

<b>DECISION-MAKER:</b>	Cabinet
<b>SUBJECT:</b>	Extra Care Procurement
<b>DATE OF DECISION:</b>	16 April 2024
<b>REPORT OF:</b>	<b>COUNCILLOR FINN CABINET MEMBER FOR ADULTS AND HEALTH</b>

<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>
NOT APPLICABLE

<b>BRIEF SUMMARY</b>
Following the completion of a competitive tender, authority is requested to award contracts for the provision of care in the city's Extra Care schemes to the successful applicant.

<b>RECOMMENDATIONS:</b>
(i) To award three Extra Care Contracts to the successful Tenderer, Care Quality Services Ltd, with effect from 1 <sup>st</sup> July 2024 to 1 <sup>st</sup> July 2028 for an initial term of 4 years with a possible +1+1 extension, at an annual value of £452,368.80 and a total contract value of £2,714,212.80.

<b>REASONS FOR REPORT RECOMMENDATIONS</b>
1. The recommended contract awards are the result of an open, fair, and transparent procurement process, and the application submitted by Care Quality Services Ltd represents the most economically advantageous option for provision of the extra care services required by the Council.

<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>
2. Not awarding the contracts <b>is not recommended</b> . The extension of existing arrangements would not be compliant with the Council's duties under Public Contract Regulations 2015, and being out of contract would not give the Council sufficient assurance regarding the cost, sustainability, and quality of the care services required in these schemes going forward.

<b>DETAIL (Including consultation carried out)</b>
3. <b>BACKGROUND</b> 'Extra care' housing is a strengths-based model of accommodation-based care and support that enables individuals to self-care and maintain independent living. The city currently has 6 extra care housing schemes, 5 of which are owned directly by the

Council (Potters Court, Erskine Court, Graylings, and Manston Court), as well as Rozel Court, which is operated by Saxon Weald, and independent housing association.

### **SERVICE REDESIGN**

The current commissioning arrangement for the provision of care in the city's extra care schemes used the Council's previous Home Care Framework to automatically award the opportunity to provide care in the city's extra care schemes to the provider appointed as the 'lead provider' for the area of the city that the scheme is located in. A subsequent review of this arrangement found that it led to unwarranted variation in the models of care delivered across the 6 schemes, and that it provided insufficient ongoing assurance of best value over time.

Following the successful implementation of the new Platform Agreement for Home Based Services, the Platform has now been used to reprocure Home Care for the city's Extra Care schemes. The new contracts are for provision of a 'core' overnight support and alarm response service at each scheme, and the daytime personal care required for residents as per their individual care plans will be purchased separately from the provider on an 'as delivered' basis. The provider is required to combine the core and variable service elements in a manner that ensures 24-hour care and support is available as needed. The new approach maximises the value of the competitive tender by right-sizing the arrangements into 3 contracts with 2 schemes per contract to reflect similar financial envelopes and activity levels. The new design also standardises the service requirements and tightens the provider's contractual obligations of providers.

### **PROCUREMENT**

The Platform Agreement used for the contract call-off was procured under the Light Touch Regime (LTR) as set out in the Public Contract Regulations (PCR) 2015. Extra Care Contract tenders were sought for an initial period of four years with a possible extension of up to six years. The evaluation of tenders was carried out in two stages:

- Stage 1: Pass/Fail Evaluation – Tenderers were required to answer a set of questions specific to the delivery of Extra Care and were considered to have passed if the evaluation panel determined the minimum criteria for running an effective service in accordance with the service specification had been met.
- Stage 2: Tenderers were assessed on the award criteria of 70% price and 30% on the quality scores awarded to Tenderers' initial applications for the Extra Care 'Lot' of the Home Care Platform Agreement.

Assurance of quality in service delivery will be further ensured through contract management, routine onsite quality checks, and through 'PAMMS', a digital care quality assessment tool commissioned by the Council to verify and evidence the quality of Care Quality Commission (CQC) regulated care. PAMMS has been used by the Council since the Home Care Platform agreement went live 9 months ago and has already had a demonstrably positive influence on the quality of care delivered in the city.

The procurement process required Tenderers to submit a separate Pricing Schedule for all combinations of contracts they wished to bid for, with an expectation of service efficiencies in the form of a lower tender rate where a Tenderer is successful in their bid

for two or more contracts. Based on all tendered bids, all valid combination of Services proposed by Tenderers were assessed to find the combination of one or more suppliers that provides the most economically advantageous tender to the Council.

