

CABINET MEMBER DELEGATED DECISION 13 JUNE 2022

Report title: Care and support services in Lambeth's extra care housing schemes

Wards: All

Portfolio: Cabinet Member for Healthier Communities: Councillor Jim Dickson

Report Authorised by: Andrew Eyres, Strategic Director, Integrated Health & Care

Contact for enquiries: Jen Henderson, Lead Commissioner, jhenderson2@lambeth.gov.uk

REPORT SUMMARY

Extra care housing traditionally offers independent living for older, disabled or vulnerable people where occupants have specific tenure rights to occupy self-contained, accessible dwellings. Each scheme includes the provision of care, support, domestic, social, community or other services, usually provided by an on-site care provider commissioned by the Council to provide bespoke packages of care based on individuals' assessed needs.

Extra care housing can provide an alternative care environment for eligible adults, often more suitable, and with better outcomes than a traditional care home. For many adults care and support in extra care can be provided more cost effectively which can be of significant financial benefit to the Council.

This report sets out the valuable contribution that the current extra care provision makes to the service offer for Lambeth residents to whom the council has a social care responsibility and makes a recommendation to directly award new contracts with the existing providers to enable them to continue to deliver good quality services that represent value for money.

FINANCE SUMMARY

The total cost of the direct award, if the options to extend were fully utilised, is £26.5m across five years across the three providers. The estimated annual value is £5.3m for the maximum five-year contract term. The decision is a direct award to continue services with the existing providers of Extra Care services, and so will be funded by existing Extra Care revenue budgets within Adult Social Care.

RECOMMENDATIONS

1. To waive contract standing order 8.2 on the grounds of demonstrable best interest and directly award contracts to current providers Mayfair Homecare and One Housing Group for two years with the option to extend for a further three plus one years for a maximum of five years. The contracts will run from 20 June 2022 to 19 June 2024 or 1 July 2022 to 30 June 2024.
2. To waive contract standing order 8.2 on the grounds of demonstrable best interest and directly award a contract to current providers Notting Hill Genesis Housing Association for a minimum of

6 months and up to one year whilst both parties determine their longer-term commissioning and delivery plans for Lambeth. The contract will run from 1 July 2022 until latest 30 June 2023.

1. CONTEXT

- 1.1 The Council currently commissions seven extra care housing services providing around 350 homes for vulnerable Lambeth residents. None of the schemes are owned by the Council but are owned and managed by five different landlords.
- 1.2 The Council commissions an onsite care and support service at each of the seven schemes and four contracts for these are currently held by three different service providers.

2. PROPOSAL AND REASONS

Demand for extra care

- 2.1 The Council's strategic objectives, set out in its developing Housing strategy for 2022 are to reduce the number of people in residential care and to increase the availability and choice of specialist housing options for older people. These objectives are met by offering access to a range of social care services to enable older people to live independently.
- 2.2 The Council aims to ensure those with support needs have a range of housing options to suit their needs, including assistance to remain in their own home with aids and adaptations where this is appropriate, or support to move or downsize to a more manageable home.
- 2.3 It is a further strategic directive in Lambeth's Adult Social Care service that residents unable to be supported in their current home and are assessed as requiring a care environment are considered for extra care housing before a residential care placement is considered.
- 2.4 Nationally there is a predicted 35% increase in the over 65 age group in 10 years with a 39% increase in people with dementia by 2030.
- 2.5 With an aging society, there will be more people living longer with complex conditions. This will result in an increase in the demand for specialist services and specialist accommodation
- 2.6 An extra care needs analysis was conducted in October 2021 which highlighted that:
 - The population of older people aged 65+ in Lambeth is projected to increase by 39% by 2030.
 - The population of those aged 45-64 will not increase at the same level, i.e., the 45-54 age group is projected to increase by only 1% by 2040, and the number of people aged 35-44 will fall by 10% by 2040.
 - it is predicted that by 2030 there be a projected shortfall of 89 extra care units in Lambeth required by older adults aged 75+
- 2.7 The council is committed to the principle of extra care housing and invests a significant level of resources in its provision and operation.

