

MAYOR AND CABINET		
Report Title	Extension of Contract to Housing 21 for the delivery of Extra Care Services at Cinnamon Court and Cedar Court	
Key Decision	Yes	Item No.
Ward	Grove Park, Evelyn Wards and Borough Wide	
Contributors	Executive Director for Community Services Executive Director of Corporate Resources Director of Law Governance and Elections	
Class	Part 1	Date: 6 July 2022

Outline and Recommendations

This report describes the extra care services commissioned from Housing 21 by the Council at Cedar Court Grove Park and Cinnamon Court in Deptford.

The contract is coming to an end on 30 June 2022. Housing 21, as owner of the buildings and current provider, has advised that they wish to continue to provide the extra care service.

This report recommends a further extension of 9 months to the existing contract to allow officers to confirm that Housing 21 is making sustained progress towards delivering service improvements at Cedar Court and sustain the 'Good' CQC rating at Cinnamon Court. The extension will also support exploration and appraisal of potential alternatives to the current contract arrangements.

A further report will be submitted to November Mayor and Cabinet with the outcomes of that work.

Detail of costs associated with this contract are set out in a separate, Part 2, addendum to this report.

Timeline of engagement and decision making

The Council has held two contracts with Housing 21 for the delivery of services: the original contract from 2002 – 2017 and a second contract from October 2017 to June 2022 (inclusive of a two year extension).

Officers have entered into preliminary discussions with Housing 21 regarding the end date of the existing contract. Those discussions have mainly considered reviewing the detail of the current service specification, the 22/23 uplift, and review of service quality.

Housing 21 wish to enter into a further contract for the delivery of extra care in Lewisham. They have advised the Council that they are not willing to make its buildings at Cedar Court Grove Park and Cinnamon Court Deptford available for the Council to procure an extra care service through an open tender process.

Officers are requesting a further extension on the existing contract so as to: evidence of sustainability of service improvements at Cedar Court and assurance that the service at Cinnamon Court will retain its service quality; and to explore the feasibility of alternatives.

'In person' visits were suspended during the pandemic, but were restarted in October 21. The most recent visit was in May 2022. At these visits, officers routinely talk to residents and their families about their experience of the service. Tenants at both Cedar Court and Cinnamon Court report that they feel safe and secure, get on well with staff, and find them supportive kind and caring. They like the range of activities available and the quality of the food in the on-site restaurant. There are some general improvements that they would like to see in the service to make it more personalised in terms of time of timing of support and more variation in the range of activities.

1 Summary and purpose of report

- 1.1 Housing 21 is a long term provider of extra care services in Lewisham. This service is primarily for older adults but younger adults can also access it if it meets their needs best. The service, located at Cinnamon Court Deptford (40 flats) and Cedar Court Grove Park (40 flats), was established in 2002 following a land and service transfer from the Council. That original contract was for a 2 year new build programme and then a 15 year service contract (2002–2017) for the delivery of extra care and day services. A second contract for extra care was awarded to run from July 2017 to July 2020. A two year extension till 30 June 2022 was awarded in June 2020.

- 1.2 The current contract for 800 a week across both services is due to expire at the end of June 2022. Officers have been in discussion with Housing 21 in preparation for this. As owner of the existing buildings and current care provider, Housing 21 have confirmed that they would like to enter into a new contract with the Council and also that they will not lease the building to another provider to deliver the service.
- 1.3 Given this stated position, the Council has a responsibility to explore what alternative options might be available to support the delivery of this service both in terms of alternative building and alternative providers, and a competitive cost of care.
- 1.4 Additionally, the Council needs assurance regarding service quality and sustainability of quality improvements. Cinnamon Court has a CQC rating of 'Good'. However, Cedar Court has received a CQC rating of 'Requiring Improvement'.
- 1.5 To give full consideration to both of these officers are requesting an extension of the existing contract for 9 months. Officers will bring a further report to Mayor and Cabinet in November 2022 outlining progress and with further recommendations.

2 Recommendations

It is recommended that Mayor and Cabinet:

- 2.1 Agree a nine month extension on the current contract with Housing 21 at Cedar Court and Cinnamon Court from 1st July 2022 till 31st March 2023 for extra care services at Cedar Court Grove Park and Cinnamon Court Deptford.
- 2.2 Note that a further report outlining the assurance of quality improvements and sustainability, and the exploration of alternative ways of delivering the service will be reported back to Mayor and Cabinet in November 2022.

