

# HAMPSHIRE COUNTY COUNCIL

## Decision Report

<b>Decision Maker:</b>	Executive Member for Adult Social Care and Health
<b>Date:</b>	22 November 2017
<b>Title:</b>	Hampshire Accommodation Development and Support Options Model
<b>Report From:</b>	Director of Adults' Health and Care

**Contact name:** Jenny Dixon

**Tel:** 07739 050567

**Email:** Jenny.dixon@hants.gov.uk

### 1. Executive Summary

- 1.1 The purpose of this paper is to request permission from the Executive Member for Adult Social Care and Health to approve spend under the proposed Hampshire Accommodation Development and Support Options Model procurement vehicle (HADSOM).
- 1.2 It is proposed that the procurement vehicle would run for a maximum of twelve years from May 2018, on a 4+4+4 basis, with a total cost to the County Council of up to £820m.
- 1.3 It is proposed that contracts for care and support of varying value and length would be called off from the procurement vehicle. Initially the majority of contracts called off would be for adults (predominantly under the age of 65) with learning disabilities and autism spectrum conditions. It is envisaged that services for people with physical disabilities and mental health needs could also be called off from HADSOM in the future. Additionally, there would be scope for Children's Services to call off contracts as well, predominantly for those of age 16 and over.
- 1.4 It is intended that the Hampshire Clinical Commissioning Groups (CCGs) would also be able to call off contracts from HADSOM for services to meet identified healthcare needs.
- 1.5 This paper seeks to
  - Set out the background to the proposed approach
  - Set out the key issues
  - Outline proposed procurement and contract arrangements
  - Set out the financial impacts
  - Set out briefly the next steps required to deliver the proposed vehicle

## **2. Contextual information**

### *Accommodation*

- 2.1 The County Council places a heavy reliance on the use of residential care placements for people with learning disabilities, more so than peer authorities. This reliance has increased in recent years due to a lack of suitable alternative accommodation and support options. This is particularly the case for younger adults with complex needs leaving education placements for whom residential care may not be the most desirable or enabling option.
- 2.2 Service users in residential care have considerably fewer rights and less access to benefits than those in supported accommodation. Care home residents have no security of tenure in their accommodation, and less choice and control over how and when their care is provided, than those in supported accommodation.
- 2.3 Furthermore, residential care is a relatively expensive model of care for the County Council as compared to supported living. Therefore the County Council is committed to increasing the range of accommodation and support available to service users by developing this area of the market and ways in which service users are able to access it.
- 2.4 The County Council has an obligation under the Care Act 2014 to encourage quality, choice and sufficiency of provision through market shaping activity. It is therefore a requirement for the County Council to continue to stimulate the development and availability of supported accommodation whilst working with the eleven District and Borough Councils within the county in order to maximise choice and housing options for service users.
- 2.5 The County Council is in the process of developing a number of new supported accommodation properties using capital funds, in order to increase the volume of supported accommodation available within the county. In order to meet the County Council's stated strategic aims, additional opportunities need to be identified. The County Council wishes to implement a clear process for communicating the housing needs of service users to the market and to receive, evaluate and progress offers of accommodation for use as supported accommodation.

### *Support*

- 2.6 At present the County Council procures most domiciliary care and support, particularly for service users with a learning disability, via the Hampshire Framework for Shared Living and Learning Disability Support ("the Framework"). The majority of contracts already let through the Framework may run to 2022 if all available extension options are taken up.
- 2.7 The Framework itself would expire in September 2018, meaning no new contracts can be procured from it after this date. Therefore a replacement procurement vehicle would need to be in place no later than August 2018 in order for the County Council to continue to provide care and support to service users with assessed eligible social care needs. It is intended that

the HADSOM procurement vehicle would become operational in May 2018.

### **3. Future Direction**

#### *The Proposed Model*

- 3.1 It is proposed that the HADSOM procurement vehicle is implemented to provide a solution to the County Council's care and support procurement needs, whilst also increasing the number of accommodation options open to service users. This model would be a hybrid of the traditional framework and dynamic purchasing system models under the Public Contracts Regulations 2015, taking features from both to form a flexible and responsive model which is able to accommodate changes and developments in the market over the course of a number of years.
- 3.2 HADSOM would provide a register of care and support providers who are able to tender for care and support contracts. HADSOM would also provide a register of landlords who are interested in providing accommodation for use as supported accommodation.
- 3.3 HADSOM would be a flexible vehicle. It would operate on an "always open" basis, meaning that support and housing providers may apply (or re-apply) to join at any time during the life of the model. They may also apply to change what they have signed up for should they so choose (e.g. a provider wishing to expand their business may opt to sign up for new geographical areas). HADSOM would remain open for applications and call offs for a maximum period of twelve years on a 4+4+4 basis. The County Council would also reserve the right to terminate HADSOM early should it wish to do so.
- 3.4 HADSOM would be comprised of two distinct work streams:
  - 3.4.1 *Stream 1 – Care and Support:* As a mechanism for the County Council to call off care and support contracts of varying length and value. (This stream would essentially replace the functions of the current Framework). HADSOM would also incorporate a mechanism for identifying, developing and calling off providers to administer Individual Service Funds (ISFs) for service users who choose to take this option.
  - 3.4.2 *Stream 2 - Accommodation:* As a mechanism for the County Council to maintain a register of accommodation providers who are interested in the provision of supported accommodation and who meet the quality criteria for entry to the register. This would support the County Council to make known the accommodation requirements of service users to providers, stimulating market growth and increasing the quality, choice and sufficiency of provision of supported accommodation to service users. The County Council would also consider the option of implementing Voids and/or Nominations Agreements on a case by case basis.
  - 3.4.3 In situations where the Council is seeking access to supported accommodation whilst putting in place a contract for care and

