

<b>Item No.</b> 11.	<b>Classification:</b> Open	<b>Date:</b> 17 October 2023	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 0 – The Provision of Care Services in Flexi Care Housing	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Evelyn Akoto, Health and Wellbeing	

## **FOREWORD – COUNCILLOR EVELYN AKOTO, CABINET MEMBER FOR HEALTH AND WELLBEING**

The number of older people in Southwark aged 65 years and over is predicted to grow over time. The Office of National Statistics (ONS) projects this group to increase to over 40,000 by 2030.

Ensuring that residents are in appropriate accommodation, suitable for their needs, is vital in enabling people to live good quality lives in the home of their choice. It is therefore crucial that we plan ahead and develop a long term strategy to meet this new level of need in the borough.

Extra care is a housing option which offers modern living facilities with access to 24 hour care support, should be the way forward. Extra care also known as Flexi care allows an individual to remain in their home for as long as possible, with the added assurance that their home and environment will be tailored to their evolving health needs.

Moreover, the increase in Flexi care housing allows us to be innovative by creating not just a housing scheme with support, but thriving mixed communities. It will allow people to be independent, reducing the need for hospital admissions or the need to move to residential care. It enables people to move out of houses, where they are finding it difficult to cope, into a home that is designed to be a supportive environment as a person's care needs grow and where they can be secure and live independently.

Southwark currently has a reasonable level of extra care housing stock, but this is not enough, so I am very pleased that we are bringing more of these accommodation types on stream, and that we will have two more Flexi care housing schemes by spring 2024.

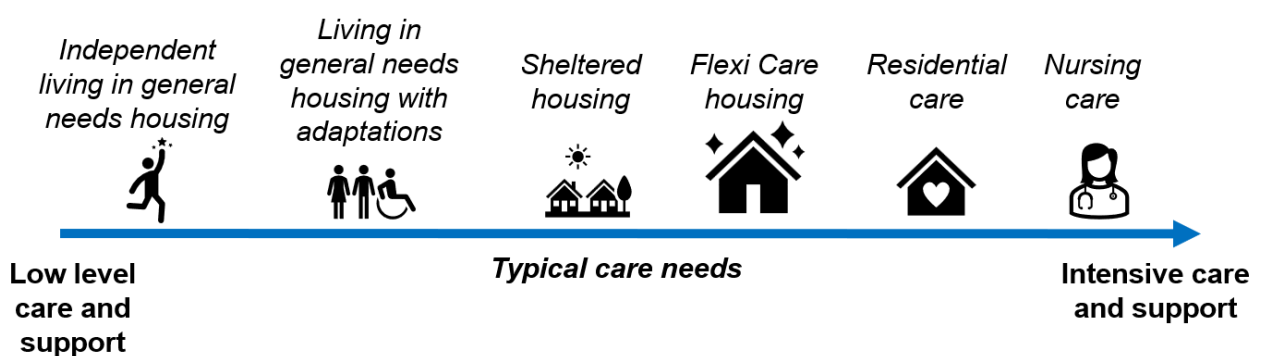
## RECOMMENDATIONS

1. That the Cabinet approve this Strategic Options Assessment for delivery of Flexi Care services for Southwark council.
2. That the Cabinet delegate the approval of the following Gateway 1 to the Strategic Director of Children and Adult Services, in consultation with the Cabinet Member for Health and Wellbeing and the Cabinet Member for New Homes and Sustainable Development.
3. That the Cabinet note the reasons for recommendation two in paragraphs 99 and 100 of the report.

## BACKGROUND INFORMATION

### Introduction

4. Extra Care, known locally as Flexi Care, is specialist housing designed to meet the needs of older people, people with long-term conditions, and people with disabilities who may struggle to remain in their own home.
5. Care provided by a Flexi Care scheme enables residents to live in the least restrictive environment possible, as a tenant in their own 'home for life', supported by flexible care packages and 24hr provision. Care is person-centred and adapts to the changing needs of each resident.
6. Flexi Care sits along a spectrum of housing, accommodation, and care interventions, as illustrated in the below diagram:



7. The key difference between each type of accommodation along this spectrum is the intensity of care each provides to its residents, and the level of independence each is designed to support.
8. Flexi Care differs from sheltered housing in the following way:

- Sheltered housing provides lower levels of care and support. Sheltered housing does not involve care packages or 24hr provision, and is able to support those with lower needs. Flexi Care is able to support a greater mix of needs: residents of Flexi Care schemes are able to access care and support at all times, offering safety, security, and peace of mind.

9. Flexi Care differs from residential care in the following ways:

- Residential care provides a structured, higher level of care to support those less able to live independently.
- Residents live in rooms within a larger home. Flexi Care residents enjoy greater independence, live in their own individual homes, and are able to come and go as they please.
- Residential care supports those of an older age with higher levels of need, whereas Flexi Care can support a younger cohort of more mixed needs.
- Residential care residents do not have a tenancy, while Flexi Care residents do.

10. Flexi Care residents pay rent, a service charge for the management and upkeep of the scheme, council tax, and utilities. Southwark's Flexi Care schemes are designated as social housing and contribute to the borough's affordable housing agenda.

11. Community is a central philosophy of Flexi Care: a scheme should be designed to create a sustainable, active community of residents with mixed care needs. Building design, activities, voluntary sector involvement, and thoughtful mixes of resident cohorts all contribute to the success of a Flexi Care community.

12. Traditionally, Extra Care accommodation has supported older adults. This model is changing, and latest best practice emphasises the opportunities presented by intergenerational schemes as key to building thriving, dynamic, and regenerative communities.

13. There are exciting examples of best practice in Flexi Care within and beyond London, including partnering with local organisations such as nurseries, creative activities for residents such as music classes or arts programmes, and schemes designed with inclusivity at the centre. These examples illustrate the creative ways in which the ethos of Flexi Care can be realised.

14. If well planned, Flexi Care can support a broad mix of people to live well, independently. This may include those with mental health needs, learning disabilities, dementia, and drug and alcohol users. In order to build a cohesive, active, and sustainable community, eligibility requirements and needs mix must be carefully strategically planned, and supported with appropriately skilled care staff.

