

### Adult Social Care and Public Health Sub- Committee

**Subject:** Care Homes Spot Purchase Recommission

**Date of meeting:** 17<sup>th</sup> January 2024

**Report of:** Executive Director, Health & Adult Social Care

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**Ward(s) affected:** All

#### For general release

#### 1. Purpose of the report and policy context

- 1.1 This report outlines the proposed approach to the recommissioning of the provision of residential care homes with and without nursing (including specialist services), on a spot purchase basis.
- 1.2 The overarching aim of the recommissioning process is to commission quality care home placements which represent value for money for the Council and offer suitable care provision to our residents.

#### 2. Recommendations

- 2.1 That the Sub-Committee agrees to the proposed re-commissioning of Residential Care Home Services, via the route to market identified in Section 4 awarding contracts for a period of six years.
- 2.2 That the Sub-Committee agrees that, if required, a compliant extension of the existing contracts until 30<sup>th</sup> September 2024 may be actioned.
- 2.3 That the Sub-Committee delegates authority to the Executive Director of Health and Adult Social Care to undertake the above recommendations 2.1 and 2.2.

#### 3. Context and background information

##### 3.1 Summary

Care homes provide accommodation and 24-hour personal care and support to people who may find it difficult to manage daily life at home.

Residential homes provide residents with a safe place where they are supported according to their needs, such as help with washing, dressing, toileting, administering medication and mobility. Residents who are referred to the service will have been assessed as having a support need under the Care Act 2014.

The current provision of these services are purchased through spot purchasing arrangements. The HASC Brokerage team is responsible for processing referrals, making placements and negotiating price with the provider at point of placement, with a starting point of the Council's set rates, agreed annually as part of the Fees Report. The existing contractual arrangements for spot purchasing are ending on 31<sup>st</sup> March 2024 and the Council is required to undertake a procurement exercise to secure future provision.

### **3.2 Challenges**

Challenges being faced by Adult Social Care comprise of an ageing population, rising demand, increasing public expectations but with a reduction in government funding. These pressures continue to grow, with current population and dependency trends suggesting a 25% increase in demand for residential/nursing placements in the city by 2035.

Population projections come with an associated rise in the number of people living with complex long-term conditions; a combination of physical frailty, disability and mental health conditions. Not only is there increased demand for beds, there is also pressure on homes to deal with people with more complex needs.

Evidence has shown in recent years that the Council have been required to make placements above the Council's published set rates as a result of a variety of factors, including:

- immediacy of need and short supply. The number of beds we have been able to purchase at 'set rates' has steadily declined, from 66% in 2017/18 to lower than 10% now.
- pressures of Covid-19 on care home providers - though Covid has suppressed demand in general, care homes have increased prices in order to offset the impact of reduced residential numbers and recent cost increases (minimum wage rises, huge insurance premiums due to the pandemic, additional cleaning costs, PPE and so on).
- soft intelligence from our Brokerage and Supply team has identified that many of the care homes that can provide specialist placements will not accept placements at Council set rates – including dementia residential, nursing homes, mental health residential.

### **3.3 Block purchasing arrangements**

The Council has recently undertaken a procurement exercise to secure provision of a number of block contracted beds in a mix of care homes. This exercise aims to provide security of supply and an element of cost control for the next two years.

The success of the block beds will be reviewed, and the Council is required to maintain spot purchasing arrangements in order to meet demand. Approval to increase block contracting with Residential Care Homes with and without Nursing was agreed at ASC & PH subcommittee 12<sup>th</sup> September 2023.

### **3.4. Proposed new elements to the Care Homes Specification**

#### **Core specification and Specialist services**

Officers have sought to strengthen the new specification and contract through extensive consultation with stakeholders.

The core specification covers the following areas:

- o Residential care
- o Residential care specialist dementia.
- o Residential care with nursing.
- o Residential care specialist nursing dementia.
- o Residential care specialist physical nursing.