3 Policy Context

- 3.1 The Care Act (2014) requires local authorities to ensure the provision or arrangement of services, facilities or resources to help prevent, delay, or reduce the development of needs for care and support improving people's independence and wellbeing. Local authorities regard extra care housing (housing with onsite support) as one pathway for delivering least restrictive care and support. It is a means to divert people away from residential care,

promote personalised care and maximise people's independence in a more enabling and homely alternative.

3.2 Addressing issues relating to the quality and quantity of housing stock relates directly to the Council's Corporate Strategy (2018-2022) Priority 2 "Tackling the Housing Crisis". The delivery of Extra Care Housing relates to the Priority 5, Delivering and Defending: Health Social Care and Support.

3.3 The ADASS 'New Dialogues' (2018) Think Piece 'A Better Offer For Older People', issued in partnership with the Housing Lin and MEARS, sets out the business case for Extra Care, saying that studies suggest that:

- 64% of residents would otherwise have been in residential or nursing care. On average extra care costs half the gross cost of alternative placements
- Extra care reduces the cost of providing high-level care by 26% per person per year.
- There is evidence that extra care housing residents visit a GP less frequently, require fewer community nurse visits and that the median duration of unplanned hospital stays fell from 5-7 days to 1-2 days
- Housing with care saves the NHS almost £1,115 per person per year
- Nearly two-thirds of residents reported that they had a good social life after moving to an extra care housing scheme, whereas half said that they felt lonely and socially isolated in their previous homes. Residents also reported increased feelings of control and safety.
- Staff turnover for domiciliary care is 40% and 20% for extra care

3.4 National HAPPI (Housing our Ageing Population) research identifies good practice design elements for housing for older people and the importance of mixed communities for older people:

- Space and flexibility
- Daylight in the home and in shared spaces
- Balconies and outdoor space
- Adaptability and 'care ready' design
- Positive use of circulation space
- Shared facilities and 'hubs'
- Plants, trees, and the natural environment
- Energy efficiency and sustainable design
- Storage for belongings and bicycles
- External shared surfaces and 'home zones'

3.5 The HAPPI 3 report (published June 2013) highlighted that local authorities are key players in meeting the needs of an ageing population through housing and care provision, and that housing with care supports older

tenants to free up affordable, under-occupied family homes, achieving solutions for both younger and older households.

4 Background

- 4.1 The Council commissions four extra care housing services in the borough: two with Housing 21 (Cinnamon Court and Cedar Court) and two with Notting Hill Genesis (Conrad Court and Hazelhurst Court, the latter in partnership with Phoenix Housing). One Housing also operates extra care housing at Linden Court though this is not directly commissioned by the Council. This represents a total 'bed base' of 224 places, 172 of which are under contract with the Council. Just under 50% of the Council's commissioned extra care beds are commissioned beds with Housing 21.
- 4.2 Cinnamon Court consists of 37 x 1 bed and 3 x 2-bed flats. Cedar Court consists of 38 x 1 bed and 2 x 2 bed flats. The current contract is for a total of 800 hours a week across both properties and the level of 'core contracted' hours will remain. 126 of those hours are allocated as waking night hours (63 at each address). The balance of 674 hours, while nominally allocated as 337 hours to each address, are 'flexed' to support the residents in the other service if they are not required. This mitigates against any additional care hours being charged to the Council.
- 4.3 Extra care is a 'housing with support' model of service. It allows people with significant care and support needs who can no longer live safely and independently in their own homes, to maximise their independence for longer in a setting where they have their own flat and own front door but with responsive onsite support in addition to assessed planned packages of care. In particular, the offer includes care at night which means that people might otherwise be referred for 24 hour residential care in a more restrictive environment. Extra care is, therefore, also a cost efficient model as it is significantly less costly than a residential care option.
- 4.4 Housing 21 has been providing services to Lewisham Council in the provision of extra care since October 2002. They were the first (and for 12 years the only) extra care provider in the borough. The contract followed the freehold transfer of Council property following an open tender process, making Housing 21 both the owner and thus landlord of the resulting two extra care developments at Cinnamon Court in Deptford and Cedar Court in Grove Park.
- 4.5 Housing 21 confirmed to the Council in March 2022 that it would not lease the properties to another provider. This means that the Council cannot enter into a contract with another provider to deliver extra care services at those addresses.

