

Cabinet

Date of Meeting: 06 November 2018

Report Title: Extra Care Housing: Care Provision

Portfolio Holder: Cllr Janet Clowes, Adult Social Care and Integration

Senior Officer: Mark Palethorpe, Acting Executive Director of People

1.0 Report Summary

- 1.1 Cheshire East Council currently commissions care and support services and an emergency response service in five Extra Care Housing (ECH) schemes, located in Crewe (Beechmere), Handforth (Oakmere), Middlewich (Willowmere), Nantwich (Mill House) and Congleton (Heath View). Four of the five contracts are held by the same provider and are due to expire in July 2019. The fifth contract will expire in 2020 but there may be scope for an earlier termination to align the contract terms and service specification requirements. In February 2018, a total of 371 residents lived in these schemes and benefited from the services provided.
- 1.2 This report seeks permission from Cabinet to recommission these services with a view to implementing new contracts on 01 August 2019 for the four schemes where the contracts expire at the end of July 2019. The start date for the fifth contract (which currently expires in 2020) is yet to be determined.
- 1.3 In addition, as part of the recommissioning process, discussions are underway with the housing providers to consider the inclusion of other Extra Care Housing schemes and how this would be managed.
- 1.4 This report is to also raise awareness of consultation to be undertaken with current and potential extra care residents, alongside other key stakeholders including the housing providers, in relation to the care bands and charges. As part of the preparation for the recommissioning, a review of care charges and

care bandings was carried out and it was determined that changes to both the banding and charging schemes should be considered.

- 1.5 The recommissioning will contribute towards *Outcome 5 – People live well for longer* by helping to ensure that high quality, affordable care is delivered to residents in Extra Care Housing schemes. The review of banding and charging will contribute towards *Outcome 6 A responsible effective and efficient organisation* as it aims to ensure that any changes made will increase transparency in the charging scheme and improve value for money for residents.

2.0 Recommendations

That Cabinet:

- 2.1 Approve the recommissioning of care within the five existing Extra Care Housing settings, adding further Registered Provider Extra Care Housing schemes to the commission where this is considered desirable by the Executive Director of People.
- 2.2 Delegate authority to the Executive Director of People to award contracts to the successful supplier(s).

3.0 Reasons for Recommendations

- 3.1 Good quality care and support services that provide continuity of care are essential in Extra Care Housing to assist vulnerable people to remain in their own homes and prevent/delay admissions to more costly residential and nursing care. A recent independent North West study into Market Sustainability commissioned by the Association of Directors of Adult Social Services¹ revealed that there is an over-reliance on care homes to support vulnerable, particularly elderly people.
- 3.2 The current extra care housing care contracts are based on a model that has been in place since 2009 and many changes have taken place in the market since that time, e.g. increases in National Minimum and Living Wages, and changes to pension costs. Commissioners are currently developing a procurement strategy to address these and other issues that have been raised by current and potential service providers.

¹ North West Market Sustainability and Oversight Review on the Markets for Residential and Nursing Care and Domiciliary Care for Older People and for Adults with a Learning Disability, NWADASS, January 2018

4.0 Other Options Considered

Recommissioning the ECH Care Provision

- 4.1 The current services could be decommissioned and residents given a personal budget to cover their care and support needs. This would involve extensive resources in reviewing and assisting residents with the change in the provision of care and support. A contract for 24-hour monitoring and emergency care would need to be put in place, but without the additional day time support hours this would probably lead to increased costs. Three of the five ECH schemes under consideration fall within the Private Finance Initiative (PFI) joint funding arrangement which is shared with Cheshire West and Chester Council. The PFI schemes started service commencement in 2009 and the contract runs for 30 years. The provision of both on-site care and catering services are pass-through items in the contract and therefore the responsibility for these lies with the Councils. In practice, this obliges the Councils to commission 24-hour care on-site, including the provision of office and sleep-in accommodation for care provider staff.

Review of Care Banding and Care Charges

- 4.2 The Council could continue the current care banding and care charging regimes which were introduced by Cheshire County Council and amended in 2011/12. However, there have been a number of issues raised in relation to the current model and research has highlighted that a differing approach would also support realising the intended care balance moving forward. Additionally, a refresh would align to the new ways of working for social care and ensure Care Act compliance.
- 4.3 The current banding and charging systems mean that every ECH resident needs to undergo care and financial assessments and they are then subject to reviews at regular intervals – even if they have no assessed, eligible care needs and no requirement for care. If this requirement for assessments was lifted for current and potential residents with no care needs, it would potentially free up resources that could be directed to residents in need of intervention and support more effectively. Commissioners are working with the housing providers to consider differing options that will ensure the 24-hour response support required for all whilst also ensuring that the care needs of those eligible are met and that people are re-enabled and independence promoted. The options will then form part of the consultation.

