

Cabinet Member Delegated Decision 23 March 2018

Report title: Care and Support at Bankhouse Extra Care Scheme

Wards: Prince's

Portfolio: Cabinet Member for Adult Social Care: Councillor Jackie Meldrum

Report Authorised by: Helen Charlesworth-May: Strategic Director for Adults and Health

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Report summary

Bankhouse is a newly developed extra care scheme available to people aged 55 and over at affordable rents or to be purchased on a shared ownership basis. Care and support service is offered on site to residents of the scheme including personal and domestic care and round the clock emergency support.

This report sets out the intention to enter into a contract for care and support, which will formalise the agreement with One Housing Group (OHG) first set out in 2011. The service commenced on 10th July 2017 and will be for a period of two years up until 9th July 2019, with the option to extend for one year to 9th July 2020.

There was no formal approval in place for the payments/spend from 10 July 2017 to 27 February 2018, therefore the Cabinet Member is asked to note spend made during this period.

Finance summary

The service is expected to cost £1,145,000 over the two year term or £1,853,000 including the option of a one year extension. It will be funded from existing budgets in Adult Social Care. The contract is London Living Wage (LLW) compliant and the cost of paying all care workers at least the LLW, including an estimation of the annual increase, is included in the total cost.

Recommendations

- (1) To note the spend from 10 July 2017 to 27 February 2018 for an amount of £175,000.
- (2) To waive 9.1 of the Contract Standing Orders (competition requirement for purchases and partnership arrangements), in order to award a contract for care and support at Bankhouse Extra Care Scheme to One Housing Group from 10 July 2017 to 9 July 2019, with the option to extend for one year to 9 July 2020 at a maximum cost of £1,853,000 over the extended term (inclusive of the £175,000 spent from 10 July 2017 to 27 February 2018).

Reason for Exemption from Disclosure

The accompanying part II report is exempt from disclosure by virtue of the following paragraphs of Schedule 12A to the Local Government Act 1972:

Paragraph Three: Information relating to the financial or business affairs of a particular person. (Including the authority holding that information).

1. Context

- 1.1 Bankhouse is a newly developed extra care scheme located on Albert Embankment, close to Vauxhall and the Thames. It is Lambeth's first scheme in the north of the borough and expands our extra care service to seven locations. Accommodation consists of 86 units of which 48 are to be available to people aged 55 and over with varying care needs at affordable rents. The remaining 36 units are to be available for sale on a shared ownership basis an offer that expands the housing options available to older people in Lambeth.
- 1.2 The scheme will provide specialist housing with care designed to offer a safe, private and secure living environment. Tenants are able to retain the independence of having their own home whilst enjoying the benefits of there being staff on hand 24 hours a day to provide planned care and support. The care and support service aims to promote the maximum level of independence achievable by the individual. This service aims to:
 - Enable individuals to exercise choice and control within available resources.
 - Enable individuals to live independently with dignity within the community in their own homes for as long as possible.
- 1.3 The council will be responsible for arranging and funding care and support for the people nominated to the 48 affordable rental units, where they meet eligibility criteria. The residents of the 36 shared ownership units are assumed to be ineligible for council funding for social care, and while they may access council contracted services if they wish they need to pay the full cost of their care after a financial assessment.
- 1.4 The expected benefits for the Council are as follows:
 - Care can be provided closer to home.
 - Extra care assists in the avoidance of admissions into residential or nursing home care.
 - A greater number of people can be supported to live independently.
 - As a service designed primarily with older people in mind, the service will contribute to the outcome of *Health and wellbeing for all*, within the *Reducing Inequality* overarching outcome.
- 1.5 The development is part of the Older People's Housing Review, which was agreed by Cabinet in October 2008. As part of the same strategy it is planned that the nearby Denby Court sheltered housing scheme will be redeveloped and the Council gave the residents of Denby Court the right to move to Bankhouse on a temporary or permanent basis. To date, 15 people have successfully relocated to Bankhouse.
- 1.6 As the registered social landlord, OHG will provide housing related service to tenants paid for through their service charge. This includes things like repairs and maintenance, cleaning of communal areas and assistance with housing benefit claims and these services are outside the scope of this report.
- 1.7 This report is concerned with the care and support service delivered on site to residents of the scheme who meet eligibility criteria. As with Lambeth's existing extra care schemes, the on-site care provider offers personal and domestic care to residents following an assessment of need, and care staff are on-site 24 hours a day, 7 days a week to offer round the clock emergency support. The extra care service model is designed to be flexible enough provide for a range of care needs and to respond to changes in the residents' change in needs over time.

