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| Report to: | Cabinet | Date of Meeting: | 8 th March 2018 |
| Subject: | Liverpool City Region (LCR) Care and Support | | |
| Report of: | Director of Social Care and Health | Wards Affected: | (All Wards); |
| Portfolio: | Cabinet Member - Adult Social Care | | |
| Is this a Key Decision: | Yes | Included in Forward Plan: | Yes |
| Exempt / Confidential Report: | No | | |

Summary:

The purpose of this report is to seek approval to commence a procurement exercise for the provision of care and support services in existing and any future Extra Care Housing.

The report also details the proposed approach for the procurement of care and support services under Liverpool City Region (LCR) joint working arrangements and the approach to the development of the new model of service for Extra Care housing.

Recommendation(s):

That Cabinet be requested to:

1. Approve the commencement of a procurement exercise, to be led by Liverpool City Council as part of LCR joint working arrangements, which will encompass a Pseudo Dynamic Purchasing System (PDPS) being implemented from September 2018, for the provision of Care and Support services in Extra Care housing; and
2. Grant delegated authority to the Cabinet Member for Adult Social Care and the Cabinet Member for Communities and Housing to oversee the work required on the Council's approach to Extra Care Housing.

Reasons for the Recommendation(s):

Following endorsement of the Liverpool City Region (LCR) Devolution Agreement in June 2015, Health and Social Care leaders across the six authorities were tasked with exploring the potential for greater collaboration. In particular Sefton Council, Knowsley MBC and Liverpool City Council (known as the Tripartite) have several features in common, which has resulted in the three authorities developing a programme of collaborative work that focuses on Adult Social Care services in order to minimise the impacts of demographic and fiscal pressures placed on their budgets.

One such area of work is Extra Care Housing and the care and support provided in Extra Care housing and as a result it has been identified that the above aims can be achieved through working collaboratively to develop and implement a new model of service and procurement processes. Extra Care Housing has been identified as a model which helps people to live independently at home for longer, thereby either delaying or preventing the need for long-term residential care and helps people to remain well, therefore avoiding Hospital admissions.

Alternative Options Considered and Rejected: (including any Risk Implications)

The following options were considered and rejected;

1. **Maintaining the Status Quo** – this was not considered a viable option as the current mechanism for the procurement of care and support services in Extra Care housing in Sefton does not encompass any collaborative working and as result, Sefton (as with Knowsley and Liverpool) are unable to benefit from the collective buying power that the proposed approach encompasses in that the three authorities will be able to better shape the overall market and encourage more innovation and higher quality from providers. In addition, feedback from Providers indicates that the proposed approach to jointly procure services is viewed by them as being more efficient in that it means that Providers do not have to go through numerous separate procurement exercises which are onerous and result in them having to adhere to different contractual and service delivery requirements. The proposed approach also includes the development of a shared service specification and model of service which can be adapted in order to ensure that services in Sefton can be tailored to the specific needs of the communities it serves.

What will it cost and how will it be financed?

(A) Revenue Costs

Revenue costs with respect to new contracts awarded for care and support within existing or any new Extra Care Housing schemes will need to be met from existing Adult Social Care budgets.

The Tripartite authorities are working together to develop a cost model for care and support in Extra Care Housing which is being based on previous Market Oversight work conducted for related service sectors. The agreed cost model will then be used as a basis for any procurement exercises conducted.

It is anticipated that care and support provided within Extra Care Housing can also provide a more cost effective alternative to other current services, principally Residential care.

(B) Capital Costs

None arising directly from the report. However, there is an opportunity to explore the use of some Disabled Facilities capital grant funding that the Council has earmarked to support social care capital projects if the business case for investment in the development of Extra Care Housing shows real benefits to the Council.