Of the five bidding Tenderers, four proceeded to Stage 2 of the evaluation process. The four who proceeded to Stage 2 all submitted tenders for all three contracts. By applying the evaluation methodology to assess the most economically advantageous tender, the highest scoring Tender for all three contracts is Care Quality Services Ltd. Care Quality Services Ltd (also known as Allied Care) is a well-regarded and long-standing provider of both Home Care and Extra Care in the city.

### IMPLEMENTATION PLAN

Milestone	By when
Notification of intention to award, pending cabinet approval	09/04/2024
Standstill period	09/04/2024 (2 weeks)
Initial communication to residents	16/04/2024
Resident engagement events	w/c 29/04/2024
Contract award mobilisation meeting	22/04/2024
Mobilisation period	06/05/2024 – 01/07/2024
Go live date	01/07/2024

### RESOURCE IMPLICATIONS

#### Capital/Revenue

4. Based on the proposed award of all three contracts to the winning Tenderer, the estimated financial implication is as follows:

Sub-Lot	Scheme	Total Annual Block Cost	Total Block Cost over Full Contract Term (4+1+1)
Sub-Lot 5a	Erskine Court	£151,569.60	£909,417.60
	Graylings		
Sub-Lot 5b	Potters Court	£151,413.60	£908,481.60
	Rozel Court		
Sub-Lot 5c	Manston Court	£149,385.60	£896,313.60
	Rosebrook Court		
		£452,368.80	£2,714,212.80

A cost pressure of 12.5% was expected from a like for like retender of services, given that the rates paid by the Council for extra care have resisted inflationary pressure for several years under the terms of the current contracts. This was predicted to cost an additional £275k for 24/25 with a full year effect of £365k p.a., which was forecast and accounted for in the 2024/25 adult social care budget.

	However, a review of the service operating model identified opportunities to mitigate this cost pressure by streamlining the model and rebalancing the core and variable elements. The benefit of the service redesign combined with the competitive procurement process undertaken using the Home Care Platform Agreement has instead achieved a net saving of £325k in year 2024/25, and a saving £434k from 2025/26. This saving is not yet in the Medium Term Financial Strategy.
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**Property/Other**

5.	N/A
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**LEGAL IMPLICATIONS**

**Statutory power to undertake proposals in the report:**

6.	The Procurement Process for the creation of this Platform was conducted through The Light Touch Regime (LTR) as set out in the Public Contract Regulations (PCR) 2015. The services to be provided under the contract fall within the Council's duties under the Care Act 2014.
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**Other Legal Implications:**

*Equality Act 2010* - An Equality and Safety Impact Assessment has been completed. The majority of the 279 residents will be in the over 55 category, and the majority of residents will meet the definition of having a disability under the Equality Act 2010. Users of the service all qualify for publicly funded care; therefore, it is likely that these residents will be experiencing income inequality. Possible impact to these residents will be mitigated through clear communications utilising best practice tools (such as Hemingway) to ensure readability. In addition, in-person surgeries will be held for residents to ask questions of Council Officers. Housing and Adult Social Care colleagues will be kept up to date and will be available to provide support if required or requested.

*Data Protection* – Under the Home Care Platform Agreement, there is an overarching Data Protection Impact Assessment; therefore, a separate assessment is not necessary for this specific element.

**RISK MANAGEMENT IMPLICATIONS**

7.	The procurement outcome will reduce the number of active extra care service providers in the city from three to one. The risk associated with the reduction is, however, mitigated in the design of the Home Care Platform Agreement, which contains a range of pre-qualified providers who could be mobilised at pace to deliver one or more of the contracts as needed. The successful Tenderer is also an experienced local Extra Care service provider with a long-standing track record of success in this area.
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**POLICY FRAMEWORK IMPLICATIONS**

8.	The proposed contract awards are consistent with the Council's ambitions to improve resident health and wellbeing, and to be a successful and sustainable organisation.
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<b>KEY DECISION?</b>	<b>Yes</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	ALL
<b><u>SUPPORTING DOCUMENTATION</u></b>	

<b>Appendices</b>	
1.	ESIA
<b>Documents In Members' Rooms</b>	
1.	None
<b>Equality Impact Assessment</b>	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	<b>Yes</b>
<b>Data Protection Impact Assessment</b>	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	<b>No</b>
<b>Other Background Documents</b>	
<b>Other Background documents available for inspection at:</b>	
<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>
1.	
2.	