

Cabinet – 21 April 2021

Variation of Housing 21's Project Agreement – Approval of proposed 4th Deed of variation

Portfolio: Councillor Rose Martin, Adult Social Care

Related portfolios:

Service: Adult Social Care

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

The aim is to seek approval for the Council to enter in to the 4th Deed of Variation with Housing 21.

2. Summary

This report seeks approval for the Council to enter into the 4th Deed of Variation with Housing 21. This is because the cumulative saving to the Council of entering into the proposed Deed over the remaining life of the Project Agreement is in excess of £250,000 and therefore this ranks as a key decision.

3. Recommendations

Note: Following consideration of the confidential information in the private session of the agenda, the Cabinet will be recommended to authorise the Council to enter into the 4th Deed of Variation with Housing 21.

4. Report detail - know

Context

- 4.1. The Housing 21 (H21) contract is a 30 year contract which commenced on 1 April 2008 with an annual value of £7.6m. Since 2008 significant contract negotiations have taken place to maximise efficiencies/value for money and release savings:

- October 2012 – Rushall Mews intermediate care services moved to Hollybank House as part of the in house provision releasing £1m savings per annum.
- March 2014 – Day care provision across the 5 extra care courts ceased and respite units were reduced from 2 to 1 releasing savings of £495k per annum.
- April 2017 – the remaining 5 respite units were decommissioned, underutilised care hours were removed at Alrewych Court (reducing the block to 360 hours) and property related day overheads were reduced releasing a saving of £137k per annum.

4.2. Housing 21's annual contract value is now £6.1m, funding Watermill Residential EMI 36 permanent placements, 1 emergency bed and 3 planned replacement care beds, Watermill dementia day care (20 places x 7 days a week) and 5 extra care courts as set out in table 1.

Table 1 – Extra Care Courts

Site Location	Social Rented Flats	Shared Ownership Flats
Alrewych Court	40	13
Deighton Court	40	13
Knives Court	45	15
Mattersley Court	45	14
Winehala Court	45	15
Totals	215	70

4.3. In 2019 it became apparent that there were underutilised block hours at the extra care courts and Sunday day care provision at Watermill was significantly underutilised. As a block Contract, the Council is liable for payment irrespective of utilisation and therefore this does not represent a good use of public resources. To reduce waste the following changes are proposed with effect from 1 April 2020:

- Block hours at Knives Court and Alrewych Courts to be reduced by 35 hours per week; removing 70 underutilised hours per week across these 2 courts.
- Sunday day care provision to be ceased following a period of consultation, as in March 2020 only 5 people attended on a Sunday, leaving 15 places available. Such low attendance did not provide the level stimulation and interaction that the Council and Housing 21 would wish to offer through this service, furthermore it was not financially sustainable.

Council Corporate Plan priorities

4.4. People have increased independence, improved health and can positively contribute to their communities

- P1 - Enhancing the quality of life for people with care and support needs and those with long-term conditions.

- P2 - Delaying and reducing the need the need for care and support
- P-3 - People recover from episodes of health or injury
- P-4 - The most vulnerable are protected from avoidable harm, including treating and caring for people in a safe environment.

4.5. All of the above corporate priorities are supported by this approach.

Risk management

- 4.6. Approving this deed of variation will formally vary the contract to reflect current delivery and allow the Council to remove waste and use public resources more effectively.

Financial implications

- 4.7. See Private Session Report

Legal implications

- 4.8. The proposed changes to the Project Agreement with Housing 21 are relatively minor in general terms and will reduce the annual cost of the current services which housing 21 provide for the Council, by about 1%. In view of this, the changes are considered to be well within the range and type of contract modifications which are permitted by regulation 72 of the Public Contracts Regulations 2015 in so far as these apply.
- 4.9. Housing 21 have agreed and implemented the changes with effect from 1 from April 2020. The drafting of the proposed Deed of Variation has also been agreed between the respective legal representatives for the Council and Housing 21. However because the cumulative saving to the Council of entering into the proposed Deed of Variation over the remaining life of the Project Agreement is in excess of £250,000, Cabinet approval is required to authorise the completion of the Deed of Variation.

Procurement Implications/Social Value

- 4.10. Adult Social Care will engage with procurement colleagues to ensure any changes are contractually and legally compliant.

Property implications

- 4.11. No Council property assets are implicated by the proposals in the report.

Health and wellbeing implications

- 4.12. Continuing to provide extra care and dementia day care will enable the Council to promote independence, choice and control for adults who live in the community. This in turn may improve the quality of service provision, leading to better outcomes for individuals. It also links and contributes to the Council's corporate priority 'Lifelong health wealth and happiness',

Staffing Implications

- 4.13. There are no direct staffing implications for the Council, however the Council is contractually liable for Housing 21's redundancy costs as outlined in paragraph 4.7 above.

Reducing Inequalities

- 4.14. The implications for reducing inequalities have been taken into account and assessed as set in the equality impact assessment and is attached as **Appendix A**.

Consultation

- 4.15. All service users (72) and their next of kin (72) were written to on 21 February 2020. They were asked to complete a short questionnaire to capture their views and return in a pre-paid envelope by 25 March 2020 and in addition 3 public consultation sessions were held at Watermill on different days/times of the week. All correspondence also detailed contact names and details for next of kin to discuss any issues with the Council or a Housing 21 representative if required.
- 4.16. 31 questionnaires were returned from residents/next of kin which represented a 46% response rate. This included 3 from residents that attended on a Sunday. Only 2 family members attended a consultation session with regards to their relative that attended on a Sunday. All 5 Sunday day care users and their next of kin/family were contacted by social care practitioners and all were found alternative day care.
- 4.17. Consultation revealed that the service is valued by both service users and family/carers; however, it is clear that Sundays are poorly attended because current users spend time with families/friends or attended church on Sundays or weren't assessed as requiring any additional days.
- 4.18. The main impact on ceasing Sunday day care would be reduced choice, as day care would only be available 6 days a week. However, unlike most day care provision in the borough which only provide a service Monday to Friday, Watermill will still offer Saturday placements.
- 4.19. The 5 service users who attended on a Sunday, have all been offered alternative places and work is ongoing to ensure carers support plans are reviewed.
- 4.20. As the impact of this closure is low and the service is not financially sustainable with 25% attendance (5 out of 20 places occupied) the decision was mutually agreed to cease Sunday day care with effect from week commencing 6 April 2020.

5. Decide

Cabinet is requested to consider the content of this report and the information in the private session and to approve the recommendations outlined in section 3.

6. Respond

Subject to Cabinet approval of the recommendation, Adult Social Care will work with corporate colleagues to complete this deed of variation.

7. Review

This contract will continue to be monitored in accordance with the requirements of the Project Agreement which requires monthly operational meetings and quarterly strategic meetings.

Background papers

None

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12 April 2021



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12 April 2021