

**REPORT TO:** Executive Board

**DATE:** 19 March 2020

**REPORTING OFFICER:** Strategic Director - People

**PORTFOLIO:** Children, Education & Social Care

**SUBJECT:** Contract for the Provision of Day, Residential & Nursing Home Care Contract

**WARDS:** Borough wide

## **1.0 PURPOSE OF REPORT**

1.1 To seek a waiver in compliance with Procurement Standing Order 1.14.4 iv of part 2 of Procurement Standing Orders, for the continued provision of Residential and Nursing Care.

## **2.0 RECOMMENDATIONS:That**

- 1) **A waiver in compliance with Procurement Standing Order 1.14.4 iv of part 2 of Procurement Standing Orders is approved to permit the Strategic Director People to enter into contracts on an individual 'spot purchase' basis with providers of registered Care Home establishments that meet the Council's quality criteria; and**
- 2) **The Strategic Director, People be authorised, in consultation with the portfolio holder for Children, Education and Social Care, to enter into 'spot purchase' contract arrangements at the Borough-wide rate for each type of service provision as set out in section 6.1 of this report. This will be for the contract period of three years from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2023, with an option to extend for a period of up to a further 2 years from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2025. The Strategic Director, People, will review these purchasing arrangements on an annual basis and in consultation with the portfolio holder for Children, Education and Social Care.**

## **3.0 SUPPORTING INFORMATION**

3.1 Halton's current contract for the provision of Residential and Nursing Care expires on 31<sup>st</sup> March 2020. The Authority has a statutory duty to meet the needs of physically frail and vulnerable people that are assessed as requiring residential and nursing care. The provision of this care is delivered within Care Home establishments (services that provide both Care Quality Commission (CQC). CQC are the statutory regulators of residential and nursing care and all Care Home establishments must be built and operated to CQC standards. This report relates to purchasing arrangements for the provision of residential and

nursing care for clients to whom the local authority owes a statutory duty of care.

- 3.2 As commissioners of residential and nursing care, Halton Borough Council could enter into two different types of purchasing arrangements with registered homes in the borough:

Block purchase arrangement

In this option the Authority would seek submissions from all existing registered homes and enter into an agreement with a limited number of these homes for the 'block purchase' of all or a proportion of the bed spaces within the home. Under this option the Authority is bound to meet the cost of the bed spaces purchased regardless as to whether or not they are occupied.

Spot purchase arrangement

This is the current arrangement for the provision of residential and nursing care. Under this option commissioners agree fees for the provision of care and enter into an agreement with registered homes within the borough that meet both HBC quality standards and comply with CQC standards for the purchase of care on a person-by-person or individual 'spot purchase' basis.

This report proposes that Halton continues with the existing method of 'spot purchase' based on the following rationale:

- The number of vacant Care Home bed spaces would pose a risk of wasted resources, as under block purchase arrangements the Authority could be committed to funding empty beds
- Entering into agreement with a limited number of homes restricts client choice i.e. a client may wish to be placed in a residential home close to their family, if the Authority choose to only contract with selected homes in the borough, clients could end up placed away from their family.
- Commissioners and providers alike have to be aware of the potential impact of Personalisation on any future purchasing arrangements for the provision of care. Entering into block purchase arrangements directly with providers could mean that beds block purchased by the Authority remain empty because clients have opted for an individual budget to purchase care in an alternative setting of their choice.

- 3.3 A waiver in compliance with Procurement Standing Order 1.14.4 iv of part 2 of Procurement Standing Orders is therefore requested due to the particular circumstances set out in sections 3.1 and 3.2 of this report. In that compliance with standing orders relating to procurement is not practicable, in that placing a limitation on our arrangements to purchase, beyond the requirements to meet CQC standards, would restrict clients choice on where they can live. Ending current arrangements with homes could mean that extremely frail and vulnerable older people would be asked to leave their existing homes in order to transfer to an alternative home under contract with the Authority. Moving frail and vulnerable people can cause the individual to experience a lot of distress and can pose a significant risk to their health. Waiving standing orders also allows the Authority to reach informed decisions regarding a fair rate for the purchase of registered care that is applied to all homes operating across Halton.

