

Committee: Cabinet

Date: 16 November 2023

Wards: All

Subject: Provision of Extra Care and Housing Related Support Services at Pantiles House and Trellis House

Lead officer: John Morgan; Executive Director for Adult Social Care, Integrated Care and Public Health

Lead member: Cllr Peter McCabe, Cabinet Member for Social Care and Health

Contact officer: Phil Howell, Interim Assistant Director for Commissioning, Adult Social Care, Integrated Care & Public Health

Exempt or confidential report

The following paragraph of Part 4b Section 10 of the constitution applies in respect of information within this appendix and it is therefore exempt from publication:

Information relating to the financial or business affairs of any particular person (including the Authority holding that information).

Members and officers are advised not to disclose the contents of the appendix.

Recommendations:

- A. To approve re-tendering Extra Care and Housing Related Support Services at Pantiles House and Trellis House for a period of 5 years at an estimated total cost of £5,748,780 without the option to extend.
- B. That the new service is commissioned under the light touch regime in a one stage procurement process. The tender opportunity will be advertised on Find a Tender, Contracts Finder, and the Council's e-tendering system (London Tenders Portal). The process will widen competition and ensure that the Council gets best value for money for this service.
- C. That Cabinet delegates authority to the Executive Director for Adult Social Care, Integrated Care and Public Health, in consultation with the Cabinet Member for Social Care and Health, the award of contracts to the successful bidders at the conclusion of the tender process.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report sets out Adult Social Care (ASC) commissioning intentions to retender Extra Care and Housing Related Support Services at Pantiles House and Trellis House.
- 1.2. Section 1 of the Care Act 2014 places a general duty on the Council when exercising its functions, to promote an individual's well-being relating to their physical and mental health, emotional well-being and personal dignity. The

Care Act 2014 replaces the existing duties in respect of assessing and meeting an individual's eligible care needs.

1.3. Section 8 of the Care Act 2014 provides that those eligible needs may be met in a number of ways, including care and support at home or in the community, direct provision by the Council itself or arranging another provider to provide the service. In this case, London Borough of Merton elected to arrange with extra care providers to provide extra care services at Pantiles House and Trellis House to meet our customers' assessed eligible care needs.

1.4. **Background information**

1.4.1 Pantiles House is comprised of 33 Flats, located at Merton Park whereas Trellis is a 42 unit' property located at Colliers wood. Housing 21 and Mayfair (formerly known as Sevacare) are the current extra care service providers at Pantiles House and Trellis House respectively.

1.4.2 Pantiles House is owned by Housing 21, which means they are the Landlord as well as extra care and Housing Related Support provider. Trellis House is owned by Sanctuary Housing Group who is the landlord, with Mayfair Homecare providing the extra care and housing related support service.

1.4.3 The Council has got priority nomination rights to 23 out of 33 units at Pantiles House and 75% priority nomination rights at Trellis House. Customers at both schemes have to be aged 55 and above, assessed as requiring domiciliary care and housing related support. The care provided would enable them to lead as normal a life as possible and remain independent for as long as possible, improving and maintaining the quality of their lives.

1.4.4 Both schemes operate 24 hours per day, 52 weeks per annum including Bank Holidays and the Service Providers ensure that one waking night staff is available on-site at Pantiles House during the night period (2200 – 0700) and 2 waking night staff are available at Trellis House every night of the year during the night period (2200 – 0800) with an additional senior member of staff available on call at both schemes if required. The variation in night care requirements at both schemes is due to the level of complexity of the residents' needs.

1.4.5 The two schemes have been at least 85% full throughout the life of the current contract, which further re-emphasises the demand for this service. As of 1st September 2023, there were 26 customers occupying 26 out of 33 flats at Pantiles House and 40 customers occupying 40 out of 42 flats at Trellis House.

1.5. Key features of Extra Care and Housing Related Support at Pantiles House and Trellis House

1.5.1 Higher level of support:-Providers at both schemes provide a higher level of care and assistance for residents who may have specific needs or vulnerabilities but wish to maintain a level of independence. Support offered include offering personal care, preparing meals, assisting residents attend medical and any other appointments. Housing related support offered include negotiating with landlords, or addressing any issues that may lead to eviction.