The supplemental provisions cover the following areas:

- o An updated specification for residential care homes with nursing provided by NHS Sussex Integrated Care Board (ICB) with new provisions including nurse training and referencing specific types of equipment like syringe drivers; and
- o Additional requirements for residential care homes, registered as specialist service providers with a description of the model of care for residents with
  - learning disabilities who may be autistic;
  - neuro divergent residents and who may be autistic;
  - residents with physical disabilities and sensory loss needs; and
  - residents with mental health needs with and without nursing.

These changes have been made to address the challenges being faced and to continue the commissioning of good quality residential and nursing care that meets the demands of the city.

In summary, the new areas in the core specification include:

- o **Infection, Prevention & Control (IPC)** standards and IPC Champions – a national initiative following the pandemic.
- o **Enhanced Health in Care Homes** supported through NHS Sussex ICB with closer integrated working with Care Homes.
- o **Public Health standards** including Oral Health care, Falls prevention, Food & Hydration and Dementia and Wellbeing standards and training.
- o **Compliance** with Capacity Tracker regulations. From July 2022, the DHSC made completion of the NHS Capacity Tracker mandatory for all CQC registered providers.

- **Modern Slavery** provisions relating to staff training, working practices and incident reporting.
- **Quality Requirements** - the specification is an outcomes focussed approach and has new standards included which are linked to a Quality Requirements Matrix (QRM). The outcomes have specific quality requirements linked to clauses within the specification..
- **Inclusive Care** - expecting service providers to evidence a commitment to inclusive care through initiatives such as the Brighton & Hove Switch Board Inclusive Care Award or Skills for Care LGBTQI Learning Framework.

#### **4. Analysis and consideration of award recommendation.**

The recommended route to market is chosen based on the commissioning intentions and the relevant procurement legislation for this service.

##### **4.1 Award of individual overarching contracts for spot purchasing**

This approach involves the Council undertaking a procurement process to award multiple stand-alone contracts with multiple providers. The focus of the commission is to ensure sustainability of supply.

All providers who successfully pass the qualifying assessment will be awarded a contract, with individual placements made and negotiated via the Council's Brokerage team based on referrals and demand. There will be no obligation to purchase any volume of services from each provider during the contract term. However, the Council is seeking to contract with as much of the local market as possible, provided they meet the qualifying criteria.

This route is the recommended route to market, as it enables the Council to identify a pre-qualified pool of providers to spot purchase from. The process will involve a qualifying assessment which cover areas such as CQC registration and inspection rating, financial appraisal, business conduct and statements in relation to Sustainability, Social Value and Modern Slavery. Additionally, this process is efficient and resourceful enabling swift access to quality, pre-approved care services, which is crucial where demand is higher than supply.

##### **4.2 Potential extension to existing contract**

This approach is anticipated to be completed by the end of March 2024, but if further time is required to ensure provision is secured, this report seeks approval from the sub-committee to utilise a potential six-month extension period, until 30<sup>th</sup> September 2024.

## **5. Community engagement and consultation**

- 5.1 Officers have undertaken a range of engagement to help inform proposals and documentation. Officers have commissioned surveys with Trust for Developing Communities for the commissioning Equalities Impact Assessment. This is ongoing engagement work developing a Commissioning and Directorate wide EIA that includes intersectional issues such as Housing, Health, Social Care needs like with complex and compound needs such as Mental Health and nursing for example. This supports market shaping and helps to identify gaps in provision.
- 5.2 Officers have used data from NHS statutory surveys and BHCC ASC Service User surveys and engaged with other Local Authorities of a similar size like Medway, Coventry, Sheffield, Tyneside and our neighbours in East & West Sussex. Professional bodies such as the Registered Care Association and Healthwatch, Universities of Kent, Surrey and Sussex and the Care Quality Commission have also been consulted.
- 5.3 The Quality Monitoring Team have supported the commissioning work through their work with Care Homes, with residents and their families sharing information regularly. We regularly have feedback from, surveys, Assessment Teams and Health professionals such as Care Homes In Reach Team (CHIRT) Sussex Partnership Foundation Trust (SPFT).

