

READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR SOCIAL CARE & HEALTH

TO:	ADULT SOCIAL CARE, CHILDREN'S SERVICES AND EDUCATION COMMITTEE		
DATE:	22 OCTOBER 2020	AGENDA ITEM	10
TITLE:	NURSING DEMENTIA BLOCK CONTRACT PROCUREMENT		
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SERVICE:	ALL	WARDS:	BOROUGHWIDE
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. The Council currently commissions 68 Block Beds under two contracts for Nursing and Nursing Dementia provision. Both contracts are due to expire, or have the option to be terminated, in the very near future.
- 1.2. Placement trends from the past three financial years evidences (see 4.2 in the main report) that demand for these types of nursing home placements exceeds the capacity of both blocks, highlighting continued demand. In addition financial analysis demonstrates that even with a higher rate per bed than is currently charged, new block contracts would generate cost avoidances compared to purchasing (non-block) spot placements from the market.
- 1.3. This report reviews the effectiveness & value for money of the current contracts and makes recommendations to ensure best use of public funds going forward and opportunities to maximise the utilisation of new contracts.

2. RECOMMENDED ACTION

- 2.1 That procurement of new block contracts of up to 15 beds each to total 30 beds (for 01/10/2021), each contract to be for the term of 2 years with the option to extend for up to a further 4 years, be agreed;
- 2.2 That the Executive Director Social Care and Health, in consultation with the Lead Councillor for Adult Social Care, be granted delegated authority to enter into a contract with the successful tenderer(s) for the support/care

services to be provided through the above framework agreement, at the stage of contract award (close of Q4 2020/2021).

3. POLICY CONTEXT

- 3.1 Reading Borough Council (RBC) is committed to promoting the continued independence of all adults in Reading by helping to prevent, reduce or delay the need for care and support. The Council relies in the main on a market of independent care providers to provide the high-quality care needed.
- 3.2 Block contracts help the Council to meet these goals by giving us secured and dedicated provision around the borough that can be used to assist with easing winter pressures and delayed discharges.

4. THE PROPOSAL

Current Position:

4.1 Demand →

- The Council makes an average of 45 nursing DE placements each year (based on placement trends in 17/18 to 19/20), exceeding the current yearly capacity for block beds (by 15 for nursing dementia).
- The majority of placements (80% nursing dementia) were made in-borough, suggesting that service users and their families prefer local placements.
- Based on placement trends in the year 20/21 to date figures, RBC are on target to make more placements than the capacity under the current block contracts (i.e. having made 15 nursing placements in April alone).
- The draft Accommodation Needs analysis supports these trends, projecting an additional 15 service users being in nursing dementia placements in 2035 compared to the total number of service users in placements in 2019.

- 4.2 Provision → The Council currently commissions a nursing dementia block contract with River view Nursing Home (owned by Maria Mallaband) as detailed in Table 1 below:

Home	Type of care	Number of beds in block	End of contract date	Early contract release date
River View	Nursing Dementia	30	30 th September 2021	N/A

Options Proposed

- 4.3 In order to ensure that supply matches the continued demand for nursing dementia care home placements (and to assist with speedy hospital discharges), it is recommended that the Council runs a procurement to commission a number of block contracts securing 30 nursing dementia beds.

Delegated authority to award the contracts is sought accordingly. *Please note that the procurement will not be restricted to in-borough care homes.*

4.4 As per the **Procurement Timetable** (see Appendix 2):

- Work has already begun on the procurement, including drafting of new service specifications & contract documents (i.e. terms & conditions).
- Invitations to Tender would be advertised on the 18th January 2021.
- The procurement process would ensure that the new contracts would be in place for, and begin on, the 1st October 2021 at the latest.

4.5 **Contract length** → It is recommended that the block contracts are for a period of 2 years with the option to extend for a further 4 years (in blocks of 2 years).

4.6 **Utilisation** → Should a Care Home that *already has* a block contract with the Council be successful during this procurement the current placements can be subsumed into the new block contract filling it immediately (subject to current voids). Should a Care Home that *does not have* a block contract be successful at procurement, it is recommended that the Council pays for the full block contract from the start of the new contracts.

Other Options Considered

4.7 **Do Nothing** → If the Council were to do nothing the Council will lose its secure nursing provision within the borough and the cost of nursing placements will rise quite sharply as all future placements made will be at a higher weekly spot rate.

4.8 **Direct Negotiation** → If the Council were to directly negotiate a block contract of this value with providers then the Council would be in breach of the Public Procurement Regulations 2015 and its own Contract Procedure Rules. This is because the total lifetime cost of the contract exceeds the thresholds set by these regulations, which requires a procurement to be run.

4.9 **Procure one 30 bed block contract in the Reading Borough** → RBC could limit the procurement to homes within the borough. However a combination of quality concerns & limited capacity means this would likely restrict potential bidders to the current provider, which would not stimulate competition.

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 Procuring these block contracts ensures that the Council is able to continue meeting residents' needs in the most cost-effective means possible, supporting the following strategic objectives:

1. Safeguarding and protecting those that are most vulnerable
2. Providing homes for those in most need
3. Remaining financially sustainable to deliver these service priorities.

6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 6.1 Securing and centring the majority of placements around Care Home/s that are local to Berkshire will hopefully help to minimise placements in (and associated additional travel to / carbon footprints arising from) out of county care homes, for service users and their families.

7. COMMUNITY ENGAGEMENT AND INFORMATION

- 7.1 Market analysis of care home costs was carried out extensively during the cost of care project in 2018 and early 2019. Costs of placements made in 2019 and 2020 have also been analysed and informed the rates detailed in this report.
- 7.2 Market capacity was reviewed consistently throughout the recent pandemic.
- 7.3 We have consulted with other surrounding Local Authority areas to consider whether they would wish to join us in a block contract arrangement.

8. EQUALITY IMPACT ASSESSMENT

- 8.1 An Equality Impact Assessment was considered, however, as this is a decision to replace existing contracts there is no change to people's service and no evidence or reason to believe that some (racial, disability, gender, sexuality, age and religious belief) groups may be affected any differently than others.

9. LEGAL IMPLICATIONS

- 9.1 Delegated authority to enter into the contracts will be sought from Committee with a Committee paper.
- 9.2 An Open Procurement Process will be used that is compliant with the Council's Contract Procedure Rules.
- 9.3 The procurement will be conducted in accordance with the light-touch regime of the 2015 Public Contracts Regulations.
- 9.4 The underlying terms and conditions for each of the block contract agreements will be supplemented by Service User Placement call-off agreements for use when commissioning individual placements in the successful Care Homes.

10. FINANCIAL IMPLICATIONS

- 10.1 The recommendation to procure new block contracts of up to 30 beds maximum on value for money basis.

11. BACKGROUND PAPERS

- 11.1 Appendix 1 - Local Nursing Home Provision
- 11.2 Appendix 2 - Procurement timetable

