

Item No.	Classification: Open	Date: 23 March 2010
To	Executive	
Report title	Gateway 1 – To provide Care and Support Services in Extra Care Sheltered Housing	
Ward(s) or groups affected	All- borough wide facility	
From	Strategic Director of Health & Community Services	

RECOMMENDATION (S)

1. That the Executive approves the procurement strategy outlined in this report to provide Care and Support Services in Extra Care Sheltered Housing in Southwark.
2. That the Executive approves the delegation of the award of the contract to the Strategic Director of Health and Community Services

BACKGROUND INFORMATION

3. Extra Care sheltered housing is a model of supported accommodation which provides an integrated care and support service, which allows frail older people to live as independently as possible in the community.
4. The estimated annual cost of the contract is £1,000,000 for a period of 3 years making a contract value of £3,000,000.
5. The contract has extension provision for 2 years duration, making a total estimated contract value of £5,000,000.
6. Lew Evans Sheltered House is a 38 bed unit owned and managed by Southwark Council. Two of the units are used as intermediate care “step up/ step down” flats which enable appropriate discharge from hospital and provide a more appropriate environment (non clinical) for rehabilitation.
7. Southwark’s sheltered housing recently underwent a reconfiguration to modernise service delivery following strategic recommendations agreed by the Supporting People Commissioning Body arising from a strategic review of older people’s services funded by the Supporting People grant. The key change in service delivery following the service reconfiguration is that Lew Evans no longer has a dedicated onsite warden between the hours of 8am-4pm. Housing related support is now provided by sheltered housing support officers who provide a visiting service for around four hours per day Monday to Friday.
8. Although it has been recognised that this can not be a long-term arrangement for an extra care scheme, the scheme does incorporate services such as SMART community alarms monitoring and response during out-of-hours, and the use of Telecare assisted living equipment. Currently there is an interim temporary arrangement in place to provide 24 hour cover at Lew Evans Sheltered House via an external provider.
9. Lime Tree Sheltered House is a purpose built extra care sheltered housing unit that is currently managed by In Touch Care and Support. In Touch being the Support and Care subsidiary of Hyde Housing Association. Lime Tree Sheltered House accommodation is a

54 bed unit and provides a 24 hour integrated social care and support services for older people with medium to high support needs to maintain their independence.

10. In November 2007 the Council entered into a three year contract with In Touch Care and Support for the provision of an integrated care and support services at Lime Tree House and this contract expires in November 2010. The contract was awarded following a fully compliant EU procurement process for a Part B service
11. There has been a variation to the existing contract to provide 24 hour care at Lew Evans for eleven months to coincide with the initial term of the three year contract and to enable the tender process, as outlined in the proposed timetable, to be completed. The terms of the original contract permitted a further two year extension and should this be required to enable the tender process to be completed further contract extension reports will be brought forward for approval.

Summary of the business case/justification for the procurement

12. Extra Care housing can enable most older people to continue to self care and enjoy their independence. It offers people the opportunity to continue to live independently and have the same privacy that they would have in any other kind of housing but with access to other services and facilities that help them.
13. The redevelopment of Lew Evans Sheltered House was initiated by a Department of Health Capital Grant bid for extra care housing. The receipt of this grant provides justification for the procurement to provide a holistic model of 24 hour care and support which offers an alternative to nursing and residential care that is not only provides support, greater independence and choice for users but also achieves this at reduced cost to the Council.
14. The contract is to provide supported accommodation with a 24-hour integrated care and support for older people to live independently in the community. The support element is funded through the Supporting People Programme and the personal care element of the service is funded by Southwark Health and Community Services.
15. It is proposed not to initiate an individual procurement process for Lew Evans House but to maximise the efficiency and opportunity for economy of scale and consistency of service delivery tendering process and to include the retendering of the Lime Tree House contract. The service model proposed is to have one service provider providing both care and increased hours of support which would offer good value for money and allows tighter contract management.

Market considerations

16. Preliminary market research has identified that there are a number of potential providers in the market who would be interested in bidding for this service. It is likely that the Authority will be able to meet the requirements to seek at least 5 tenders.
17. This research has included:
 - networking with organisations known to Health and Community Services
 - speaking to other local authorities and national organisations
18. Research and discussions with organisations that provide extra care services revealed that many of the organisations would be able to provide the service required.

