

## Procurement of care and support services in Extra Care Schemes

To: Adults and Health Committee

Meeting Date: 27 June 2024

From: Executive Director; Adults, Health and Commissioning

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2024/008

Executive Summary:<sup>[OBJ]</sup> The paper seeks agreement for the Council to enter into an open tender process for the care and support provision at 4 Extra Care Schemes in Cambridgeshire (Doddington Court, Jubilee Court, Nichols Court and Park View).

Recommendation: Adults and Health Committee is asked to approve:

- a) The retendering for 4 Extra Care schemes at a total value of £813,235 per annum. This represents £5,692,645 for the total contract period (3+2+2 years – extensions are at the Council's discretion with the ability to vary and give notice throughout the lifetime of the contract) and will be adjusted for future inflationary uplifts.
- b) Delegate authority to award and execute the new Extra Care contracts starting 26<sup>th</sup> April 2025 and subsequent extension periods to the Executive Director for Adults, Health, and Commissioning, in consultation with the Chair and Vice Chair of Adults and Health Committee.

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# 1. Creating a greener, fairer and more caring Cambridgeshire

1.1 The provision of care and support in Extra Care schemes across Cambridgeshire is relevant to the following ambitions from the Council's Strategic Framework: -

- i) **Health inequalities are reduced.** Extra Care schemes offer equitable access to care and support services. The support service commissioned by the Council is provided for those with an assessed care need and predominantly accessed by older age adults across Cambridgeshire. The services allow for the Cambridgeshire population to receive care and support in a more enabling environment than other traditional models of care, i.e. residential care homes. Extra Care schemes aim to achieve a balanced community of tenants and reduce health inequalities for those who are at risk of social isolation by creating a community that is able to support them.
- ii) **People enjoy healthy, safe, and independent lives through timely support that is most suited to their needs.** Extra Care schemes ensure that tenants are able to live safely and independently in services that can flex to meet their care and support needs as and when is appropriate. This ambition is central to the ethos of Extra Care and to ensuring the best possible outcomes for tenants.
- iii) **Places and communities prosper because they have a resilient and inclusive economy, access to good quality public services and social justice is prioritised.** Extra Care schemes provide a community for those who may become isolated in their homes. Most schemes are well located and have access to local amenities allowing for tenants to remain active parts of their communities. Schemes also employ local people and therefore contribute to an inclusive economy.

## 2. Background

2.1 Extra Care housing schemes are also sometimes described as housing with care and support. These schemes provide specialist housing to those with an assessed care and support need. They are currently predominantly used by older aged adults but can be accessed by other cohorts where appropriate. The schemes have been specifically designed to maximise independence whilst also giving people access to required levels of care and support. Cambridgeshire County Council currently commissions 18 Extra Care schemes across Cambridgeshire.

2.2 The model of Extra Care Housing model offers tenants self-contained accommodation with their own front door but also provide a significantly higher level of support than other options available for older adults such as sheltered accommodation. This is an integral feature of the Extra Care model and there are additional facilities (for example, larger bathrooms to accommodate any necessary equipment) for the less mobile. Communal facilities tend to include social and practical facilities such as lounges and laundries and a meal service is usually on offer. Extra Care aims to provide

greater independent living whilst also being capable of providing care and support. The kind of care and support delivered in Extra Care services is a step down from those seen in residential and nursing care. Appendix A outlines where Extra Care schemes sit within a typical housing care pathway.

- 2.3 The extra care model aligns with the Council's market shaping approach which seeks to ensure a vibrant and sustainable Provider market which is able to deliver appropriate accommodation options with care and support will be strengthened with the proposed publication of the Council's Strategic Intentions document outlining the approach to delivering accommodation with care and support. This document is supported by a set of demand profiles <sup>1</sup>which highlights the ongoing need and demand for Extra Care services across Cambridgeshire. The Council's market shaping approach acknowledges the need to increase access to Extra Care for people with medium to lower care needs so they can be supported at an earlier stage in their care journey and have a higher likelihood of being independent for longer. This will help to support the growing aging population predicted for Cambridgeshire.