Implications of the Proposals:

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| Resource Implications (Financial, IT, Staffing and Assets): |
| Legal Implications: Care Act 2014 Care and Support Statutory Guidance Public Contract Procedure Rules 2015 |
| Equality Implications: The equality Implications have been identified and mitigated. |

Contribution to the Council's Core Purpose:

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| Protect the most vulnerable: Care and Support within Extra Care housing can support vulnerable people assessed as requiring such services, thus ensuring that the Authority meets their assessed needs. |
| Facilitate confident and resilient communities: The Extra Care housing model of service supports the maintenance of independence, including ensuring that Service User remain as part of, and can continue to access their local community. The new model of service includes a more outcomes focussed service specification. |
| Commission, broker and provide core services: The adoption of the proposals will ensure that statutory services will be delivered to vulnerable Service Users. |
| Place – leadership and influencer: Good quality Extra Care schemes can contribute positively to a local area, providing attractive buildings/sites and a wider variety of accommodation that enable people to remain as part of a community for longer, The development of the approach to Extra |

Care, referred to in this report, will enable the Council to more effectively direct developers towards to type, number, scale and locations where an Extra Care model would offer the best outcomes.

Drivers of change and reform:

The proposals encompass the development of a revised service delivery and contractual arrangements which better meet strategic aims and priorities.

Facilitate sustainable economic prosperity:

N/A

Greater income for social investment:

N/A

Cleaner Greener

N/A

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD5035/18) and Head of Regulation and Compliance (LD4319/18) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Consultation has also taken place with LCR colleagues and Providers regarding the implementation of such a system as part of wider discussions regarding future Extra Care provision.

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting.

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Appendices:

There are no appendices to this report

Background Papers:

None

1. Introduction/Background

- 1.1 Extra Care Housing (also known as very sheltered housing, assisted living or simply as 'housing with care') is a service model providing accommodation and care and support provision to Older People with support needs. The services combine good quality, safe accommodation (usually apartments) with on-site care. The care includes personal care such as assistance to wash and dress, preparation of food, assistance to eat and drink, help with toileting and administering medication. Providers are registered with the Care Quality Commission (CQC) to provide this care. The support offered includes assistance with shopping, paying bills, help to maintain their home (e.g. cleaning and laundry) and advice on their tenancy rights and responsibilities. Services also offer community support such as facilitating a wide range of activities that reflects resident's interests and to ensure that they continue to be a part of the local community.
- 1.2 Currently there are two Adult Social Care commissioned Extra Care schemes in Sefton, providing 94 units of Extra Care provision. Care and Support contracts are in place for these services until 31st March 2019.
- 1.3 Across the Tripartite area there are a total of twelve schemes (including Sefton) which have a combined capacity of 632 units. There are currently six Providers delivering the care and support services within these twelve schemes, who are medium to large businesses with most operating on either a regional or national footprint.
- 1.4 Each Local Authority has block contracts in place with Providers for the care and support services. These blocks consist of a volume of daytime hours and additional support at night. Both the total number of daytime and night-time hours provided within each service and to each individual residing in the service varies dependent on the needs of the Service Users.
- 1.5 Over the last two years, Sefton Council, Knowsley MBC and Liverpool City Council (known as the Tripartite) have been working together as part of Liverpool City Region (LCR) collaborative work to develop a programme that focuses on Adult Social Care services. The aim of this programme is to minimise the impact of demographic and fiscal pressures on already strained Local Authority budgets. In addition the Tripartite has a shared vision to improve the wellbeing of Older People and to help them maintain their independence for longer thus reducing the demand for longer-term residential care. As a result, Extra Care and the care and support provided in Extra Care housing has been identified as a key priority in the Tripartite area.

2. The Future Procurement Process for Care and Support in Extra Care Housing

- 2.1 Whilst the activities detailed in Section 3, below, are being conducted the procurement process for the commissioning of care and support services in both existing Sefton schemes and any new Extra Care housing schemes can be implemented.