## **6. Conclusion**

- 6.1 It is recommended that the Adult Social Care and Public Health Sub-Committee delegates authority to the Executive Director of Health and Adult Social Care to undertake a procurement process and award qualified providers contracts spot purchase care home placements.

## **7. Financial implications**

- 7.1 The proposal to commission care home contracts on a spot purchase basis is a continuation of the existing arrangement. The overall projected annual gross spend for external care home provision in 2023/24 is £74m across Adult Social Care, and over 6 years this will equate to approximately £450m plus inflation. There are no additional cost implications from the recommendation on the potential extension

Name of finance officer consulted: Sophie Warburton Date consulted (11/12/2023)

## **8. Legal implications**

- 8.1 The Council must comply with the Public Contracts Regulations 2015 (PCR) in relation to the procurement and award of contracts above the relevant financial

threshold. The services outlined in this report fall within Schedule 3 of the PCR and exceed the relevant financial threshold for light touch regime services (£663,540 inclusive of VAT). The procurement process for the light touch regime is determined by the Council taking account of the specifics of the services and shall ensure compliance with the principles of transparency and equal treatment of economic operators as set out in Regulation 76 (2). Existing contracts may be modified in certain circumstances in accordance with Regulation 72 of the PCR, without a new procurement procedure. Legal Services will work closely with officers to ensure that the process followed is compliant with the PCR.

- 8.2 The Council must also comply with its Contract Standing Orders (CSOs) which apply to social care and public health services as set out in Section B of the CSOs.

Name of lawyer consulted: Manjinder Nagra Date consulted (12/12/2023):

## **9. Equalities implications**

- 9.1 An extensive new Equalities Impact Assessment (EIA) was agreed and signed off in July 2022 as part of the care home contract recommission. As stated in section 5, there has been wide consultation with stakeholders which has meant the strengthening of the Equalities clause in the new specification, including expecting service providers to evidence a commitment to inclusive care through initiatives such as the Brighton & Hove Switch Board Inclusive Care Award or Skills for Care LGBTQI Learning Framework.

## **10. Sustainability implications**

- 10.1 To ensure the provider shares the Council's commitment to reducing the impact of services on Brighton and Hove City's Carbon Footprint and support the Council in achieving its aims of a Carbon Neutral City by 2030, providers will be asked to propose sustainability outcomes and detail how they will be met. The outcomes will follow the principles of the *Quality Assurance Teams - Sustainability Support Tool for Providers*. This tool details outcomes that are formed around CQC requirements and Brighton and Hove City Council's Carbon Neutral Plan.
- 10.2 The service specification includes Quality Requirements relating to sustainability and the reduction of carbon footprint.

## **11. Social Value and procurement implications**

- 11.1 The Council's Lead Members for Procurement have scrutinised the proposed route to market and their feedback has been incorporated into this report to strengthen the Social Value implications.

- 11.2 To ensure the provider shares the Council's commitment to improving the Social Value attained from services delivered in our city, providers must commit to delivering social value outcomes as part of the qualifying assessment. Providers will be expected to provide statements of commitment and details plans for delivering the commission's chosen social value outcomes, related to the City Plan:

**Enable people to live healthy, happy and fulfilling lives, and live independently (City Plan outcome 3.1)**

Potential examples:

- Initiatives to support older, disabled and vulnerable people by creating community networks
- Providing resources and or promoting fitness and wellbeing through community outreach programmes, for example walks / time / connection in nature, dance classes/healthy eating programmes/gym memberships for families on low incomes;
- improve access to and consumption of fresh, healthy food in order to support better mental health and wellbeing.

**Employment and Training Opportunities (City Plan outcomes 1.3, 1.4 and 2.1)**

Potential examples:

- Creating employment and retraining opportunities and other return to work opportunities for the unemployed
- Preparing students for the world of work
- Actions to develop a more inclusive workforce, including care experienced young people.

**12. Public health implications**

- 12.1 As this is a HASC service, public health implications are detailed in the sections above.