5.0 Background

Recommissioning the ECH Care Provision

- 5.1 Cheshire East Council currently commissions two organisations to provide care and support, and 24/7 emergency cover in five ECH schemes.

Scheme	No of Apartments/ No of Residents	Landlord	Care Provider
Beechmere Rolls Avenue, Crewe	132 apartments 136 residents	Your Housing Limited. Managed by Advantage	SOS Homecare
Oakmere Spath Lane, Handforth	53 apartments 57 residents	Your Housing Limited. Managed by Advantage	SOS Homecare
Willowmere East Road, Middlewich	71 apartments 77 residents	Your Housing Limited. Managed by Advantage	SOS Homecare
Mill House Queens Drive, Nantwich	44 apartments 51 residents	Guinness Partnership	SOS Homecare
Heath View Heath Road, Congleton	45 apartments 50 residents	Plus Dane	Carewatch

- 5.2 All four SOS contracts are due to expire at the end of July 2019. The Heath View contract delivered by Carewatch is due to expire in January 2020. Under Clause 30.5 of all five contracts, the Council has the right to terminate the contract at any time on giving 6 months' written notice to the Provider. Enacting this clause would allow the Council to align the contracts for all schemes ensuring consistency and quality across the provision. However, should this not be pursued, it is the intention of commissioners to include the Heath View care contract within this scheme as a procurement lot with a later commencement date in line with the current contract end date of January 2020. This would ensure a financially viable model across all schemes alongside consistent service requirements, expectations and quality standards for delivery.
- 5.3 Commissioners are also exploring the demand and viability of including Guinness Partnership's Pickmere scheme (Rose Terrace, Crewe) within the recommissioning project, i.e. commissioning an onsite care team to provide 24/7 care and support to residents. The provision of care at Pickmere is currently treated in the same way as it would be for non-ECH residents who are in receipt of care at home.
- 5.4 The procurement of one or more care providers in the Extra Care Housing schemes will provide continued care, support and emergency monitoring and response to the residents of the Registered Provider's ECH schemes.

- 5.5 The current structure of the contract (including payment structure) is being reviewed to ensure contract viability and sustainability over the term of the contract.

Review of Care Banding and Care Charges

- 5.6 As part of the preparation for recommissioning the care contracts, a review of care bands and care charges has taken place.
- 5.7 Residents in the ECH schemes where the Council commissions the care are currently assessed by Adult Social Care and assigned a Care Band prior to or on moving into the scheme. Regular reviews are carried out and additional reviews take place if care needs change outside of the review period.
- 5.8 The bands are used to indicate the balance of the ECH community – all schemes aim for one-third Wellbeing/Low, one third Medium and one third High Band residents. As yet, this strategic intention has not been achieved as currently nearly 75% of residents are in the Wellbeing/Low Band, 15% in the Medium Band and just over 10% in the High band. Discussions are ongoing to understand why the thirds balance has not been realised in any of the schemes and what could be put in place to move the communities closer to this balance. The benefits realisation will seek to inform this and work is underway to review the allocations process and registration of interest.
- 5.9 Charges to residents are also based on this care banding system which was introduced in 2009 and amended to include the Wellbeing Band in 2011/12. The Charges have not changed since the inclusion of the Wellbeing Charge. The current care banding and charging system is detailed in the table below:

Care Band	Maximum Weekly Cost	What does this cover?
Wellbeing	£20.34	<ul style="list-style-type: none">• 24/7 monitoring and response to emergencies covered.• Up to 6 weeks "extra care" at no additional cost, if needed.
Low	£30.51	<ul style="list-style-type: none">• Up to 2.5 hours care and support per week.• 24/7 monitoring and response to emergencies covered.• Up to 6 weeks "extra care" at no additional cost, if needed.
Medium	£152.55	<ul style="list-style-type: none">• Between 2.5 hours and 10 hours care and support per week.• 24/7 monitoring and response to emergencies covered.• Up to 6 weeks "extra care" at no additional cost, if needed.

