DELEGATED DECISION

Care and Support Services in Extra Care Housing

Report of Paul Cassidy, Director of Adults Services

Portfolio Holder: Cllr Barbara Brownridge, Social Care and Public Health

January 15th 2014

Officer Contact: Jane Bellwood, Project Manager Extra Care Housing Ext. 8459

Reason for Decision

This report informs Senior Management Team (SMT) of the proposal to undertake a process to select providers of care and support services to residents of Extra Care housing schemes linked to the wider process of establishing an ethical care approach for care providers in the Borough.

The report requests authorisation by SMT to delegate decision making to the Director of Adults Services for the award of a contract for the provision, management and operation of domiciliary care and support services within four Extra Care housing schemes in Oldham.

Executive Summary

1. As a Co-operative Council we aim to take a lead in setting ethical standards for the delivery of high quality care. These standards need to ensure that the care is focused on the customer’s needs and guarantees a good quality of care that pays proper regard to the dignity of the individual. Within Extra Care housing we intend to build on the wider work around care and support to ensure a model of delivery fit for the future.
2. A separate report to January Cabinet details Oldham’s Ethical Care approach and the process by which a Quality Standard for Care at Home is to be established and social value principles embedded within contracts.

3. The application process to be awarded the standard was open to all Regulated and Unregulated providers who wish to deliver services relating to Care At Home including domiciliary care in Oldham and would like to be considered for other types of work, such as Extra Care Housing and specialist service delivery such as end of life care.

4. The aforementioned approach and Cabinet decision due on 27\textsuperscript{th} January 2014 will enable the Authority to call off from this Quality Standard other services, in this case Care and Support services in Extra Care.

5. The award of the Extra Care contract is planned for late March early April 2014. The award will follow a "mini-competition" exercise; that will further evaluate the capacity of providers who have already expressed their interest in providing Extra Care Services, and who have been assessed and accepted already onto the Quality Standard as Good or Excellent providers.

6. The desired outcome is to award the Contract for Extra Care Services that will run for one year. This new service is initially a pilot across the four chosen schemes. It will create a 24/7 offer for tenants in Extra Care and will provide a much improved service offer for those with care and support needs. This will mean that those who need additional care and support will be able to regain (in some cases) and maintain their health and well-being for longer. This will enable them keep independent in their own homes and the within the Community, and negate the need for more costly residential care downstream.

7. The aim of this approach is to meet the requirements of the Council’s Social Value Procurement Framework, while achieving financial saving.

8. The Care Contractor will be expected to work in partnership with the current Housing Management Provider Housing 21, with whom we have negotiated a night-time concierge service that will be operational at the same time as the day time care and support service. Both will be expected to deliver on wider outcomes related to the health and well-being of tenants in Extra Care.

9. This delegated authority to award from the newly established Care at Home will allow Oldham Council to progress with implementation of this much needed service. Tenants in Extra Care will have more options offered on how to access services, and to exercise choice and control in how those enhanced services are delivered.

10. Currently Public Consultation on the proposals has started with the tenants in the four schemes it will close on the 3\textsuperscript{rd} February 2013. A report will be presented to Cabinet in March with details of the representations regarding the consultation and options around any changes given tenant’s views and for final decision on the proposal.
11. From those providers who have been assessed as achieving Good or Excellent scores fifteen providers wish to bid in the mini-competition in February for Extra Care Services.

Recommendations

12. That authorisation is given to award the contract for the provision, operation and management of domiciliary care and support services in four of our Extra Care Schemes in Oldham, for one year within a fixed financial envelope of around £228,000.

13. That the link between this process and Oldham’s ethical care approach to care and support at home is noted.
Support for decision to use delegated authority to award contract for the purchase of Domiciliary Care and Support Services in Extra Care Housing.

1. **Background**

1.1 Following public consultation in 2012 on options for Older Peoples services in Oldham, recognising the increasing demand for residential and nursing care; and the need to support and enable people to maintain independent living in their own homes for longer; the decision was made to develop the service offer within four of our eight Extra Care ready Housing schemes in Oldham.