support, HADSOM would provide an effective procurement mechanism as providers on the care and support register could submit joint bids with providers on the accommodation register.

- 3.4.4 In the case of a provider who has accommodation and is willing to offer it to the County Council for use as supported accommodation. The provider may wish to provide the support required for a limited time, in order to transition their business model. In these circumstances, the County Council would determine whether such services were required. If so, the County Council would undertake a mini competition. This would ensure that all providers on HADSOM have the opportunity to bid for these opportunities and enable the County Council to ensure high quality standards are met at the most competitive price available.
- 3.5 The Light Touch Regime (LTR) (under Chapter 3, Section 7 of the Public Contracts Regulations 2015) permits contracting authorities to take into account any relevant considerations when awarding contracts, including the specific needs of different categories of service users. The County Council would continue to promote high levels of service user involvement in the design of services, and would take into account service user choice in procurement processes where this is practicable.

#### **4. Finance**

- 4.1 HADSOM would allow for a total spend of up to £1.120 billion during its lifetime of twelve years. This figure is based on current spend activity through the Learning Disability Framework, predicated growth in this area of provision and access from other commissioners as set out below.
- 4.2 The total maximum spend on Adults' Health and Care contracts would be up to £720 million.
- 4.3 The total maximum spend on contracts procured by Hampshire Children's Services would be up to £100 million (This figure represents the maximum value of contracts that Children's Services may choose to procure over the lifetime of HADSOM. Actual spend on specific contracts will be subject to Children's Services financial governance processes).
- 4.4 The total maximum spend on contracts procured by Hampshire CCGs would be up to £300 million. (This figure represents the maximum value of contracts that the CCGs may choose to procure over the lifetime of HADSOM. Actual spend on specific contracts will be subject to the CCG's financial governance processes).
- 4.5 It is envisaged that NHS Commissioners will use HADSOM to commission their own NHS contracts initially, although greater integration under a Section 75 Lead Commissioner Agreement remains a possibility in the future.
- 4.6 The total County Council funding to meet the cost of this proposal would be met from within the existing departmental budgets and would not generate an additional pressure.

- 4.7 Whilst a maximum spend level for the twelve years has been estimated for this approval the annual spend would be monitored and managed within the value of the annual budget approved by Full County Council in each of the years.
- 4.8 As regarding price, the County Council would make a decision based on the specific nature of the service in question and local market conditions in determining whether to apply a rate range to specific call offs.
- 4.9 HADSOM aims to promote stability in the market and allow the County Council to manage unforeseen pressures in the future, over its twelve year life cycle.
- 4.10 In order to be able to take advantage of innovative new service ideas within the scope of HADSOM it is proposed that the County Council would retain the option to commission new and additional service types through HADSOM as required.

## **5. Performance**

- 5.1 It is anticipated that a set of standard KPIs would be developed for support contracts, similar to those used under the current Framework. There would also be the option to add additional, more specific KPIs to individual contracts where this is necessary for a particular requirement.
- 5.2 In respect to the register of accommodation providers, the County Council would develop a set of quality requirements such as the upkeep and maintenance of the properties in question, the financial viability of the provider and the accessibility of tenancy documentation. More specific quality requirements may also be specified on a case by case basis.

## **6. Consultation and Equalities**

- 6.1 The HADSOM project is aligned with the County Council's responsibilities to the Learning Disability Plan for Hampshire, in particular "The Right Support" and the "The Right Place to Live" sections. These are concerned with service users having appropriate accommodation and support options. The Plan makes it clear that service users would prefer increased independence and security of tenure in their accommodation and supported accommodation fulfils this need effectively.
- 6.2 An Equality Impact Assessment was carried out on 3 July 2017 which identified that HADSOM is likely to have a high impact on individuals with a learning disability, physical disability and/or mental health need based on the fact that moving into supported accommodation may represent a significant change to the basis on which they reside in their accommodation, particularly those moving out of residential care. The overall impact would be positive as individuals would have improved access to and choice around accommodation offering security of tenure and more independence. The impact would be particularly positive for individuals able to move out of residential care as a result of increased

availability of supported living.