2.2 The Tripartite authorities have worked together to develop a Pseudo Dynamic Purchasing System (PDPS) which will be a flexible system used to purchase care and support services and Liverpool City Council have agreed to lead on the procurement exercise on behalf of the three authorities.

2.3 It is proposed that the procurement will produce a list of suitably qualified Providers who are willing and able to provide care and support in Extra Care housing schemes. This list will then be used to purchase services for individual schemes using a 'call-off' arrangement and transparent published procedures. The proposed mechanism to do this is a PDPS.

2.4 The benefits of the proposed procurement exercise are;

- Harnessing the collective buying power of Sefton, Knowsley MBC and Liverpool City Council to shape the market so that providers are more willing and able to provide the type of extra care services we want to purchase.
- Development of a joint specification for care and support services that reflects best practice in the sector. This is expected to improve the quality of services that people received and improve their experience of services.
- Shared cost model for care and support across the tripartite that demonstrates value for money across the three authorities.
- Standardisation of contract monitoring should enable the three authorities to benchmark performance across the areas. This can be used to help Commissioning and Contracts teams drive up quality and performance in services. The standardisation may also help providers to reduce back office cost incurred in providing information to authorities.

2.5 The PDPS is expected to be operational in September 2018. The following high level timeline details the timeframes for the establishment of the system;

| Key Procurement Activity | Timeline |
|--|---|
| Procurement Launched | 3 rd April 2018 |
| Evaluation | 1 st May 2018 to 31 st May 2018 |
| Report and Delegated Approval to Award | 1 st June 2018 to 29 th June 2018 |
| Contract Award | 2 nd July 2018 |
| PDPS in Place | 1 st September 2018 |

2.6 Each authority will be able to use this list to purchase care and support in Extra Care services for a minimum term of **5 years**. This will provide consistency for providers and therefore make it easier for them to operate across the three authorities. The PDPS will be in operation for a period of 10 years and can therefore be utilised beyond the initial minimum 5 year term. Whilst it is the intention of the Tripartite to use the PDPS for the initial period of five years, there will be no legal obligation to use it. This will give flexibility to the Tripartite authorities should circumstances require it.

2.7 At the point of purchasing a service for a specific scheme it will be an individual authority who contracts directly with the Approved Contractor for that service. An individual specification will be issued by the purchasing authority for that scheme

and will describe the specific requirement of that service (for example client group, number of units, location). The individual specification will work with the overarching specification formulated as part of the new model to set the requirements of that service. The authorities will be able to use the flexible purchasing system in a number of ways to suit the needs of their local population and the circumstances of that specific scheme. This will include the ability to directly call off contracts with a provider on the approved list as well as the option to undertake mini competitions. Where a mini competition is used the evaluation criteria for the choosing a suitable provider will be set at this point and communicated as part of the procurement exercise for that scheme. This will give the Tripartite authorities the ability to tailor each scheme to the specific needs of the community it serves. The authorisation for these individual procurements will be secured in line with contract procedure rules. There is no legal requirement to solely use the PDPS for procurement exercises, resulting in authorities being able to conduct either separate procurement exercises or spot-purchasing arrangements for the commissioning of services.

3. The Business Case for Extra Care Provision

- 3.1 The population of residents in Sefton aged 65 and over is projected to increase by 39% by 2039. It is predicted that this group of residents will make up 30% of the Sefton population, which is higher than the forecast for England (which is estimated to increase to 24% of all residents), the North West, the Liverpool City Region and Merseyside (which are all estimated to increase to 25% of the total population).
- 3.2 These projected increases will place additional pressures on Adult Social Care services, principally when resident's homes are no longer considered suitable as they once were and alternatives are required. Typically these alternatives are residents moving to a care home, staying in their own home with adaptations and care and support services being delivered in the home or them moving to alternative accommodation.
- 3.3 Extra Care provision has been identified as an ideal option for Older People who;
 - Find it hard to cope in their current home
 - Are living in residential care but find the level of care and support provided is not needed
 - Are in Hospital and need to return to accommodation where care and support services can be accessed 24 hours a day
 - Wish to maintain their independence and 'their own front door'
- 3.4 Extra Care housing aims to provide most of its residents with a home for the remainder of their life, regardless of changes in their care needs. Services are generally provided in a purpose built housing environment with care and support provision delivered to meet the individual resident's needs.
- 3.5 The future demand for Extra Care housing has also been referred to in Sefton Council's Housing Strategy 2016, which sets out the Borough's needs and

