


<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">CABINET</p> <p align="center">10 SEPTEMBER 2018</p>	
<p align="center">OLIVE HOUSE EXTRA CARE HOUSING PROCUREMENT STRATEGY</p>	
<p>Report of the Cabinet Member for Health & Adult Social Care: Councillor Ben Coleman</p>	
<p>Open report A separate report on the exempt part of the Cabinet agenda provides financial information.</p>	
<p>Classification - For Decision</p> <p>Key Decision YES</p>	
<p>Wards Affected: Sands Ends</p>	
<p>Accountable Director: Lisa Redfern, Strategic Director of Social Care and PSR</p>	
<p>Report Author: Julia Copeland Strategic Commissioner</p>	<p>Contact Details: Tel: 020 8753 1203 E-mail: Julia.copeland@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1 This report seeks approval for the procurement strategy for the care and support provision at Olive House, an extra-care housing scheme for residents aged 55+.
- 1.2 Olive House is an Extra Care Housing (ECH) service providing accommodation, care, and support as well as 24-hour staffing to 40 vulnerable, mostly older people with a range of physical and mental health conditions. The current provider is Housing & Care 21; the existing contract expires on 30th November 2018.
- 1.3 It is proposed the Council utilises the Extra Care Dynamic Purchasing System (DPS) set up by the Council to select a provider to deliver a five plus 2-year contract for Olive House. In December 2016, Cabinet approved the development of the DPS and the implementation of a Core and Flexible Hours' model. The DPS was established in January 2018 and will be open to new providers for ten years.

- 1.4 As a compassionate council, the administration is committed to rewarding staff fairly by paying the London Living Wage (LLW) and to meeting the associated costs and so there will be a requirement to pay all staff at least LLW throughout the duration of the contract.
- 1.5 The outcome of the Tender will be known in early 2019 and the service will need a few months to mobilize. To ensure service continuity during the procurement and mobilization periods, a direct award of a short term limited contract to the incumbent provider, is recommended to continue services up until 30 June 2019. The direct award will be funded from the Adult Social Care (ASC) General Fund budget.
- 1.6 The new contract will deliver value for money and improved outcomes for residents and will contribute to the Council's Older People's Housing Strategy and the Disabled Persons Commissions' recommendations. The Council is currently developing our specialist housing strategy to ensure we maximise the end to end opportunities of extra care and other specialist housing for residents.

2. RECOMMENDATIONS

- 2.1 That Cabinet approves the procurement strategy for future care and support provision at Olive House, set out in the exempt part of the agenda.
- 2.2 That Cabinet delegates the authority to award a five-year contract, with an option to extend for a further two years, in the event the Council intends to exercise this option to the Strategic Director of Social Care and PSR in consultation with the Cabinet Member for Health & Adult Social Care and the Cabinet Member for Finance and Commercial Services.
- 2.3 That Cabinet approves a waiver in accordance with Contract Standing Order 3.1 to allow for the direct award of a seven-month contract to the incumbent provider, to ensure service continuity through the mobilisation of the new provider. The proposed contract would commence on 1st December 2018.

3. REASONS FOR DECISION

- 3.1 ECH services in LBHF play a vital role in supporting vulnerable people to maintain their independence, remain in the borough and reduce the need for emergency health and social care services. The existing contract expires on 30 November 2018; the procurement strategy set out in Appendix A, in the exempt part of the agenda, will ensure a new contract delivers improved outcomes for residents; represents value for money for the Council and is compliant with the Care Act 2014.
- 3.2 The procurement and mobilization period for the Olive House tender is likely to run beyond the end of the current contract. Sufficient time is required to resolve TUPE matters; involve residents in the transition to the new service and to ensure appropriate support is in place for vulnerable people. A direct

award of a contract to the incumbent provider is therefore recommended to ensure service continuity during the mobilization period.