## Local context

15. The council has made a commitment within its Delivery Plan (2022-2026) to open more Flexi Care housing as part of its 'supporting families theme', recognising the potential for Flexi Care to contribute good quality residential and home care to residents.
16. This recognition is echoed within housing policy across the system: the Southwark Plan 2022 states the need for Flexi Care housing as an important part of the housing landscape and the borough's specialist accommodation mix. The Housing Strategy 2043 and its 2020 refresh calls for the provision of specialist accommodation to meet the needs of people with physical disabilities, mental ill-health, learning disabilities and older people- cohorts who can, with the right support, be enabled to live independently through Flexi Care.
17. Regional and national policy further supports these calls for specialist housing provision: The Ministry of Housing, Communities & Local People's most recent Outcome Delivery Plan sets out priorities for building affordable, better quality, accessible homes, including the improving the quality and value for money of supported housing. The Mayor of London's London Plan recommends the development and retention of specialist housing to support the diversity of London's population, where Boroughs should plan proactively for future need among the older population.
18. Southwark Council is ambitious for the health and wellbeing of its residents: its Joint Health and Wellbeing Strategy (2022-27) sets out five key principles to underpin the strategic direction of the Borough moving forward, including a 'targeted place-based approach', 'community empowerment', and 'high quality, joined-up and person centred health and social care' – principles all aligned to the local, community-centred, independence promoting ethos of Flexi Care.
19. Southwark Council's Fairer Future Procurement Framework sets out several commitments to Southwark residents and communities, including ensuring residents have 'a place to call home', 'a place to belong', 'a healthier life', and 'a safer community' – all of which are central aims of Flexi Care.
20. Flexi Care offers a progressive and innovative form of provision straddling good quality care, and good quality housing. Southwark Council's values include 'working for everyone to realise their potential', working 'to make Southwark more equal and just', and 'treating residents as if they were a valued member of your own family': these respectively correspond to the person-centred, inclusive, and community-based principles which underpin Flexi Care.

## Southwark Flexi Care

21. Southwark currently offers three Flexi Care schemes at Tayo Situ House and Lime Tree House in Peckham, and Lew Evans House in East Dulwich. Details of each scheme are set out in the table below:

	<b>Tayo Situ</b>	<b>Lime Tree</b>	<b>Lew Evans</b>
<i>Care provider</i>	London Care	London Care	London Care
<i>Landlord</i>	Southwark Council	Housing 21	Southwark Council
<i>No. units</i>	42 (+1 guest residence)	54	39 (+2 step-down flats)
<i>CQC rating</i>	Good	Good	Good
<i>Tenure type</i>	Social rent	Social rent	Social rent
<i>Weekly care hours</i>	693.31	762.5	682.67
<i>Cohort</i>	40 years +, with Physical Disabilities and Mental Health	Older people, 65 years +, with Physical Disabilities and Mental Health	40 years +, with Physical Disabilities and Mental Health

22. 135 units are available as Flexi Care accommodation across the three schemes. The total contract value for all three operational schemes is estimated at £1,975,600 per annum.
23. Southwark commissioned all three schemes to one care provider, London Care. This was a block contract which commenced in February 2018, and ended in January 2023, with provision for two one year extensions. This contract has not been extended with a view to review the provider to the schemes.
24. All three current Flexi Schemes are CQC rated 'Good', and recent contract monitoring reviews reported that residents have generally positive experiences of where they live: residents are complimentary of the staff and the support they receive.
25. Two further purpose-built schemes reserved for Flexi Care provision are soon due to come online: Harriet Hardy imminently, and Tayo Situ Two by Spring 2024, subject to no delays.
26. Harriet Hardy is a new development on the Aylesbury Estate, and is due to supply an additional 54 units. The development is conveniently located next to the Adult Social Care Southwark Resource Centre and Citizens Advice offices, providing additional support close at hand as well as access to a range of shops and resources on Walworth Road.

27. Tayo Situ Two is located next to Tayo Situ House in Peckham. Tayo Situ Two is scheduled for completion in spring 2024, subject to no delays, and is due to supply an additional 50 units.
28. Together with Harriet Hardy and Tayo Situ Two, Southwark will have a total of 239 units available for Flexi Care by spring 2024.
29. No care provider has yet been contracted to deliver care to these units. Although there is provision to extend the previous contract with London Care, this is an opportune moment for Southwark to redesign, innovate, and future-proof its Flexi Care provision, in line with council aims and objectives.

### **A new vision for Southwark Flexi Care**

30. Current provision delivered in Southwark reflects a more ‘traditional’ model of Extra Care. There is an opportunity in Southwark to move towards a more dynamic, person-centred model, better able to foster community and independence among residents.
31. To this end, Southwark has started to set out its intentions for a new model of Flexi Care, adopting its own definition of “Flexi Care”, and ambitions for its future in the borough. These describe “a move away from traditional Extra Care, towards a community and neighbourhood approach to care and support that is delivered in an innovative and dynamic way”. It emphasised vibrant activities and a “sense of community”, achieved through strong partnership working between Adult Social Care, Housing, Commissioning, and the community and voluntary sector.
32. Building from this earlier work, in August 2023 Southwark convened a Flexi Care development working group, which has agreed the following vision statement for Flexi Care:

*Our Flexi Care schemes are flourishing communities of people from all walks of life, with different strengths, abilities, and needs.*

*Our schemes provide homes for life, where residents live well, safely and independently, with care and support that is flexible, creative, and person-centred.*

*Our residents lead sociable and fulfilling lives, connected to the local community.*

*Community, inclusivity, and fun, is at the heart of Flexi Care in Southwark.*

33. This vision statement will be further refined as the development of a new model progresses.
34. Southwark has agreed the following principles to underpin the vision for Flexi Care in Southwark, developed through consultation with operational

colleagues across health and social care; lessons learnt from current provision; benchmarking; feedback from the provider market; and feedback from residents and their families:

- Strengths based approach to care and support that focuses on maintaining independence;
- Staff work in a person centred way and understand the residents, including their likes, dislikes, moods etc.;
- A clear and evolving offer of community activities and encouragement of resident involvement;
- A vibrant community and neighbourhood approach to care and support, ensuring staff are aware of community assets;
- A flexible approach to delivery where the views and feeling of residents are listened to and respected;
- A mixed staffing skill set that is enhanced through ongoing training;
- Clear communication and shared objectives between stakeholders to foster effective multi-agency working and;
- Continual improvement utilising the views of residents, wider stakeholders and staff.

35. In order to measure the success of provision the following high- level outcomes have been developed. These will be further refined into detailed minimum expectations and key performance indicators:

- Residents are supported to be independent and to remain living in the flexi care scheme;
- Residents know what the local support options are and who to contact for help;
- Residents are connected to and feel part of their local neighbourhood;
- Residents are both in control of and happy with the care and support they receive;
- Residents are treated with dignity and respect;
- Residents are free from harm and feel safe in their own home;
- Residents have access to, and experience good quality care and support;
- Family and informal carers have an enhanced quality of life;
- Admissions to hospital and residential care are reduced, and;
- The service is shaped based on the needs of residents.

