

Cabinet Member for Adult Social Care and Health

January 2017

Commissioning of Care and Support in Extra Care Housing Schemes

Report by Executive Director Children, Adults, Families, Health and Education and Director Adults Operations

Ref No: ASCH916-17
Key Decision: Yes
Part I
Electoral Divisions: All

Executive Summary

This report concerns the procurement of care and support in Extra Care Housing (ECH). ECH is an accommodation model for older people, which offers vulnerable people with care needs to live independently in their own home. The ethos of extra care is that it should be specifically designed to meet the wide ranging needs of older people and other vulnerable adults, providing a positive lifetime housing choice that enables independence while having an onsite 'safety net' of support. People who live in ECH have self-contained accommodation, their own front door and security of tenure through a tenancy or long lease. The landlord retains the responsibility for the tenancy/housing management arrangements.

For future procurement of care and support in ECH schemes the County Council proposes to develop the way that it enters into contracts with care providers by establishing a [Dynamic Purchasing System](#) (DPS) procurement tool. A DPS allows the Council to approve and add new appropriately qualified care providers to a DPS framework at any time. All providers on the DPS will meet core requirements. When new schemes are developed or there is a need for a change of care provider in an existing scheme, the DPS will be used. In addition to being a more efficient way of procuring on-going care needs in ECH schemes, it is anticipated that this will support the continued sustainability and long term growth of the ECH sector in West Sussex.

Recommendations

The Cabinet Member is asked to:

- (1) agree to the development of a Dynamic Purchasing System for care and support contracts; and to
- (2) delegate authority to the Executive Director Children, Adults, Families, Health and Education to establish the DPS for the period 2017-2022 to provide care and support to residents living in Extra Care Housing schemes so as to provide the mechanism for settling contracts with an anticipated overall value of approximately £2.3m per annum.

1. Background and Context

- 1.1 There are currently twelve ECH schemes in West Sussex in which the County Council commissions the provision of a scheme-based care and support service for residents. A list of these schemes, all of which are owned by not for profit Registered Providers (RPs), is set out below.

Scheme	No of Flats	Registered Provider (Landlord)	Care and Support Provider
Abbotswood, Rustington	62	Saxon Weald	Housing & Care 21
Highdown Court, Durrington	54	Saxon Weald	Housing & Care 21
Leggyfield Court, Horsham	57	Saxon Weald	Housing & Care 21
Osmund Court, Billingshurst	40	Saxon Weald	Housing & Care 21
Hoghill Gardens, Crawley	39	Housing & Care 21	Family Mosaic
Lanehurst Gardens, Crawley	33	Hanover Housing	Family Mosaic
Marten House, Burgess Hill	37	Affinity Sutton	Family Mosaic
Arthur Bliss House, Lindfield	24	Hanover Housing	Family Mosaic
Prescott House, Burgess Hill	25	Family Mosaic	Family Mosaic
Walstead Court, Crawley	26	Housing & Care 21	Family Mosaic
Lapwing Court, Selsey	28	Hanover Housing	ERA Healthcare
Leaholme, Chichester	39	Places for People	ERA Healthcare

- 1.2 ECH can provide an attractive option for adults with care needs which combines independent living in one's home with the security offered by a purpose built residential environment and access to a scheme-based care service on a 24/7 basis. Integral features of extra care also include provision of a restaurant serving midday meals, amenity space for social and leisure activities and other ancillary services.
- 1.2 The benefits of extra care at a system level are well evidenced at both local and national level. Residents tend to benefit from improved health and care outcomes and in most cases are unlikely to need to move to more institutional settings should their needs increase. As such, extra care provides a more economical and affordable care offer for the County Council and for residents themselves.
- 1.3 With this in mind the County Council is actively working with providers to promote new investment in ECH on new sites whilst at the same time increasing the capacity of existing schemes to meet the needs of adults' services customers. The proposal being put forward is designed to ensure that sustainable arrangements are in place to commission increasing levels of care within these schemes; now and in the future.
- 1.4 Currently the County Council contracts with three companies which provide the care and support service in each of the twelve schemes concerned. Care and Support providers are registered and subject to regulation by the Care Quality Commission (CQC). These contracts were

let two years ago and reach the end of their first term in 2017. Until recently the indication had been that providers would wish to enter into extensions for 1 or 2 years as allowed for within the existing contract. However this is now less likely; two of the three providers have indicated that in the medium to long term they wish to relinquish their existing contracts to focus solely on other parts of their existing business. In the short term contract extensions can be agreed with existing providers to maintain the continuity of the care and support service to residents in these schemes. Longer term it is essential that new arrangements are in place to appoint suitable care and support providers in these schemes. The intention is that these arrangements should be in place and, where necessary, new providers can be appointed by April 2017.