- 4.6 The Council needs to give full consideration as to what the implications are of this situation now and in the future. In particular, it needs to give specific consideration to: possible alternative venues that could meet extra care housing standards now or for development as future service locations; the buoyancy of the current extra care provider market and future sustainability of the market; consideration of comparative cost of care across the extra care market; consideration of costs and alternatives for existing tenants if required.
- 4.7 A further consideration for decision making is the current rating by the Care Quality Commission on 3rd June 2021 which rated Cedar Court as 'Requires Improvement'. Housing 21 submitted their own Improvement Plan to CQC further to that inspection for approval. The rating for Cinnamon Court is 'Good'.
- 4.8 The Council's Contract and Quality Assurance officers usually visit these extra care services quarterly. During the Covid-19 period the 'face to face' quality assurance visits had been suspended. These restarted in October 2021. Housing 21, and Cedar Court in particular, were one of the services prioritised for the first round of visits. The October 21 visit to Cedar Court found that there had been progress towards improvements in practice in line with their plan to CQC. In line with usual practice, officers also set out some additional quality improvements at both services for Housing 21 to deliver which are monitored monthly. The focus of quality assurance now will be on the sustainability, particularly the sustainability of local management, of those improvements so that Cedar Court will meet the standard for rating as 'Good' on the next CQC inspection, and that Cinnamon Court retains its 'Good' rating.
- 4.9 There has been an ongoing series of meetings at a more senior level both for the Council and with Housing 21's regional managers which have reviewed the CQC report, Housing 21s Improvement Plan and the recommendations of the quality assurance team. This has also facilitated a review of the service specification and standards.
- 4.10 Given the above, it is recommended that the current contract is extended for 9 months to allow for an options appraisal on alternatives to the current arrangements for the delivery of service and provide for a longer post Covid-19 quality assurance process, with a report back to Mayor and Cabinet in November 2022.
- 4.11 This extension will retain existing terms and conditions of contract, 800 care hours a week across both services, maintaining the flexibility of offsetting any under delivery of hours at one scheme to the other.

- 4.12 The voids management protocol will be revised and strengthened to mitigate the financial implications of voids to both the Council and Housing 21, while ensuring that there is no transfer of Ordinary Residence to the Council or Responsible Commissioner status to the NHS.
- 4.13 The Council has made an uplift offer to Housing 21 for 22/23. This has not yet been accepted and parties remain in discussion.
- 4.14 This is a London Living Wage contract. Housing 21 meet other UNISON Ethical Care Charter requirements for paid leave, paid training and Occupational Sick Pay. The collocated nature of the service does however support the delivery of short, 15 minute, calls for the purposes of planned 'light touch' wellbeing checks.
- 4.15 While there are issues regarding the current CQC rating at Cedar Court, there are also many examples of the delivery of good and personalised outcomes to tenants. Some examples to illustrate this have been included at Appendix One.

5 Financial implications

- 5.1 The financial implications relating to this report are set out in Part 2 of this paper.
- 5.2 There is sufficient budget provision in the Adult Social Care budget to meet the cost of this contract and the requested extension.

6 Legal implications

- 6.1 The Council has powers to provide supported living services to those eligible under the Care Act 2014.
- 6.2 There is an absolute duty upon Local Authorities to assess individuals for possible care and support needs. However, Local Authorities do have a high level of discretion as to how to meet assessed eligible needs, both in the application of approved eligible needs criteria and in terms of the reasonable application of resources. However, on an individual basis, no service user may have their care package altered without a further assessment of need.
- 6.3 The Council is obliged to comply with the procurement Regulations (Public Contracts Regulations 2015). Some variations to existing contracts may trigger a requirement to undertake a new competitive tender process. The Council's Contract Procedure Rules set out which variations can be made without a new competitive process (Constitution Part IV I, paragraph 17 of Contract Procedure Rules). This report explains why this extension to the contract is proposed.

