

ITEM 7(c)**Procurement of an
accommodation and care
framework****North Tyneside Council
Report to Cabinet
Date: 11 April 2016****Portfolio(s): Adult Social Care****Transport and Housing****Cabinet Member(s): Councillor Alison
Waggott-Fairley****Councillor John
Harrison****Report from Service
Area:****Health, Education, Care and Safeguarding
Environment, Housing and Leisure****Responsible Officers:****Jacqui Old****(Tel: (0191) 643 7317)****Phil Scott****(Tel: (0191) 643 7295)****Mark Longstaff****(Tel: (0191) 643 8089)****Wards affected:****All wards****PART 1****1.1 Executive Summary:**

The purpose of the report is to seek Cabinet approval to undertake an open procurement exercise for the development of a Dynamic Purchasing System agreement for specialist accommodation (and support where it is required) to meet the needs of vulnerable adults who have care / support needs and would benefit from living in a supported living service in North Tyneside. This Dynamic Purchasing System (similar to a Framework Agreement) will be an open list and organisations can apply to be included as required, throughout its period, provided providers meet the minimum criteria set by the Authority at the conception of the Dynamic Purchasing System.

The Authority's housing Market Position Statement for vulnerable adults identifies the need to develop a range of housing options for different client groups. Having the right housing in the right place and built to the right standards will have a positive effect on individuals and the care and support that is required to be put in place to meet their needs. The commissioning of accommodation and care services together can be undertaken more effectively with cost savings to the Authority.

The Authority wishes to work proactively with a range of housing developers to maximise this opportunity and ensure developments are built in a planned way, therefore meeting the needs to people within North Tyneside.

1.2 Recommendation(s):

It is recommended that Cabinet authorise the Head of Health, Education, Care and Safeguarding and the Head of Environment, Housing and Leisure, in consultation with the Head of Law and Governance and the Head of Finance to:

- 1.2.1 undertake an open procurement exercise to procure providers to deliver the proposed new services, as outlined in section 1.5.2 of this report; and
- 1.2.2 following the open procurement exercise carried out in accordance with 1.2.1 above, to proceed with the award of contracts.

1.3 Forward Plan:

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 4 March 2016.

1.4 Council Plan and Policy Framework

- 1.4.1 This report relates to the following priorities contained within the 2014 - 18, Our North Tyneside Plan:
 - (a) Our People will be listened to by services that respond better and faster to their needs
 - (b) Our People will be supported to live healthier and longer lives
 - (c) Our People will be cared for and kept safe if they become vulnerable
 - (d) We will develop an effective strategy to ensure that there is sufficient good quality housing across North Tyneside to meet the identified need
 - (e) We will establish a long term plan for the development of affordable homes
- 1.4.2 This report relates to following plans and strategies in the Policy Framework:

The Authority's Housing Market Position Statement for Vulnerable People.
- 1.4.3 Delivery of the services set out in this report will contribute to:
 - (a) Priority One: Offering greater choice of services
 - (b) Priority Two: Support people to secure and maintain a home in the community
 - (c) Delivery of services that proactively work towards a progression model and meet individual outcomes
- 1.4.4 The new service will also contribute to the achievement of the Creating a Brighter Future Programme priorities of:
 - (a) Cared for, safeguarded and healthy
 - (b) Great place to live, work and visit
- 1.4.5 In addition, the service provision will specifically contribute positively towards the outcomes of:
 - (a) Cared for, safeguarded and healthy
 - (b) Encouraging our customers to be more independent; and

- (c) Better managing demand for services so people access the right services at the right time.

1.5 Information:

1.5.1 Background

The Authority has developed a housing Market Position Statement (MPS) for vulnerable adults and this identifies the specialist housing provision that is required across North Tyneside for a range of client groups.

This is aligned to the Authority's Affordable Homes Programme which seeks to provide 3,000 additional affordable homes across the borough over the next 10 years.

The revenue costs associated with meeting the needs of vulnerable adults is high, but this can be managed by having the right type of well designed housing in the right locations.

Historically the management of this need has been managed reactively, by taking advantage of new developments as and when they arise. The MPS seeks to put in place a proactive statement about the type and number of housing developments and schemes the Authority envisages, based on current levels of need, that will be required in the future to cater for the needs of the individuals within the borough. A more proactive approach will direct both housing and care provision towards the most vulnerable groups in greatest need.

