

REPORT TO: Executive Board

DATE: 27 February 2014

REPORTING OFFICER: Strategic Director, Communities

PORTFOLIO: Health and Wellbeing

SUBJECT: Extension of Residential and Nursing Care Contract

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

- 1.1 To seek agreement and approval from the Executive Board to formally extend service provision of identified Residential and Nursing Care contracts for a period of 10 months from 1st April 2014 to 28th February 2015.
- 1.2 To seek agreement to enter into negotiations with current providers of registered residential and nursing care during this extension period regarding a potential uplift in annual price.

2.0 RECOMMENDATION: That the Board

- 1) **approve using Procurement Standing Order 1.8.4(c) of the Council's Standing Orders to waive Part 2 of Standing Orders which refers to contracts exceeding £1,000,000 in value and to extend existing Residential and Nursing Care contracts in Halton for a period of up to 10 months from 1st April 2014 to 28th February 2015 so as to align Health and Social care contract end dates;**
- 2) **the Strategic Director Communities be authorised in consultation with the Portfolio Holder for Health and Adults, be granted delegated authority to determine an uplift for the extended contract period; and**
- 3) **approve using Procurement Standing Order 1.8.4(c) to waive Part 2 of Standing Orders which refers to contracts exceeding £1,000,000 in value, to allow existing registered residential providers that are not on the NHS North West Framework for Continuing Health Care, the option to enter into a contract from April 2014 to April 2015, with an option to extend for an additional four years, on an annual basis. The contract would be awarded at the rate to be determined, by the Strategic Director Communities in consultation with the Portfolio**

Holder for Health and Adults.

3.0 SUPPORTING INFORMATION

- 3.1 The existing contracts have been in operation since 2010 and cover all residential and nursing care provided by the local authority. The existing contracts for the provision of registered residential and nursing care have been in operation since 2010 and cover all residential and nursing care provided within the local authority. These contracts do not follow a traditional procurement route in Halton or other Local Authorities due to the nature of the services. Residential and Nursing Care services are registered to provide business through the Care Quality Commission (CQC) but it is Local Authorities that then enter into contractual arrangements with the registered services in order quality assure the service delivered in each local area and to safeguard people living in the services. We are seeking a waiver in order to comply with Procurement Standing Orders i.e. seeking permission to waiver the fact that we are not undertaking competition as required, but are securing value for money in the short term by reviewing such contracts and exploring the option to develop joint contracting arrangements with partners as outlined below.
- 3.2 A number of providers in Halton also operate under the North West NHS Framework for Continuing Health Care contract that is due to expire on 28th February 2015. The preferred option would be to develop a joint contract between ourselves and Halton Clinical Commissioning Group to meet both health and social care needs within registered services. The extension period would provide the time needed for commissioning managers to work with health and social care practitioners, providers, people in receipt of a service and their families to develop a joint contract by December 2014.
- 3.3 Halton Borough Council has been in consultation with providers for over twelve months and providers have been invited to submit information and suggestions to inform future contracting arrangements in Halton. This open dialogue with providers will be on-going.
- 3.4 In the interim period between April 2014 and February 2015 it is anticipated that a negotiated approach in relation to the annual uplift will be appropriate to continue to support this vital sector of the business. Dialogue with care providers is on-going and we are continuing to agree the process of extension and the implications of the request.
- 3.5 Some providers that are not on the NHS framework for continuing health care have indicated that they wish to enter into a five year contract with the council. However, the five year contract would include a break clause at 28th February 2015.

4.0 **BUSINESS CASE FOR EXTENSION OF CONTRACTS**

4.1 **Value for money**

Current contracted rates were established through a negotiated agreement between the parties and remain competitive when benchmarked against neighbouring authorities. Rates will be subject to further review during the development of the joint contract.

4.2 **Transparency**

Contracts will be recorded in the Council's Contract Register accessible via the internet together with the publication of all spend in excess of £500.00.

4.3 **Propriety and Scrutiny**

The extension of the contracts referred to in this report will be compliant with Halton Borough Council's Procurement Standing Orders. Compliance with anti-corruption practices will be adhered to and any of the contracts within the subject of this report will be terminated if there is any occurrence of corruption by any organisations or their staff.

4.4 **Accountability**

The contracts will be performance managed and service standards monitored by commissioners and the contracts team.

5.0 **POLICY IMPLICATIONS**

5.1 The Government White Paper Care and Support published earlier this year was a direct response to the recommendations of the Dilnot Commission which concluded in July 2011. The paper outlines a number of goals that care reform must deliver and will be an important element of the residential care contract.

6.0 **FINANCIAL IMPLICATIONS**

6.1 The Residential Care AND Nursing Care contract is currently valued at £10.6 million per annum. The funding is contained within the existing Community Care budget to meet these costs.

7.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

7.1 **Children & Young People in Halton**

None identified.

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

Halton's health and wellbeing priorities enable local people to maintain good health and improve poor health. The delivery of an effective, high quality residential care service is vital to ensure

people are able to maintain a positive role within their local community.

7.3 **A Healthy Halton**

Residential Care is an important part of the service provision for older people within the borough. This is a key component of the strategic aims to keep people safe and healthy for as long as possible.

7.4 **A Safer Halton**

Halton's health and Wellbeing priorities enable local people to improve their health and this can impact on the safety of local people.

7.5 **Halton's Urban Renewal**

None

8.0 **RISK ANALYSIS**

8.1 The current Residential and Nursing Care Contracts expire on 31st March 2014 and this waiver will approve the issue of a new contract for a 10 month period. This course of action is low risk as it allows alignment with the NHS North West contract.

8.2 A decision in support of approval of service extensions for 10 months will ensure that there are no gaps in service provision and stability is maintained at a time of systematic change in the health care system.

9.0 **EQUALITY AND DIVERSITY ISSUES**

9.1 Any equality and diversity issues are addressed in the existing contracts/service specifications.

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

None.