1.2 During 2013 work has been done to examine models from elsewhere nationally and in the North West. We have worked closely with our housing management provider Housing 21 on the development of the new service model in ECH, and have consulted informally with tenants, carers, families and Housing 21 Court Managers to understand what level of service is needed to improve the quality of life for those in ECH.

1.3 Reviews of care and support needs for all residents in schemes, has identified that 39% of the population in ECH has booked care. We have identified around 10-20% efficiencies in packages of care from introducing an enhanced care, security and support offer in ECH.

1.4 The new service will maximise the use of this high quality accommodation for those with medium/high care and more complex support needs. The remaining four schemes will also be reviewed during 2014 and we will report back with any improvements or changes required for these schemes.

1.5 The four chosen schemes provide 175 apartments which accommodate up to 185 tenants. The chosen schemes are:-

- Tandle View Court, Royton
- Trinity House, Coldhurst
- Aster House, Coldhurst
- Charles Morris House, Failsworth

2. **Current Position**

2.1 Currently these schemes deliver a sheltered housing offer, with a Court Manager present in working hours. Extra Care is traditionally a mix of 24/7 care, support and security. If offers a step-up from sheltered accommodation and a step down from residential care for those who need extra care and support to keep well and independent in their own homes.

2.2 Currently care and support is delivered by a range of providers with as many as ten domiciliary care companies operating within any one scheme. The feedback from tenants is that care can be fragmented, inconsistent and inflexible. The
current model of care and support does not enable those with access issues or who need support and encouragement to access the services available to them in the schemes. Most schemes have a café, hairdressers, shop and assisted bathing facilities, as well as a programme of activities. A number of residents are not able to access and therefore benefit fully from these amenities and services, which is impacting on social isolation and quality of life.

2.3 The new care and support offer in Extra Care Housing (ECH) will need to deliver on the following objectives:

- Flexible, responsive and consistent needs based care and support
- Better use of resources within individual budget through enabling access to amenities, activities care and support
- Improved choice and access to activities on and off the scheme
- Rebuilding or maintenance of independent living skills
- Options for step-up and step-down care on site, to negate the need for longer hospital stays, intermediate care or to prevent admission to hospital.

3. **Timetable for Mini-Competition**

3.1 The advert for the Care and Support Mini-Competition can only be placed after the providers have been informed that they are on the Quality Standard for Care at Home, following the January Cabinet Decision. The earliest date to start is 5th February 2014. The Award can only be done after the date of March Cabinet and members agreement to the current proposals which are currently out to consultation. The consultation closes on the 3rd February with an additional 2 weeks for consideration of responses to happen. This brings us to Monday 24th February to being the formal mini-competition process.

3.2 The expectation is that as many as 15 providers who are good or excellent who have expressed an interest will be invited to bid. The decision sought in this report is that the contract award decision (pending the outcome of the consultation exercise) id taken by the Director of Adult Services.

<table>
<thead>
<tr>
<th>Activity</th>
<th>To be completed by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertise on The Chest (Selected providers only)</td>
<td>Monday 24th February 2014</td>
</tr>
<tr>
<td>Dispatch of Service Specification</td>
<td>Monday 24th February 2014</td>
</tr>
<tr>
<td>Event Description</td>
<td>Date/Duration</td>
</tr>
<tr>
<td>------------------------------------------------------------</td>
<td>------------------------------------</td>
</tr>
<tr>
<td>Return of Applications</td>
<td>Monday 10th March 2014 (2.5 weeks)</td>
</tr>
<tr>
<td>Evaluation of the Applications</td>
<td>Monday 10th March 2014 – 24th March 2014 (2 weeks)</td>
</tr>
</tbody>
</table>
| Interviews                                                 | Wednesday 26th – 29th March 2014 (3 days)  
Decision on award Monday 31st March |
| Report to SMT                                              | Monday 7th April 2014               |
| Inform Providers (Intention to Award - Successful and Unsuccessful letters) | Tuesday 8th April 2014 |
| 10 Day Standstill period                                   | Tuesday 22nd April 2014             |
| Confirmation Letter of Award to Provider                   | Wednesday 23rd April 2014           |
| Service Commencement                                       | TBC                                |
| Officers involved                                          | Paul Cassidy/Maggie Kufeldt/Jane Bellwood, Lynda Megram, Helen Warburton/Barbara Gregory/Andrea Brierley |