requirements under five themes, including a theme on ‘enabling people to live independently’. Within this theme there are the following priority actions;

- Implementing solutions and recommendations as set out within the *Older Persons Strategy Research Study Action Plan* (2015) including suitable Extra Care housing.
- Working with partners to provide new housing for older populations and the most vulnerable groups in appropriate and accessible locations for local services and facilities

3.6 Future demand has been referred to in the “Older Persons’ Housing Strategy Research” - Appendix 5. Using both care home demand and the population data the report estimates that between 1,200 and 1,700 extra care units is a reasonable estimate of need in Sefton, however not all of these units would require Adult Social Care funding. As a result additional work will be required to establish a case for how Extra Care housing can support predictions for increases in demand for Adult Social Care services.

3.7 In addition, a toolkit has been developed by the *Housing Learning & Improvement Network* (Housing LIN), in association with *Elderly Accommodation Counsel* (EAC) and endorsed by the Department of Health, to identify potential demand for different types of specialist housing for older people and model the future range of housing and care provision. In summary, the figures suggest that there should be around **111** units of specialised accommodation (other than registered care home places) per thousand people aged over 75 years. Applying this calculation to Sefton’s Older Persons Population of 29,900 people (at 2014) suggests a need for:

- 1,794 Sheltered housing units
- 449 Extra Care units for rent
- 897 Extra Care units for sale
- 179 Dementia provision

Looking ahead to Sefton’s projected Older Persons population of 41,900 (in 2030) suggests a need for;

- 2,514 Sheltered housing units
- 629 Extra Care units for rent
- 1,257 Extra Care units for sale
- 230 Dementia provision

Based on the above figures compared against the current supply, there is a strong indication that additional Extra Care housing units are required.

3.8 Extra Care services can also provide a more cost effective alternative to other current services, principally Residential care. National studies suggest that 63% of Extra Care residents would otherwise be in Residential care, which is typically more expensive. In addition, whilst the traditional model of Extra Care services has encompassed supporting Older People (aged 55 years or older) there are examples of how Extra Care provision can successfully support people with Learning Disabilities and Mental Health conditions.

3.9 Extra Care provision meets current strategic aims, by offering a preventative type service which helps people to remain independent in their own homes whilst also remaining part of their local community.

3.10 However, it is recognised that the approach for Extra Care housing needs further development, principally with respect to;

- **Conducting a more in-depth review of data to establish greater insight of need (& affordability)** - Sefton Council's *Housing Strategy* (2016) sets out the borough's needs for enabling people to live independently by implementing solutions and recommendations as set out within the *Older Persons Strategy Research Study*, including suitable extra care housing. However, a more in-depth, detailed and up-to-date picture of demand and affordability is required.
- **Market Analysis** - Undertake more detailed market analysis to understand the extent of the need and opportunities to develop potential partners, explore funding streams, capital investment and/or use of Council resources to support the building of new Extra Care housing schemes. Further work is needed to link the new service model and any future procurement of care and support services to plans for future developments of schemes.
- **Capital funding and investment options** - exploration of the use of Disabled Facilities capital grant funding, contained within the Better Care Fund, to support the development of Extra Care will need to be subject to further consideration. This would be subject to approval by the Strategic Capital Investment Group, agreement by the Clinical Commissioning Groups and agreement of Cabinet for inclusion in the Capital Programme.