2 Proposal and Reasons

- 2.1 This report proposes the award of a contract for statutory care and support for the residents of Bankhouse extra care scheme to One Housing Group (OHG), who are assessed as meeting the

eligibility criteria. The contract will be for a period of two years with an option to extend for a further one year.

- 2.2 The service is aimed at the tenants of the affordable rent units and not routinely offered to those who live in the shared ownership flats although they can access the council contracted service if they request it and they meet the eligibility criteria. It is expected they will be financially assessed as funding the full cost of their own care.
- 2.3 The Bankhouse scheme development, previously known as Hampton House, was devised during the period 2011 to 2013 and was designed to fit with Lambeth's commissioning strategy for extra care at that time, which aimed for all new schemes to have an integrated housing and care delivery team. The 2011 approved proposal set out that the council would have the right to nominate individuals to the rental units in Bankhouse and that OHG would be the operator of the scheme in terms of both housing and care services.
- 2.4 The contract award will therefore conclude and formalise the agreement first set out in 2011. During the five year period between proposal and contract start, the planning application has been finalised and the development has been built resulting in building handover to OHG in May 2017. Negotiations with OHG to develop and confirm the proposed contract for the care and support have been ongoing since February 2016 and are now complete.
- 2.5 In 2013 Lambeth's commissioning strategy for extra care recommended that all new schemes had an integrated service in this way as it has been our experience in that in general this arrangement delivers a higher quality, more joined up service to tenants than in schemes where the care and support provider is a different organisation to the landlord.
- 2.6 The benefits of a more joined up service can be as follows:
 - A quicker resolution of issues especially more complex problems that require input from the landlord and from the care provider.
 - Scheme activities are more successful.
 - The level of Council resources required to manage a contract in this arrangement is much reduced.
 - When residents or council officers raise an issue with one party it is relayed to the other party more effectively.
- 2.7 Since 2013 the strategy for extra care has moved on. Lambeth now recognises that other models can also achieve quality services and has chosen to implement operating models where the care and housing services are not delivered by the same organisation. This gives the council the opportunity to test several models that will inform the commissioning and procurement decisions around extra care in the future.

3. Finance

- 3.1 The contract price, based on expected volumes of care is £1,145,000 for the two year term, and £1,853,000 for the total length of the contract if the one year extension is used. Note that this includes the expenditure from 10 July 2017 to 27 February 2018 for an amount of £175,000.
- 3.2 The cost of one year of service at 2017/18 prices is estimated to be £661,000 when the scheme is full and the staff team complete. While this cost is modelled on the expected volume of care per week the demand at the scheme could vary depending on the level of need of people who are referred to the scheme. The contract allows for this flexibility and the council will pay for what is delivered, and so the cost may vary from the expected figures.

The cost over a three year period has been modelled on the expectation that the scheme will be full six months after opening. When a scheme opens the volume of care delivered will be low and as the scheme fills up the volume of care will gradually increase. For this reason the cost in the first year is lower than subsequent years.

- 3.3 Within the cost modelling it has been assumed that the council will fund the care of those with eligible needs who are nominated by the council to an affordable rent flat in extra care. While they can request to access the council contract it has been assumed that any shared-ownership residents who do so will fund their own care.