Market management

- 2.8 Over the years Adult Social Care commissioners have developed an excellent working relationship with extra care providers. Commissioners believe the current providers are

performing well against a backdrop of additional uncertainty and challenge that the pandemic has provided.

- 2.9 Comparative analysis of the service has shown that providers in Lambeth are operating at a rate, with both the core charge and hourly care rate in keeping with other providers in South London Boroughs.
- 2.10 They are committed to providing additional value where possible, including working with the integrated health and social care team to facilitate effective hospital discharge, support and grow the talent within their workforce, and work towards improving their contribution towards the Council's Carbon neutral ambitions. They are also committed to working with the Council and partners to drive an inclusive offer for all Lambeth residents. This includes services that are both culturally appropriate and respect people's sexuality and gender. Indeed, one of the current schemes was the first LGBTQ+ affirming retirement community in the UK and we are keen to continue to work with them in this important area of service delivery.
- 2.11 Notting Hill Genesis are fully committed to supporting the UK in achieving its net zero carbon emissions target by 2050, by ensuring we improve the energy efficiency of homes and reduce CO2 emissions. Their development programme and asset strategy have been formulated to ensure environmental impact is at the forefront. They are undertaking a strategic review of our business practices to achieve a better understanding of the environmental, social and governance credentials of their suppliers and their own practices.
- 2.12 It is the Council's desire, to continue to work with existing providers so that we can continue to build of the good quality services that exist and provide the very best service to the people of Lambeth so that they can continue to live as independently and well as possible.

Strategic shift

- 2.13 The strategic direction for extra care in Lambeth is to shift the provision to accommodate people with a broader range of housing and care needs. It is important that the Council has assurance that both housing and care providers understand this shift and are willing to work collaboratively to provide extra care as a more universal service based on need rather than one reserved for any particular client group.
- 2.14 Broadening the scope of provision offers a new opportunity for the council to realise financial savings - working with providers to accept people with higher care reducing the number of people who are cared for in costly residential care.
- 2.15 This is a fundamental shift in how we provide extra care and commissioners believe is best tested with existing providers with whom we have a solid relationship and who we trust will work with us. The current providers recognise the changing demographics and have demonstrated their willingness to work with us to support people with a more diverse range of needs.

Value for money

- 2.16 Initial benchmarking has indicated that the existing providers offer a quality service that represents value for money when compared to other local authority schemes. A full cost benefit analysis of the future commissioning options will be undertaken when the market is more stable post responding to the Covid19 Pandemic.

- 2.17 A range of different extra care contracting, and financing models are in use across different providers and commissioning authorities which can make a direct comparison of costs between providers challenging.
- 2.18 Most commissioning arrangements include a *core charge* which will apply to each unit of accommodation and fund overheads and generic services provided to all residents. E.g., waking night-time presence, emergency call response communal meals supervision etc. In some cases, the core charge will also include a fixed number (or block) of care hours that can be drawn up by the provider to deliver direct care to residents to meet their assessed care needs. The core charge is effectively a block contract but can sometimes be presented as an hourly rate.
- 2.19 Where direct care hours are not provided within the core charge, or additional hours are required to meet residents' care needs these are purchased separately on a flexible basis (*flexi, menu or spot purchase hours*).
- 2.20 While direct benchmarking between boroughs can be challenging, and not all boroughs pay London Living Wage rates, some comparisons can be made at key price points e.g., the hourly rate paid for additional/flexi hours.

Weekly Core Charge

	Weekly Core Charge
Lambeth Average	£186.57
Borough A	£187

Block hourly

	Block hourly charge
Lambeth Average	£19.03
Borough B	£30.29
Borough C	£19.95

Flexi/Spot hourly charge

	Flexi/Spot hourly charge
Lambeth Average	£17.27
Borough C	£18.11

Impact of external factors

- 2.21 It is very well documented that the social care market has been hugely impacted by Covid19 and many care providers remain in a state of unsteadiness, responding to the huge challenges Covid19 has presented. One of the areas most impacted by both Covid19, and Brexit has undoubtedly been in the workforce. Providers have been hit hard trying to navigate through the impact of staff sickness, self-isolation, burn out and higher number of people leaving the industry.
- 2.22 As a result of this, present confidence in the market to respond to a tender process is low. Tender processes are time consuming and costly for providers, who are prioritising operational stability over organisational growth and commissioners are not confident that there is enough appetite from the wider market to partake in a tender process at this stage.