Options for procurement including procurement approach

Option 1

19. The council could consider commissioning Community Housing Services through the sheltered housing team to provide 24-hour care and support at both schemes. From discussion with the Head of CHS this option is not considered feasible. It would require CHS to register as a domiciliary care agency with the Care Quality Commission (CQC) in order to provide the care element of the integrated service which, in the context that Southwark externalised its home care arrangements many years ago, would not be in line with the strategic direction for services.

Option 2

20. Consideration could be given to maintaining the current arrangement with sheltered housing support officers providing housing related support but extending this to cover 8-4pm and service users continuing to receive their individual care packages separately. In consideration of best practice for extra care and learning from the service benefits and user outcomes at Lime Tree House this option is not considered to be a preferred option. It would not deliver an integrated, on site care and support to providing 24 hour cover which has been identified as the model required at both Lew Evans and Lime Tree House.

Option 3

21. Consideration could be given to initiating an individual procurement process just for Lew Evans House and to exercise the option to extend the Lime Tree House contract. While this would secure a solution for Lew Evans House it would reduce the opportunity for achieving the best value for money through economy of scale and a tighter contract management across the two extra care schemes. It may also compromise the ability of the service provider to respond to operational teams' demands for placements in extra care and the need to vary the level of care and support depending on the profile of service user need at any given time.

Option 4

22. Consideration could be given to not put in place an integrated care and support service for Lew Evans House and to let the contract with Lime Tree House with a view to each tenant in both schemes managing their care and support needs via individual budget and support plan. While strategically this is the direction for services in delivering the Putting People First agenda and personalisation of services, at this stage the practical mechanisms to make this happen are still being worked out and it is considered that an interim solution should be put in place to ensure service delivery at Lew Evans and Lime Tree House while social care commissioners and operational staff work with service providers to develop this option in the future. Any option we choose must allow for the introduction of personalisation.

Option 5 – Recommended Option

23. In consideration of the above the recommended approach to securing and integrated care and support service for both Lew Evans House and Lime Tree House is to undertake a tender exercise that covers both extra care schemes.

Proposed procurement route

24. It is intended to follow the two stage EU restricted procurement procedure requiring the submission of expressions of interest, pre qualification short listing, invitation to tender, evaluation and contract award.
25. This is a Part B service and does not involve the publication of an OJEU notice but an award notice will be required at the end of the process.
26. To determine their suitability for inclusion on the tender list , the Pre Qualification Questionnaires submitted by organisations expressing an interest will be formally scrutinised in terms of experience, capacity and their financial stability, and their approach to Health and Safety and Equality and Diversity. Technical References will also be sought.

Identified risks and how they will be managed

27. The main risks to this procurement are that bidding organisations may overstretch their capacity to provide the service. These risks will be mitigated through:
 - Drawing up a realistic timetable to manage the whole process including the use of PQQ and a two stage process to identify bidders with the capacity and expertise to submit full tenders
 - Ensuring that the timetable allows sufficient time for transition from current contract arrangements to the new arrangements; for example. enough time for the successful bidder to gear up to the delivery of the new contract
 - Ensuring that there are good controls in place for the tender process including the robust use and review of a risk register and issues log reported to an established project structure within the Commissioning Unit
28. Any ongoing service delivery risks would be managed through the contract management and quality assurance processes that are currently in place within Health and Community Services.
29. There is also the risk to this tender that the procurement strategy may not be approved at March Executive which would result in the timetable being delayed and Executive approval being sought in June.

KEY ISSUES FOR CONSIDERATION

30. The service at Lime Tree and Lew Evans Sheltered House will provide an integrated care and support service, which accommodates the needs of older people and offers an alternative to residential and nursing care. These include:
 - A dedicated care team that responds to service users' care requirements immediately.
 - Housing related support provided throughout the day by a team of support workers.
 - Assisted Technology –Telecare Equipment
 - The provision of catering on site
 - Design features, such as assisted bathing facilities
 - A common approach to contract management and service development combining care and support.

Policy implications

31.

- Extra care sheltered housing is being promoted both locally and nationally through a number of different policy initiatives. These include:
- NHS White Paper “ Our Health Our Care Our Say” which promotes choice for Older People and other recipients of care services.(2006)
- The Government’s “Quality and Choice for Older People’s Housing- a Strategic Framework” (2001)
- The “20-20” Green Paper for housing, care and support services for older people by the year 2020. (2006)
- Southwark’s Five year Supporting People Strategy 2005-2010
- “Putting People First” sets out the shared agreement between Government, Local Government and their partners for the transformation of adult social care. Central to the transformation of social care is the concept of personalisation, prevention and intervention. Part of this vision is the extension of choice and control through self- directed support and personal budgets to all those with ongoing care and support needs. Southwark have considered this option but at present the infrastructure e.g. resource allocation system, support planning and brokerage is still to be developed and the mechanics of how this would work in specialist housing settings.