2. **Consultation**

- 2.1 **The Provider Market:** ECH is a hybrid product which depends on the collaboration of both housing landlords and care providers. The success of schemes depends on mutual dependencies between housing and care services and so the development of a robust extra care sector requires a good understanding of issues faced by both types of provider. A market engagement event held on 22 September 2016 involved both landlords and care providers and sought to address the key risks and opportunities to both services arising from the current pattern of commissioning. Although proposals outlined on that occasion were generally welcomed further, more detailed discussions have taken place with several of the landlords concerned.
- 2.2 **Residents** - consultation with extra care residents takes place on a regular basis via informal focus groups. Not surprisingly, residents are more interested in the quality and holistic nature of the service they receive in their schemes than the formalities of the commissioning arrangements underpinning them. It is known that residents value the consistency of staff working in their schemes and seeing familiar faces rather than frequent rotation of staff or use of agency workers. They also value the potential for scheme-based staff to offer 'background support' in circumstances where short term or temporary needs arise. Such aspirations can more easily be delivered within a commissioning framework in which the Care service is primarily scheme focussed, as opposed to operating as part of a larger, community focussed domiciliary care business.
- 2.3 **District and Borough Councils** – although not formally consulted as part of this process, District and Borough Councils in West Sussex are important stakeholders in the ECH sector. It is therefore expected that a representative of the District and Borough Councils would contribute to the selection and procurement process.
- 2.4 **Members** – discussion with County Council members at a variety of levels indicates support for the principle of developing and extending the ECH model. The need to re-commission the existing ECH care and support services in order to ensure the sustainability of existing services was

drawn to members' attention at a recent meeting of the Health and Adult Service Select Committee Business Planning Group.

- 2.5 **Internal stakeholders** - commissioning services in extra care schemes could have a bearing on existing relationships with providers in the larger domiciliary care market. With that in mind discussions have and will continue to take place with relevant commissioners of those services with a view to minimising risks and maximising potential synergies.

3. **Proposal**

- 3.1 The proposal is to invite suitably qualified Care Quality Commission registered care providers to become part of a Dynamic Purchasing System (DPS) through which individual contracts for specific schemes will be let. Qualification for the DPS will be assessed against price and quality criteria. Subsequent decisions on the award of contracts for specific schemes may then allow for greater involvement with the specific landlords concerned.
- 3.2 It is anticipated that this approach will help to underpin stronger partnerships between landlords and care providers; particularly where a single care provider is able to work across a number of schemes owned by one landlord. Past experience suggests that this is more likely to result in a seamless and holistic approach to the management of schemes.
- 3.3 Residents' experience in extra care is shaped significantly by the quality of the care and support provided, not least because most of the staff they will come into contact with on a day to day basis will be part of the care rather than the housing service. The importance of the care service to extra care landlords has encouraged some providers to take a more active role in this process, by entering strategic partnerships with care providers or even establishing their own separate care subsidiary. Saxon Weald, whose scheme at Highwood Mill is the most recently completed extra care development in the County, took the decision to directly contract with a care partner for this scheme.
- 3.4 Involving landlords at this secondary stage in the commissioning process should help to strengthen the development of the extra care sector in West Sussex. At a time when investment in new supported housing is seen as increasingly risky and unattractive, this kind of approach has been widely welcomed by housing providers.

4. **Other Options considered**

- 4.1 Two alternative approaches have been considered. Previously these contracts have been let via a conventional tender process in which schemes have been parcelled together in lots. This lacks the potential for flexibility and is more cumbersome than the DPS being proposed. It also makes it more difficult to step in and replace an existing provider who is deemed to be failing.
- 4.2 Another option could have been to use the existing framework for Care and Support at Home. This was not pursued because, for the reasons

previously given in paragraphs 2.2. and 3.2, it is believed that the 'extra care offer' is best delivered by staff whose primary commitment is to a holistic service within a specific scheme.