Care Band	Maximum Weekly Cost	What does this cover?
High	£284.76	<ul style="list-style-type: none"> Between 10 and 18 hours care and support per week. 24/7 monitoring and response to emergencies covered. Up to 6 weeks "extra care" at no additional cost, if needed.

- 5.10 If a resident needs more than 18 hours care per week, additional hours are spot purchased and, subject to financial assessment, are recharged to the resident at £20.34 per hour.
- 5.11 The charging review has identified a number of options that will be put forward for consultation. These are based on a Monitoring & Response Charge (for all residents, per apartment or for residents with care needs) and the commissioned care for each resident. It is hoped that such a charging regime will be more transparent and easier for residents and potential residents to understand and will not act as a barrier for moving into ECH.
- 5.12 Once the results of the consultation have been reviewed, it is hoped to implement any changes during 2019 in line with the recommissioning activities. Members will be provided with briefing updates and the Equality Impact Assessment will be refreshed throughout. A review and consultation of the bands and charging policy aligns with the feedback to date from residents and key stakeholders as well as the housing and care providers.

6.0 Implications of the Recommendations

6.1 Legal Implications

Recommissioning the ECH Care Provision

- Any reprourement of these services will need to be undertaken in accordance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015. The Council will also need to ensure that the requirement of TUPE legislation is met, if there is a potential for provider staff to transfer in accordance with TUPE regulations. Ongoing legal and procurement support will be sought to ensure the Council meets requirements in this regard.

Review of Care Banding and Care Charges

- The Council will be consulting on the care charges. The consultation process embarked upon must be "fair" and certain basic principles must be adhered to:

- Consultation must be undertaken at a time when proposals are still at a formative stage;
 - It must include sufficient reasons for particular proposals to allow those consulted to give intelligent consideration and an intelligent response;
 - Adequate time must be given for this purpose; and
 - Feedback from consultation must be conscientiously taken into account when the ultimate decision is taken.
- Once the Council embarks on the consultation, it should be prepared to change course if persuaded by the outcome of consultation. To do otherwise would prevent an informed and integrated response and risk challenge to the final decision made (on the basis that the outcome was pre-determined).
 - Under the Equality Act 2010, the Council is required to identify the impacts of any decisions, policies, etc. on certain protected groups to ensure equality is promoted and inequality minimised. An Equality Impact Assessment can both assist in evidencing that these equality duties are being met and inform decision taking.

6.2 Finance Implications

Recommissioning the ECH Care Provision

- In five of the schemes, this is a continuation of the current service provided and the costs would be charged to the same local ASC Operations care costs budgets as the current costs.
- The contract structure will be re-designed to help ensure viability and sustainability. It is likely that this will mean that the Council will pay for the hours it commissions rather than the current system which is "by resident by care band". This may slightly increase the cost of the care provision. However, it is anticipated that through the revised approach any potential cost increase would be offset by a reduction in spend for residential home placements. This will be further supported by a robust benefits realisation model that will underpin the final pricing strategy.
- The overall value of the re-commissioned contracts is likely to be around £1.36M per annum and total approximately £6.8M over the life of the contracts.

Review of Care Banding and Care Charges

- The Care Charges have remained unchanged since 2011/2012. Although they were originally aligned with charges to people in receipt of care at home but not living in ECH, this is no longer the case. It is possible that bringing the charges back in line with the charges that non-ECH residents would pay might result in slightly reduced income.
- Residents' client contribution charges currently amount to approximately 46% of current spend on care in ECH. Depending on the final option chosen and the degree of alignment with charges for Care at Home, this could reduce to 31% but this is unlikely. A more probable option would reduce charges to around 37-38% of current spend. This equates to approximately £2,000 per week reduction.
- The purpose and vision of extra care housing is to support people to live in good quality, affordable housing within their communities, independently for longer. In considering changes to care charges for residents, commissioners are looking to make ECH a more attractive, more affordable option for people with care needs. It is believed that improving the transparency and perceived fairness of charging will impact on the community balances and help maximise the possible savings that the schemes were designed to realise. Improving the desirability and affordability of extra care housing may also delay or divert people from moving into residential or nursing homes, thus positively impacting on the Council's spend on these services. The revised benefits realisation modelling will support these assumptions further, however, evidence from other Local Authority areas that have achieved the care balance does indicate a positive impact in terms of reduced residential home admissions and cost avoidance realised.