1.5.2 Services to be commissioned and the Procurement

The MPS identifies a range of housing requirements for the following clients groups:

- Older people
- Learning disability
- Physical disability
- Care leavers

Once providers are appointed to the Dynamic Purchasing System and as development opportunities arise with Registered Providers (housing associations and other providers registered with the Homes and Communities Agency for the purpose of providing social housing), private sector landlords or developers, the Authority will seek to prioritise and work with individual organisations on specific schemes that are aligned to the Authority's requirements, as identified in the MPS.

In order for this to be undertaken in an open and transparent way, the Authority is seeking to procure a Dynamic Purchasing System. This Dynamic Purchasing System (similar to a Framework Agreement) will be an open list and organisations can apply to be included as required, throughout its period, provided providers meet the minimum criteria set by the Authority at the conception of the Dynamic Purchasing System.

There will be two Lots on the Dynamic Purchasing System:

- list of providers offering accommodation only (Lot 1)
- list of providers offering accommodation and care / support (Lot 2)

The housing provision that is delivered under both Lot 1 and Lot 2 will include extra care housing for older people and independent supported living services for people with a learning disability or physical disability and for people with mental health problems.

In order for a provider to be appointed to the Dynamic Purchasing System, the providers must meet the criteria set out at the point of procurement.

For accommodation only schemes (Lot 1) the Authority will separately commission a care / support provider to deliver the care and support for those individuals the Authority has assessed as having care and support needs. These care and support services will be commissioned from other existing framework agreements or individuals can procure their own services when a direct payment has been agreed.

For those providers appointed to Lot 1, where they will provide accommodation only, the Council will ensure, through the contract terms, that there is a suitable management arrangement established setting out the respective roles and responsibilities and how the providers will work together to ensure the provision of seamless housing, care and support to individuals.

Where the provider is offering to supply the accommodation and provide the care and support, the care and support element will also be assessed and evaluated against the Authority's criteria set at the point of procurement.

1.5.3 Nominations Agreement

The arrangements with successful providers may involve entering into an agreement with the organisation to be able to nominate individual clients into the housing provision (a 'Nominations Agreement'), which is designed to give the Authority priority for admittance of individuals to a particular property or setting for a set period of time, to enable the Authority to manage the occupation of a particular property or setting in the interests of the respective individuals. The positive outcome of having a Nominations Agreement in place is that it enables the Authority to control occupation of the various properties and settings, ensuring the right mix of individuals within a particular setting, and ensuring that the mix of care needs within each setting or property is appropriate, and that the care commissioned in that particular setting can meet the needs of the individuals, in a cost effective way.

There is a potential cost to the Authority of entering into a Nominations Agreement with an accommodation provider - in return for enabling the Authority to have a right of first refusal on any vacancies within a property or setting (voids), the Authority will be contractually required to pay rent for any voids – where full rent is not being paid. The basis for the calculation of rents payable for tenancies and for voids will be agreed at tender stage and evaluated as part of the tender process. The costs of voids to the Authority will be carefully managed through the tender process and during the period of the Dynamic Purchasing System, to ensure that voids are minimised, and that where they do occur, they are foreseen, planned for and managed to ensure that they subsist for the shortest period of time possible before they are filled with a suitable individual.

The risks of voids and the potential costs of the same have been considered carefully alongside the benefits of ensuring the Authority is in control of the mix of individuals and care needs in each property or setting, and it is considered in the Authority's best interests and in the interests of the individuals to which it provides services to proceed in this manner.

1.5.4 Core Support Charge – Extra Care Settings for older people

Charging arrangements within Extra Care Housing schemes for Older People will include the use of a Core Support Charge, which has been previously agreed by Cabinet and Council as part of the budget setting process in 2015/16 within business case CF02.

1.5.5 Links to the Target Operating Model (TOM)

The principles that underpin the Authority's TOM will be integral to the development of specialist housing and the associated provision of care and support to:

- enable people to support themselves;
- target resources to people who need it most;
- understand and manage demand;
- identify innovation; and
- reduce long term costs through the use of technology.

The proposed service model will support all individuals to access a range of different universal low level services (Tier 1). The service model will adopt a recovery/progression focus which, it is hoped, will provide a clear pathway to enable individuals to be less dependent on costly commissioned services, by helping them to access lower level, more widely available services.

All care services delivered under this arrangement will be performance monitored against how well individuals have been supported to progress towards achieving agreed outcomes; this will be at an individual level and also a service level.