2.23 Commissioners believe that it is in the best interest of the people of Lambeth, the public purse and the local workforce that a direct award is pursued for the extension of the contracts with the existing providers and that over the course of the next 12 – 18 months a full market engagement exercise is completed to thoroughly assess and determine market readiness for future tendering.

Contract Management

2.24 The contracts will be managed under the existing resources within Adults and Health integrated commissioning team via the Lead Commissioner, Senior commissioning Officer and Commissioning Development Officer. The team of commissioning resource will continue to work with providers to maximise performance and value for money.

2.25 The terms and conditions as set out in the contract and associated specification and Key Performance Indicators will be finalised in due course but it is anticipated that they will follow a similar format to the previous contract.

2.26 Commissioners will ensure a robust approach to the monitoring of the quality of service provision, maximising opportunities for improvements and innovation.

3. FINANCE

3.1 The estimated values of the contract per provider across the contract term and extension option are listed in the recommendation summary above and tables below. Mayfair Homecare and One Housing Group will be awarded a two year initial contract term and extension options of one plus one plus one years. The initial contract term total cost is £6.36m across four schemes, with the option to extend by one year at a time for up to three years up to a maximum value of £15.9m over five years.

3.2 3.2 The estimated annual value is £3.18m for each year of the maximum five-year contract term, which has not been adjusted for inflation or annual uplifts to be granted on the basis of the London Living Wage increase. The decision is a direct award to continue services with the existing providers of Extra Care services, and so will be funded by existing Extra Care revenue budgets within Adult Social Care.

3.3 3.3 The 6 month minimum value and 12 month maximum value of the extension with Notting Hill Genesis across their three schemes is shown in the second table.

Provider	Scheme	Contract term (Two years)	Maximum Extension option (one+one+one yr)	Estimated Annual Value	Estimated contract value including extension
Mayfair Homecare	Hillyard House, Clarence Avenue, Helmi House	1/7/2022-30/6/2024	1/7/2024-30/6/2027	£2,300,000	£11,500,000
One Housing Group	Bankhouse	1/7/2022-30/6/2024	1/7/2024-30/6/2027	£880,000	£4,400,000

Provider	Scheme	Minimum contract term	Maximum contract term	Estimated 6 Month Value	Estimated Annual Value
Notting Hill Genesis Housing Association	Lingham Court & Charleston House	1/7/2022-31/12/2022	1/7/2022-30/6/2023	£610,000	£1,220,000
	Cheviot Gardens	20/6/2022-19/12/2022	20/7/2022-19/6/2023	£450,000	£900,000

4. LEGAL AND DEMOCRACY

- 4.1 The authority to approve the recommendation of this report is delegated to the Cabinet Member for Adults and Health (Job Share), who must consult the Leader of the Council before taking the decision.
- 4.2 The Cabinet Member may waive the competitive tendering requirements of the Council's contract standing orders if they are satisfied that this is demonstrably in the Council's best interests.
- 4.3 The Care Act 2014 provides that where it appears to a local authority that an adult may have needs for care and support, the authority must assess whether the adult has such needs, and what if any those needs are. The Council has duties and powers under sections 18 and 19 of the Care Act 2014 to meet eligible adults' needs for care and support which meet certain criteria. Under s8 of the Act the Council may meet such needs in various ways including through the provision of accommodation in a care home or in "premises of some other type". Extra care housing is the provision of any scheme where support and care services are provided with the purpose of enabling the person receiving the support to live as independently as possible in the community.
- 4.4 The Public Contracts Regulations require that the services are tendered in compliance with those regulations, specifically regulations 74 – 76 (the light touch regime). The requirement may only be dispensed with in very limited circumstances. The proposed direct awards will be deemed extensions of the current contracts. Extending them will be regarded as a direct award under the regulations and accordingly there is a risk of challenge from the market.
- 4.5 Under section 5 of the Care Act 2014 a local authority must promote the efficient and effective operation of a market in services for meeting care and support needs with a view to ensuring that any person in its area wishing to access services in the market (a) has a variety of providers to choose from who (taken together) provide a variety of services; (b) has a variety of high quality services to choose from; and (c) has sufficient information to make an informed decision about how to meet the needs in question (section 5(1)). In arranging for the provision by persons other than it of services for meeting care and support needs, a local authority must have regard to the importance of promoting the well-being of adults in its area with needs for care and support and the well- being of carers in its area (section 5(4)).
- 4.6 Taking s5 of the Care Act into account and as this report explains, the market is currently suppressed, and it is unlikely that the Council could secure continued provision at competitive prices. The Council also risks losing the current extra care provision altogether if the current providers elect not to incur expenditure of resources participating in a tender process. In assessing the risk of challenge the decision maker will have regard to these factors. It is also possible that the exemption in regulation 32(2)(b)(ii) applies i.e. that the Council has to award the contracts without competition because competition is absent for technical reasons.

