



**Cabinet**  
9 April 2018

**Report from the Strategic Director  
of Community Wellbeing**

**Authority to award Care and Support Contracts for six Extra  
Care Schemes**

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	<b>Part Exempt</b> - Appendices 1, 2 and 5 are not for publication as they contain the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: <i>“Information relating to the financial or business affairs of any particular person (including the authority holding that information)”</i>
<b>No. of Appendices:</b>	5
<b>Background Papers:</b>	None
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**1. Purpose of the Report**

1.1. This report updates Cabinet on the procurement of 6 Extra Care Schemes at:

- Beechwood Court – Wembley
- Rosemary House – Willesden
- Harrod Court - Kingsbury
- Tulsi House – Sudbury
- Willow House – Wembley
- Newcroft House – Wembley

1.2. In accordance with Contract Standing Orders 88, this report seeks Cabinet authority to award a care and support contract for 3 of the Extra Care Schemes and notifies Cabinet of the proposal to re-procure the care and

support contract for the other 3 of Extra Care Schemes. Additionally, delegated authority to award the re-procured contract is sought.

- 1.3. This report summarises the rationale for this request and the impact on the wider community as well as the financial implication on the London Borough of Brent. The report also outlines the tendering process which was conducted through the Accommodation plus Dynamic Purchasing System (DPS).

## **2. Recommendation(s)**

That Cabinet:

- 2.1. Agrees to award a contract to deliver care and support at Willow House, Newcroft House and Rosemary House (WNR) to London Care PLC for the period of 5 years with an option to extend by up to two further years, such contract to commence in May 2018.
- 2.2. Notes the intention to cease the current procurement in relation to the contract to deliver care and support at Beechwood Court, Harrod Court and Tulsi House (BHT) and to re-procure this contract for the reasons detailed in Appendix 5.
- 2.3. Delegates authority to the Strategic Director of Community Wellbeing in consultation with the Lead Member for Community Wellbeing to award a contract to deliver care and support at Beechwood Court, Harrod Court and Tulsi House for a period of five years with an option to extend by up to a further two years for the reasons detailed in paragraph 3.21.

## **3. Background and Service Requirements**

- 3.1. The decision to tender Extra Care schemes was agreed by Cabinet in July 2017 as there were a number of interim arrangements with providers delivering care and support in the Extra Care schemes. Officers wanted to enter into longer term cost effective contracts with providers who could deliver a service that can meet the needs of the service users detailed in the table below:

<b>Name of Scheme</b>	<b>No. and size of flats</b>	<b>No of tenants anticipated to be in receipt of care</b>	<b>Primary care group</b>
Beechwood Court - Wembley	20 one bedroom flats for people with dementia	20	Dementia
Harrod Court - Kingsbury	38 one bedroom flats and 2 two bedroom flats	40	General aged 55+
Rosemary House - Willesden	40 one bedroom flats	40	General aged 55+
Tulsi House - Sudbury	32 one bedroom and 4 two bedroom flats	36	General aged 55+
Willow House - Wembley	38 one bedroom flats and 2 two bedroom flats.	40	General aged 55+
Newcroft House – Wembley	40 one bedroom flats.	40	General aged 55+

- 3.2. The decision was made to tender all six extra care schemes into two geographical clusters, to increase the value of the contracts and attract quality Extra Care providers whilst offering the Council better value for money and economies of scale.
- 3.3. These schemes have been running successfully for a number of years delivering quality support for the residents. The contracts have been extended previously and are now expiring which gave the council the opportunity to modernize service delivery and improve the schemes. These changes will see tenants have greater flexibility in the support offered and better economies of scale for the Council.
- 3.4. Officers considered the award of these contracts would further enhance the Council's ability to offer a realistic independent alternative to residential care for Brent residents who have high care and support needs. This in turn responds to the general feedback raised by residents during consultations that they would prefer to remain in a home of their own for as long as possible rather than go into residential or nursing care.

- 3.5. Care and Support has been delivered within all the six schemes for a number of years via external care and support providers. The services have been delivered through spot purchasing arrangements and more recently contractual arrangements. The schemes will continue to support individuals to live independently in a home of their own, providing tenant's greater independence, choice and control.
- 3.6. The ethos of Extra Care Schemes in Brent is to support people to live in a home of their own by offering flexible care and support to meet their eligible needs as defined by the Adult Social Care assessment of their needs under the Care Act 2014. Allowing people to live in an appropriately designed environment to aid their independence, along with a range of social activities to support an improved quality of life, offers a real alternative to institutional care in a residential or nursing care home.
- 3.7. The schemes will support the key vision set out in the Brent Market Position Statement, which is to increase provision of tenanted models of care and support by providing an alternative to residential care, thus moving away from the 'traditional' residential care model and enabling residents to build on their skills and abilities to live a more independent life.
- 3.8. The commissioned service model is a 'residential replacement model' of care and support that ensures individuals' needs can be met in a more flexible way and that the provider can meet unplanned needs (such as toileting needs, respond to falls or other more immediate needs) as well as planned care needs (such as planned personal care, assistance with meals and domestic activities).
- 3.9. The service model for all six schemes will consist of the Core and Assessed hours' model which offers greater flexibility in service delivery and offers value for money. The core hours ensure that there is a safe number of staff on site to operate the scheme during the day and night and can meet unplanned care needs. These hours are shared across all residents within the scheme and are available regardless of assessed hours. Assessed hours will be used to meet individual's specific needs such as detailed in their care and support plans.
- 3.10. The core and assessed hours will be delivered through a 24-hour roster taking into account of the needs of the tenant group and how the care is delivered. With the 24 hour core roster, a minimum number of staff will be on duty at all times to support both planned, routine and emergency care needs. This will be agreed based on the overall needs of all the tenants in a