4 **Preferred Option**

4. **Reasons for requesting authority for this delegated decision.**

Reasons for requesting this delegated decision:

4.1 The mini-competition for care services in ECH cannot begin until the Quality Standard for Care at Home has been agreed at January Cabinet and the 5 day period is over. Providers will then be informed of their assessment rating against the standard.
4.2 Once the formal consultation with tenants on the Proposals for changes in ECH closes on the 3rd February, there are a further two weeks for full consideration of responses. This will mean the mini-competition process cannot start until after 17th February 2014, when we can anticipate the level of reaction on the proposals. We will then be asking Cabinet to consider any recommended options or changes to the proposals on 31st March. We will not award the care contract until we know the outcome of the Cabinet decision in March.

4.3 A thorough assessment of applications needs to be carried out with up to 15 providers. All our good and excellent providers who have expressed an interest in ECH will be invited to apply, in order to take account of any possible appeals against the standard allocated to a provider. This will require all the providers to be assessed and will mean a more protracted approach than first planned for.

4.4 The procurement timetable for the mini-competition for care services includes Providers that have already been ratified as being suitable for inclusion on the Council’s Quality Standard for Care at Home at Cabinet in January. This negates the need to return to Cabinet for approval 8 weeks later with the name of the provider who will deliver services in ECH.

4.5 Constitutional rules allow delegated authority for this decision to the Director of Social Care. This will mean that we do not need to wait until the June Cabinet following the elections in May 2014, for a decision. As the provider will need time to recruit and set up the service in ECH this will enable no delay to the implementation process and the new service will be expected within 8-10 weeks of award. We will be asking prospective providers about their transition planning for set up the service within the evaluation approach.

4.6 Actioning our delegated authority for award of the contract in early April (pending the Cabinet decision on the Consultation proposals) will allow more time to prepare prospective providers and to carry out the evaluation of their bids. We are aware that this is a new area of delivery for many providers, so additional work with them on preparation is required to ensure they deliver quality bids and that we get the right provider going forward. Choosing the right provider for ECH in Oldham which is crucial to the success of the new service.

5 Consultation

5.1 Consultation has taken place with:

- Senior representatives from Adults Services
- Procurement Team
- Providers
- Tenants
- Adults Finance
- Commissioning Hub
- Service Users
- Procurement
- Legal Services
6 Financial Implications

6.1 Budget Summary

The table below summarises the financial impact on the revenue budget in relation to the contract for care services in Extra Care Housing for the 2014-15 financial year. The impact on future financial years is expected to be the same as 2014-15 but will be revisited once the result of the pilot scheme is known.

<table>
<thead>
<tr>
<th></th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anticipated cost of Pilot for Care in extra care housing</td>
<td>£228,000</td>
<td>Decision following review of proposed pilot</td>
</tr>
<tr>
<td>Savings</td>
<td>£224,000</td>
<td>As per table shown in section 6.3</td>
</tr>
</tbody>
</table>

The additional costs of the pilot will be met through Housing Revenue Account (HRA) resources. The savings will accrue on the General Fund, primarily within the Community Care budget.

6.2 Background Information

This report is requesting to award a one year contract for the provision of domiciliary care in the Oldham Borough under a spot purchase arrangement.

It is expected that Oldham Council is proposing paying £9.90 per hour as a flat rate per hour, based on an agreed model maintained by the Procurement and Quality Assurance Team (revised for Extra Care delivery). This shows that it is less costly for providers to deliver care in Extra Care that in community settings where travel time, down time and management overheads is higher.