36. Where current provision does not yet embody Southwark's vision for Flexi Care, there is a clear direction and intention to address these current challenges and ensure care is provided in a person-centred, flexible, and skilful way.

### **Interim solution**

37. This report is concerned with the development of a long term solution for the provision of Flexi Care, however, in view of the units at Harriet Hardy coming online imminently, and Tayo Situ Two next year, Adult Social Care

have developed an interim solution for delivering Flexi Care to these schemes in the immediate future, thus avoiding significant voids at a cost to Southwark Housing revenues.

38. The Adult Social Care Directorate have agreed the following cohort for Harriet Hardy and Tayo Situ Two:
- Low - medium need
  - Must have capacity to hold a tenancy (at this stage)
  - Must have mobility skills to be able to evacuate in the event of a fire
  - No significant substance misuse issues
  - From age 55, possible from 40 with prior approval from the Flexi Care Panel
  - Those moving in will have their own specialist care and support package in place, accessing local home care provision as required (or as a spot contract), negating the need for a block contract arrangement, with a specific care provider.
39. The decision to consider a low – medium needs cohort was a pragmatic response to managing risk in the short term. This work provides an opportunity to consider a higher needs cohort, and how this may be operationalised and made successful.
40. Existing residents will not be affected by the new cohort model, rather, the Flexi Care panel will phase the schemes to the new model as units become available.
41. Two flats will be set aside for step-down care, for residents who would benefit a trial in the community post hospital discharge. Adult Social Care will manage this arrangement and identify robust move-on plans dependant on the outcome of step-down support.
42. Adult Social Care and housing staff have identified 60 potential residents who may be eligible to move to the new Harriet Hardy units. These include:
- Residents on the Sheltered Housing Waiting list/ vulnerable adults in hostel accommodation
  - Older people and those with a disability, including a learning disability, or those requiring mental health support
43. Residents will have their own care package. These will predominantly be from local supplier, Supreme. Always Inclusive, provider to neighbouring Learning Disability units, will provide night-time cover.

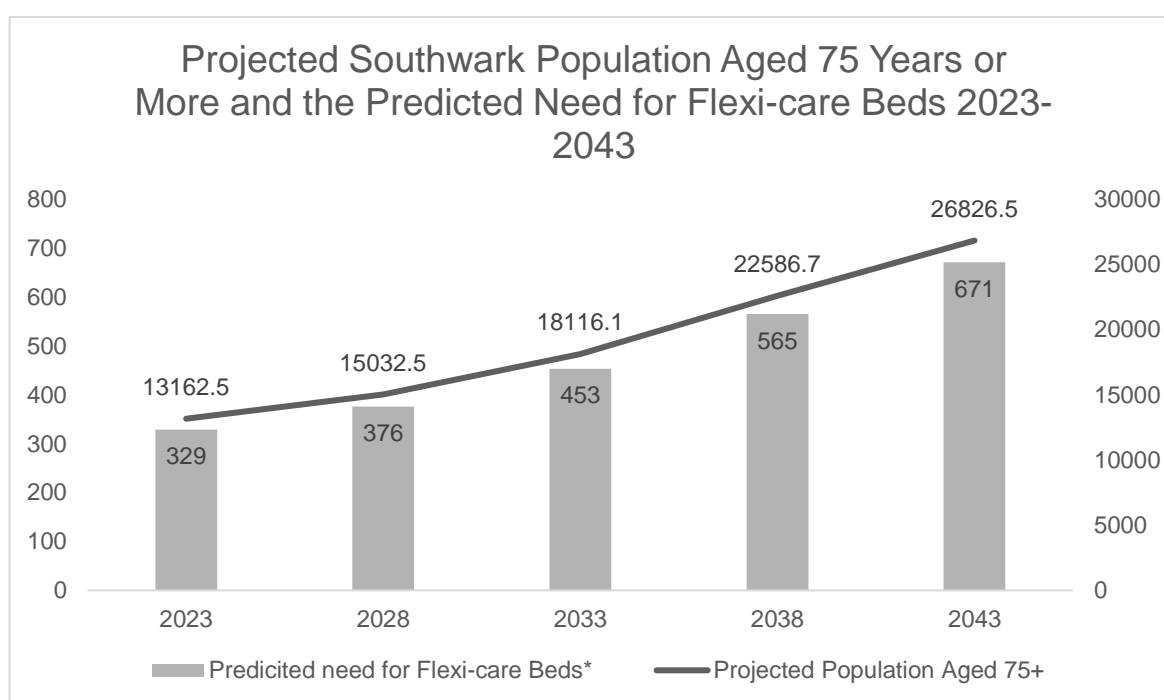
## **KEY ISSUES FOR CONSIDERATION**

### **Future service requirements and outcomes**

44. While Southwark is a relatively young London borough, its population is aging: between 2011 and 2021, the proportion of people aged over 65 years

increased by 15.5% to over 28,000. The Office of National Statistics (ONS) projects this population to increase to over 40,000 by 2030.

45. This will have significant implications on projected levels of demand for services across an increasing breadth and complexity of need, including across Mental Health and Learning Disabilities. A strategic approach will be necessary to meet this new level of need in Southwark.
46. In line with population predictions for the coming years, there will be a significantly increased need for specialist older persons housing in London and across the UK. According to London Plan data, Southwark falls behind its regional counterparts in this provision, ranking 29<sup>th</sup> out of 33 annual London Borough benchmarks for specialist older persons housing (2017-2029).
47. The following graph calculates future need for Flexi Care beds in Southwark, based on ONS population projections for those aged 75+. Projections are calculated using “More Choice, Greater Voice”, a toolkit developed by Housing LIN, the sector body advising on best practice, which recommends 25 units of Older People’s Extra Care (or Flexi Care) housing per 1,000 people aged 75+ within a given population.



48. Population data from Census 2021 found the actual population to be lower than ONS projections. A revised down estimate was therefore calculated for the predicted need for Flexi Care Beds in 2023, which predicts 265 beds are presently needed, 130 more than current provision, and 26 more than future provision across all five schemes.

49. These projections do not account for changing demand: older people are increasingly expressing a preference for housing with care, according to the Associated Retirement Community Operators (ARCO). This preference for a more flexible, independence-centred form of care may continue to increase in coming years with increasingly progressive understandings of what it means to age well.