- 1.5.2 Self-contained Accommodation: - Residents have their own private apartments or flats, which include a bedroom, living area, kitchen, and bathroom. This allows them to live independently to some extent. The support provided is tailored to the individuals' needs and may include assistance with tasks such as budgeting, managing bills, and maintaining a safe and clean-living environment.
- 1.5.3 On-Site Support: - Both schemes have support staff available on-site 24/7 to provide assistance with tasks like personal care, medication management, and household chores.
- 1.5.4 Social Activities: - Both schemes offer communal spaces and organized activities to encourage social interaction among residents, connecting individuals with relevant community resources to reduce isolation.
- 1.5.5 Safety and Security: - Both schemes have security features to ensure the safety of residents, such as emergency call systems and secure access. The landlords also take care of any necessary adaptations to meet any specific needs for those with disabilities.
- 1.5.6 Tailored Care: - Support is tailored to the individual's needs. Some residents may require minimal assistance, while others may need more intensive care.
- 1.5.7 Independent Living: - Both schemes enable individuals to maintain a higher degree of independence and quality of life than they might in traditional residential care settings. The aim is to strike a balance between independence and support, allowing individuals to age in place with dignity and comfort. Support workers act as advocates for residents, helping them navigate complex housing systems, access benefits, and resolve disputes with landlords.

2 DETAILS

2.1. Current contract arrangements at Pantiles House and Trellis House

- 2.1.1 Following an open tender process, two separate contracts were awarded to Housing 21 (Lot 1) and Mayfair Homecare (Lot 2) by the Cabinet on 18th February 2019. The contracts commenced on 1st May 2019 for an initial three-year period, and with the option to extend for a further 2 x 12 months, which have been utilised. The final extension is due to expire on 30th April 2024 with no further option to extend.
- 2.1.2 Under existing contracts, the prices were fixed for one year and annual rates increases were linked with the National Minimum Wage. Hourly rates were determined based on a rate calculator as illustrated below:-

Item	Hourly Rate 2023/24 (£)	Comments
Contact time	11.55	£10.63 + £0.92 = 11.55 i.e (10.42 - 9.50)+ last year's contact time rate £10.63)
Staffing on costs	2.81	24.3% of contact time to cover pensions, Training, sick pay and holiday pay, etc...

Business Running Cost	3.01	21% of contact time and staffing on costs – at the discretion of the Council.
Profit	0.52	3% of overall cost - at the discretion of the Council.
Total cost per std hour	17.89	

The Council only pays for actual extra care and housing related support hours delivered, but does not pay for voids. Rates paid throughout the term of the contract are as indicated below: -

- a. 2019/20 - £14.45 per hour
- b. 2020/21 - £15.26 per hour
- c. 2021/22 - £15.50 per hour
- d. 2022/23 - £16.68 per hour
- e. 2023/24 - £17.89 per hour

2.1.3 Expenditure throughout the term of the contracts is as highlighted below:-

Scheme	Delivered hours 2019/20 (hrs)	Cost 2019/20 (£)	Delivered hours 2020/21 (hrs)	Cost 2020/21 (£)	Delivered hours 2021/22 (hrs)	Cost 2021/22 (£)	Delivered hours 2022/23 (hrs)	Cost 2022/23 (£)	Projected hours to be delivered 2023/24 (hrs)	Projected Cost 2023/24 (£)
Pantiles House	18,870	272,675	17,370	265,063	14,746	228,558	13,883	231,568	13,163	235,478
Trellis House	36,014	520,403	32,543	496,611	29,843	462,578	31,343	522,801	37,250	666,408
Total Hours	54,884	793,078	49,913	761,674	44,589	691,136	45,226	754,369	50,413	901,886

Total contract value over 5 years is £3,902,143 and average annual cost is £780,429 pa.

2.2 Proposed new contract model

2.2.1 The Council has formally written to the 2 Housing Landlords notifying them of the intention to commission an Extra Care and Housing Related Provider to meet the needs of their tenants and seeking their agreement to allow any new care and support provider to access communal and staff accommodation at the schemes. Both Landlords have now responded and agreed to the Council's proposal.

2.2.2 A procurement exercise (under the light touch regime) will be undertaken to award a contract to one or two provider(s) for the provision of extra care and housing related services delivered at the two schemes (Pantiles House and Trellis House). The contract(s) will be for a period of 5 years without the option to extend.