6.3 Financial Savings

The Council will make savings in other areas through the operation of the service in Extra Care. There are also significant savings for primary and secondary health services that will see a reduction in demand for these services, through better management of long term conditions in Extra Care Housing. At this stage the level of savings cannot be quantified, but this information will be gathered in the pilot period to enable future negotiation to happen in the future with organisations who feel the benefits of the new service.

The immediate and most obvious efficiencies are in the following areas:-
<table>
<thead>
<tr>
<th>Efficiency measure</th>
<th>Estimated Saving to Adults Social Care budgets</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Reduction in residential care placements required from ECH</td>
<td>£54,000</td>
</tr>
<tr>
<td>2. Reduction in homecare spending through reductions enabled from more flexible delivery and more use of facilities in ECH</td>
<td>£48,000</td>
</tr>
<tr>
<td>3. Reduction in spend on short stay accommodation from ECH</td>
<td>£67,000</td>
</tr>
<tr>
<td>4. Reduction in calls to helpline and response</td>
<td>£30,000</td>
</tr>
<tr>
<td>5. Reduction in day care spend</td>
<td>£25,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£224,000</strong></td>
</tr>
</tbody>
</table>

The anticipated reduction in costs on the General Fund in relation to this scheme will help to reduce the overspend within the Community Care Budget as items 1, 2, 3 and 5 within this breakdown are all contained within this division.

Please see appendix one for a detailed analysis of how the savings above have been calculated.

Paul Clarke
Finance Manager

**HRA Financial Implications**

If the Extra Care Housing proposal is approved, the HRA has agreed to forego a large majority of its current general fund receipts (these contributions were originally identified as Supporting People contributions, allocated to help cover the costs of Court Wardens and Helpline costs, however this grant has now been unringfenced).

Current general fund contributions are estimated to be in the region of £400k per annum.

The breakdown of how this £400k will be utilised in 2014/15 is as follows –
a) The need to support a 2014/15 budget savings namely FVP 13111 (U) Supporting People. £100k

b) Funding the provision of onsite care in 4 of the current Extra Care Sheltered Housing Schemes. £230k (as per this report)

c) Continuing with contributions towards the cost of helpline monitoring costs for PFI 2 tenants. £70k

The intention is that any loss of income to the HRA borne out by the decision to divert funds to help fund extra care packages within Adult Social Care, will be offset over a 5 year transitional period via the introduction of service charges to PFI 2 tenants.

In addition it is intended that the HRA will initially fund a range of one-off non-recoverable costs linked to its introduction. Current estimates are that these will total approximately £220k and include items such as the capital costs of CCTV equipment, the recruitment of an officer on a fixed term contract to help deal with the required tenancy profiling changes and also the funding of removal costs related to any tenancy moves again for a fixed period.

In addition the HRA will incur an additional recurrent CCTV revenue maintenance cost estimated to be in the region of £25k per year whilst also committing to underwrite the phased implementation of night concierge salary cost recovery.

The profiled impact on the HRA if ECH was to be adopted is as follows –

<table>
<thead>
<tr>
<th>Description</th>
<th>2014/15 £</th>
<th>2015/16 £</th>
<th>2016/17 Onwards £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Night Concierge Costs</td>
<td>107,250</td>
<td>108,320</td>
<td>109,410</td>
</tr>
<tr>
<td>Night Concierge Costs Recovery</td>
<td>(35,750)</td>
<td>(72,210)</td>
<td>(109,410)</td>
</tr>
<tr>
<td>One off Costs</td>
<td>220,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CCTV maintenance</td>
<td>25,000</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td><strong>Net Impact on HRA</strong></td>
<td><strong>316,500</strong></td>
<td><strong>61,110</strong></td>
<td><strong>25,000</strong></td>
</tr>
</tbody>
</table>

Based on current estimates, there would therefore be a reduction of the HRA balance of £316,500 in 2014/15, a further £66,110 in 2015/16 with an on-going £25,000 thereafter. This would therefore revise the cumulative HRA balances figure should this initiative go ahead.

(John Hoskins – Senior Accountant)

7 Legal Services Comments
7.1 Following a consultation with the responsible Officer, it was advised that in order to maintain a proper and sustainable legal footing the timeline for Procurement has been amended and that any decision should not be taken until Cabinet has considered any responses and options accordingly.