4. PROPOSAL AND ISSUES

Background

- 4.1 Extra Care is housing designed to meet the needs of usually older people with physical and mental health needs. Extra Care provides varying levels of care and support available on site. People who live in Extra Care have their own self-contained homes with tenancies, their own front doors, and a legal right to occupy the property.
- 4.2 Olive House provides a mix of housing; 40 units of Extra Care Housing and 10 units of sheltered housing. The scheme is currently rated “Good” by CQC and recent resident engagement feedback was positive in all areas including social activities, safety, housing, quality of care and staffing.
- 4.3 In 2021 a new flagship 60-bed Extra Care facility will open in White City. In 2019-20 officers will be refreshing the borough’s extra care needs assessment and strategy. Any refreshed strategy will be developed with reference to the LBHF Older People’s Housing Strategy.
- 4.4 To date Extra Care has been predominantly used for older residents. Extending the eligibility criteria to include more people with learning disabilities; younger adults (45+) with physical disabilities and people with mental health issues will enable more residents to remain in the borough rather than having to move to other areas. There will be financial benefits too as the unit costs of extra care are comparatively cheaper than many residential placements for people with physical and learning disabilities and mental health issues.

Extra Care Housing Dynamic Purchasing System

- 4.5 An Extra Care Dynamic Purchasing System was established in January 2018 and will remain open for ten years so new providers can join. There are currently seven providers on the DPS who will be eligible to submit a bid for the future provision of services at Olive House; as set out in more detail in Appendix A, in the exempt part of the agenda.
- 4.6 A new Core and Flexible Hours’ service model and specification has been developed to maximise well-being; place the resident at the centre of service and improve financial transparency of the service costs to individual residents as set out in Appendix A, in the exempt part of the agenda.

Procurement Timetable

- 4.7 If the strategy is approved, the tender will begin in October 2018. The new service is expected to commence from the 1 July 2019 as set out in detail in Appendix A, in the exempt part of the agenda.

Value for Money and financial modelling

As set out in the exempt part of the agenda.

5 OPTIONS AND ANALYSIS OF OPTIONS

Option 1: Allow the current contract to expire on 1st December 2018

- 5.1 The current Olive House contract is expiring on 30 November 2018 and there is an option to not re-provide the service. However, the service is valued by residents and their families; alternative, potentially more expensive placements would need to be found for all 40 vulnerable residents, causing considerable disruption. Furthermore, there is insufficient capacity in the other Extra Care schemes to be able to easily move residents elsewhere. There will be a risk to vulnerable residents if the service is not extended. This option is not recommended.

Option 2:

As set out in the exempt part of the agenda – Not recommended.

Option 3: Procure a new service provider from the Extra Care Housing DPS

- 5.2 For the reasons set out in section 4 it is recommended the DPS is used to procure a new care provider for Olive House. The service specification will set out a Core and Flexible Hours model. This model will deliver value for money as well as providing choice and control for residents, making the scheme Care Act compliant. The specification will widen the eligibility criteria for Olive House to ensure more residents can benefit from the service and remain in the borough if they choose. Following the conclusion of the procurement, the recommendation to award the contract to the successful provider will be the subject of a Cabinet Member decision. For these reasons this option is recommended.

6. CONSULTATION

- 6.1 A thorough customer and market consultation on ECH was undertaken in 2016/17 to inform the ECH procurement strategy. The resident consultation underpins the outline service specification used in the DPS. Full details of the consultation are set out in Appendix A, in the exempt part of the agenda.
- 6.2 Regular resident engagement, as part of ongoing contract monitoring of services, indicates residents are happy with services at Olive House. Residents especially value the activities, feelings of safety, continuity of care workers and good quality care.
- 6.3 Olive House residents and key stakeholders will be consulted further once the procurement strategy has been approved.

7. EQUALITY IMPLICATIONS

- 7.1 It is not considered there will be any adverse equality implications for protected groups because of the proposals in this report. Overall the impact

on older people is likely to be neutral or positive as service continuity and improvements will be secured and more personalised services delivered.

- 7.2 Implications verified by: Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

8. LEGAL IMPLICATIONS

- 8.1 As set out in the exempt part of the agenda.

9. FINANCIAL IMPLICATIONS

- 9.1 As set out in the exempt part of the agenda.

