

CABINET	AGENDA ITEM No. 8
18 SEPTEMBER 2023	PUBLIC REPORT

Report of	Stephen Taylor, Executive Director People and Communities	
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AWARD OF CONTRACTS FOR RESPITE CARE & ACCOMMODATION SERVICES FOR ADULTS WITH LEARNING DISABILITY/AUTISM IN PETERBOROUGH

RECOMMENDATIONS	
FROM: <i>Stephen Taylor, Executive Director People and Communities</i>	Deadline date: 18 September 2023

It is recommended that Cabinet approves:

1. the award of Contract to Hereward Care Services Limited (company number 04044871) for the provision of Respite Care & Accommodation Services for Adults with Learning Disability / Autism for **Lot 1**: six shared social care beds at a total cost of £429,240 per annum; being a total of £4,292,400 for the possible duration of ten (10) years across all beds (budget to be uplifted annually as per the Inflation Strategy through the business plan) for a period of five years from 1st November 2023, with an option to extend up to a maximum period of five years in two increments; three years plus a further two years, making a possible total contract period of ten years and;
2. the award of Contract to Hereward Care Services Limited (company number 04044871) for the provision of Respite Care & Accommodation Services for Adults with Learning Disability / Autism for **Lot 2**: five health beds at a cost of £393,562 across all beds for a period of one year from 1st November 2023
3. the Council entering into a Collaboration Agreement with Integrated Care Board to set out the funding arrangements for the Lot 2 Contract.

1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet following a referral from CLT on 5th September 2023

2. PURPOSE AND REASON OF THIS REPORT

2.1 The purpose of this report is to seek award of contract.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.5

To make decisions on actions relating to the awarding, assigning and termination of contracts over £500k, and waiving or granting exemptions to Contract Regulations where contracts are over £500k, with the exception any time-critical, operational, or routine decision, which may be determined by the relevant portfolio holder.

2.3 Cabinet is being requested to approve the award of two Contracts to Hereward Care Services Limited (company number 04044871) for the provision of Respite Care & Accommodation Services for Adults with Learning Disability / Autism, as follows:

- (i) **Lot 1:** six shared social care beds at a total cost of £429,240 per annum; a total of £4,292,400 for the possible duration of ten (10) years) across all beds (budget to be uplifted annually as per the Inflation Strategy through the business plan) for a period of five years from 1st November 2023, with an option to extend up to a period of five years in two increments of three years plus two years, making a possible total of ten years and;
- (ii) **Lot 2:** five health beds at a cost of £393,562 across all beds for a period of one year from 1st November 2023

2.4 Cabinet is also being requested to approve the Council entering into a Collaboration Agreement, under Section 75 of the National Health Service Act 2006 with the Integrated Care Board to set out the funding arrangements for the Lot 2 Contract.

3. **TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	September 2023
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4. **BACKGROUND AND KEY ISSUES**

4.1 Under the Care Act 2014, Peterborough City Council (“the Council”) has a statutory responsibility to meet the needs of people eligible for care and support including carers and to ensure sufficiency of services to meet those needs locally. The Council meets these duties through its provision of residential respite for adults with learning disabilities and/or autism through existing contracts with external providers and inhouse services.

4.2 Respite Care is defined as short-term support for an individual to provide temporary relief for their usual unpaid carer. Services are delivered to the person but provide the dual benefit of not only a break for the informal carer from their caring duties but also a positive experience for the person receiving respite through activities, social opportunities and skills development. The carer’s and individual’s well-being is improved, enabling disabled people to live at home longer and delaying or even preventing admission to long-term care.

4.3 By way of example (fictional example) ... Sean is a 26-year-old man with a learning disability and autism. He lives at home with his parents. He has 28 nights per year allocated overnight respite in a Peterborough based respite service. His respite stays give his parents, who are his informal carers, a break from their caring duties. During his stays, he can meet peers, make friendships and undertake stimulating activities in the home or at day services or visit the community with support. He enjoys helping to make meals for the other people using the scheme and is gaining independence and life skills that will prepare him for entering supported living when his parents are no longer in a position to continue to support him at home.

4.4 Peterborough currently has 11 externally commissioned shared service respite beds for adults with LD/Autism at Lyons Gardens in Glinton near Peterborough, run by Hereward Care Services Ltd (part of Augusta Care). Annual costs are currently £787,125 but have not

been uplifted for many years so taking this to the market increased the likelihood of inflationary increase. For several years 50% (£393,562) funding for the service has come from health from the Integrated Care Board (ICB) for emergency beds and to prevent hospital admission.