7.2 Legal also agrees that this report does not need the approval of the SMT or Cabinet in these circumstances.

8. **Cooperative Agenda**

8.1 This process is part of the Council’s ethical care approach and compliments the Council’s cooperative agenda in respect of both those receiving services and the workforce providing them.

9 **Human Resources Comments**

9.1 Not applicable

10 **Risk Assessments**

10.1 No specific comments required (MS)

11 **IT Implications**

11.1 None

12 **Property Implications**

12.1 None

13 **Procurement Implications**

13.1 A procurement process was followed for the Care at Home contract in line with EU Regulations and Oldham Council’s CPRs.

13.2 The mini-completion for the award of the extra-care housing contract will also be in line with EU Regulations and Oldham Council CPRs. The process will also ensure the most cost effective commercial contract that also delivers added social values to the Borough. Karen Lowes

14 **Environmental and Health & Safety Implications**

14.1 Not applicable

15 **Equality, community cohesion and crime implications**

15.1 All proposals around care charging will be applied equally to tenants who current receive commissioned care.

16 **Equality Impact Assessment Completed?**

16.1 No, but it has been drafted and will be finalised following the closure of the consultation on the new service offer. The recommendations around care only
impact those with commissioned care currently which make up 39% of the current ECH population

17 **Appendices**

17.1 Appendix 1: Detail on efficiency calculations

<table>
<thead>
<tr>
<th>Signed _________________________</th>
<th>Dated _________________________</th>
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</thead>
<tbody>
<tr>
<td>Cabinet Member [specify whom]</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Signed _________________________</th>
<th>Dated _________________________</th>
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</thead>
<tbody>
<tr>
<td>Executive Director</td>
<td></td>
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</tbody>
</table>
## Appendix 1

### Contract for the purchase of Care and Support services within Extra Care Housing

<table>
<thead>
<tr>
<th>1. Residential Care</th>
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</thead>
<tbody>
<tr>
<td>38 clients have moved from ECH to permanent residential across 8 schemes (as per appendix 1)</td>
</tr>
<tr>
<td>There are 84 self funders out of population of 320 in ECH, which equates to 26%</td>
</tr>
<tr>
<td>Assume that 40% of clients needs could not have been met by providing care in ECH.</td>
</tr>
<tr>
<td>Average cost of a residential placement is £377.50 per week less £130 average contribution.</td>
</tr>
<tr>
<td>Full year cost of the 12 clients being in permanent care would be</td>
</tr>
<tr>
<td>Cost of 12 clients in Extra Care Housing</td>
</tr>
<tr>
<td>Approximate savings from 12 clients being placed in ECH rather than Residential Care</td>
</tr>
</tbody>
</table>

### 2. Home Care

The Council has employed social workers to undertake care reviews for those people currently in Extra Care Housing. Those reviews have resulted in an expected reduction of 20% in homecare packages. However at this stage this reduction cannot be verified and therefore for the purposes of calculating the anticipated savings a prudent 10% has been used.
### 3. Short Stays

Since April 2010 across 2 schemes the cost of short stays has been £134,000.00. Based on clients currently in ECH with spend against the short stay budget in the last 3 years.

Therefore the approximate cost over the 4 schemes would be £268,000.00 which is £134k / 2 schemes * 4 schemes.

Less 25% allowance as the 2 schemes are the largest, £67,000.00 which is £268k * 25%.

**Expected Saving over 3 years**

£201,000.00

**Expected Annual saving**

£67,000.00 £201k / 3 years

### 4. & 5. Identified Additional Saving areas:

- **Reduction in calls/ response to Helpline & from Response**
  - £30,000.00
  - Full year impact
  
  Expected reduction will be through reduced management fee for Oldham Care and Support.

- **Reduction in daycare spend** (based on 7 clients attending 16 days a week)
  - £24,960.00
  - 16 days * 52 wks * average cost of £60.00

Assumes that 50% of clients’ needs can now be met by ECH.