### **Residential and nursing care residents**

50. There is high demand for residential and nursing care home placements in Southwark, and in 2020, 70% of such placements were placed out of borough. This was in part due to reduced availability of beds: between 2011 and 2020, Southwark saw a 46% reduction in nursing care beds due to higher land prices, workforce challenges, and pressure from there being relatively fewer self-funders than in outer London areas.
51. Despite this pressure on available residential and nursing home placements, Southwark places more of its older people in residential homes than its neighbouring counterparts, at a significant cost: according to the Adult Social Care Outcomes Framework (ASCOF), Southwark places more older adults (65+) in residential or nursing care homes than any of its nearest neighbours, and ranks fourth regionally.
52. Flexi Care offers a promising, cost-effective alternative to residential care for those residents who require a level of care and support, but could be enabled to live well, independently with more flexible care provision. Through developing Flexi Care provision as an alternative to residential care, there is opportunity to repurpose a proportion of Southwark's residential care provision to in-borough nursing care.
53. It is likely a significant proportion of Southwark's residential and care home population fits this level of need: a 2013 evaluation of Extra Care schemes in East Sussex found that 64% of residents would have otherwise been in residential or nursing care.
54. The following summarises the benefits a Flexi Care placement can offer to an individual who would otherwise be placed in residential care:
- Enabling residents to live as independently as possible, for as long as possible. This has an impact on quality of life and fulfilment, and can prevent deterioration in health.
  - Flexi Care can reduce social isolation through community building, activities, and intergenerational living. A well-designed Flexi Care scheme will be embedded within the local area and with local organisations, providing opportunities for residents to feel a part of the local community.
  - Flexible, person-centred care supports residents to manage long term conditions well and maintain control of their health.
  - Creating additional Flexi Care placements within Southwark will mean more residents can be cared for closer to home and closer to families.

55. Beyond benefits to the individual, Flexi Care offers system benefits. The following table compares the average weekly costs of a Flexi Care placement to the costs of a residential care placement.

	<b>Extra Care</b>	<b>Residential Care</b>
Weekly cost	Average placement: 17 hours Hourly rate: £19.17 <b>Total: £325.89</b>	<b>Total: £831.70</b>

56. An Extra Care placement costs £505.81 (60.8%) less per week than a Residential Care placement; over £26,000 less per year- an indication of the potential for savings created by greater utilisation of Flexi Care beds by those otherwise placed in residential or nursing care. Please note these are averages over a week, and an Extra Care placement could vary above and below the average 17 hour placement.

### **Alternative cohorts**

57. The council is keen to innovate beyond the traditional model of Flexi Care, to build inclusive, intergenerational, and mixed needs communities.
58. Cohorts supported by a traditional model of Extra Care may include older people, people who are physically frail, people with sensory impairments, long-term conditions, physical difficulties, and people who are socially isolated. Alongside these more traditional cohorts, Southwark Flexi Care currently supports those with learning disabilities, and those with mental health needs.
59. According to ASCOF data, Southwark ranks fourth against its sixteen nearest statistical neighbours for the proportion adults with learning disabilities who live in their own home or with their family. Flexi Care can build on this success to continue to support residents with learning disabilities to remain independent.
60. Southwark performs less well with respect to the independence of its residents with mental health needs, ranked fifteenth out of sixteen for the proportion of adults in contact with secondary mental health services who live independently, with or without support. This reflects an area which requires significant improvement and where alternatives, such as Flexi Care, should be sought to improve outcomes for residents.
61. Further to supporting people with mental health needs and learning disabilities directly, a well utilised Flexi Care provision may create more space in supporting living accommodation, which can in turn be made available as another alternative for people with mental health needs, or people with learning disabilities.

62. Early discussions as part of this work have identified the following non-traditional cohorts which a new model of Flexi Care should support, alongside more traditional cohorts of older adults:
- People with learning disability
  - People with a mental health need
  - Older alcohol and drug users
  - People with Autism
  - People with a cognitive impairment.
63. It has been agreed by the Flexi Care development working group that a future model for Flexi Care will accept a younger cohort of residents of 18 years or older, however with the expectation that the majority of residents will be over 40 years old. Where previous eligibility criteria has felt restrictive, a wider age range will allow Flexi Care to support those residents who could benefit the most.
64. The next phase of this work will use data to identify a more precise cohort and mix of need, and how this will be operationalised across the five current and pending schemes. This will consider whether a number of the schemes should be reserved for more specialist provision.

### **Housing need**

65. There is a need to improve access to good quality social housing in Southwark: within the 2019 Index of Multiple Deprivation, Southwark performed poorly in the category describing “barriers to housing and services”. This category is indicative of a number of local conditions, including housing affordability, homelessness rates, and connectivity to local services.
66. Analysis conducted in 2019, which looked at Southwark’s housing need backlog and projections predicted an estimated 3,513 households per annum will require affordable housing in Southwark. This assumes no household should pay more than 33.3% of its gross income on housing costs.
67. While Southwark has the largest housing proportion of social housing among all London boroughs, it is not enough to meet demand. Increasing the supply of affordable, high quality homes is a key value and strategic priority set out in Southwark Housing’s 2020 strategy; a strong Flexi Care provision supports this endeavour by contributing well appointed, well connected, affordable homes to Southwark’s social housing stock.

### **Strategic service delivery options and assessment**

68. This report has identified a need for Flexi Care in Southwark; set out its potential to improve the health and wellbeing of Southwark residents in line with council policy; and identified the potential for significant savings as a cost effective alternative to residential care.

69. There are multiple options for the strategic delivery of Flexi Care in Southwark, which will be explored in greater detail in the development of a Gateway 1 report. These options are set out along with key considerations as follows:

Option 1 – Do nothing

70. To do nothing would forgo the opportunity to improve the experience and outcomes of residents within the existing schemes, would not resolve challenges around the current rigidity of care referenced in this report, and would risk high void rates and unsustainable communities within a future service.

Option 2 – Spot purchase care and support services

71. This option would forgo the opportunity to define a long-term strategic direction for Flexi Care services, designed around population need. This is not good practice, and is not economical given it does not allow for economies of scale.

Option 3 – Continue with the existing contract

72. The previous contract for all three live schemes ended in January, with interim care being provided on a spot-purchase basis. Services need to be reconfigured to better meet the needs of Southwark's residents, where current provision does not fulfil the vision for Flexi Care, nor address pressures across the service.