Table 1: Expected cost of the service

Financial Year	Cost of contract 10 July 2017 to 9 July 2019	Cost of one year extension	Total
2017/18	328,000	0	328,000
2018/19	642,000	0	642,000
2019/20	176,000	527,000	702,000
2020/21	0	181,000	181,000
Total	1,145,000	708,000	1,853,000

- 3.4 The contract is London Living Wage (LLW) compliant with all care workers and other staff working directly on the contract being paid at least £9.75 per hour from the start. The LLW is calculated annually by the Resolution Foundation in consultation with the Living Wage Foundation and if there any increases the impact on the contract price and the required funding will be identified on an annual basis. An estimation of financial impact of the annual LLW increases has been included in the contract cost.
- 3.5 The care and support will be funded from current Adult Social Care budgets. The people who will receive support at Bankhouse will be eligible for care under the Care Act 2014 and would have required an alternative service if not moving to extra care.
- 3.6 Many people will move to extracare as an alternative to residential care. As the average placement at Bankhouse is cheaper than Lambeth’s block purchased residential care by £206 per week, this contributes to ongoing cost savings.
- 3.7 Service users make a contribution to the cost of their direct care and support which depends on their ability to pay as determined by their financial assessment. There is no charge for the core cost which includes the scheme management and the 24 hour presence on site, and this also applies to those who benefit from the core services but receive no care and support from the on-site provider.

4. Legal and Democracy

- 4.1 Section 9 of 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 does have needs for care and support, 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 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”. In discharging their duties and powers, local authorities are required to promote wellbeing and independence and take account of the preferences of the individual with assessed needs. The Council has a statutory power to enter into contracts for the provision of extra care housing services under the Local Government (Contracts) Act 1997.

- 4.2 The authority to deal with the matters set out in this report is delegated to the Cabinet Member for Adult Social Care, in consultation with the Leader.
- 4.3 The services which form the subject matter of this contract are deemed health and social and other services and are now subject to the light touch regime in the Public Contracts Regulations 2015. When the Council agreed to the development going ahead with an integrated housing and care service the services were deemed Part B services within the meaning of the previous (2006) Regulations, which meant that there was no requirement to conduct a competitive tender under the Regulations. The 2015 Regulations do not apply to contract award procedures which commenced prior to 26 February 2015.
- 4.4 The Public Services (Social Value) Act 2012 applies to the proposed contract, and this required the Council to consider before starting the process of procurement, how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and how, in conducting the process of procurement, it might act with a view to securing that improvement.
- 4.5 This proposed key decision was entered in the Forward Plan on 4th August 2017 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 While not part of the commissioned care and support contract tenants will be required to sign up to a daily meals service and pay on a monthly basis in advance. The council sought the views of residents of a similar scheme in Tottenham including whether it impacted on their ability to make choices over their daily life. The positive views of the Tottenham residents directly impacted on the council's decision to support a meals service at Bankhouse.
- 5.2 The model for the care and support contract has been negotiated with reference to a review undertaken by Healthwatch between April 2014 and May 2015. Healthwatch officers surveyed residents, their families and care staff and undertook "enter and view" visits to the five existing extra care schemes. Please see the link in Background Information to read the full report.

6 Risk management

- 6.1 The following checks have been completed on the provider in order to assess organisational risk
- Dun and Bradstreet financial risk assessment
 - Review of organisational policies on Health & Safety, Risk Assessment, Safeguarding Adults, Information Security, Recruitment & Selection, Equalities & Diversity and Corporate Complaints
 - Ensuring the required levels of indemnity under their Public and Employees Liability policies.
 - Ensuring the required Care Quality Commission (CQC) registration is in place

Description	Impact	Likelihood	Mitigation
That the number of suitable nominees is insufficient to fill the scheme leading to void charges	High	Medium	Early engagement with Adult Social Care management and Brokerage colleagues to ensure that front line staff are aware of the scheme coming on stream Model expected numbers of nominees over the ramp up period
Delays to procurement and/or legal process	Medium	Medium	Close monitoring of progress
The health and safety of new tenants moving from residential care provision is compromised	High	Low	Nominations to the extra care scheme will be assessed for their suitability, and their move will be managed carefully but care management.
Risk of procurement challenge This report asserts the proposed award falls within regulation 118(1)(c) of the Public Contracts Regulations 2015	High	Low	The justification in paragraphs 2.2 and 2.3.
That serious issues are identified during the Due Diligence checks	High	Low	Checks have been completed

The mitigation measure put in place mean that the risks outlined above no long apply.