All of these policy initiatives aim to maximise choice for older people, by offering a range of care and support options, one of which being Extra Care, aimed at maintaining independence.

32. It is the councils policy that it will only procure care and support services from providers that are CQC rated good or excellent and the evaluation approach will incorporate this policy requirement. Successful bidders will also need to set out how they would maintain good or excellent ratings throughout the lifetime of the contract.

Procurement project plan

33

- Procurement project plan

Activity	Complete by:
Forward Plan (if Strategic Procurement) <i>Note: Submissions to forward plan should be made soon as reasonably possible after the prospective decision period is known for Gateway 1 and 2 and should be regularly updated and kept under review</i>	1 st February 2010
DCRB/CCRB/CMT Review Gateway 1: Procurement strategy approval report (this report) <i>Note: CMT review for full executive decisions only.</i>	26 th February 2010
Notification of forthcoming decision - Five clear working days (if Strategic Procurement)	8 th March 2010
Approval of Gateway 1: Procurement strategy report (this	23 rd March

Activity	Complete by:
report)	2010
Scrutiny Call-in period and notification of implementation of Gateway 1 decision Note: You should allow a minimum of 8 clear working days. This is subject to the decision not being called-in. If the decision is called-in the timetable will need to be adjusted accordingly.	31 st March 2010
Completion of tender documentation	14 th April 2010
Advertise the contract	21 st April 2010
Closing date for expressions of interest	26 th May 2010
Completion of short-listing of applicants	11 th June 2010
Invitation to tender	28 th June 2010
Closing date for return of tenders	30 th July 2010
Completion of evaluation of tenders	13 th September 2010
DCRB/CCRB/CMT Review Gateway 2: Contract award report Note: CMT review for full executive decisions only.	30 th September 2010
Notification of forthcoming decision (five clear working days)	8 th October 2010
Approval of Gateway 2: Contract Award Report	5 th November 2010
Scrutiny Call-in period and notification of implementation of Gateway 2 decision Note: You should allow a minimum of 8 clear working days. This is subject to the decision not being called-in. If the decision is called-in the timetable will need to be adjusted accordingly.	18 th November 2010
Contract award	1 st December 2010
Recommended Alcatel Standstill Period	1 st December to 10 th December 2010
Publication of OJEU award notice	15 th December 2010
TUPE Consultation	1 st December 2010 to 28 th February 2011
Contract start	1 st March 2011
Initial Contract completion date	1 st March 2014
Extended contract completion date	1 st March 2016

TUPE implications (if no TUPE implications write 'not applicable')

34

- There are potential TUPE implications for the Authority as an employer in relation to the activities currently provided at Low Evans House by the sheltered housing visiting support service and these are addressed in the legal concurrent below. There will also be TUPE implications for the staff currently employed by InTouch, should they be unsuccessful in the tender and the service contract be awarded to another provider., .

Development of the tender documentation

- The specification will be developed with input from service users, current providers, operational staff, service managers and commissioning colleagues.
- Evaluation criteria will be developed with input from service users, operational staff, service managers, legal representative, finance representative, procurement representative and commissioning colleagues.
- Health and Community Services Commissioning in conjunction with the Legal Contracts Section and Corporate Procurement will develop and produce the Instruction to Tender (ITT)
- Health and Community Services Commissioning will develop the associated pricing documents and schedules.

Advertising the contract

35. This contract will be advertised in a range of publications and other means e.g. Community Care, Inside Housing, Supply2Gov, South London Press, Supporting People K web and the Council's web site along with personal invitations to known providers of extra care housing.
36. This service is an EU part B service and is therefore not subject to the publication of an OJEU advertisement but an award notice will be published at the end of the process.

Evaluation

37. It is proposed that a 50:50 price/quality weighted model will be used to evaluate tenders.
38. This procurement will be carried out in 2 stages. Any organisation successful at stage 1 shall be invited to proceed to the second stage.