Option 4 – Join an existing framework

73. There is no existing framework.

Option 5 – Strategically commission

**Recommended strategic delivery option one**

74. The first recommended strategic delivery option is the strategic commissioning of all five current and pending Flexi Care schemes, explored through the development of a Gateway 1 report; future investigation and details of the approach to delivery of this service will be undertaken to progress that option.
75. A strategic commissioning exercise will enable the council to design services that are better suited to need within the Southwark population, better able to support and improve resident wellbeing, and are aligned to a more ambitious, progressive vision for Flexi Care in Southwark.

#### Option 6 – In-House

##### **Recommended strategic delivery option two**

- 76. The council's Fairer Future Procurement Framework sets out an 'in-house' preferred provider policy; in-sourcing services will be explored in detail through the development of a Gateway 1 report.
- 77. While in-sourcing would afford the council complete control over referrals and service standards, the council does not currently provide specialist Flexi Care services, and does not currently have in-house the skills and expertise to deliver this kind of service. These considerations, along with the practical implications of delivering Flexi Care services in house such as timelines and internal infrastructure, will be investigated with benchmarking research in the Gateway 1.
- 78. The option to develop a Local Authority Trading Company will be also be investigated through the development of a Gateway 1 report.

#### Option 7 - Shared service delivery

- 79. This is not a feasible option because in order to be a resident of Flexi Care the resident will need to have a connection to Southwark, and so shared service delivery with other councils is not appropriate.

#### Option 8 - Voluntary sector/not for profit

- 80. The involvement of Voluntary and Community sector organisations will be fundamental to the success of Southwark's Flexi Care schemes, by bringing activities and community connections to residents. This will be factored into service modelling, and will be developed during the mobilisation period of the new services.
- 81. The option to develop a co-operative model in partnership with the third/voluntary sector is not a feasible option due to the infrastructure and expertise that would be required locally to deliver Flexi Care services at this scale.

#### Option 9 - Decommissioning Services

- 82. The council has a duty to provide care and support services to those with Care Act eligible needs. Ceasing services would limit care and support options, risk individuals being placed with less suited provision, place greater pressure on domiciliary provision, and contravene council commitments to addressing inequalities, community empowerment, and delivering high quality care.

## Benchmarking

83. Preliminary benchmarking data gathering and interviews were carried out in July 2023 to understand Extra Care costing within the region. Findings are listed in the table below, and detail arrangements as of July 2023:

Council	Hourly rate	Contract type*	Total contract value (pa)
Islington	£19.00		
Brent	£17.46 - £20.29	Core/ flexi	
Lambeth	£19.50	Core/ flexi	
Newham			£0.9m (1 scheme, 56 units)

\*Contract types are most often either 'block' or 'core/flexi'. 'Block' contracts are a fixed price, and cover all care provided to Service Users. 'Core/flexi' contracts are split between a fixed 'core' element, to cover a set number of hours of care per Service User, and a 'flexi' element, to cover care provided above the core hours, which may vary month to month according to the needs of Service Users. The benefits of each contract type will be investigated in greater detail through the development of a Gateway 1 report.

84. Currently, Southwark pays an hourly rate of £19.20 to London Care.
85. Further benchmarking will be conducted as part of the next phase of this work.

## Investment implications

86. £2.2million is currently allocated to Flexi Care provision from IBCF Flexi Care funding, and Adult Social Care core funding: this covers the three existing schemes Tayo Situ, Lime Tree, and Lew Evans.
87. Additional budget will need to be agreed to fund the additional two schemes at Harriet Hardy and Tayo Situ Two. This will be discussed alongside the development of the detailed service specification and cost modelling.
88. Some of this additional funding will be derived from costs offset in other service areas. This report has explored the potential for Flexi Care to provide care to those who would otherwise be placed in more costly placements, such as residential care, and further work will investigate savings opportunities across other service areas.

## Market considerations

89. As part of a previous iteration of Flexi Care development work conducted during 2021-22, Southwark undertook a series of market insight events to

better understand what was then available, the level of interest from providers, and favoured commissioning arrangements. 21 people representing a variety of providers attended these events. No significant changes in the market are noted since the date of this earlier engagement.

90. Key findings from these events included:

- There was a healthy market for Flexi Care provision in 2021
- Emphasis was placed on activities and social inclusion as highly important for resident well-being
- A mix of needs can work well in practice, but there needs to be clear understanding and definitions around the support needs of different cohorts.
- Schemes often sell themselves; on site staff makes the offer attractive to residents.

91. Ongoing provider engagement will ensure an up-to-date understanding of the market is taken into consideration when developing a new model of Flexi Care. Early indications of market health are positive: Lambeth Council reported a very lively market, with a diversity of good quality providers

### **Policy Framework Implications**

92. The council has a number of duties under the Care Act 2014 for which Flexi Care directly responds to as follows:

- To promote that individual's well-being (PART 1 Section 1);
- To contribute towards preventing or delaying the development by adults in its area of needs for care and support (PART 1 Section 2a);
- Assessment of an adult's needs for care and support (PART 1 Section 9) and;
- Duty to meet needs for care and support (PART 1 Section 18).

93. The Care Quality Commission (CQC) is the independent regulator of all health and social care services in England of which flexi care falls within this remit. This is defined as:

*Purpose-built (or purpose adapted) single household accommodation that is owned or occupied under an occupancy agreement. The accommodation is in a building or campus of similar households specifically designed to facilitate the delivery of care to people, either now or when they need it in the future.*

94. Any providers delivering Flexi Care provision within Southwark must register with CQC to provider delivery within the council's provision and allow CQC to undertake inspections on the provision.

95. The procurement of any services through this strategic commissioning exercise must adhere to the Fairer Future Policy Framework, which details

ethical and environmental standards, social value commitments, and best procurement practice.

### Identified risks for the service and recommended strategic option

96. The following risks have been identified, should the development of Flexi Care in Southwark be approved:

<b>Risk</b>	<b>Risk Rating</b>	<b>Mitigation</b>
Service specification does not address need within Southwark	Low	Consultation with operational and commissioning staff, residents, and providers, over the development of the service specification. Sufficient time will be allowed in project planning to reach alignment and an appropriate level of detail.
Providers awarded contract are unable to deliver services within agreed costs	Medium	Budget for each lot will be based on the 2022-23 London Living Wage and associated benchmarked costs.  Budgets will be based on detailed service specification work.
Providers awarded contract do not align to the vision for Flexi Care	Low	A clear vision and service model is established, in consultation with providers. A detailed service specification, clear tender guidelines, and evaluation methodology will ensure providers are aligned.
Void rates are high in new Flexi Care schemes	Medium	Detailed strategic discussion and planning to define an appropriate cohort and clear eligibility criteria will mitigate voids.
Interim plans (paragraphs 37-43) prevent the implementation of the strategic vision for Flexi Care.	Low	Interim plans are further developed in conjunction with strategic planning, in collaboration with operational staff. Long term cohort model will be phased into existing cohort by Flexi Care panel.
Short timeframes for the procurement of new services, due to availability of the new schemes compromise service specification quality	Medium	Provider consultation, detailed strategic discussion within working groups, and collaboration across operational and commissioning colleagues will ensure the service specification arrived at is strong and detailed.
There is insufficient interest and/or quality among providers to bid	Medium	Provider consultation and a premarket warming event will indicate market interest and quality.