6.3 Policy Implications

Recommissioning the ECH Care Provision

- **Outcome 5 - People Live Well for Longer**

Successfully recommissioning the care provision in the ECH schemes so that a high quality service provider is appointed will help ensure that residents in the scheme receive the care and support that they need to live independently in their own homes for longer.

Review of Care Banding and Care Charges

- **Outcome 6 - A Responsible, Effective and Efficient Organisation**

The Care Banding has been in place since 2009 and the Care Charges have not been changed since 2011/12. It is therefore necessary to review the banding and charging regimes to ensure that they are still fit-for-purpose.

6.4 Equality Implications

- No negative implications are expected for residents who will continue receive care services from an on-site provider (EIA to be completed and reviewed throughout the commissioning process).

6.5 Human Resources Implications

- While the proposals do not envisage any HR implications for the Council, it is anticipated that the re-designed contracts will help to maintain viability and sustainability for the care providers and thus sustain recruitment and retention of staff within their organisations. The new contract will ensure that providers are paying employees the national minimum wage.
- Should the existing provider(s) decide not to bid or be unsuccessful, it is likely that TUPE would apply for staff from the existing provider(s) who wished to transfer to a new provider.

6.6 Risk Management Implications

- When re-procuring any service, there is a risk that the market will not be interested in the opportunity offered. This will be mitigated by carrying out market engagement, testing and stimulation to ensure that a viable commercial model is created which also ensures good quality care.
- The recommissioning and re-design of the contracts seeks to mitigate the risk of provider failure in the ECH schemes and the disruption to the continuity of care that this can bring.
- The recommissioning of contracts that have been in place for many years can be destabilising for current service users and the staff providing the service. Ensuring that recommissioning (including service re-design, re-procurement, and award) is delivered to time and delivers a high quality provider of care and support services will help to mitigate this.

- Additionally, there will be resident consultation and engagement in every phase of the commissioning cycle so that the model is co-produced with residents. It is planned to use an outcomes based model that should increase the choice and control for residents with eligible needs and a communications plan will be put in place to help ensure that all service users are kept informed.
- As part of the transition, decommissioning plans will be developed with the existing providers if they are unsuccessful to ensure that there is a smooth handover for their service users and that data is migrated and transferred safely in line with General Data Protection Regulations. There will also be a robust mobilisation process in line with the current commissioning approach and guidelines, and mobilisation plans will be requested in any tender evaluation.

6.7 Rural Communities Implications

- There are no direct implications for rural communities.

6.8 Implications for Children & Young People

- There are no direct implications for children and young people.

6.9 Public Health Implications

- There are no direct implications for public health.

7.0 Ward Members Affected

7.1 Crewe St Barnabas: Cllr Damian Bailey

7.2 Crewe Central: Irene Fayesi

7.3 Handforth: Cllrs Barry Burkhill, Dennis Mahon

7.4 Middlewich: Cllrs Simon McGrory, Michael Parsons, Bernice Walmsley

7.5 Nantwich North and West: Cllrs Penny Butterill, Arthur Moran

7.6 Congleton West: Cllrs Paul Bates, Gordon Baxendale, George Hayes.

7.7 The Ward Members listed above will be briefed prior to any engagement with ECH residents.

7.8 If Care Charges to ECH Residents are changed as a result of the proposed consultation, these will be implemented in all ECH developments where Cheshire East Council commissions an on-site care team. This could include

wards not mentioned above, if the Council decides to increase the number of schemes where it commissions care.

8.0 Consultation & Engagement

Recommissioning the ECH Care Provision

- 8.1 Engagement events will be held with current and potential care providers so that they can contribute to the discussions and decision process on the structure of the new contracts.
- 8.2 Engagement will also be carried out with the ECH Housing Providers to ensure that the contracts facilitate partnership working in the ECH schemes.
- 8.3 There will be resident consultation and engagement in every phase of the commissioning cycle so that the model is co-produced with residents. A communications plan will be put in place to help ensure that all service users are kept informed.

Review of Care Banding and Care Charges

- 8.4 A detailed consultation and engagement plan will be created to ensure that service users are aware of and able to contribute their thoughts on the ideas put forward but the Council.

9.0 Access to Information

- 9.1 Supporting information can be found in:
 - Cheshire East Joint Strategic Needs Assessment
http://www.cheshireeast.gov.uk/council_and_democracy/council_information/jsna/jsna.aspx
 - People Live Well for Longer Commissioning Plan

10.0 Contact Information

- 10.1 Any questions relating to this report should be directed to the following officer:

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