District	No. of EC schemes	Unit numbers	
Cambridge City	4	126	Ditchburn Place Dunstan Court ++ Richard Newcombe Court Willowbank ++
East Cambs	3	149	Baird Lodge (Ely) Millbrook House (Soham) Ness Court (Burwell)
Fenland	4	184	Doddington Court (Doddington) Jubilee Court (March) Somers Court (Wisbech) Willow Court (Whittlesey)
Huntingdonshire	3	123	Eden Place (St Ives) Park View (Huntingdon) Poppyfields (St Neots)
South Cambs	4	175	Bircham House (Sawston) Mill View (Hauxton) Moorlands (Melbourn) Nichols Court (Linton)

Table One: Extra Care Schemes in Cambridgeshire

++: Dunstan Court and Willowbank in Cambridge City also have 17 and 13 sheltered housing flats respectively.

- 2.4 The supportive environment in Extra Care enables tenants to live independently for longer with the reassurance that care and support is

<sup>1</sup> Demand profiles forecast - Cambridgeshire County Council. Please note that this document is a shared CCC and PCC paper and therefore and action is required to review following the Council's decoupling.

available as and when required, following an assessment under the Care Act 2014, and can flex to meet their changing needs. Extra Care services also promote tenants' wellbeing by offering activities and opportunities for social interaction both with other tenants and their local communities. Many schemes have tenant-led committees which help decide activities. This supportive environment is an important aspect of the prevention agenda as people's health and wellbeing is maintained thereby delaying and/or reducing the use of residential care. A case study of a tenant's experience in Extra Care in Cambridgeshire is attached at Appendix B. Additionally, the focus on remaining as independent as long as possible can delay or prevent the need for more costly forms of care such as residential or nursing care home beds.

- 2.5 The onsite care and support services are delivered via contracts with the Council. Care and support services are available 24 hours a day, 7 days a week. In addition to this, all residents are required to pay £16.90 per flat, per week to ensure that there is capacity to respond to emergency pull cords or pendants. This charge and approach is currently under review.
- 2.6 Applications for Extra Care accommodation are considered by district level allocations panels which include service landlords, Districts partners, social care, and health professionals. Social Care assessments outlining care and support needs are used to support the Extra Care tenancy application process. The allocations into Extra Care housing are managed with the aim of developing a balanced and stimulating community that supports and promotes independence.
- 2.7 The contracts for Doddington Court, Nichols Court, Jubilee Court and Park View are due to end in April 2025 and the Council are therefore required to re-tender the service in order to comply with Procurement Regulations and support the ongoing need evidenced for the services.
- 2.8 The retender process has also provided an opportunity to review and update the service specification used for all 4 schemes. In response to feedback, information gathered and lessons learnt from previous tenders. Commissioners are working to ensure that the specification provides greater clarity around eligibility into extra care services, allocations, and service delivery. Section 4 of this document outlines the co-production undertaken as part of this process to ensure that the voices of service users and those with lived experiences shapes out commissioning activity.

### 3. Main Issues

- 3.1 The Council tenders for the core hours of care and support in Extra Care and providers are able to claim additional hours of care when needed (for example when a tenant has returned from hospital and needs additional care for a period of time). This means that each scheme has a number of core hours which ensure that care staff are on-site 24/7. At all 4 schemes, utilisation against the block hours has been good with 92% utilisation of the block hours

over the last 6 months. Any additional hours above the core allocation are dependent on the assessed care needs of each tenant and are invoiced separately and paid from a separate budget. The additional hours can vary from month to month and any additional hours would follow the assessment from the Adults, Health and Commissioning team. The current maximum budget for additional hours is £742,003 per annum. It should be noted that this budget was reduced by £350k in 2023 to reflect underusage and this will continue to be monitored. Table two reflects the cost of additional hours paid to the provider in 2023-2024. Commissioners will seek approval via governance with an appropriate business case if it is felt that the additional hours spend would go above the budget currently allocated for additional hours.