<b>Risk</b>	<b>Risk Rating</b>	<b>Mitigation</b>
Inflationary pressures impact the affordability of services commissioned	Low	Market testing and detailed cost modelling to provide an accurate cost estimate for contracts, with inflation accounted for.
A procurement challenge is issued against procurement decision	Low	Detailed service specification, cost modelling, and evaluation criteria will be developed to ensure procurement process is fair and transparent.

### **Key/Non Key decisions**

97. This is a key decision.

### **Next Steps**

98. Building from previous iterations of Flexi Care development work in Southwark, this report identifies the following next steps to strategically commission or in-source Flexi Care services:

- A working group is convened to conduct detailed strategic discussion around the desired cohort and outcomes of Flexi Care provision in Southwark. This working group is already underway, with plans to meet between August and October 2023.
  - i. The working group will develop a more detailed service model, including staffing structures, values, and KPIs.
  - ii. The working group will develop a lotting and procurement strategy for the procurement of Flexi Care across all five current and pending schemes.
- Provider engagement is carried out to ascertain the level of interest and capability within the market at present; findings will then feed into the service model and specification.
- Resident and care staff engagement is carried out to inform service modelling.
- Further benchmarking is undertaken to inform cost decisions moving forward.
- In-sourcing is investigated through benchmarking research, and with consideration to experiences of insourcing elsewhere within the council.
- A GW1 is prepared and submitted for final approval by the Strategic Director of Children and Adult Services, in consultation with the Cabinet Member for health and wellbeing, and the Cabinet Member for New Homes and Sustainable Development.
- A detailed service specification is produced.
- A procurement exercise is undertaken to identify a new provider/ providers across five current and pending schemes, or project plans for the delivery of in-sourced services are prepared.

## Gateway 1 decision

99. This work is required to progress at pace, so that care provision is operational within reasonable time of Harriet Hardy and Tayo Situ Two becoming available. This work aims to have operational new care contracts by autumn 2024, allowing for a six-month mobilisation period, and time for a procurement exercise.
100. Due to there being no Cabinet meeting in November, and in order to progress this work in reasonable time, this report recommends the delegation of the approval of Gateway 1 to the Strategic Director of Children and Adult Services, in consultation with the Cabinet Member for Health and Wellbeing, and the Cabinet Member for New Homes and Sustainable Development.

## Service Delivery Project Plan (Key Decisions)

Activity	Complete by:
Enter Gateway 0 decision on the Forward Plan	01/08/2023
DCRB Review Gateway 0	30/08/2023
CCRB Review Gateway 0	07/09/2023
Notification of forthcoming decision	09/10/2023
Approval of Gateway 0: Strategic Options Assessment	18/10/2023
Scrutiny Call-in period and notification of implementation of Gateway 0 decision	26/10/2023
Enter Gateway 1 decision on the Forward Plan	01/07/2021
DCRB Review Gateway 1	08/11/2023
CCRB Review Gateway 1	16/11/2023
Brief relevant cabinet member (over £100k)	21/11/2023

## Community, equalities (including socio-economic) and health impacts

### Community impact statement

101. This report has detailed the benefits a thriving Flexi Care scheme can bring to local communities, summarised as follows:
- A positive impact on the health, wellbeing, and independence of a wide cohort of residents
  - The creation of an intergenerational community social hub, connected with local voluntary and community sector organisations, to reduce social isolation and build local networks and
  - The potential to regenerate an area of decline.

## **Equalities (including socio-economic) impact statement**

102. The Public Sector Equality Duty sets out in section 149 of the Equality Act 2010, that councils are required to:

- Eliminate discrimination, harassment, victimisation or other prohibited conduct
- Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it
- Foster good relations between persons who share a relevant protected characteristic and those who do not share it.

103. This report has described the potential for Flexi Care to address local and structural inequalities for local people through inclusive values, cohort planning, and the commissioning of inclusivity-focussed providers. An Equality Impact Assessment will be conducted ahead of the completion of a Gateway 1 report to further understand and quantify the impact of a new model for Flexi Care. This assessment will inform the development of the new model, and will be presented alongside the Gateway 1 report.

## **Health impact statement**

104. The health and wellbeing of residents within Southwark's Flexi Care schemes is the priority of this work.

105. Flexi Care enables residents to live well, independently, promoting overall physical and mental wellbeing, and sense of self. Flexible, strengths-based care provision gives residents access to the care and support best suited to their needs, and ensures residents are safe, connected, and well.

106. Through community building, Flexi Care reduces social isolation, promotes connection, and supports residents to thrive.

## **Climate change implications**

107. The council's 2021 Climate Change Strategy commits to the review of climate implications for all key decisions in Southwark. Green New Deal thought leadership has identified care as the sector most necessary to grow to support a green national infrastructure.

108. Flexi Care represents a greener alternative to comparable Home Care services, with respect to carer travel requirements. Care and support is provided to residents in one location, and does not require travelling between clients.

109. The establishment of a successful community hub, regenerative of the local area, would encourage local people to use and enjoy the social spaces and services provided to them locally, rather than travel elsewhere. There are opportunities to design resident activities around green initiatives, such as community gardening; this will be explored in the service model

development and mobilisation period.

110. Providers will be required to comply with all legislation aligned to the Council's Fairer Future Commitment. Contract evaluation criteria will consider how providers align to Southwark's environmental priorities and operate in a sustainable manner.

### **Social Value considerations**

111. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing any procurement process, how wider social, economic and environmental benefits that may improve the wellbeing of the local area can be secured. Social value considerations and how the delivery of these services can benefit the local area are set out in this report, and summarised below:

- Regenerative potential: bringing activity and intergenerational community to an area of decline through the creation of a community hub, well connected with the local area
- Addressing local inequalities: schemes can be designed with specific inclusivity objectives at the centre, centred on local need, such as supporting majority LGBTQ+ or minority ethnic people
- Providing green care jobs to local people and
- Supporting the local voluntary sector and local organisations through partnering to deliver services and outreach for residents.

