

WIRRAL COUNCIL

CABINET

16 JANUARY 2014

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| SUBJECT: | <i>Extra Care Housing - Strategic Delivery Partners</i> |
| WARD/S AFFECTED: | <i>ALL</i> |
| REPORT OF: | <i>GRAHAM HODKINSON - DIRECTOR OF ADULT SOCIAL SERVICES</i> |
| RESPONSIBLE PORTFOLIO HOLDER: | <i>COUNCILLOR CHRISTINE JONES</i> |
| KEY DECISION | YES |

1.0 EXECUTIVE SUMMARY

- 1.1 This report informs Cabinet of the commissioning activity undertaken with regard to increasing Extra Care Housing provision across Wirral throughout the period 2014 – 2017. The aim of this is to increase choice for people who use services, and ensure Extra Care provision both in areas of high demand and where there currently is none.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The term 'Extra Care' housing is used to describe developments that comprise self-contained homes with design features and support services available to enable self-care and independent living. Extra Care housing can meet the needs of older people, people with physical or learning disabilities, frailty or health needs which make ordinary housing unsuitable but who do not need or want to move to long term care (residential or nursing homes).
- 2.2 Extra Care Housing has been widely recognised as a cost effective alternative to other forms of care. Recent research undertaken in East Sussex (see 'Supporting Documents') overwhelmingly upheld the assumptions that:
- Extra Care housing is a preventative model, supporting independence and avoiding admissions into residential care
 - Extra Care housing is a more cost effective model of care delivery than other models, including residential care and care in the community.

Headline findings were that when reviewed, 63% of their existing Extra Care residents would require residential, nursing, or EMI (Elderly Mentally Infirm) care were they not in Extra Care. The cost of those options is approximately twice that of Extra Care. The research also found that the enabling design and accessible environment of Extra Care housing supported self care and informal family care, thus increasing independence.

- 2.3 Extra Care Housing provision in Wirral is limited to five schemes. Demand continues to exceed supply. There is no provision in south west Wirral. A Gap Analysis (see 'Supporting Documents') explored this further.
- 2.4 Capital Asset Working Group allocated £3m capital to increase Extra Care housing provision in Wirral. The average build cost of a typical Extra Scheme (30 - 40 units) ranges from £8m - £10m.
- 2.5 Soft market testing with Registered Housing Providers established the impact of the £3m capital programme allocation could be significantly maximised by Wirral funding percentage contributions per unit per scheme with strategic housing partners. It was estimated this approach could achieve at least 100 new units of Extra Care Housing (new build, remodelled, refurbished, or a mix). Allocation of these units would be determined via the existing Extra Care Housing Allocations Panel process administered by Wirral Council.

3.0 PROCUREMENT

- 3.1 A procurement process was initiated 2nd October 2013, following the European Union (EU) accelerated restricted process. The Contract Notice, Extra Care Model, Invitation to Tender (ITT) and Method Statement questions are included under Supporting Documents.
- 3.2 Seven submissions were received on time for the Pre-Qualification Questionnaire (PQQ) stage. Evaluation of these indicated all seven should progress to the ITT stage. Deadline for tenders was set at 3rd December 2013. Four suppliers completed an ITT. Initial evaluation took place 6th December 2013 using 70:30 price/quality evaluation (on the basis that all providers would be working to an agreed Extra Care specification). Following this, all four providers were invited for interview 10th December 2013 to seek clarification on responses. Further information was requested and subsequently submitted via The Chest. Final analysis was undertaken and decision made on Friday 13th December 2013.

- 3.3 The outcome of the process will be the provision of 102 new units of Extra Care housing during the period 2014 – 2017, via strategic partnership with one provider at a cost of £2,796,000 to the Council. This retains £204k from the £3m capital programme allocation for contingency or additional development. Whilst the successful provider demonstrated most effectively their ability to deliver the Council's vision of over 100 new units of high quality Extra Care housing at low cost; the Council will continue to work in partnership with all providers on developing the provision of Extra Care in Wirral.

4.0 RELEVANT RISKS

- 4.1 Failure to increase provision of Extra Care will not reduce the need for higher cost forms of care.
- 4.2 Failure to maximise the impact of the £3m capital programme allocation limits the potential savings which could be achieved by reducing higher cost forms of care.
- 4.3 Failure to develop additional Extra Care provision will limit choice for people who use services.

5.0 OTHER OPTIONS CONSIDERED

- 5.1 Following approval of the capital programme allocation, various proposals and options for increasing Wirral's Extra Care provision were debated at strategic level. It was subsequently decided that the most robust and transparent method by which to increase the Extra Care provision in Wirral would be via competitive procurement process.

6.0 CONSULTATION

- 6.1 It will be a requirement of the contract that successful providers fully engage with all relevant stakeholders at all stages of the development process.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 7.1 The provision of additional Extra Care schemes may provide opportunities for voluntary, community and faith groups.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 8.1 The £3m capital programme allocation was revised in M7 Monitoring Report as £400k 2013-14; £2.600m 2014-15. The financing is capital receipts and borrowing.

8.2 The investment will support:

- Delivery of 2013-16 agreed savings to reduce residential placements (£484k 2013-14, £468k 2014-15; £452k 2015-16= £1.4.0m total).
- Any investment over and above that required to achieve the 2013-16 savings will be used to deliver Tranches 1 and 2 of 2014-17 extra care savings - £675k 2015-16 and £450k 2015-16.

9.0 LEGAL IMPLICATIONS

9.1 Full Contract, Terms & Conditions and Nomination Agreement have been drawn up by Legal as part of the procurement process.

10.0 EQUALITIES IMPLICATIONS

10.1 It will be a requirement of the contract that successful providers consider equalities implications and the needs of those with protected characteristics.

11.0 CARBON REDUCTION IMPLICATIONS

11.1 It was a factor in the selection process and will be a requirement of the contract that successful providers ensure their schemes contribute toward reducing Wirral's carbon footprint, whilst ensuring low energy consumption for residents.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 New developments for extra care housing will require planning permission to be granted before development could commence. Any future planning applications will need to be assessed for compliance with relevant policies in the Council's Unitary Development Plan and the emerging Core Strategy Local Plan.

13.0 RECOMMENDATIONS

13.1 It is recommended that Cabinet approve spend of the £3m capital programme allocation in respect of development of 102 new units of Extra Care housing in partnership with the successful provider.

14.0 REASONS FOR RECOMMENDATIONS

14.1 The procurement process has demonstrated that the most efficient and effective way of maximising the £3m capital programme allocation is by working with the successful provider on three different schemes in the following areas:

- Wallasey (36 refurbished apartments, delivery September 2015)
- Pensby (16 remodelled apartments, delivery January 2016)
- Birkenhead (50 new build apartments, delivery January 2017)

This action will make available 102 new Extra Care apartments over a phased development period 2014 – 2017. This increase in provision will reduce the need for higher cost residential and nursing placements, it will increase choice for people who use services, and ensure extra care provision in areas of both high demand and limited provision. Although one leading provider has been selected for this capital grant allocation, the Council is confident it can engage with all providers on developing future provision of Extra Care in Wirral should further capital be made available.

REPORT AUTHOR**Adrian Quinn**

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Extra CareExtra Care Gap
Analysis

Contract Notice

Wirral Council Extra
Care Model

ITT

Method Statement
Questions