the contract will be funded by one-off resources within Adult Services for the extension of the existing contract.
- 8.4. The tender of the contract will need to consider how both elements of the contract can be managed within the existing resources of Adult Services. Any new contract would need to consider bids ensuring staff remain paid at a minimum of London Living Wage each year and allow for alternative staffing models to ensure value for money whilst operating at safe levels. The new contract will require active management by the service and careful monitoring to ensure the right level of care is delivered in a sustainable manner.

### **9. VAT Implications on Land & Property Transactions**

- 9.1 This section is not applicable for this procurement exercise.

## **10. COMMENTS OF THE DIRECTOR, LEGAL & GOVERNANCE SERVICES**

- 10.1 Paragraph 2.7.6 of Contract Standing Orders states that all procurements with a risk assessment of “High Risk” will be overseen by the Cabinet Procurement and Insourcing Committee and therefore this Business Case Report is being presented to Cabinet Procurement and Insourcing Committee for approval
- 10.2 The services to be procured in this Report are classified as Social and other Specific Services under Schedule 3 of the Public Contracts Regulations 2015 and are of an estimated value above the threshold of £663,540 (including VAT) for such services. Therefore it will be necessary to publish a Find a Tender notice in respect of the procurement of the services. However as these are Schedule 3 (light touch) services the Council will then be subject to a smaller number of procedural rules in regard to how it procures such services. It will, however, be important to ensure that it complies with the obligations to treat economic operators equally and without discrimination and act in a transparent and proportionate manner in accordance with Regulation 18 of the Public Contracts Regulations 2015.
- 10.3 As detailed in the Report, it is intended that the Contract shall be procured in accordance with the Restricted procedure in line with Regulation 28 of the Regulations. Officers should also ensure full compliance with the requirements of Contract Standing Orders including seeking approval to award the Contract from the Cabinet Procurement & Insourcing Committee.

## **11. COMMENTS OF THE PROCUREMENT CATEGORY LEAD**

- 11.1. The estimated value of the proposed service is above the relevant UK public procurement threshold of £663,540 (Social and Other Specific Services “light touch” regime) and must be awarded in accordance with the relevant procedures set out in the Public Contracts Regulations 2015. The Council’s Contract Standing Order 2.5.2 requires that the Business Case and Contract Award for a High risk procurement be approved by Cabinet Procurement and Insourcing Committee.
- 11.2. The recommendation to delay insourcing is noted and procurement of a contract via an competitive tendering process is confirmed as an appropriate and compliant route.
- 11.3. The timeline for the procurement process is reasonable to ensure contract commencement by November 2023 at the latest. The reasons for the additional 9 month extension to support mobilisation are supported as set out in the report.

## APPENDICES

None

## EXEMPT

N/A

## BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

None

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