- 6.3 Individuals may also experience provider changes as a result of calling off care and support contracts from HADSOM. Any impact would be mitigated by communication with the service users affected and ensuring call offs take place with sufficient time to allow for a full handover between the outgoing and incoming provider so that service continuity is ensured for the individuals.
- 6.4 The County Council is also in the process of undertaking engagement with the relevant markets which the introduction of HADSOM would impact. HADSOM would act as a portal for the continuing communication of the County Council's requirements to the market and of the market's capability, capacity, constraints and requisites to the County Council.
- 6.5 The Equality Impact Assessment for HADSOM would be reviewed every four years, to account for changes in circumstance during its twelve year life cycle.

## **7. Key Risks and Issues**

- 7.1 Future workforce planning by the County Council and service providers needs to embed working practices that support the development of person centred services. These need to be focussed on outcomes, strength based approaches and a progression model of care and support.
- 7.2. The County Council will continue to work closely with providers to consider the commercial and financial needs of the provider sector, support sustainable business development, promote quality in service delivery and maintain a sustainable workforce.

Key headline risks include:

- 7.3. Macroeconomic factors and workforce challenges are key risks affecting the care and support market. Reducing entry barriers to the HADSOM procurement vehicle and employing the Light Touch Regime (LTR) is designed to ensure a sustainable and vibrant provider market, with opportunities for smaller providers. This will support the County Council to manage this risk and ensure sufficient capacity to meet the County Council's requirements.
- 7.4 Recent changes to Government policy have reduced some of the risks caused due to ongoing uncertainty over the application of the Local Housing Allowance exemption status for supported accommodation provision. However, in the absence of absolute clarity, there is a risk that Housing providers may withdraw from this area of provision, undermining the County Council's stated strategic aim to reduce reliance on residential and nursing care. HADSOM is designed to facilitate a closer working relationship with accommodation providers, supporting the management and mitigation of this risk. This approach would ensure that individuals have more choice in the provision of accommodation and support and are not overly reliant on residential and nursing care.

## **8. Legal implications**

- 8.1. Under the Care Act 2014 the County Council has a duty to meet the assessed eligible social care needs for care and support for people for whom the County Council is responsible.
- 8.2. HADSOM would be tendered in accordance with the Public Contracts Regulations 2015. HADSOM would be a bespoke procurement model under Chapter 3, Section 7 of the Public Contracts Regulations 2015 (the Light Touch Regime “LTR”)
- 8.3 It is for the Executive Member as Decision Maker to have due regard to the need to: eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act and advance equality of opportunity and foster good relations between persons who share a relevant protected characteristics and persons who do not share it.

## **9. Recommendation**

- 9.1 That the Executive Member for Adult Social Care and Health gives approval to spend up to £720 million for contracts for Care and Support awarded and provided under the HADSOM procurement vehicle to commence May 2018 for a period of up to 12 years on a 4+4+4 basis.

**CORPORATE OR LEGAL INFORMATION:****Links to the Strategic Plan**

<b>Hampshire maintains strong and sustainable economic growth and prosperity:</b>	yes
<b>People in Hampshire live safe, healthy and independent lives:</b>	yes
<b>People in Hampshire enjoy a rich and diverse environment:</b>	yes
<b>People in Hampshire enjoy being part of strong, inclusive communities:</b>	yes

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None



## **IMPACT ASSESSMENTS:**

### **1. Equality Duty**

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **1.2 Equalities Impact Assessment:**

An EIA was completed on 3<sup>rd</sup> July 2017. The conclusions of that assessment were that the project may have the following levels of impact on the following groups:

An Equality Impact Assessment was carried out on 3 July 2017 which identified that HADSOM is likely to have a high impact on individuals with a learning disability, physical disability and/or mental health need based on the fact that moving into supported accommodation may represent a significant change to the basis on which they reside in their accommodation, particularly those moving out of residential care. The overall impact would be positive as individuals would have improved access to and choice around accommodation offering security of tenure and more independence. The impact would be particularly positive for individuals able to move out of residential care as a result of increased availability of supported living.

A potentially high impact may also be experienced by individuals whose care provider changes as a result of calling off support from HADSOM. It should be noted that this eventuality would occur whether HADSOM or another procurement process was employed. The impact would be mitigated by communication with the service users affected and ensuring call offs take place with sufficient time to allow for a full handover between the outgoing and incoming provider so that service continuity is ensured for the individuals.

**2. Impact on Crime and Disorder:**

2.1 The County Council has a legal obligation under Section 7 of the Crime and Disorder Act 1998 to consider the impact of all decisions it makes on the prevention of crime. The proposal in this report aims to improve the safety of vulnerable Hampshire residents and reduce the risk of crime occurring.

**3. Climate Change:**

d) How does what is being proposed impact on our carbon footprint / energy consumption?

No impact has been identified.

e) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No impact has been identified.