3.4 The proposed contractual arrangements would be for a period of 3 years, with an option to extend for a further 2 years, subject to annual approval of the Strategic Director People, in conjunction with the portfolio holder for Health.

#### **4.0 BUSINESS CASE FOR WAIVING STANDING ORDERS**

##### **4.1 Value for Money and Competition**

By entering into spot purchase arrangements, at fees that is set across the borough, the rate of business secured by each home is dependent on clients' choice, which is highly dependent on the clients and their families' view of the quality of service offered by each home.

##### **4.2 Transparency**

CQC Inspection Reports on registered homes and HBC Contract Monitoring Reports are open to public scrutiny under the Freedom of Information and Local Government Acts although the contract itself is likely to be exempt from disclosure under the 2000 Act subject to application of the Public Interest test at the time of any request for access.

##### **4.3 Propriety and Security**

The usual anti-corruption integrity clauses will be built into the contract document and only staff with a need to know will have information about the contract.

The contract specification will set out requirements in respect to quality standards for the delivery of care and will include comprehensive standards relating to Safeguarding.

##### **4.4 Accountability**

Accountability for the report and recommendations would remain with the Strategic Director People, in conjunction with the portfolio holder for Health. The decision is a matter for the Board but would appear to be consistent with the Council public stewardship duties in relation to use of resources. The process and paperwork is open to the annual audit process, internal audit and access by other regulatory and enforcement bodies.

#### **5.0 POLICY IMPLICATIONS**

5.1 Necessary changes to Policy during the term of the contract will be applied.

#### **6.0 FINANCIAL IMPLICATIONS**

6.1 Details of the 3 year contract value and estimated costs for the 2 year extension are:

<b>Contract Day, Residential and Nursing Home Care</b>	<b>3-year initial contract value</b>	<b>Estimated value for two-year extension</b>
<b>HBC</b>	£38,517,000	£25,678,000
<b>HCCG</b>	£19,965,000	£13,310,000

<b>BCF</b>	£2,820,000	£1,880,000
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## **7.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **7.1 Children & Young People in Halton**

None identified

### **7.2 Employment, Learning & Skills in Halton**

None identified

### **7.3 A Healthy Halton**

Good quality residential and nursing care provides a healthy living environment, protects the health of frail and vulnerable people, and assists people to manage the effects of long-term illness. In particular, the provision of residential and nursing care supports delivery of Halton's priority themes for a Healthy Halton.

### **7.4 A Safer Halton**

Care Homes provide a safe environment for frail and older people, which may contribute to achieving a reduction in the fear of crime.

### **7.5 Halton's Urban Renewal**

None identified

## **8.0 RISK ANALYSIS**

8.1 All contracts are monitored in accordance with the level of risk identified and in the event of non-compliance the contract will be reviewed immediately and necessary remedial action instigated.

8.2 Whilst the likelihood of providers asking residents to move out of their homes is viewed as unlikely, officers will work with Corporate Communications to respond to any potential adverse publicity.

## **9.0 EQUALITY AND DIVERSITY ISSUES**

9.1 Agencies working under contract to the Council are expected to comply with the Council's policies relating to Ethnicity and Cultural Diversity as well as promoting social inclusion of some of the most disadvantaged people in the Borough.

## **10.0 REASON(S) FOR DECISION**

The Council needs to ensure that prospective care homes who wish to receive placements understand the Council's requirements. In entering into this contract care providers provide assurance to the Council in respect of this.

## **11.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

No other alternatives identified.

**12.0 IMPLEMENTATION DATE**

1<sup>st</sup> April 2020.

**13.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None under the meaning of the Act.