10. IMPLICATIONS FOR BUSINESS-LOCAL ECONOMIC AND SOCIAL VALUE

- 10.1 Extra Care enables the Council to direct substantial funds into the local care and support market, rather than diverting this money to other parts of the country in residential care settings. The procurement strategy for Olive House will therefore have a positive impact on local businesses. This is true of both local businesses operating in the care market, social housing market, and general retail.

- 10.2 Procuring a care provider through the DPS using the Core and Flexible model will support SMEs and local businesses. This is because current large block contracts across ECH tend to be delivered by large organisations; this will be replaced by more personalised contractual arrangements that offer additional opportunities to smaller organisations. This will have a positive impact on both the local domiciliary care market and the local voluntary sector which plays a pivotal role in supporting residents to tackle isolation and support community independence

- 10.3 Business Implications verified by Albena Karameros, Economic Development Team, telephone 020 7938 8583.

11. PROCUREMENT IMPLICATIONS

- 11.1 As set out in the exempt part of the agenda.

12. RISK MANAGEMENT

- 12.1 Extra Care is housing designed to meet the needs of usually older people with physical and mental health needs and there contributes to meeting the Council Priority of Creating a Compassionate Council and meeting the needs and expectations of residents. Options recommended by this paper represent a reduction in procurement risk, by going out to the DPS instead of completing a direct award the risk of legal challenge is reduced, this is done to manage Commercial, Market and Legal risks. It is also noted the criteria in the proposed procurement strategy, Appendix A 8.8, includes consideration

of additional Social Value (in the exempt part of the agenda). By re-procuring through the DPS the Council is seeking to attain Best Value and therefore contributing to the management of finance risk and Council Priority to be Ruthlessly Financially Efficient.

- 12.2 The risk of continuity of the services, a corporate risk, is mitigated by requesting an extension to the existing provider's contract. This will ensure that any difficulties in procuring or mobilising the service will not negatively impact the service users, who will continue to receive their care services from the incumbent provider.
- 12.3 There remains some financial risk to the service due to the flexible element of the service. If an individual's care needs go up unexpectedly then budgets will need to cover this unanticipated increase. However, unlike the existing block contracts, the directorate will not need to fund all the care for void rooms. Therefore, if overall demand for ECH reduces then the service will not pay a flat care cost rate for residents.
- 12.4 Risk Management implications verified by Michael Sloniowski, Risk Manager, telephone 020 8753 2587.

13. HUMAN RESOURCES IMPLICATIONS

- 13.1 It is considered that TUPE (Transfer of Undertakings, Protection of Employment) is likely to apply but will not include LBHF staff. TUPE will be managed throughout the procurement process and sufficient time for the new provider to deal effectively with TUPE will be factored into the contract mobilization period.

14. PRIVACY IMPACT ASSESSMENT

- 14.1 An initial Privacy Impact Assessment has been undertaken. A full Privacy Impact Assessment will be undertaken prior to the award of the new contract and information will be only be shared with the resident's consent.

15 IT IMPLICATIONS

- 15.1 The proposal relates to the award of an Extra Care contract for the care of vulnerable adults. By its nature, personal information will be gathered about the residents. The contract needs to reference the requirements of the new Data Protection Act 2018 (GDPR). The relevant council clauses are available on the capitalEsourcing system.
- 15.2 It is assumed that the provider will process the data through an IT system or collection of documents and other similar mechanisms. Data handling should comply with the council's requirements as the council is still the responsible data controller.
- 15.3 The service must complete an Information Sharing Agreement and Privacy Impact Assessment to identify how the data will be shared, and this will be

reviewed by the Information Management Team.

15.4 Information on our data protection responsibilities are available from the Intranet, and if needed further help is available from the Information Management Team.

15.5 Implications completed by: Veronica Barella, Chief Information Officer, telephone 020 8753 2927.

BACKGROUND PAPERS USED IN PREPARING THIS REPORT

	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	5.12.16 Cabinet – Extra Care Housing Procurement Strategy – PUBLISHED	Julia Copeland	Adult Social Care

Contact Officer: Julia Copeland Strategic Commissioner 020 8753 1203.