1.5.6 Social Value

The Public Services (Social Value) Act 2012 requires public bodies to consider how the services they commission and procure might improve the economic, social and environmental well-being of the area. It is a requirement of the service that providers will evidence how they will deliver social value through the delivery of these services. The tender process employed to select the successful providers will specifically assess this ability.

1.6 **Decision options:**

The following decision options are available for consideration by Cabinet:

Option 1

Agree the recommendations set out at section 1.2.

Option 2

Not agree the recommendations set out at section 1.2 and propose that officers consider other options for delivering this provision.

Option 1 is the recommended option.

1.7 **Reasons for recommended option:**

Option 1 is recommended for the following reasons:

- (a) To ensure the development of appropriate housing provision that meets the needs of vulnerable adults within the Borough of North Tyneside; and
- (b) To achieve efficiencies in revenue costs associated with the commissioning of accommodation, care and support in this manner.

1.8 Appendices:

None.

1.9 Contact officers:

The names, titles and contact numbers of the key officer who has contributed to the report and other relevant officers should be set out here in the following format:

Scott Woodhouse, Strategic Commissioning Manager, People Based Commissioning,
Tel. (0191) 643 7082

Martin Bewick, Strategic Housing Manager, Environment Housing and Leisure,
Tel. (0191) 643 6206

Judith Robson, Category Manager, ENGIE, Tel. (0191) 643 5660

Alison Campbell., Senior Business Partner, Tel (0191) 643 7038

1.10 Background information:

None.

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The Authority is looking to move away from a model which supports individuals in individual properties, and brings a number of individuals together into more communal living, where care can be provided on a larger scale. Business Case 9, which has been approved as part of the budget agreed by council for 2016/17 on 18 February 2016, included £2.490m of savings to be achieved from a new approach to Independent Supported Living, £515k of which was to be delivered in 2016/17 from managing demand through housing solutions.

The Authority would not be responsible for any of the capital costs of building new provision. The Authority would however enter into a voids and nominations agreement with the housing provider that would give the Authority 100% nomination rights into the scheme at the outset and as future voids arise (see above). The Authority would also agree a basis of calculation for compensation to developers for any periods of non-occupation and such terms would be agreed with the Head of Law and Governance and the Head of Finance on a scheme by scheme basis during the procurement process but with an eye to the overall capacity versus the likely future demand and the impact of rent levels. There are financial risks associated with having a Nominations Agreement in place with providers but the

arrangement does allow the borough to obtain appropriate accommodation for at risk residents. The risks around this are highlighted in section 1.5.3 above.

2.2 Legal

The Dynamic Purchasing System will be procured in compliance with the Public Contracts Regulations 2015. The Dynamic Purchasing Agreement will include the ability for the Authority to enter into Nominations Agreements with any one of the providers on the Dynamic Purchasing System.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

The process of establishing a detailed specification for the provision will be carried out in close conjunction with key colleagues across the Authority. Both the areas of social care and housing will work together to ensure positive outcomes for both service areas.

2.3.2 External Consultation/Engagement

There is continuous engagement with care and support providers, service users and family carers of those who access the services, through various forums. Additionally, there is engagement with housing providers.

2.4 Human rights

The proposals contained in this report relate to the following human rights:

- Right to liberty and security
- Right to respect for private and family life
- Freedom of thought, belief and religion
- Freedom of expression
- Protection from discrimination

2.5 Equalities and diversity

The Contract stipulates that the Provider will ensure compliance with the 2010 Equality Act and Public Sector Equality Duty and therefore will not unlawfully discriminate against employees or service users with protected characteristics. The contract also stipulates that the Provider must ensure that its workforce receives appropriate training in order to understand their roles and responsibilities under the Equality Act e.g. implementing Equal Opportunity requirements, and to promote equality and prevent discrimination.

2.6 Risk management

Risks have been considered and evaluated. Actions that could be taken to mitigate identified risks have been identified. During the process of contracting, risks will be discussed, evaluated and actioned as appropriate.

Any risks associated with the process of putting new contracts in place have been mitigated through the use of the NEPO portal as the mechanism to ensure that an open and transparent procurement process is in place.

2.7 Crime and disorder

There are no crime and disorder implications directly arising from this report.

2.8 Environment and sustainability

The evaluation framework for this procurement will include scoring on the grounds of environmental sustainability, especially in relation to housing design standards to be adopted and put in place by developers.

PART 3 - SIGN OFF

- Deputy Chief Executive
- Head(s) of Service
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Head of Corporate Strategy