The breakdown of the core care hours procured and the additional hours for 23/24 at the 4 schemes is set out below: -

Scheme	Weekly day-time hours	Weekly night-time hours	Total	No. residents who are CCC funded <sup>2</sup>	Cost of additional hours in 23/24
Doddington Court	140	66	206	15	£4,722
Jubilee Court	140	63	203	17	£421
Park View	140	63	203	20	£0
Nichols Court	140	63	203	8	£0

Table Two: Breakdown of weekly care hours

3.2 It is proposed that the contract for care and support for all the schemes above are tendered at the same time thereby reducing the overall procurement costs. It is also proposed that the services should be re-tendered for 3 + 2 + 2 years. This provides more certainty for care providers, enables more investment in training and provide the opportunity to build long term relationships with the housing provider compared to shorter term contracts. The new contract will also include an obligation on the provider to pay the Real Living Wage. Whilst most care providers are adopting the Real Living Wage within Extra Care, the Council are building this into contracts as part of the tender processes when they arise to ensure that this continues. These elements should enable providers to plan for the longer term and invest in upskilling staff, supporting people living with dementia and linking with the wider community.

### 3.3 Scheme Details and Costs: -

3.3.1 Doddington Court Extra Care scheme in Doddington, Fenland was developed by Sanctuary and opened in 2013. Sanctuary developed and own Doddington Court and act as the Landlord. The scheme consists of 50 units and the care and support is currently provided by Radis Community Care. Doddington Court has a wide range of communal lounges as well as an on-site hair salon and games room. Doddington Court has a CQC rating of Good.

<sup>2</sup> Data as per December 2023

- 3.3.2 Jubilee Court Extra Care scheme in March, Fenland was developed by Sanctuary and opened in 2003. Sanctuary developed and own Jubilee Court and act as the Landlord. The scheme consists of 36 units and the care and support is currently provided by Radis Community Care. It is situated in the town centre and has excellent links to the local community. For example, faith based support is provided by the local community based on tenant's requirements. Jubilee Court has a CQC rating of Good.
- 3.3.3 Nichols Court Extra Care scheme in Linton, South Cambridgeshire was also developed by Sanctuary 2010. Sanctuary developed and own Nichols Court and act as the Landlord. The scheme consists of 40 units and the care and support is currently provided by Radis Community Care. Nichols Court is a modern building with a range of communal facilities such as a large social club area and communal garden Nichols Court has a CQC rating of Good.
- 3.3.4 Park View Extra Care scheme in Huntingdonshire was developed by Places for People in 2011. Places for People own the building and act as the Landlord. The scheme consists of 29 units and the care and support is currently provided by Radis Community Care. Park View has a CQC rating of Good.
- 3.3.5 During recent visits to inform tenants of the re-tendering process, tenants at with care needs, stated that they are happy with the care staff delivering their care. Feedback from those without care needs has resulted in an update to the specification to require onsite care providers to offer welfare checks. Welfare checks will be offered to those who do not have care and support and form part of the carer's daily rounds this will form part of the care and support contract.
- 3.3.6 The current costs for the schemes are outlined at table three. In addition to the core hours funding, each contract contains an element of Housing Related Support (HRS) funding. This funding is to allow care staff to support tenants to be included in social activities (i.e. assisting tenants from their flats to activity areas in the scheme).

<b>Scheme</b>	<b>Core Hours Value (p/a)</b>	<b>HRS value (p/a)</b>	<b>Total (p/a)</b>
Doddington Court	£186,697	£11,000	£197,697
Jubilee Court	£197,422	£8,300	£205,722
Park View	£197,422	£8,300	£205,722
Nichols Court	£194,894	£9,200	£204,094
		Total contract value p/a	£813,235
		Total over 3 + 2 + 2 years	<b>£5,692,645</b>

Table 3: Contract values

3.3.7 The new contracts will contain a capped formula for future increases to the contract price to enable providers to meet increases in salary costs and other direct costs which they cannot control. The formula has been developed by the Council's Finance colleagues and enables the Council to share the risk of inflation with the market whilst acknowledging the need to create consistency and assurance from a providers sustainability perspective. This uplift will be incorporated into the annual business planning process through the annual uplift strategy ensuring the services are financially sustainable for the Council and appropriate governance is in place. Any uplift above this cap would be at the Council's discretion. This is the approach taken across the extra care and home care sectors and if this becomes unsustainable the Council have the ability to vary the contract at any point over its lifetime in collaboration with the market and with a full understanding of the risk involved.