### **Economic considerations**

112. Best practice Flexi Care is centred on community building, and has potential to regenerate and bring income to areas of economic decline. Provision under the new model of Flexi Care considered within this report should support the local economy by providing jobs for local people. According to the council's commitment any workers will also be paid London Living Wage (LLW) as well as adhering to the requirements of the "Ethical Care Charter".
113. The Gateway 1 will further quantify the economic impact of the proposed provision.

### **Social considerations**

114. As set out in the Fairer Future Procurement Framework, the Provider(s) will be expected to meet the London Living Wage (LLW) requirements for services provided. Given the need to recruit and retain high quality staff, it is considered that best value will be achieved by including this requirement.
115. Should the decision be made to tender for the service within the Gateway 1 report then as part of the sourcing/tender process, bidders will be required to confirm that they will be paying LLW and the benefits that this will provide to the council. As part of any tender process, bidders will also be required to confirm how productivity will be improved by payment of LLW. Following

award, these quality improvements and any cost implications will be monitored as part of the contract review process.

116. In accordance with the council's Fairer Futures Procurement Framework, any successful Provider would be expected to recognise trade unions.

### **Environmental/Sustainability considerations**

117. The 'Climate change implications' section of this report sets out the environmental benefits of a successful Flexi Care scheme, including reduced travel for care staff, green initiatives within the scheme, and the potential to regenerate a neighbourhood and encourage more localised activity.
118. Also set out in 'Climate change implications' is the requirement for providers to comply with all legislation aligned to the council's Fairer Future Commitment. Bids will be evaluated on their alignment to Southwark's environmental priorities and sustainability.

### **Plans for the monitoring and management of project**

119. The council's contract register publishes the details of all contracts over £5,000 in value to meet the obligations of the Local Government Transparency Code. The Report Author must ensure that all appropriate details of this procurement are added to the contract register via the eProcurement System.
120. The contract will be performance managed by the contract monitoring in Children and Adult Services in conjunction with operational service leads from Social Care. Managing and monitoring of the contract will include:
- Compliance with the specification
  - Performance measurement of the provider
  - Service user outcomes
  - Service user satisfaction
  - Stakeholder satisfaction and
  - Annual Performance Report to Directorate Contract Review Board and Corporate Contract Review Board, within six months of the contract anniversary.
121. Key Performance Indicators will be developed by the Flexi Care working group as part of the development of the service specification.

### **Resource implications**

122. The recommended options proposed within this report will be further explored and a Gateway 1 Procurement Strategy Report will be produced for approval.

123. Developing the Gateway 1 report will have staff resource implications, which will be accommodated within existing resources. The Assistant Director for Commissioning Children, Adults and Families is responsible for resourcing the Commissioning function to deliver this work.
124. Operational staff involvement will be key to ensuring a clear strategy and service model that delivers high quality service provision, which complements and supports operational delivery. A working group has been formed to support the development of an operational service model.

### **TUPE/Pensions implications**

125. The procurement may have implications for incumbent external service providers where they do not participate or are unsuccessful in the tendering exercise. Whether TUPE will apply at the point of contract award will be investigated and planned for in the development of a Gateway 1 report.

### **Financial implications**

126. The budget for Flexi Care provision is currently £2.2million per annum, which is made up of £1.52m from the Improved Better Care Fund (IBCF) and £675k from the core budget.
127. An initial cost model estimates the contract value across all five schemes as follows:

Contract type	Total value per annum
Block	£4.8 million
Core/flexi	£4.2 - £6.0 million

128. As this is at least £2.2m greater than the current budget available, the total flexi-care proposal will have to be funded from a reduction in more traditional types of care e.g. Residential and Reablement.
129. This uses the following assumptions, based on initial benchmarking, and recommendations from earlier iterations of this work:
- Block hourly rate: £20/hr (£0.80 higher than current rates)
  - Core/ flexi rates: £20/hr (£0.80 higher than current rates)
  - Core/ flexi core hours: 10 hours per week per unit, based on Islington benchmarking
  - Needs mix:
    - Low need, 0-12 hours per week, 25%
    - Medium need, 13-22 hours per week, 45%
    - High need, 23-30 hours per week, 35%
  - Permanent staff including a full time Service Manager and 0.375 WTE Care Co-ordinator per scheme, based on previous iterations of this work

130. The above assumptions will be tested and refined as set out by the next steps recommended by this report. More detailed cost modelling, based on a final service model, will be completed as part of the GW1.

### **Legal implications**

131. Please see concurrent from the Assistant Chief Executive, Governance and Assurance.

### **Consultation**

132. Consultation has been undertaken over July/ August 2023, and across previous iterations of this work with operational and commissioning colleagues. Consultation with care staff and residents was conducted as part of previous iterations with this work, and through a Lunch and Learn in June 2023; further care staff and resident consultation will be conducted. Market consultation and further benchmarking will be conducted as part of the development of Gateway 1.

### **Other implications or issues**

133. Not applicable.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Finance**

134. The Strategic Director of Finance notes the recommendations of the report of the proposed strategic options assessment for the delivery of Flexi-care services within the borough. The future service requirements and the finance implications sections are also noted which clarify the implications on the demographics within the borough as well as the funding arrangement that is currently in place. It is also noted that there is currently insufficient budget to accommodate for the proposed initial contract value of £4.2m - £6m and that budget will be reliant on a reduction in more traditional placements e.g. residential and reablement packages.
135. Given that this is a GW0, further demographic analysis and financial modelling is imperative in determining a more detailed financial position and the implications on service delivery. The service, commissioning and finance will need to collaborate in order to provide further assurance for stakeholders regarding the financial envelope and the budget allocation for future years, as suggested in point 128.
136. As suggested in point 126, the contribution made by the Improved Better Care Fund (IBCF) to this activity reflects the shared benefits accruing to the council, the ICB and other health partners in their endeavours to improve outcomes for the residents of Southwark. Whilst funding is secure for 2023-24, the service and other partners will need to work closely to

mitigate any risks arising from future spending reviews and subsequent changes to the IBCF.

137. A finance concurrent reference number will be provided once any changes have been made to this report as suggested by CCRB.