Stage 1 PQQ short listing criteria are as follows:-

- Organisational viability
 - Experience
 - Health and Safety
 - Equal Opportunities
 - Financial capacity
39. Those expressing an interest will be required to complete a pre qualification questionnaire, which will assess organisational viability and test the applicants against a number of technical points that will focus upon proven experience in care and support in sheltered housing.

40. Those identified as eligible against the short listing criteria will be invited to tender. Tenders will be evaluated by an evaluation team comprising the following members and details of the evaluation methodology will be advised to tenderers accordingly:

- Operational Managers from Health and Community Services, Commissioning Officers and service user representatives, Legal, Finance, and Corporate procurement will provide technical support and guidance to the process.
- Once tenders have been opened they will initially be screened to ensure full compliance with the Instructions of Tendering and with the requirements of the Council. Potential providers will be asked to submit method statements on the qualitative aspects of the service specification. Evaluation of the tenders will on the basis of the most economically advantageous bid.

Stage 2 Tender Evaluation criteria are as follows:-

- **Resources** -ability to deliver contract specification
- **Quality Control**- ability to provide consistent high standard of service delivery
- **Partnership and collaborative working** -ability to deliver Council objectives
- **Customer satisfaction**- ability to achieve and maintain customer satisfaction
- **Price**

Community Impact Statement

41. Extra care housing provides both care and housing-related support to older residents forming an integrated community of older people from a range of backgrounds. Our priority is for this community of older people to be reflective of the diversity of its surrounding community. Although BME numbers are relatively low in sheltered housing and the two existing extra-care schemes in the borough, the number of BME elders opting to move into extra care has risen somewhat over the years and figures are nearing the corresponding borough demographics (See Figure 1.1). The Seasons outreach support project commissioned by Supporting People has done some good work in engaging older people from the BME community but it could be argued that a lot more could be done in other areas. With older people living longer healthier lives, the provision of accessible extra care will ensure that older people across all ethnic groups will be provided with more opportunity as to where they choose to live and this will be continually monitored.

Tenant Satisfaction at Lime Tree House and Outcomes

42. Tenant satisfaction at Lime Tree House was assessed using an interview based survey in November 2008. The survey found that 70% of the sample tenants at Lime Tree House rated their care as excellent (30%) or good (40%) (See figure 1.2). Tenants commended their current extra-care service on housekeeping, amenability of carers and felt that the level of respect and dignity they perceived as recipients of this service was high.

Figure 1.1 Pie Chart Showing Ethnic Make-up of Tenants at Lime Tree House

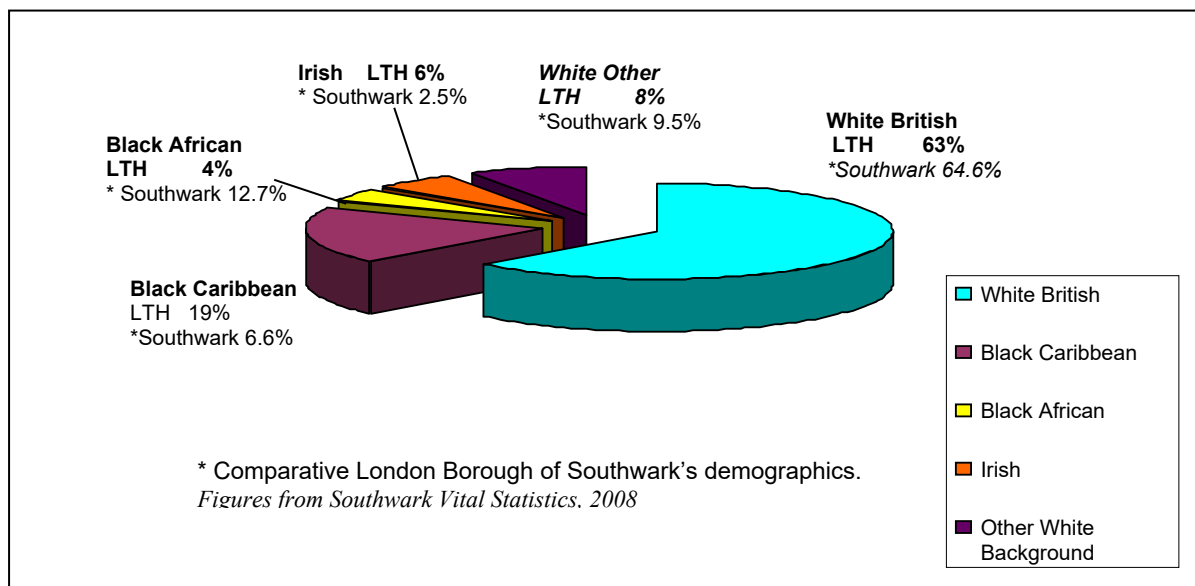
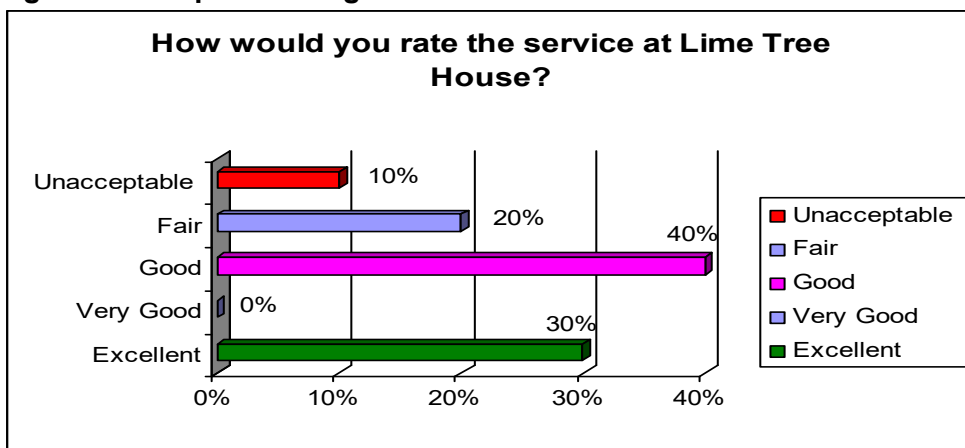