3.3.8 It should also be noted that all tenants in Extra Care have the opportunity to apply for a Direct Payment to pay for their care and support should they not wish to utilise the block hour provider. However, tenants are encouraged to use the on-site provider to ensure continuity and consistency of care, which is not always achievable via a Direct Payment. Direct Payments are not communally used across Extra Care services but where they are, tenants are supported by the Adults, Health and Commissioning team to set the payment up.

### 3.4 **Lessons learnt**

3.4.1 Commissioners have considered the learning that can be taken from previous Extra Care tenders and applied to this procurement. This includes:

- Building in longer lead in time for contract mobilisation should a new provider take over at a scheme to ensure a smooth transition for tenants
- Separating the schemes into Lots based on district locality will be a more attractive offer to smaller local providers who may not have previously bid for extra care tenders due to worries about fulfilling larger staffing requirements.
- Limiting the number of Lots that any one provider can win to ensure a varied marketplace which is not dominated by any one provider.
- Small local providers have had access to SME sessions run by corporate procurement to help build their capacity and confidence when submitting bids. It is hoped that these sessions will help tackle issue with quality in tender submissions.

### 3.5 **Extra Care Improvement Project**

3.5.1 More broadly, Commissioners are undertaking an Extra Care Improvement Project. The project aims to refresh and update several areas within the service and its delivery. This includes but is not limited to: -

- Clarification of the application and panel process into Extra Care Schemes

- Looking at how the Housing Related Support (HRS) element of funding can be better utilised to deliver maximum outcomes for tenants. The HRS element of funding is provided to allow carers to assist tenants in attending social activities in the schemes such as bingo and arts and crafts sessions. The funding also allows carers to help assist tenants during these sessions.
- Updating the service specifications for Extra Care, for example to including welfare checks for those who are not in receipt of Care and Support as per Tenant feedback
- Clarifying how Direct Payments can be used in Extra Care and ensuring that all operational teams are aware of the process
- Increasing Social Value across Extra Care and establishing how we can make this a priority for our care providers.
- Undertaking a detailed assessment of usage and need in relation to block care hours to ensure that this commissioning model continues to be the most effective and efficient approach to delivering care within these services

3.5.2 The project includes a Task and Finish group made of colleagues from Adults, Health and Commissioning, Finance, and District Councils. Additionally, the voice of service users and those with lived experience will be captured and built into the work going forward. For example, they will be fully engaged and assist with co-producing new elements of the service and will contribute to any reviews of the current provisions.

3.5.3 If any of the elements outlined in the Extra Care Improvement Project result in a change from the contracts in operation, the Council has the ability to vary contracts to reflect any changes necessary.

3.5.4 It is hoped that the Improvement Project will help to refresh Extra Care and lead to an increase in positive outcomes for tenants.

## 4. Co-production and Engagement

4.1 In preparation for the tender, commissioners have visited all 4 schemes to engage with Tenants and to inform them of the tendering process and what this entails. Commissioners attended coffee mornings and arranged meetings to speak to Tenants and to answer any questions or queries they might have had about the Council's obligation to re-tender services at the end of their contracts. Tenants have provided useful feedback in relation to the service delivery at schemes and outlined what is important to them. Overall, Tenants commended the standard of care they receive across the schemes.

4.2 In light of Tenant feedback, the method questions asked to bidders during the procurement have been adapted to reflect points raised by Tenants. Additionally, commissioners are engaging with Tenants to co-produce further questions to include within the procurement process.

4.3 Tenants will also have an opportunity to be part of the evaluation panel when



bids are being evaluated. There are a number of tenants across all 4 schemes who have expressed an interest in being part of the evaluation panel and the procurement plan has built in time to allow this.