scheme rather than a prescriptive formula. Assistive Technology (e.g. telecare) will be used to further streamline the service delivery, ensuring a safe environment is maintained and risks are managed appropriately.

- 3.11. The schemes will deliver support which builds on tenant's strengths and abilities whilst delivering support that is tailored to individuals' varying needs. The schemes will ensure that there is enough staff time available to respond to any signs of residents deteriorating or fluctuation in their needs.
- 3.12. The new model will also utilise the communal kitchens within the schemes where tenants will be given the opportunity to be involved in meals as a group activity, i.e. planning, preparation, cooking and consuming within the communal dining areas.
- 3.13. The social activities element of the tender was aimed at creating activities that are dedicated to tenant's interests and community engagement, ensuring the schemes have a sense of community and a structure for social engagement
- 3.14. The services at the schemes will be available 24 hours a day, 365 days of the year and will principally be delivered at the schemes but may be delivered in the community as dictated by the tenants needs.
- 3.15. The group of individuals for which the schemes have been designed would struggle to live in general needs accommodation without considerable back ground support. Officers believe that these schemes will meet the gap between general needs and supported accommodation due to the independence the accommodation provides. The schemes will allow staff to work with tenants on an individual basis, responding to their assessed needs and offering support and practical solutions.
- 3.16. The Council have 100% nomination rights for both of the schemes. The Community Wellbeing Directorate's approach is that Extra Care accommodation and care is the default option for all new service users who would otherwise require a residential placement, thereby ensuring that all Extra Care units are occupied by prospective new tenants who have eligible care and support needs (as per the Care Act 2014), resulting in reduction of placements in residential or nursing care.

### **The tender process**

- 3.17. Tenders were requested from the providers on Lot 4.1 of the Accommodation plus Dynamic Purchasing System ("DPS") on the 27th

November 2017 for the provision of Care and Support in Beechwood Court, Harrod Court and Tulsi House (BHT Scheme) and Willow House, Newcroft House and Rosemary House (WNR Scheme). Three tender submissions were received on time for each of the schemes from the bidders detailed in Appendix 1.

- 3.18. Following a consideration of bids and for the reasons detailed in Appendix 5, Officers intend ceasing the current procurement in relation to the contract to deliver care and support at Beechwood Court, Harrod Court and Tulsi House and to re-procure this contract.
- 3.19. The submissions in respect of the WNR Scheme were evaluated by Council officers from the Adult Social Care Commissioning, Contracting and Marketing Management Team. The bids were robustly evaluated on the basis of a weighting of 60% for cost and 40% for quality via the DPS online function.
- 3.20. The evaluation of the quality element of the bid enabled Officers to satisfy themselves as to the ability of the bidder to provide the proposed service. A copy of the bidder's detailed scoring is attached as Appendix 2 with their total score detailed as Appendix 3 and it should be noted that London Care PLC was the winning bid for WHR in what was a competitive and robust tendering process. As the highest scoring and therefore most economically advantageous bid, London Care PLC is recommended for award of the WNR Scheme contract.
- 3.21. Due to the need to recommence the procurement of the BHT scheme contract and the expiry of the existing contract arrangements in May, there is limited time available to procure and thereafter seek further Cabinet authority to award and as a result delegated authority to award this contract is sought at this stage.

#### **4. Financial Implications**

- 4.1. The annual value of the contracts is £1.7m. The recommendation is for the contract to be awarded for 5 years with the option of a further 2 year extension (+1+1), resulting in a total pre inflation contract cost of £11.9m over the 7 years.
- 4.2. The fixed core element of the contracts is valued at £500k pa across the WNR schemes and the variable activity element is estimated at £1.4m pa with an estimated 90,909, hours of care/support provided pa. This equates

to an average hourly rate of £15.40.

- 4.3. This hourly rate provides for care staff to be paid the London Living Wage (LLW) throughout the length of the contract.
- 4.4. The additional annual cost of paying LLW rather than National Living Wage for this contract equates to £83k pa.
- 4.5. The council, in setting the annual council budget will need to consider that future inflation in the LLW rate is likely to be higher than other measures of inflation.
- 4.6. WNR Scheme contract represent a more cost effective way of meeting people's eligible care and support needs compared to meeting these needs in a residential or nursing care setting. Accommodation costs are met through Housing Benefit and Adult Social Care is only responsible for meeting the cost of the care and support.