2.2.3 Prices will be fixed for one year and annual rates increases will be linked with the London Living Wage. Both Night and Day Care hours will be paid at a standard rate that will incorporate administration and staffing on costs. All business running costs including schemes' management costs will be included within the standard rate. The Council shall only be liable to pay for planned hours of care agreed and actually delivered. Hourly rates will be determined basing on a rate calculator as illustrated below:-

Item	Hourly Rate 2024/25 (£)	Comments
Contact time	13.15	New LLW rate applicable in 2024/25 announced on 24/10/2023
Staffing on costs	3.20	24.3% of contact time to cover pensions, training, sick pay and holiday pay, etc...
Business Running Cost	3.43	21% of contact time and staffing on costs – at the discretion of the Council.
Profit	0.59	3% of overall cost - at the discretion of the Council
Total cost per std hour	20.37	

2.2.4 Bidders will be required to confirm that they are able to deliver the service at the set price and bids would entirely be evaluated on the basis of quality (95%) and social value (5%), with the added assurance of knowing that all bids will be affordable to the Council. There will be an emphasis on maximising social value through robust use of the Council's social value policy and toolkit. Providers will be required within contracts to detail how they will maintain Merton's Social Value objectives within their contracts. The performance of the providers on social value will form part of the contract monitoring, undertaken by the Contract Monitoring team.

The night care hours at each scheme will be considered as the core hours whereas the day care hours will be the assessed as individualised care and housing related support hours. One waking night staff will be available on-site at Pantiles House every night of the year during the night period for 9 hours and 2 waking night staff will be available at Trellis House every night of the year during the night period for 10 hours. Total annual night care hours at Pantiles House will be 3,285 pa, whereas at Trellis House they will be 7,300 pa. Projected annual expenditure is set out in appendix 1 (exempt)

2.2.6 Day Care hours will depend on individual needs as assessed and reflected in the resident's care plan. Day Care hours compliment Night Care hours and are spot purchased in accordance with the assessment of eligible needs to meet the identified outcomes within the individual's care and support plan.

- 2.2.7 Day Care hours will be paid in accordance with individual's allocated care and housing related support hours as per their care and support plan. Total amount paid for Day Care hours would vary as individual needs or the number of customers at each scheme change.
- 2.2.8 It is anticipated that TUPE may apply in relation to this tender and therefore the Council should be mindful that providers might factor in any associated risks this has into their bids.

3 ALTERNATIVE OPTIONS

OPTION	ADVANTAGES	DISADVANTAGES
1. Do not enter into a contract / withdraw service	None identified	<ul style="list-style-type: none"> As this is a statutory service, it is not a feasible option to terminate provision. A key objective of both the Council and Government is to encourage and assist all vulnerable adults who meet the Council's assessment criteria to live independently and stay healthy within their own homes. The absence of this service would accelerate the need for customers to be moved into settings of residential care, and as a result would compromise their quality of life and independence. It would not be value for money.
2. Roll-on existing contract without going out to the market	Not possible.	This option is not viable as the contracts will expire on 30 th April 2024 without the option to extend.
3. Make use of an approved framework agreement	<ul style="list-style-type: none"> Would save time and reduce procurement costs 	None suitable has been identified to date.
4. Undertake a bespoke competitive tender exercise under the light touch regime .	<ul style="list-style-type: none"> Widen competition and ensure that the Council gets best value for money for this service. Ensure that our prices for this service are within the local market range. All stakeholders are consulted, as part of the process. Opportunity to review current service provision and implement any necessary adjustments to continue improving the quality of service delivered. Opportunity to apply robust measures to effectively monitor 	<ul style="list-style-type: none"> Increased requirements on resources during initial procurement phase. May be a lengthier process to get a provider or providers in place.

	performance post award.	
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3.1. Recommended option (and reason why)

- 3.1.1 The commencement of a competitive tender process (Option 4) is recommended. Undertaking a bespoke tender exercise under the light touch regime will generate several competitive bids from providers who can deliver the required quality standards given the significant value of this contract across a maximum period of 5 years.
- 3.1.2 It is proposed to award a contract or two contracts for a maximum contract period of 5 years without the option to extend.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. The following key stakeholders were consulted at various stages throughout the tendering and evaluation process:

Internal:

- Adult Social Care Commissioning Team
- Commercial Services Team
- Legal Services
- Finance Team
- Data Protection Team
- ASC Safeguarding Team
- Residents at Pantiles House and Trellis House

External:

- Current providers
- Local Authorities under Extra Care South London Forum

5 TIMETABLE

Milestone	Target Date
Presentation of Gateway 1 report to Departmental Procurement Group	4th October 2023
Place notice on Forward Plan for Gateway 1 Cabinet approval	5th October 2023
Presentation of Gateway 1 report to Procurement Board	25th October 2023
Presentation of Gateway 1 Report to LSG	30th October 2023
Presentation of report to Cabinet	16th November 2023
Call in expires	24th November 2023