- 4.7 This proposed key decision was entered in the Forward Plan on 14 June 2021 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. CONSULTATION AND CO-PRODUCTION

- 5.1 As part of the preparation for this report, commissioners have sought the input from the following people:

Housing providers and social care providers	Individual conversations and extra care forum (Jan 2022 and Feb 2022)
Extra care steering Group	26 January 2022
ASC and Health management team	1 March 2022
Procurement Board	22 February 2022
Cabinet Member Board	3 March 2022

6. RISK MANAGEMENT

- 6.1 The main risks that impede on the successful delivery of this procurement and contract are:

Item	Risk	Likelihood	Impact	Score	Control Measures	Risk Owner
1	Provider declines option enter into further contract	1	2	2	Conversations have already taken place with all providers who have indicated to continue their provision	Jen Henderson
2	Provider challenge	1	2	2	The current challenges faced by the health and social care sector render any challenge unlikely.	Jen Henderson
3	Provider failure	1	8	8	Meetings have been held with all three providers with a view assessing this risk. While considered minimal this can be mitigated by the provision of further contracts ensuring stability for the organisation and their workforce.	Jen Henderson

Item	Risk	Likelihood	Impact	Score	Control Measures	Risk Owner
4	Reduced demand for extra care housing	2	4	6	A needs analysis has been undertaken which demonstrates the continued demand for this provision. Over 15 years of operation extra care has remained a popular option for care managers and their clients resulting in continuous demand for properties and minimum void levels.	Jen Henderson

Key

Likelihood	Very Likely = 4	Likely = 3	Unlikely = 2	Very Unlikely = 1
Impact	Major = 8	Serious = 4	Significant = 2	Minor = 1

7. EQUALITIES IMPACT ASSESSMENT

- 7.1 An Equalities Impact Assessment (EIA) has been completed and authorised by Fiona Connolly, Executive Director Adults and Health on 24 February 2022.
- 7.2 The EIA confirms that this model of independent housing with care continues to offer positive outcomes for a range of protected groups including older people and disabled adults.

8. COMMUNITY SAFETY

- 8.1 Not applicable

9. ORGANISATIONAL IMPLICATIONS

Environmental

- 9.1 Providers will be asked to demonstrate their commitment to working in partnership with Lambeth Council to reduce the overall footprint of council services. This will form part of the annual review meetings that commissioners hold with providers.

Health

- 9.2 Extra care housing is a vital service for helping vulnerable people to remain in their own homes and independent for as long they are able to.

Corporate Parenting

- 9.3 Not applicable.

Staffing and accommodation

- 9.4 Not applicable

Responsible Procurement

Good Quality Jobs with Fair Pay and Decent Working Conditions

- 9.5 More than 200 staff are employed in Lambeth's commissioned extra care services, the majority of whom are Lambeth residents. All staff are paid London Living Wage as a contractual requirement which is evidenced by the service provider. Working conditions are good among all providers and because of the permanent nature of extra care housing provision many staff are employed on fixed hour as opposed to zero-hour contracts

Quality Apprenticeships, targeted Employment for Lambeth residents and Lambeth Priority Group

- 9.6 Recruitment is targeted at Lambeth residents and particularly those living in the locality of the scheme. Training is provided and financed by providers which can lead to social care qualifications, improving wider employment opportunities.