- 6.4 Contract Procedure Rules say that where a contract variation is ‘not substantial’, the variation can be made (paragraph 17.5). The definition of ‘substantial’ takes into account matters including the nature and size of the proposed change relative to the original contract, and the likely market effect of the change (including the change to the scope and economic balance of the contract). There is a reasonable argument that the proposed extension is not substantial. As such, the variation does not trigger a requirement to undertake a new procurement. On that basis, therefore, the proposed changes are allowable under the Council’s Contract Procedure Rules paragraph 17.
- 6.5 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 6.6 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - advance equality of opportunity between people who share a protected characteristic and those who do not.
 - foster good relations between people who share a protected characteristic and those who do not.
- 6.7 The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 6.8 The Equality and Human Rights Commission has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value.

The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>

- 6.9 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
1. The essential guide to the public sector equality duty
 2. Meeting the equality duty in policy and decision-making
 3. Engagement and the equality duty
 4. Equality objectives and the equality duty
 5. Equality information and the equality duty
- 6.10 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice.

7 Crime and disorder implications

- 7.1 There are no specific crime and disorder implications.

8 Equalities implications

- 8.1 Extra care services specifically support the needs of older adults. Access to the scheme is targeted at adults who are 55 plus. However, the majority of the tenants at Cinnamon Court and Cedar Court are aged 70 plus. The scheme also supports access to younger adults where this model of support might best meet their needs (e.g. people with a learning disability showing earlier than usual signs of aging).
- 8.2 The majority of older adults currently in receipt of extra care services at Cinnamon Court and Cedar Court are also widowed though there are a small number of couples in the scheme currently.
- 8.3 Lewisham's Joint Strategic Needs Assessment, and the Housing Register, shows that the number of people from Black and Minority Ethnic communities is rising more steeply in the borough than the number of non BME people. The proportion of over 65s from black and minority ethnic (BME) groups was estimated to rise from 14% (2001 Census) to 27.9% by 2015. The quality assurance processes and the service specification actively reviews how the requirements of all minority ethnic groups are reflected and supported in the scheme.

9 Climate Change and Environmental Implications

- 9.1 There are no specific environmental implications arising from the content of this report. However, officers will explore with Housing 21 what actions or work they might undertake to make the buildings more sustainable as part of agreeing social value requirements.

10 Health and Wellbeing Implications

- 10.1 As the life expectancy of older adults increases, people will also experience a number of associated health conditions and/ or social care needs which can be better supported, or potentially avoided, in extra care schemes. They also prevent deterioration in the health and wellbeing needs of adults who are already in need and in receipt of care, and can assist with avoiding both hospital admission and admission to residential care. Thus the development of high quality extra care housing will therefore support older adults to live as active and healthy members of their communities for longer.
- 10.2 There is a growing body of research that active lifestyles and social engagement slows down the development of dementia, and social isolation is a recognised factor in deteriorating health and wellbeing. Extra care schemes such as Cinnamon Court and Cedar Court have 'natural' opportunities for social engagement built into them, which can be shaped and developed by staff. Pre the Covid-19 Pandemic, there was a regular programme of tenant focussed activities delivered as part of the enhanced housing function. These are slowly restarting and being part of an extra care community also supports tenants to have the confidence and motivation to access other generic community events and facilities.
- 10.3 Extra care services also minimise the debilitating impact of physical health impairments through the nature and design of the scheme. The absence of internal stairs and the provision of walk in shower rooms maximises people's ability to live independently. Additionally, Housing 21 has invested in increased assistive technology in both Cedar Court and Cinnamon Court which supports unplanned communication with tenants, and particularly assist with managing tenants' anxiety.

11 Social Value Implications

- 11.1 The Public Services (Social Value) Act came into force on 31st January 2013. It is now a legal obligation in certain circumstances for local authorities and other public bodies to consider the social good that could come from the procurement of services before they embark on it.

- 11.2 Social Value is defined as the additional economic, social and environmental benefits that can be created when Lewisham Council purchases services outside of the organisation.
- 11.3 Lewisham aims to agree social value through commissioning and procurement activities through four objectives:
- Employment Skills and Economy
 - Greener Lewisham
 - Training Lewisham's Future
 - Making Lewisham Healthier
- 11.4 The Council's policy, and reporting workbook has been sent to Housing 21. The Council has asked them to give particular attention to the areas of Employment, Skills and Economy and Making Lewisham Healthier. It has been noted that the organisation publishes a Modern Slavery and Human Trafficking Statement on their website.
- 11.5 The Council has particularly asked them to consider the following:
- Number of LBL residents employed
 - Number of residents on work experience
 - Volunteering opportunities for LBL residents
 - The promotion of general healthy living information
 - Supporting specific healthy eating initiatives
 - Work practices that improve staff physical and mental wellbeing and reduce absenteeism due to ill health
 - Any accreditation that promotes health and well-being of service users, staff and/ or the wider community
 - Digital inclusion
- 11.6 Once agreed, progress against these will be monitored in line with the Council's Social Value Policy (2019) and will be built into formal contract management and monitoring processes.