- 4.4 The service specification for all 4 services is being refreshed to reflect updates to the eligibility criteria for accessing Extra Care, i.e. aiming to achieve a balanced community by having a mix of the level of care need of Tenants. Commissioners also aim to engage with Tenants in relation to the specification, providing them with an opportunity to review and comment on the updated specification.
- 4.5 Finally, a programme of extra care visits is also being developed to ensure ongoing engagement opportunities for tenants outside of procurement activities.

## 5. Procurement:

- 5.1 In-house provision for the care services in the schemes has been considered (please see Appendix C) but due to the infrastructure needed to support the creation and oversight of care teams to deliver the service and organisational overheads, this would require a significant investment and a detailed business case. As this procurement relates to only a small number of commissioned schemes, we would also want to consider insourcing as a sector wide approach and therefore we need to explore this more widely as part of future Extra Care delivery arrangements. This is something that will be picked up as part of the Extra Care Improvement Plan.

It is proposed that the schemes are re-tendered as 3 separate lots to represent district locality and make it easier for smaller locality based providers to enter the extra care market. The ITT will caveat that one provider can only win a maximum of 2 Lots. This will ensure that other providers are given the opportunity to enter the market and ensure that no one provider has a monopoly on the Cambridgeshire Extra Care market.

The recommended quality to price ratio for this tender would be 70% quality to 30% price. By giving this greater weighting to quality, we can incentivise providers to develop the best possible service which is focused on quality and delivering the best possible outcomes for individuals, while ensuring price is also given appropriate consideration.

The contract length will be for a period of 3+2+2 years. Throughout the lifetime of the contract, commissioners will have the ability to give notice and vary the contract where required. Service outcomes will be reviewed at the point of each extension to ensure that there is still a need for the service and that it is delivering on positive outcomes for tenants.

Bidders' social value offer will also be evaluated using the Social Value Portal's Themes, Outcomes and Measures (TOMs) approach. During the tender process, bidders will be able to select the TOMs they wish to

be measured against, these include having more local people in employment and creating a healthier community. Social Value is an area of development across Extra Care and something that commissioners will look to address over the lifetime of the contract. Commissioners are aiming to increase social value across Extra Care as a whole and building on learning taken from other areas. For example, work carried out by Care Together at Ditchburn Place, another Extra Care scheme in Cambridge, highlighted how the use of an Activities Coordinator can achieve positive outcomes for tenants and improve social value.

5.2 A high level project plan has been produced and the key timelines are below:

- Development of specification/ITT documents and engagement with service users: April – July 2024
- Approval at Adults and Health Committee: June 2024
- Inform local members of the tender process: July 2024
- ITT sign off by Head of Service: August 2024
- Issue ITT: August 2024
- Evaluation and Moderation: October 2024
- Approval of award: November 2024
- Decision to award/standstill period: December 2024
- Implementation and Mobilisation: December 2024 – April 2025.

## 6. Alternative Options Considered

6.1 The following options have been considered for the delivery of the care and support services in Extra Care schemes. It has been concluded that the best way forward is to undertake a tender process.

	<b>Option</b>	<b>Benefits</b>	<b>Risks</b>
1	Do nothing	N/A	The Council has a statutory to provide care and support to those with a care and support plan. By doing nothing, the contracts for the care provision at x4 Extra Care services would expire and CCC would need to seek alternative cover which may not include night cover. Care costs would likely be higher with various different agencies involved.
2	Insource care and support provision	<ul style="list-style-type: none"> <li>• Greater control over the way staff work</li> <li>• Reduces</li> </ul>	<ul style="list-style-type: none"> <li>• Infrastructure costs – need for new teams, directly employed care staff and managers</li> <li>• Greater cost of CCC staff</li> </ul>