### **Head of Procurement**

138. This report seeks approval of the Gateway 0 strategic options assessment for delivery of Flexi Care services for Southwark Council, and delegation of approval for the following Gateway 1 to the Strategic Director of Children and Adult Services, in consultation with the Cabinet Member for Health and Wellbeing and the Cabinet Member for New Homes and Sustainable Development. In accordance with the council's Contract Standing Orders, decision must be taken by Cabinet, following review by DCRB and CCRB.
139. Headline options and risks associated with the proposed strategic options assessment (and recommended strategic option) are contained at the end of paragraph 96.
140. Alignment with the Fairer Future Procurement Framework (FFPF) is evidenced, specifically via confirmation of London Living Wage (LLW) payment at paragraph 114, and trade union recognition at paragraph 116 (together with the content of paragraphs 101 – 118 more generally).
141. Proposed methodology for performance/contract monitoring is detailed within paragraphs 119 - 121. The report also confirms that an annual performance review will be provided to the council's DCRB and CCRB in alignment with council Contract Standing Orders.
142. The Community, Equalities and Health Impact Statements are set out in paragraphs 101 – 106.
143. The Climate Change, Social Value, Economic and Environmental / Sustainability statements are set out in paragraphs 107 – 118.

### **Assistant Chief Executive – Governance and Assurance**

144. This report seeks approval of the strategic options assessment for the delivery of Flexi Care services and to delegate the decision to approve the procurement strategy to be set out in a Gateway 1 report to the Strategic Director of Children and Adult Services, in consultation with the Cabinet Member for Health and Wellbeing and the Cabinet Member for New Homes and Sustainable Development.
145. Under the council's Contract Standing Orders, a pre-procurement/gateway 0 report is required for any service contract with an estimated contract value of £10m or more, or other strategically important contract for services, goods or works where requested by the relevant cabinet member. The decision to approve the report recommendation is reserved

to the relevant cabinet member, who may choose to refer the decision to Cabinet.

146. Whilst the recommended strategic delivery option is for the council to undertake the strategic commissioning of all five current and pending Flexi Care schemes the procurement route and contract values are not yet known and those details will be confirmed in the gateway 1 report together with the proposed procurement strategy.

## BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Southwark Delivery Plan, 2022-2026	Children and Adult Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH	Russell Jones 020 7525 3460
<b>Link (please copy and paste into browser):</b> <a href="https://www.southwark.gov.uk/council-and-democracy/fairer-future/fairer-greener-safer-southwark-s-council-delivery-plan">https://www.southwark.gov.uk/council-and-democracy/fairer-future/fairer-greener-safer-southwark-s-council-delivery-plan</a>		
Southwark Plan, 2022	Children's and Adults' Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH	Russell Jones 020 7525 3460
<b>Link (please copy and paste into browser):</b> <a href="https://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-guidance/development-plan/new-southwark-plan">https://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-guidance/development-plan/new-southwark-plan</a>		
Southwark Housing Strategy, 2043	Children and Adult Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH	Russell Jones 020 7525 3460
<b>Link (please copy and paste into browser):</b> <a href="https://www.southwark.gov.uk/assets/attach/11206/SP104-Southwark-Housing-Strategy-to-2043-2015-.pdf">https://www.southwark.gov.uk/assets/attach/11206/SP104-Southwark-Housing-Strategy-to-2043-2015-.pdf</a>		
Southwark Housing Strategy, 2043, 2020 refresh	Children and Adult Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH	Russell Jones 020 7525 3460
<b>Link (please copy and paste into browser):</b> <a href="https://www.southwark.gov.uk/housing/housing-strategy">https://www.southwark.gov.uk/housing/housing-strategy</a>		
Southwark Joint Health and Wellbeing Strategy, 2022-27	Children and Adult Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH	Russell Jones 020 7525 3460

Background Documents	Held At	Contact
<b>Link (please copy and paste into browser):</b> <a href="https://www.southwark.gov.uk/health-and-wellbeing/public-health/reports-and-strategies?chapter=3">https://www.southwark.gov.uk/health-and-wellbeing/public-health/reports-and-strategies?chapter=3</a>		
Southwark Stands Together programme	Children and Adult Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH	Russell Jones 020 7525 3460
<b>Link (please copy and paste into browser):</b> <a href="https://www.southwark.gov.uk/engagement-and-consultations/southwark-stands-together/our-commitment-to-tackling-racial-inequality">https://www.southwark.gov.uk/engagement-and-consultations/southwark-stands-together/our-commitment-to-tackling-racial-inequality</a>		
Southwark's Fairer Future Commitments	Children and Adult Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH	Russell Jones 020 7525 3460
<b>Link (please copy and paste into browser):</b> <a href="https://www.southwark.gov.uk/council-and-democracy/fairer-future/fairer-future-commitments">https://www.southwark.gov.uk/council-and-democracy/fairer-future/fairer-future-commitments</a>		
Southwark's Climate Change Strategy, 2021	Children and Adult Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH	Russell Jones 020 7525 3460
<b>Link (please copy and paste into browser):</b> <a href="https://www.southwark.gov.uk/environment/climate-emergency/reaching-net-zero/our-plan-for-net-zero">https://www.southwark.gov.uk/environment/climate-emergency/reaching-net-zero/our-plan-for-net-zero</a>		
Care Act, 2014	Children and Adult Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH	Russell Jones 020 7525 3460
<b>Link (please copy and paste into browser):</b> <a href="https://www.legislation.gov.uk/ukpga/2014/23/contents/enacted">https://www.legislation.gov.uk/ukpga/2014/23/contents/enacted</a>		
Public Services (Social Value) Act, 2012	Children and Adult Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH	Russell Jones 020 7525 3460
<b>Link (please copy and paste into browser):</b> <a href="https://www.legislation.gov.uk/ukpga/2012/3/enacted">https://www.legislation.gov.uk/ukpga/2012/3/enacted</a>		
Equality Act 2010 (Section 149)	Children and Adult Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH	Russell Jones 020 7525 3460
<b>Link (please copy and paste into browser):</b> <a href="https://www.legislation.gov.uk/ukpga/2010/15/section/149">https://www.legislation.gov.uk/ukpga/2010/15/section/149</a>		

## APPENDICES

No	Title
None	

## AUDIT TRAIL

Cabinet Member	Councillor Evelyn Akoto, Health and Wellbeing		
Lead Officer	David Quirke-Thornton, Strategic Director of Children and Adult Services		
Report Author	Russell Jones, Assistant Director for Children and Adult Joint Commissioning		
Version	Final		
Dated	5 October 2023		
Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title		Comments Sought	Comments included
Strategic Director of Finance		Yes	Yes
Head of Procurement		Yes	Yes
Assistant Chief Executive – Governance and Assurance		Yes	Yes
Contract Review Boards			
Departmental Contract Review Board		Yes	Yes
Corporate Contract Review Board		Yes	Yes
Cabinet Member		Yes	Yes
Date final report sent to Constitutional Team			5 October 2023