7 Equalities impact assessment

- 7.1 An Equalities Impact Assessment was completed on the service specification for extra care and the referrals process in January 2016 ahead of the commencement of the care and support service at Cheviot Road extra care scheme. The findings apply to the contract proposed by this report and it will bring a range of positive impacts for older people who live there or who visit.
- 7.2 There is a commitment from the provider and the Council to manage the service in such a way that is sensitive to the needs of individuals whatever their race, cultural background, gender or sexual orientation. As such no disproportionate negative equality impacts have been identified.

8 Community safety

- 8.1 Extra Care housing offers greater security for older people through the provision of 24-hour care services, connected through a community alarm system, hard wired into each tenant's property.

9 Organisational implications

9.1 Environmental

OHG has a pre-existing environmental strategy that states how this will minimise the environmental impacts and resource-use associated with their new developments, and reduce the impact of their business operations on the environment.

The extra care model clusters care provision on one site which can lead to fewer journeys made to deliver services to individual dwellings, thereby having a positive environmental impact.

9.2 Staffing and Accommodation

None

9.3 Procurement

The council and One Housing Group (OHG) entered into an agreement in principle in 2012 that once the scheme, then known as Hampton House, was operational, OHG would be the building operator providing the housing management service and the care and support. Therefore 118(1)(c) of the Public Contracts Regulations 2015 applies and the contract may be awarded without an OJEU notice.

9.4 Health

Extra care is intended to improve and maintain people's independence whilst keeping them safe, and to decrease social isolation and loneliness all of which have positive health outcomes for the individual. An additional benefit is that by helping people to remain independent in their own home pressures on other areas of the health and social care system are reduced.

10 Timetable for implementation

Action	Deadline
Scheme opened	10 July 2017
First contract monitoring report which will include assurance that the service is safe for service users. (Commenced three months after scheme opening date)	19 January 2018
Procurement Board	26 September 2017
Decision published online	1 March 2018
Decision date	23 March 2018
Contract drafted and signed	02 April 2018

Audit Trail				
Consultation				
Name/Position	Lambeth directorate/department or partner	Date Sent	Date Received	Comments in para:
Helen Charlesworth-May,	Strategic Director , Adults and Health	04.09.17 09.12.17	06.09.17 07.02.18	Throughout 3.3, 3.7, 6
Fiona Connolly	Service Director, Adult Social Care	04.10.17	05.10.17	No comments
Moira McGrath	Director of Integrated Commissioning, Adults	04.09.17	06.09.17	Throughout
David Thomas Legal Services	Corporate Resources	07.09.17	20.09.17	4
Henry Langford Democratic Services	Corporate Resources	07.09.17	15.03.17	Throughout
Peter Hesketh, Gabor Erdelyi	Finance	07.09.17	18.09.17	Section 3
Councillor Jackie Meldrum	Cabinet Member: Adult Social Care	21.09.17	22.11.17	Throughout

Report History	
Original discussion with Cabinet Member	08.12.16
Report deadline	N/A
Date final report sent	N/A
Part II Exempt from Disclosure/confidential accompanying report?	Yes
Key decision report	Yes
Date first appeared on forward plan	04.08.17
Key decision reasons	2. Expenditure, income or savings in excess of £500,000
Background information	Healthwatch survey undertaken between April 2014 and May 2015: http://www.healthwatchlambeth.org.uk/extracarereview Cabinet, 13 October 2008, item four: Sheltered Housing Strategic Review
Appendices	None

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: Helen Bolger, Strategic Commissioning Manager

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 Jackie Meldrum , Cabinet Member for Adult Social Care

Any declarations of interest (or exemptions granted):

Issue

Interest declared