Reduce Emissions: Lambeth Council has a commitment to be Carbon Neutral by 2030.

- 9.7 The clustered residential nature of extra care housing scheme reduces the need for care staff to make journeys between people's homes in the community when delivering care to service users.

The council will require contractors to report on CO2 emissions released in delivery of the Council's contracts, and to report on steps taken to reduce CO2 emissions in delivery of the Council's contracts, and emissions reductions. This will include a responsibility on the provider to determine additional ways in which their service can reduce carbon emissions which will be reviewed at contract monitoring meetings e.g:

- By providing plant based meal options
- by supporting residents to minimise their energy use within the accommodation by information campaigns, energy advice and behaviour change initiatives.
- Improving provision of safe cycle storage and encouragement/ incentivisation of staff to cycle to work.

All care providers will be asked to present their carbon reduction strategy as part of the revised contracts

Single Use Plastics:

- 9.8 Each of the three providers maintain an environmental sustainability strategy which in some cases addresses the reduction in the use of single use plastics. However, infection control required by the COVID 19 pandemic has compromised the ability to deliver on the aim of reducing single use plastics as the use of personal protective equipment, by its nature single use, has significantly increased in all care environments.

Positive Health & Wellbeing

- 9.9 All providers have achieved or will be required to work toward achieving the London Mayor's Healthy Workplace accreditation

Other Offer (Innovative Practices)

- 9.10 Extra care schemes often operate as key resources for the communities in which they are located.

A wide range of programmes for volunteering and activities, supporting smaller third sector organisations operate among them including the opportunities for residents to engage in

volunteering opportunities, dementia day services open to other Lambeth residents and intergenerational activities.

10. TIMETABLE FOR IMPLEMENTATION

10.1 The table below details the stages and deadlines for implementing the recommendations:

Activity	Proposed Date
Date incorporated on Forward Plan	12/06/2021
Procurement Board	22/02/2022
Negotiating and discussion with providers	February 2022
Procurement Board	22/3/2022
Decisions Online	01/06/2022
Contract award	TBC
Contract commencement	01/7/2022

AUDIT TRAIL

Name of person consulted	Department or organisation	Date sent	Date Received
Leader of the Council – Cllr Claire Holland	Leader of the Council	17/05/2022	30/05/2022
Cabinet Member Healthier Communities Councillor Jim Dickson	Cabinet Member	25/03/2022	31/03/2022
Andrew Eyres, Strategic Director, Integrated Health & Care	Adults and Health	25/03/2022	28/03/2022
Fiona Connolly, Executive Director Adult Social Care	Adults and Health	23/02/2022	24/02/2022
Peter Hesketh	Finance	15/03/2022	17/03/2022
Maryiama Sesay	Procurement	15/03/2022	17/03/2022
David Thomas	Legal Team	15/03/22	16/03/22
Julia Skinner, Democratic Services	Democratic Services	31/03/22	31/03/22
Grace Ferris	Sustainability team	23/02/2022	03/05/2022
Jane Bowie, Director of Integrated Commissioning	Adults and Health	14/03/2022	16/03/22

REPORT HISTORY

Original discussion with Cabinet Member	20/01/22
Report deadline	15/03/22
Date final report sent	03/05/2022

Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	Yes
Date first appeared on forward plan	12/06/2021
Key decision reasons	Expenditure, income or savings in excess of £500,000.
Background information	N/A
Appendices	EIA  ExtraCare_EIA_Dec2 1.pdf

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board, and taken account of their advice and comments in completing the report for approval:

Signature: _____ **Date:** _____

Post: Jen Henderson, Lead Commissioner, Integrated Commissioning, Adults and Health

I approve the above recommendations:

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature: _____ **Date:** _____

Post: Councillor Jim Dickson, Cabinet Member for Healthier Communities

Any declarations of interest (or exemptions granted): None

Any conflicts of interest: None

Any dispensations: None