

## Bath & North East Somerset Council

MEETING/ DECISION MAKER:	<b>Cllr Vic Pritchard, Cabinet Member for Adult Care, Health and Wellbeing</b>	
MEETING/ DECISION DATE:	<b>On or after 19<sup>th</sup> January 2019</b>	EXECUTIVE FORWARD PLAN REFERENCE:
		<b>E E3114</b>
TITLE:	<b>Care homes recommissioning &amp; procurement strategy</b>	
WARD:	All	
<b>AN OPEN PUBLIC ITEM</b>		
<b>List of attachments to this report: None</b>		

### 1 THE ISSUE

- 1.1 Commissioners have developed a new and robust commissioning approach to purchasing residential and nursing care home placements. The project's initial scope is to improve block contract arrangements. In the longer-term it will establish a more practical means for the Council and CCG to administer day-to-day purchasing of individual beds. This approach is consistent with the Council's published commissioning intentions for care homes and will ensure that procurement processes are both legally compliant and best able to capitalise on opportunities for improving value for money and maximising innovation in the private provider market. This paper seeks authorisation for commissioners to proceed with designing the framework and undertaking the procurement process with close cooperation from Corporate Procurement.

### 2 RECOMMENDATION

The Cabinet Member for Adult Care, Health and Wellbeing is asked to;

- 2.1 Give approval to officers to develop the procurement strategy & documentation and undertake procurement processes for both the initial and longer term objectives of the project.
- 2.2 Delegate authority for the outcome of procurement processes and any subsequent contract award decisions, to the Director of Integrated Health & Care Commissioning, subject to Joint Commissioning Committee reviewing detail of the proposed framework prior to procurement.

### **3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 3.1 For reference, the overall current spend on care homes from the older people's purchasing budget is £10,439,804pa (based on 2017/18 financial year). Within that spend, the existing block contractual arrangements that are intended to transfer to the framework have a value of approximately £791,621 pa. Some of these arrangements however are also funded via the NHS or through Better Care Fund projects.
- 3.2 The project will be completed with existing resources and subject to the Council's annual budget setting process.

### **4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL**

- 4.1 The Council has a clear strategic objective to support vulnerable people. As set out in the Council's Market Position Statement (MPS), it also has objectives to increase options for supporting discharge from hospital, sustain the care market and to work with providers on developing new models of care which improve service user outcomes. The MPS identifies the Council's commissioning intentions, and where relevant on behalf of the CCG, as well as the direction of travel on integrated health and social care commissioning in Bath & North East Somerset.
- 4.2 Because the Council is no longer a provider of adult social care services and has no plans to return to direct provision it is necessary to procure these services from the market.
- 4.3 Establishing a framework for care home purchasing enables the Council to be compliant with procurement legislation, secure capacity and improve its negotiating position in a competitive marketplace. In turn, the Council can better discharge its legal duties in market shaping & oversight and improve outcomes for local people. Specifically this project aims to –
  - i. Improve contract award and management processes, both for existing block contract arrangements as well as any future contracts necessary to respond to peak demand pressures and interim funding opportunities.
  - ii. Promote increased transparency and more effective competition in the provider market.
  - iii. Acknowledge local market dynamics and capitalise on opportunities.
  - iv. Improve structures for piloting & developing innovative ideas for improving client outcomes.
  - v. In the longer term, establish a more practical structure for the Council to administer day-to-day purchasing of individual care home placements.

### **5 THE REPORT**

- 5.1 The project's aims resonate with B&NES' strategic priorities as identified through widespread engagement within the *Your Care Your Way* procurement process as well as the Council's Market Position Statement (MPS). The MPS's commissioning intentions for care homes include -
  - i. A review of purchasing arrangements
  - ii. Improving the availability and affordability of nursing and specialist care
  - iii. Managing the increasing costs driven by the commercial market

iv. Addressing concerns around quality and market vulnerability

5.2 The project is being progressed alongside other transformation projects for homecare and reablement as well as emerging proposals for B&NES's future support planning & brokerage requirements.

5.3 The project's initial priority is to establish a framework for block contract arrangements. A linked process to cover individual placements is also being considered. Developing the procurement strategy will allow commissioners and corporate procurement to consider whether the linked process for individual placements is able to be delivered within the same procurement exercise, or if a subsequent procurement is more beneficial.

## 6 RATIONALE

6.1 Approving these recommendations will ensure that the Council and CCG are able to secure residential and care home services in a timely, compliant fashion whilst also being able to work with providers to develop future opportunities.

## 7 OTHER OPTIONS CONSIDERED

7.1 Continue with current arrangements or undertake individual procurements for each block contract opportunity. Under current systems, applying the Contract Standing Orders to care services is cumbersome, time-consuming and increases risk to securing services in a timely, legally compliant manner. It is also more challenging to ensure robust contract management and oversight of performance outcomes.

7.2 Any approach considered must be compliant with the Council's Contract Standing Orders established process for entering into contracts and the Public Contracts Regulations (2015) Light Touch regime which offers flexibility for certain services, including care and health services. The core principles of *openness*, *transparency* and *equal treatment* will apply.

7.3 A framework is considered to be the best way to secure a compliant and effective means of commissioning these services. Within the flexibility offered by the Light Touch regime, a process and model can be developed that meets the particular needs of the services. There are also no minimum timescales to be applied to the procurement process.

## 8 CONSULTATION

8.1 The commissioning intentions in the MPS were open to consultation with providers and key stakeholder earlier in 2018. Through the consultation period providers commonly told commissioners that they wanted better ways to engage, partner and do business with the Council.

8.2 Commissioners subsequently ran an engagement event with care home providers specific to this project, which considered emerging proposals for a procurement framework. Outcomes of this engagement have been taken into account in further developing this project to-date.

8.3 Prior to this paper, the project's aims and intended approach have been considered by the Care & Health Programme Board (C&HPB), the Council's Goods & Services Panel on 11th November 2018, and Joint Commissioning Committee on 20<sup>th</sup> December 2018. The Cabinet Member for Adult Care, Health and Wellbeing has also been briefed on the project.

**9 RISK MANAGEMENT**

- 9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.
- 9.2 Conditions in the care home market are challenging and there is a clear need for improved commissioning and purchasing arrangements that help providers and commissioners work together more effectively.
- 9.3 The care homes sector has identified areas of risk including for quality, premises and both provider and workforce sustainability. In recent months, affordable capacity continues to withdraw from the market through care home closures. The Council needs to be able to secure access to sufficient supply to meet current and future demand in a cost-effective way.
- 9.4 This paper's recommendations offer a practical means of mitigating the above risks, improving value for money as well as developing innovative ideas for improving client outcomes and overall system flow for local acute and community care & health services.
- 9.5 While the framework is being put in place commissioners will work with providers to ensure sufficient capacity in the market for both current and peak demand.

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<b>Background papers</b>	
<b>Please contact the report author if you need to access this report in an alternative format</b>	