5. **Resource Implications and Value for Money**

- 5.1 The current value of the contracts with our existing ECH care and support providers is approximately £2.3 million p.a. The contracts consist of fixed 'block hours', relating mainly to night time cover, and a flexible element depending on the volume of care required by residents at any given time. The volume of care hours, and therefore the costs incurred, does fluctuate over time and from one scheme to another. This reflects factors such as
- The proportion of residents who are eligible for adults services funded care
 - Changes in individual care plans whereby residents require either more or less care
 - Occupancy levels.
- 5.2 ECH represents good value for money because in many cases it avoids the need for residents to access higher cost, institutional or residential care settings. Savings are achieved in a number of ways which include:
- residents requiring fewer care interventions as a result of the 'enabling nature' of extra care
 - residents avoiding the need to enter residential care
 - residents making less unplanned use of NHS services
 - the elimination of care workers' travel and logistical costs between calls.
- 5.3 Accurately estimating the scale of savings associated with extra care is problematic because it involves counterfactual assumptions along the lines of '*what would have happened if xx had not lived in this scheme...?*' A conservative estimate suggests that on average extra care the annual saving per resident may be in the region of £3,000 p.a.
- 5.4 There are therefore clear strategic benefits in increasing spending on care in ECH schemes; provided care is delivered effectively an increase in expenditure in this area will generate savings and cost avoidance elsewhere in the health and social care economy. Increasing the volume of care delivery in ECH, which can be achieved by encouraging more residents with eligible care needs to consider this option, is therefore an operational priority within Adults Services. Whilst this would lead to an increase beyond the existing £2.3m spend mentioned at 5.1, it would also represent better value for money; and almost certainly contribute to savings elsewhere, which could be redirected to fund any increased spending required for ECH.
- 5.5 In addition some of the existing schemes are not currently delivering value for money and it is anticipated that through this proposal greater value for money can be achieved within these schemes.

6. Impact of the proposal

- 6.1 Equality Duty.** An Equality Impact Report is attached.
- 6.2 Human Rights** – Article 8 of the Human Rights Act protects individuals' rights to a family and home life. Extra care achieves this in two important ways; it enables adults with significant care needs to remain living in their own home with greater independence and autonomy than can generally be provided within more institutional care settings. Secondly in many instances a move to extra care enables couples to remain living together in circumstances where one partner would have been forced to move into residential care alone.
- 6.8 Social Value** – besides offering benefits to the health and social care economy ECH offers a range of social values to its residents and their families. These are associated with the improved quality of life, health and wellbeing outcomes the sector offers and the opportunity for independent living schemes which allow for social and community activities.

7. Risk Management Implications

- 7.1** The key risk involves the failure to identify and appoint suitable care providers within an acceptable time scale which could result in one or more existing providers relinquishing their existing contracts. Efforts are being made to stimulate interest in this market and the County Council is confident that other providers will come forward to meet this need within the timescale required.
- 7.2** At 2.4 the relationship between this process and that of commissioning domiciliary care through an existing framework of providers was mentioned. There are risks and opportunities arising from this which are recognised. Where practical the County Council would wish to take advantage of any additional capacity within the extra care sector to support delivery of domiciliary care services in the community.

Avril Wilson

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Contact: Ivan Western, Commissioning Manager (Supported Housing)

Background Papers None

Equality Impact Report

Title of proposal	Procurement of care and support in ECH schemes
Date of implementation	From April 2017
EIR completed by:	Ivan Western

- 1. Decide whether this report is needed and, if so, describe how you have assessed the impact of the proposal.**
 - This proposal affects residents with protected characteristics, chiefly on grounds of age and disability
- 2. Describe any negative impact for customers or residents.**
 - The proposal seeks to maintain and strengthen existing services and should not involve any negative impacts on residents
- 3. Describe any positive effects which may offset any negative impact.**
 - As indicated in the main body of the report ECH offers vulnerable adults with care needs the opportunity to remain living independently in their own home with access to 24/7 care. The proposal seeks to maintain and improve this service.
- 4. Describe whether and how the proposal helps to eliminate discrimination, harassment and victimisation.**
 - Both landlords and care providers are required and encouraged to take a pro-active approach to equality issues
 - This involves steps to ensure that services are culturally sensitive to the needs of residents and that this is reflected in their personal support plans
- 5. Describe whether and how the proposal helps to advance equality of opportunity between people who share a protected characteristic and those who do not.**
 - The proposal advances equality for vulnerable adults with care needs by enabling them to live independently in their own home.
- 6. Describe whether and how the proposal helps to foster good relations between persons who share a protected characteristic and those who do not.**

Not applicable

7. What changes were made to the proposal as a result? If none, explain why.

Not applicable

8. Explain how the impact will be monitored to make sure it continues to meet the equality duty owed to customers and say who will be responsible for this.

- The performance of ECH schemes and specifically of contracted care providers is subject to regular monitoring and contract management arrangements.
- Individual care plans are also regularly reviewed by social workers.
- Soft intelligence is gathered through periodic focus groups held in schemes.

To be signed by an Executive Director or Director to confirm that they have read and approved the content.

Name

Date

Your position