

CONTRACT EXEMPTION FOR POPPYFIELDS EXTRA CARE SCHEME

To: **Adults Committee**

Meeting Date: **12 January 2016**

From: **Adrian Loades, Executive Director: Children, Families and Adults Services**

Electoral division(s): **All**

Forward Plan ref: **2016/020** *Key decision:* **Yes**

Purpose: **To outline the case for the approval of contract exemptions for the provision of care and support an extra care housing scheme, Poppyfields.**

Recommendation: **The Committee is recommended to agree:**

- a) To approve a contract extension for one year until 30th Jan 2017.**
- b) That officers work with the current provider to re-configure the staffing so that it reflects the care needs of people living in the scheme.**
- c) To tender future care and support services contract as a flexible 'core and add-on' contract.**

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1.0 BACKGROUND

- 1.1 Poppyfields is an extra care housing scheme for older people located in Eynesbury, St Neots and consists of 31 flats and 3 intermediate care flats. The current care provider is Housing & Care 21 and the housing related support service is provided by Hanover Housing Association. Both contracts expire on 30 January 2016 and the annual values are £354,060 for the care contract and £10,479 for the housing related support contract.
- 1.2 Extra care housing is defined as specialist accommodation designed to maximise the independence of older people by providing a safe, secure and stimulating environment. Living in an extra care environment enables people to retain the independence of having their own home and, at the same time, benefit from the availability of around the clock social care and housing support. Extra care housing is a cost effective alternative and produces better outcomes than residential care.
- 1.3 The allocations into extra care housing are managed with the aim of developing a balanced and stimulating community that supports and promotes independence. In Poppyfields, the amount of care provided to each service user ranges from 0.5 hours to 32.5 hours per week. On average nine hours of care is provided per service user, per week.

2.0 MAIN ISSUES

- 2.1 When the contract was last tendered in 2010, the care service was tendered as a comprehensive block contract. At the time contracts of this type were considered to be good practice as they allowed for fluctuating needs to be met through a slight overprovision of staffing capacity. However, in order to be more cost effective and more person centred the Council's current approach is to commission a more flexible 'core and add on' service, which incorporates both care and support requirements (these were previously contracted separately) These now exist in the vast majority of extra care schemes in Cambridgeshire. The only exception, apart from Poppyfields is Ditchburn Place, which was considered at the last meeting of the Adults Committee. The proposed approach with Poppyfields is therefore to commission a basic care and support service which includes 24 hour cover, 7 days per week. Additional hours will be dependent upon the planned care needs of individual residents.
- 2.2 In preparation for the tender TUPE (Transfer of Undertakings Protection of Employment) Regulations 2006, staffing information was requested from the current care service provider. It became clear that staffing for the scheme exceeded what would be required for the core service, even after taking into account the planned care needs for the people currently living at Poppyfields. Currently the difference is in the region of 100 hours per week, although it should be noted that this number will fluctuate depending on the needs of individual residents. An additional factor, that has contributed to the over provision, has been a recent decision by the Clinical Commissioning Group to de-commission three intermediate care flats, resulting in vacancies that are in the process of being filled.
- 2.3 Officers are discussing options for restructuring the service with the provider and will ensure that the contract value is adjusted to take account of the

restructured service, as and when changes are agreed. It is planned to advertise the care contract as a 'core and add on' as described in para 2.1. It is possible that the staffing at the scheme may still exceed the planned care hours required, in which case the Council may have to add an additional clause in the contract to reduce the hours during the life of the contract and adjust the contract price accordingly.

- 2.4 TUPE will apply if the care service is transferred to another provider, but there are currently no TUPE implications for the housing related support service. To proceed with a tender at this stage would result in the Council potentially paying more for a less flexible contract.

3.0 ADVICE FROM LGSS

- 3.1 Discussions have taken place with LGSS Legal who have confirmed that if the Council proceeds with the tender at this stage, then it may need to offer indemnities and warranties to the new provider in order for it to restructure the workforce to comply with the Council's new requirements for a cheaper contract. This would clearly pose a significant financial risk for the Council.

4.0 RECOMMENDED OPTION

- 4.1 Having reviewed the Council's need to procure a more flexible and cost effective service at Poppyfields, officers have concluded that the most effective way of achieving this would be to continue to work with the current provider to establish reduced staffing arrangements that are more reflective of the care needs of people living at the scheme. It is proposed that the service is tendered as a 'core and add on' service as described in paragraph 2.1.

5.0 ALIGNMENT WITH CORPORATE PRIORITIES

5.1 Developing the local economy for the benefit of all

- 5.1.1 There are no significant implications for this priority.

5.2 Helping people live healthy and independent lives

- 5.2.1 The following sets out details of implications identified by officers:

- Potential reduction in the use of residential care
- People will be enabled to live in their own homes for as long as possible

5.3 Supporting and protecting vulnerable people

- 5.3.1 Extra care housing schemes provide for the availability of 24/7 care to support independent living for some of the most vulnerable members of society.

6.0 SIGNIFICANT IMPLICATIONS

6.1 Resource Implications

- 6.1.1 There are not any resource implications over the existing commitment set out in 1.1. It is expected that the future contract sum will reduce as a result of the changes to be agreed during the period of the contract exemption.

6.2 Statutory, Risk and Legal Implications

- 6.2.1 LGSS Procurement has advised that the proposed extension is outside of the stated duration of the contract, so there is a risk that the decision to extend could be challenged. However, the risk is low due to the TUPE obligations and as the value of the extension is below the OJEU advertising threshold for services that fall under the light-touch regime (LTR).
- 6.2.2. LTR is a specific set of rules for certain service contracts that tend to be of lower interest to cross-border competition. Those service contracts include certain social, health and education services, defined by Common Procurement Vocabulary (CPV) codes. LTR has their own threshold and all services below this threshold are exempt from the EU procedure rules. This threshold is EUR 750 000 (£620k).

6.3 Equality and Diversity Implications

- 6.3.1 There are no significant implications within this category.

6.4 Engagement and Consultation Implications

- 6.4.1 There are no significant implications within this category.

6.5 Localism and Local Member Involvement

- 6.5.1 There are no significant implications within this category.

6.6 Public Health Implications

- 6.6.1 There is a strong evidence base that suggests extra care housing improves health and well-being outcomes for older people.

Source Documents	Location
Contract tender paperwork for the above service – this contains commercially sensitive business exempt information which is not to be disclosed to the public.	Contracts Team – Adult Social Care Octagon Shire Hall Cambridge