Complete preparation of tender documents including specification, Method Statements, Evaluation Matrix, Form of Tender, Pricing Schedule, terms and conditions.	11th September 2023 – 27th November 2023
Invite tenders	27th November 2023 - 8th January 2024
Evaluation of submissions	9th January 2024 - 31st January 2024
Prepare Contract Award/ Gateway 2 Report	5th February
Presentation of Gateway 2 Report to Departmental Procurement Group	7th February 2024
Procurement Board Meeting (Gateway 2 report to be submitted by 15 February)	20th February 2024
Call in expires	28th February 2024
Notify bidders of outcome	29th February 2024
Standstill period	11th March 2024
Contracts award via Portal	12th March 2024
Mobilisation (Lead in period) ends	30th April 2024
Contract Start Date	1st May 2024

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. Finance resources:- The current service value is funded from Adult Social Care budgets and aligned to the home care placements budget. The procurement requirement and its associated delivery will be funded in the same way.
- 6.2. Internal resources include:- South London Legal Partnership (SLLP) who will draft contract terms. Adult Social Care to prepare procurement documentation and evaluate tenders. Commercial Services will be leading on this procurement.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. The proposal to procure the contract under the light touch regime enables the Council to set up a bespoke process with greater flexibility in the procurement process. The process will need to be in compliance with the provisions of the light touch regime set out in the the Public Contract Regulation 2015. Once the contract is awarded it will need to be entered onto the Contracts Register.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. Bids submitted by providers will be assessed against a criteria developed to comply with current equalities, diversity and human rights legislation as well as Council Policies with regard to equalities, diversity and human rights compliance.
- 8.2. The successful bidder(s) will be required to confirm that they would be able to meet these requirements while delivering Extra Care and Housing Related Support Services.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. There are no specific implications that would affect this tender.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1. Any organisation(s) to be awarded a contract will have to confirm that they have a Health and Safety policy that compliments the Council's corporate procedures for effective health and safety and risk management. Tender documentation to be submitted by all bidders will be assessed against a criteria that will be developed by the Council to ensure that any bidder who is awarded a contract complies with all statutory regulations in all matters related to provision of Extra Care and Housing Related Support for our vulnerable residents.
- 10.2. The Council will ensure compliance to the contract specification and contract standards through the use of a robust monitoring procedure that will be developed for this service. This will use at least the following methods:
 - 10.2.1 The Provider will be responsible for managing its performance and for collating all performance data at the required level of frequency as set out in the service specification, which will form part of any monitoring requirements.
 - 10.2.2 Where a contract is awarded to a Framework Provider, they must submit the required contract monitoring data (Key Performance Indicators) on a quarterly basis. The quarterly monitoring report will be followed up by a service review meeting, initially on a quarterly basis, but which may also be held at other times as appropriate and may be initiated by either the commissioners or the provider. If a provider is failing to deliver the service as set out in the contract, the Contract Monitoring Officer may choose to meet with the provider more frequently and the provider will be required to facilitate this.
 - 10.2.3 The Council will carry out quarterly and annual contract management meetings. Contract monitoring may involve analysing Key Performance Indicators and documentation relating to customers and other stakeholders, staff files, insurance documents and any other relevant paperwork.
 - 10.2.4 The Provider is required to capture data that evidence that the service is delivered in a way that reflects the diversity of the London Borough of Merton's population, and the service is accessible to all who need it.

- 10.2.5 The Provider shall inform the Council when any serious service complaint arises or in the event of any serious incident which may impact on the service. Complaint investigation responses from the provider will be reviewed at contract monitoring meetings.
- 10.2.6 The provider must ensure that the views of individuals and stakeholders are routinely sought, collated, evaluated and utilised to support service delivery / development. The outcomes of such feedback must be routinely made available to the Council.
- 10.2.7 The Council will work with the Provider to develop performance levels that challenge but are achievable and measurable from time to time as may be required to effectively manage performance.

11 ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 11.1. The service will be delivered in accordance with the Council's Environmental Policy and other relevant policy and legislation. The key aim is to make Merton more environmentally sustainable by reducing carbon, greenhouse gas emissions and increasing local resilience to the impacts of a changing climate through sustainable design throughout the process of delivering Extra Care and Housing Related Support services to our customers.
- 11.2. By growing the market and obtaining more availability within the borough itself, carbon emissions will be reduced as fewer service users will need to be placed long distances from their original location.

12 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- Exempt Appendix 1

13 BACKGROUND PAPERS

- 13.1. The Council's Contract Standing Orders
- 13.2. The Council's Procurement Strategy