Figure 1.2 Graph Showing Satisfaction Levels of Service Users at Lime Tree House



Sustainability considerations

Economic considerations

- 43. The contract value annually will be £1,000,000 for a period of three years making a contract value of £3,000,000.

Social considerations

- 44. The contract will be advertised in the local press and a range of different publications to reach a broad range of potential bidders. Health and Community Services commissioning will also ensure work is undertaken through our existing networks e.g. Partnership Boards and Community Action Southwark to enable small businesses, ethnic minority owned business and social enterprises and third sector organisations to actively participate in the tender.

45. The evaluation approach to be developed and to be advised to bidders will include a requirement for bidders to state their arrangements for level 1, level 2 and level 3 apprenticeships.

Environmental considerations

- 46 The successful contractor will be required to have in place targets in accordance with the contract model to minimise consumption of energy and emissions of pollutants. Data will be obtained from the contractor on an annual basis. This will include:
- Energy use
 - Waste

Plans for the monitoring and management of the contract

47. It is proposed that the contract to be monitored for
- a) Quality of performance by:
- The contractor providing quarterly performance data to enable reporting of Key Performance Indicators
 - Bi- annual monitoring meetings
 - Service user questionnaire and
 - Home visits
48. Health and Community Services will also establish a steering group that will meet on a monthly basis with the Provider to track the progress of the service and establish whether it is achieving the desired outcomes.

Resource implications

- 49 There will be no additional cost of carrying out this procurement as this will be retained within existing staffing structures in the Health and Community Services Commissioning Unit.
- 50 The additional financial commitment required for this contract will be contained within overall Health and Community Services budgets through reduced placement activity into residential care
- 51 The unit cost of care provision provided through extra care housing is approximately £160 per week which is significantly below that of traditional residential accommodation of about £450 per week. Full utilisation of this facility will therefore generate savings from within the residential placements budget which will fund this contract. The cost can therefore be met from within existing budgets.

Staffing/procurement Implications

52. The staffing implications are retained within existing staffing structures in Health and Social Care Commissioning Unit.

Financial implications

53. Please see the concurrent report of the Finance Director below.

Legal implications

54. Please see the concurrent report of the Strategic Director of Communities, Law & Governance below.

Consultation

55. Consultation will be carried out on the service specification with tenants, family, carers, the assessment and care management and supporting people teams.
56. On contract award, commissioning will be carrying out ongoing consultation with a wide range of stakeholders, such as service users, their family, carers, assessment and care management and other colleagues such as health professionals.