		administration required when working with a third party.	<p>compared to out-sourced staff e.g. pension contributions</p> <ul style="list-style-type: none"> <li>• CCC would need to fund equipment for the staff at services e.g. portable devices</li> <li>• Additional staffing costs e.g. training and agency staff to cover vacancies.</li> <li>• Insourcing would need to be considered across the whole of Extra Care in light of issues such as TUPE costs. This would therefore require significant time to build in the necessary infrastructure to support in-house service delivery.</li> <li>• At present, some schemes have shared staffing across various locations. CCC would need to consider how to mitigate against this if in-sourcing was used.</li> </ul>
3	Direct award to current provider	<ul style="list-style-type: none"> <li>• No change for tenants</li> </ul>	<ul style="list-style-type: none"> <li>• Not an equitable process</li> <li>• Legal requirement to tender</li> <li>• Missed opportunity for a new provider who can deliver better quality and value for money</li> </ul>
4	Open tender process	<ul style="list-style-type: none"> <li>• Ensure an equitable outcome</li> <li>• Ensures value for money together with meeting quality criteria</li> <li>• Allows local provider to bid for local contracts</li> <li>• Allows tenants to be involved in the process</li> </ul>	<ul style="list-style-type: none"> <li>• Low number of bids (however recent tenders for extra care have received a high volume of bids)</li> <li>• Less control over day to day delivery but this is managed through a robust specification and contract monitoring.</li> </ul>

Table 4: Alternative options considered

## 7. Risks and Mitigations

The following risks and mitigations have been identified:

Risks	Mitigations
Procurement process ends without contract award	Exemption request to allow existing contracts to be extended to ensure to continuity of support for customers.
Complications in transition to a new provider	We have ensured that there is a long transition plan built into the procurement plan to manage any potential risks such as TUPE transfers or contract negotiations.
One care provider dominating the market as a result of winning all 4 contracts	We have created a Lot system so that one provider cannot be the provide care in all 4 schemes. Bidders will be restricted to winning a maximum of 2 out of the 3 Lots.
No bid received for a scheme	Recent tenders for Extra Care have attracted multiple bidders e.g. the last tender attracted 21 bids demonstrating the buoyancy of the market at present
Negative publicity/political representations if there is a change of provider	Robust procurement process will ensure equity and consistency in decision making. We will ensure we have a clear information and messaging to providers/landlords and tenants as well as early engagement with members and key partners.
If a new provider comes onboard, Tenants choose to remain with the incumbent provider via a Direct Payment.	<ul style="list-style-type: none"> <li>- We will ensure that there is robust contract management to look at utilisation of block hours and ensure there is provision within the contract to vary contracted hours where take up on the core block hours is low.</li> <li>- Work with operations colleagues to liaise with customers about their options in the event of a provider change.</li> </ul>

## 8. Conclusion and reasons for recommendations

- 8.1 In conclusion, it is recommended to enter into an open tender for the procurement for the care and support services at 4 Extra Care schemes to ensure we are compliant with procurement regulations and maintain continuity of service for residents. The Committee are asked to approve the recommendations, as detailed at the top of the report.

## 9. Significant Implications

### 9.1 Finance Implications

The financial implications are outlined at Table 3 of the report.

### 9.2 Legal Implications

The proposals will assist the Council in meeting its statutory duties under the Care Act 2014 to provide or arrange for the provision of services, facilities, or resources or other steps, which it considers will contribute towards preventing or delaying the development by adults in its area of needs for care and support and reduce the needs for care and support of adults in its area. The Council fulfils this duty in part through Council arranged services.

The procurement will be carried out and contracts awarded in accordance with the Public Contract Regulations 2015.

### 9.3 Risk Implications

There are no significant implications within this category

### 9.4 Equality and Diversity Implications

- a) Equality and Diversity implications are outlined in the EqIA attached at Appendix D

### 9.5 Climate Change and Environment Implications (Key decisions only)

Whilst the Council will not be responsible for the running and maintenance of Extra Care buildings, climate change and environmental implications have been considered in relation to the care provision. During the tender process, bidders will be asked the following question "Cambridgeshire County Council aims to reach net zero carbon emissions for Cambridgeshire by 2045. How will your organisation contribute to lowering carbon emissions and working towards reaching net zero through this contract?". This will allow officers to evaluate submissions based on providers' approach to minimising environmental impact.

## 10. Source Documents

None.