12 Contract Management

- 12.1 A contract Classification is determined by a combination of the level of contract risk, criticality and financial value. The classification for this contract is Tier 1 which requires quarterly meetings and quarterly dashboard reporting between the Council's Contract Manager and Housing 21.

13 Background documents

- 13.1 If you would like any further information on this report please contact Heather Hughes, Joint Commissioning Lead for Complex Care and Learning Disability on 020 8314 3511.

14 Glossary

Term	Definition
Extra Care	Housing plus on-site 24 hour staff support to meet Care Act (2014) eligible care needs for people aged 55 plus.
Contract Award	When an organisation or a provider is selected to deliver a service and asked to enter into a contract
LLW (London Living Wage)	Means the hourly rate of pay as calculated and published annually by the Greater London Authority taking into account the higher cost of living in London and the rate of inflation
Social Value	The additional economic, social and environmental benefits that can be created when Lewisham Council purchases services outside of the organisation
Ordinary residence	The place where a person has adopted voluntarily to live for settled purposes as part of the regular order of their life. As opposed to 'placed' by a local authority.
Responsible Commissioner	The process for deciding which CCG has responsibility for paying for long term care and support.

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16 Appendices

Appendix 1 – Examples of Health and Wellbeing Outcomes delivered at Cedar Court and Cinnamon Court

Appendix 1

**Illustrative Health and Wellbeing Outcomes
Cinnamon Court and Cedar Court Extra Care Housing**

Mr A came from hospital still wearing hospital pyjamas. He had a bed, a bag of very old pots and pans and one change of clothes. He now has furniture and a good range of clothing. He also spoke very little English. The service found someone to translate for him and to assist home with claiming housing benefit and accessing other services so that he can live well.

Mrs B moved into the service with severe mental health concerns. She was very anxious and needed continuous reassurance. The service worked with the GP and SLAM to get her a re-assessment and a medication review. This has enabled her to visit her family and particularly her sister before she passed away.

During Covid many residents had their shopping done by families who could not enter the building because of risk of infection transmission. The team brought the shopping in and put it away for people.

Three tenants have had their usual front doors replaced by automatic door openers. This enables them to open their own front doors thus increasing their independence and reducing risk of social isolation.

During Covid the team provided activities in small groups of no more than 6 to help alleviate social isolation.

Mr C had a major stroke which resulted in a significant increase in his care. The team have worked with him to help him regain skills and independence and his package has significantly decreased again.

Mrs D moved to the service as a victim of domestic violence. She was initially very nervous and scared. The team have helped her grown in confidence to the extent that she helps run a number of activities in the scheme.

The teams; translated Mr E's care plans into his first language. They has also support him to make friends with another tenant in the service, and they now spend time with a translation book communicating together.

Mrs F has no next of kin. She was concerned about her funeral and she did not want to have a basic one. The team helped her to meet with funeral directors and choose a pre-paid plan that she was happy with and she said she was much happier now that everything was sorted out.

The service has purchased a wide range of items to support indoor activities during the Covid pandemic to support people to pass their times and not be bored.

Mr G was hoarding a wide range of items which put him (and others) at risk. The team has helped him over time to clear his flat and buy new furniture. They continue to work with him to keep this need to a reasonable level of risk.

Mrs H had had some very bad life experiences. When she first arrived she said she was happy to sleep on the floor. The team have helped her to furnish her flat and source other belongings to improve her quality of life.

When Mr J first moved in, he had been stepped down/ discharged from hospital. He was isolating himself and was anxious and depressed. Now, he attends residents' meetings and actively socialises with residents and staff.

Our staff attended Mrs K's, a previous resident, funeral. Only two family members were present on the funeral. They were very appreciative and happy that staff attended and also gave support to them at that difficult time.