Other implications or issues

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

57. The Strategic Director of Communities, Law & Governance ("SDCLG", acting through the Contracts Section) notes the content of this report and, in particular, the proposed procurement strategy for the new extra care contract. As a "Part B" service within the definition contained in the current EU Procurement Regulations, it will not be necessary for the contract to be advertised via a contract notice in the Official Journal of the European Union ("OJEU") although a contract award notice must be published in the OJEU following the conclusion of the procurement process and the award of the contract. Officers must ensure that the procurement is carried out in a way which is consistent with EU Treaty principles of transparency, fairness and equality of treatment.
58. The procurement will also be subject to the application of the Council's Contract Standing Orders ("CSOs"), which require that all reasonable steps be taken to obtain at least five tenders following a publicly advertised competitive tendering process, in line with CSOs and corporate Procurement Guidelines. Paragraph 16 indicates that this requirement will be met.
59. With a potential value of £5 million, the procurement of the proposed contract is a strategic procurement for CSO purposes, and, as such the decision to approve the procurement strategy is one which is to be taken by the Executive or executive committee, after taking advice from the Corporate Contract Review Board. CSOs provide for requests to delegate powers to award contracts, and therefore the recommendation set out in paragraph 2 is also a matter which may be approved by the Executive.
60. There are potential TUPE implications for the Authority as an employer, in relation to the activities currently provided at Lew Evans House by the sheltered housing visiting support service. If the activities will continue to be provided by the new contractor, albeit in a different way (as part of an integrated on site model) then this will amount to a service provision change which is a relevant transfer for the purposes of TUPE. However it is understood that those employees who are carrying out the sheltered housing visiting support service at Lew Evans House will not have that as their principal purpose by the

contract start date then TUPE will not apply to them and their employment will not transfer. It is understood that the effect of the proposal will not result in a reduction in the need for service wide sheltered housing visiting support. Therefore there are no potential redundancies envisaged and the Council's Redundancy and Redeployment Procedure will not apply.

With regard to staff employed by In-Touch to deliver the service, if the service is contracted out to a new provider then this will amount to a service provision change and TUPE will apply to transfer their employment to the new provider. As the original contract did not involve the transfer of Council employees to the first generation contractor, In-Touch, and there are no former Council employees employed on the contract neither the Code of Practice on Workforce Matters in Local Government Service Contracts nor The Best Value Authorities Staff Transfers (Pensions) Direction 2007 will apply to the retender.

Finance Director

- 61 This report seeks members approval to a procurement strategy to provide, Care and Support Services in Extra Care Sheltered Housing in Southwark.
- 62 The resource implications included in the report states that there will be no overall budgetary impact to this procurement. Savings sufficient to fund this contract will be achieved from residential placement budgets.
- 63 As this moves toward award of contract, assurance of the achievability of overall resources to match the overall cost will need to be confirmed.

Head of Procurement

- 64. This report is seeking approval for the procurement strategy to provide care and support services in extra care sheltered housing in Southwark.
- 65 Paragraph 15 confirms that as a result of a recent service review, a bundling opportunity has been identified. By procuring these care and support services in one package, officers believe they will be able to maximise efficiencies both through the procurement process and by streamlining the contract management arrangement. With a larger contract it is also possible that better rates may be secured.
- 66. The proposed timeline appears to be appropriate and achievable. Paragraph 36 confirms that a weighted evaluation model will be used and paragraphs 37 - 39 confirm the high level approach to be taken with evaluation.

KEY POINT SUMMARY

- This procurement will follow a *strategic* procurement protocol
- This contract is for *services* and is *replacing an existing provision*
- There will be EU procurement implications

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Contract Specification , risk log	Health & Social Care Commissioning Unit 160 Tooley Street	Helon Bent 0207 525 3837 Beverly Titioso 0207 525 0719

AUDIT TRAIL

Lead Officer	Jonathan Lillistone – Head of Commissioning Adult Social Care		
Report Author	Helon Bent, Beverly Titioso		
Version	Final		
Dated	12 March 2010		
Key Decision?	Yes	If yes, date appeared on forward plan	1 st February 2010
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER			
Officer Title	Comments Sought	Comments included	
Strategic Director of Communities, Law & Governance	Yes	Yes	
Finance Director	Yes	Yes	
Head of Procurement	Yes	Yes	
Contract Review Boards			
Departmental Contracts Review Board	Yes	Yes	
Corporate Contracts Review Board	Yes	Yes	
Executive Member	Yes	Yes	
Date final report sent to Constitutional Team			12 March 2010