- 4.5 During the commissioning process for respite beds the Integrated Care Board committed and agreed to fund only one single year of funding at the historic level of £393,562. This led to the separation of the tender into two lots to reflect the short-term funding commitment from health (ICB) and the ten-year (5+3+2) funding commitment from the Council. This arrangement carried a risk of not attracting any bids and impacting on the service contractually and operationally, should the health (ICB) funded element end.
- 4.6 One bid was received for Lot 1 from the incumbent provider Hereward Care. The scoring was allotted 60:40% quality: price. They scored 42.8/60 on quality and 40/40 on price with a combined weighted score of 82.8%. Their bid was in line with the allocated budgetary envelope. It is recommended they be awarded the new contract.
- 4.7 There were no compliant bids received for Lot 2. A single bidder submitted in a non-compliant bid and was subsequently advised that their bid was rejected for Lot 2. The outcome for Lot 2 will be detailed within the Award Notice for the Procurement, to be published following the completion of Peterborough City Council and Cambridgeshire County Council's governance processes and the conclusion of the 10 day mandatory standstill period in respect of Lots 1 and 2. Following a 10-day standstill discussions were entered into with the incumbent provider, Hereward Care, for these five health (ICB) funded beds, for the period of one year, in line with agreed Integrated Care Board funding. Discussions with the provider indicated they are willing to deliver Lot 2 under the advertised conditions and price. They recognise the need for a specialist respite service and do not wish to leave existing service users without support, and this was a factor in their decision.
- 4.8 Accordingly, it is recommended to make a direct award, in accordance with Regulation 32(2)(a) of the Public Contract Regulations 2015 to the current provider Hereward Care for the five health (ICB) funded beds for a period of 12 months from the 1st November 2023, whilst the Integrated Care Board determines its future direction for funding of the emergency beds in Peterborough. Regulations 32(2)(a) says "The negotiated procedure without prior publication may be used for public works contracts, public supply contracts and public service contracts in any of the following cases where no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been submitted in response to an open procedure or a restricted procedure, provided that the initial conditions of the contract are not substantially altered and that a report is sent to the Commission where it so requests". The direct award under for Lot 2 would be under the advertised conditions and price.
- 4.9 This Cabinet Report is requesting approval for the award of Contracts for the following:
- **Lot 1:** 6 social care funded beds: at value of £429,240 across all beds per year (with a total contract value of £4,292,400 for the maximum contract period of ten years) to Hereward Care Services Limited via a compliant and open competitive tender.
 - **Lot 2:** 5 health (ICB) funded beds: at a total contract value of £393,562 across all beds for one year to Hereward Care Services Limited via direct award, in accordance with Regulation 32(2)(a) of the Public Contract Regulations 2015.

Also, approval is sought for the Council to enter into a Collaboration Agreement with the Integrated Care Board relating to provisions for the funding for the Contract for Lot 2.

- 4.10 Total annual value of the two Lots in year 1 are: £822,802.

5. CORPORATE PRIORITIES

5.1 The recommendations consider Council's Corporate Priorities outlined below

Priority 1: Investment in local area and support jobs and workplaces.

Priority 2: Supports vulnerable adults with disabilities in their health and wellbeing through the provision of suitable and safe care and support to improve their outcomes and live happy lives.

Priority 3: Supports Adults with Learning Disability and Autism to live healthy independent lives, increases independence and life skills and delays or reduces the need for longer term permanent social care support.

Priority 4: Sustainability – the successful bidder(s) identified carbon and environmental benefits as part of service delivery.

Renewing the contract for the respite service for LD/Autism in CCC and PCC is unlikely to lead to an increase in emissions as there will be no additional beds or staffing. The provider is actively working to reduce carbon footprint.

6. CONSULTATION

6.1 Consultation throughout the commissioning project.

During the respite review considerable engagement was undertaken with stakeholders including service users, families, carers, care providers and user participation forums. This included soft market test, online and paper surveys and workshops with participation providers and family carer groups. Key findings were that:

- It is essential to the wellbeing of both the carer and individual
- It requires continuity of service for location and carer
- It requires robust staff training and ability to support with complex needs and behaviours that challenge
- People with complex health needs at a younger age including healthcare tasks often require support in shared services with an increased level of delegated nursing tasks.
- Increase in younger people with 1:1 needs who require a shared environment.
- There is a reported negative impact on both individuals and their families of not being able to access respite due to the wrong model (e.g. only offering a shared service when single service is required) or when care is cancelled due to people with long stays and / or incompatible needs.
- A number of people are being placed in respite services as a 'crisis' placement and they may end up staying for a long time and preventing people with planned respite needs from accessing this service.
- In some cases, people have had to enter permanent placements such as supported living or residential care much earlier than anticipated due to lack of access to appropriate respite.

Creative solutions from listening to people's views included:

- A more robust brokerage and operational prioritisation of these people's needs, and a future housing accommodation needs strategy which seeks to increase supply of specialist accommodation properties will support these people to be more appropriately placed long term and will free up shared beds for planned and short-term placements.
- Further exploration around how clinical nursing needs in respite can be supported. There are low numbers of people requiring clinical care and insufficient demand to justify any of the services registering for nursing. People will be reviewed on a case-by-case basis to find solutions and ensuring clinical

oversight such as delegation of tasks, providing own nursing care under a Personal Health Budget, spot purchasing or block purchasing beds and feasibility discussions with CPFT.