## **5. Legal Implications**

- 5.1. The estimated annual value of the WNR Scheme contract is detailed in paragraph 4.1. The estimated value for the contract is in excess of the EU threshold for Schedule 3 Services under the Public Procurement Regulations 2015 (the "PCR 2015"). Consequently, the award of the WNR Scheme contract is governed by the PCR 2015. The award of the contract is also subject to the Council's own Standing Orders in respect of High Value Contracts and Financial Regulations and as such Cabinet approval is required to award the contract.
- 5.2. Whilst there is no strict legal requirement for the Council to observe a minimum 10 calendar day standstill period between the tenderers being notified of the contract award decision and the actual award of the contract, such period is recommended in order to protect against possible post-contractual ineffectiveness claims. Therefore once the Cabinet has determined whether to award contract, the tenderers will be issued with written notification of the contract award decision and a minimum 10 calendar day standstill period will then be observed before the WNR Scheme contract is awarded.
- 5.3. As indicated at Recommendation 2.2, the intention is to abandon the procurement in respect of the BHT Scheme contract and to re-procure it for

the reasons detailed in Appendix 5. As part of its tender documentation, the Council has reserved its right not to award a contract.

- 5.4. The estimated value of the BHT Scheme contract is such that it is subject to the Council's own Standing Orders in respect of High Value Contracts and Financial Regulations. As such Cabinet approval is required to award the BHT Scheme contract. Due to the reasons set out in paragraph 3.21, delegated authority is sought for the Strategic Director of Community Wellbeing in consultation with the Lead Member for Community Wellbeing to award the BHT Scheme contract following its re-procurement.

## **6. Equality Implications**

- 6.1. The proposed WNR Scheme contract will require the provider to deliver services which:
- Address the needs of older people who have a range of support needs that stand in the way of residents integrating with their community and building the resilience to remain well for longer.
  - Ensure staff have appropriate training in areas that will raise their awareness of issues faced by vulnerable people from different ethnic backgrounds
  - Ensure that the staff group have appropriate support to raise and address the complex issues that face adults recovering from mental ill health.
- 6.2. The provider will be monitored to ensure it is complying with these requirements through checking of its records, regular review of services provided to individual service users where feedback will be sought from service users, quarterly monitoring meetings and provision of quarterly performance information to the Council.
- 6.3. In view of the fact that this procurement represents a change to the model of service delivery for some service users, it is necessary for the Cabinet, as decision-making body, to consider the equalities implications, which are contained within the Equalities Impact Assessment in Appendix 4. In accordance with the Equality Act 2010, officers believe that there are no adverse diversity implications and in fact the impact should be positive as this is less restrictive than alternatives and will allow tenants to build on their independence.



## **7. Consultation with Ward Members and Stakeholders**

- 7.1 There were a number of tenant consultation events held across the Extra Care schemes designed to inform the residents about the Council's commissioning intentions. Officers delivered a number of activities that would garner thoughts and opinions of tenants in regards to the commissioning process. Officer also worked with tenants to understand their experiences in the schemes and what they felt would support service improvement. The outcomes of the consultation were used to inform the commissioning process.

## **8. Public Services (Social Value) Act 2012**

- 8.1. Since 31 January 2013, the council, in common with all public authorities subject to the PCR 2015, has been under duty to consider the economic, social and environmental well-being of its area when undertaking public procurements of services contracts. This is set out in the Public Services (Social Value) Act 2012. This duty applies to the proposed award of the contract. The duty requires authorities to consider how what is procured might improve economic, social and environmental well-being of their area, and how it might act in procuring the service to secure that improvement. Whilst there are few ways of securing social value in the way in which the procurement is conducted, the services are required for the purpose of meeting the needs a vulnerable group of service users and will help to improve economic, social and environmental well-being of those service users and others in Brent. It should also be mentioned that it is proposed that the contracts are awarded on the basis that the London Living Wage is paid to staff.

## **9. Human Resources/Property Implications**

- 9.1. The Transfer of Employment (Protection of Employment) Regulations 2006 ("TUPE") applies to the award of the contract for the WNR Scheme. As a result, subject to the right of the employee to object to transferring, the employee's contract of employment will transfer to the new provider of the contract.
- 9.2. It is understood that none of the current staff employed in the extra care schemes have access to the Local Government Pension Scheme ("LGPS"). Although pension rights do not transfer under TUPE, the Council is under a legal obligation to secure pension rights for its staff or former staff who previously transferred to a contractor pursuant to TUPE, and the successful tenderers awarded the contracts were required to confirm they

will either provide such staff (if any) with continued access to the LGPS, provide pension arrangements that are broadly comparable to the LGPS or in exceptional circumstances pay appropriate compensation to disadvantaged staff.

- 9.3. The WNR Scheme contract is currently delivered by external contractors and it is proposed that this continues. Therefore, there are no implications for Council staff arising from the award of this contract.

**Report sign off:**

**PHIL PORTER**

Strategic Director of Community Wellbeing