- Additionally, there is Integrated Care Board investment in a new single service community crisis space, which may lessen future referrals to respite in an emergency situation.

6.2 Going forward and during the lifetime of the contract performance management and KPIs will identify need for additional shared beds and implementation of a single service model.

6.3 The recommendation has been to the following.

- Corporate Leadership Team (CLT)
- Cabinet Policy Forum

7. ANTICIPATED OUTCOMES OR IMPACT

7.1 Consider the anticipated outcome of this report. For example, it may be that a new major policy or statutory plan is being developed to improve service delivery for a particular group of the population; or a review of existing policy is expected to streamline current processes, etc.

The Council will buy these services on a 'block' basis. This gives the Council guaranteed capacity to meet individual support needs (e.g., to avoid a crisis). The downside of purchasing via a block is that the Council must pay for the hours, whether they are used to deliver care or not. However current usage figures indicate a high capacity utilisation of up to 70% across the beds which is the agreed stretched benchmark to take into account flexible usage across different people and fluctuating demand across the week. It remains highly likely that the contract will continue to offer value for money.

Lot 1 is a longer-term contract and will also drive stability in the market with provider contracting of up to 10 years. It is recommended that should any future single service beds be outsourced that they co-terminate in line with the shared contract beds.

The contract for Lot 2 is by way of direct award to the incumbent provider for one year only. The funding arrangement will be underpinned by a Collaboration Agreement between PCC and the Integrated Care Board.

8. REASON FOR THE RECOMMENDATION

8.1 List reasons for making the recommendations

- Statutory requirement under the Care Act 2014 to support needs of individuals with assessed health and social care needs
- Support of carers to give a break
- To support individuals to gain independence for future move to supported living and development of life skills

The reason for the recommendations is to continue the high-quality support to approximately 50 people per year plus their families and carers. Not providing the service would lead to a breakdown in support and pressures across the health and social care system such as earlier entry in supported living or residential support.

9. ALTERNATIVE OPTIONS CONSIDERED

- 9.1 List alternative options considered and rejected and the reasons for rejection. Do not leave this section blank or put 'None'. There is always an alternative even if it is to do nothing, or maintain the status quo.

Continue with current contractual arrangements without open tender: Would be a breach of Public Contract Regulations and would not explore competitive procurement and bring in improvements to service delivery or value for money.

Terminate provision – people with planned respite would lose their support and their families and informal carers would lose their break. There would be pressures across along the social care system such as emergency admissions, safeguardings and pressure on permanent residential services.

10. IMPLICATIONS

Financial Implications

- 10.1
- **Lot 1:** 6 social care funded beds: to Hereward Care Services Limited (company number 04044871) at value of £429,240 per year
 - **Lot 2:** 5 health (ICB) funded beds: to Hereward Care Services Limited (company number 04044871) and value of £393,562 for one year.

Collaboration Agreement between the Council and the Integrated Care Board will set out how and when the payments will be made.

Legal Implications

- 10.2 Section 5 of the Care Act 2014 places a general duty on the Council to promote the efficient and effective diversity and quality in the provision of services. The Council must have regard to section 5(2) Care Act 2014 and in particular, the need to ensure that the Council is aware of the current and likely future demand for services and to consider how providers might meet that demand, the importance of ensuring the sustainability of the market and have regard to the importance of promoting the well-being of adults in its area with care and support.

The Council must have regard to this general duty in its decision-making on this issue and in awarding contracts. In accordance with his report, the Council can ensure it is meeting its duty under the Care Act.

Where the Council awards a contract, it must also have regard to its duty under the Public Contract Regulations 2015, ie to procure for services, lawfully. The threshold for this procurement is £663,540. The Council has been advised that the procurement regime applies.

The Council can lawfully award the Contracts relating to Lot 1 and Lot 2 for the reasons set out in this report. In particular, the Contract relating to Lot 2 can be awarded under Regulation 32(2)(a) of the Public Contract Regulations 2015 because no compliant tender was received, provided always that the Contract entered into with Hereward Care Services Limited is as per the initial conditions of the contract and are not substantially altered.

The Contract relating to Lot 1 is being awarded to the successful bidder following an open tender process in accordance with Regulation 27 of the Public Contract Regulations 2015.

In order to protect the Council and ensure the Integrated Care Board meet the costs under the Lot 2 Contract, a Collaboration Agreement is required, which will set out how and when the payments will be made pursuant to Section 75 of the National Health Service Act 2006.

Equalities Implications

10.3 If the services were to end, the Council would be in breach of its duty under the Care Act 2015 and furthermore, there would be a negative impact on the service users, which in turn would mean the Council would be in breach of its duty under the Equality Act 2010.

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

11.1 There are none

12. PROCUREMENT DN NUMBER

12.1 DN665686

13. APPENDICES

13.1 There are none.

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