



Cabinet
21 September 2015

Report from the Strategic Director, Adults

For Action

Wards Affected:
[ALL]

**Procurement of Nursing, Short Stay and Reablement Service
Provision Contracts**

1. Summary

- 1.1 This report requests authority to procure Nursing, short stay and reablement service contracts for the provision of residential and nursing care beds for 2015/16 and 2016/17 (for a 12 month period commencing November 2015) to support timely, safe discharge from hospital, and manage the risk of delayed transfer of care (DTOC) using the West London Alliance Accreditation, Purchasing and Contract Management List (APC). As a member of the WLA, Brent is part of the APC and ASC already uses it for the purchasing of individual care home placements.
- 1.2 The proposal is to utilise the Council's role as the lead commissioner within the local care home market, to purchase nursing, short term and reablement bed capacity in a co-ordinated way on behalf of all key partners in the local health and social care economy; ASC, Brent CCG and London North West Hospital Trust (LNWHT) - as part of a more strategic, shared approach to improving timely, safe discharge from hospital, reduce the risk of delayed transfers of care and to manage the cost of purchasing the capacity required for all partners..
- 1.3 The expectation is that this would be the first step in establishing a wider, more strategic collaboration amongst key partners to achieve far stronger joint commissioning arrangements, to improve the quality of local provision and manage the costs of purchasing nursing and residential care home provision in Brent.

2. Recommendations

- 2.1 Cabinet agrees to an exemption pursuant to Contract Standing Order 84 (a) from the requirement to tender nursing, short stay and reablement service

contracts for the provision of nursing, short stay and reablement beds for 2015/16 and 2016/17 (for a 12 month period commencing November 2015), and instead permits the procurement of contracts using a quote process under the West London Alliance Accreditation, Purchasing and Contract Management List (APC).

- 2.2 Cabinet delegate authority to the Director of Adult Social Care in conjunction with the Chief Finance Officer and Chief Legal Officer to award any High Value Contracts procured under the West London Alliance Accreditation, Purchasing and Contract Management List.

3. Detail

- 3.1 The Brent and Harrow Systems Resilience Group (SRG), is a strategic planning group, made up of leaders from across health and social care, who meet on a regular basis to identify and manage pressures across the system, with a particular focus on managing the pathway in and out of hospital, including reducing unnecessary admissions and improving hospital discharges. The SRG commissioned Capita to undertake a review of the use of community beds. One of the key findings of this review was a need to reduce waiting times for patients requiring specialised nursing/residential home beds and the need to reduce the time between identifying an appropriate placement and timely assessment by the home of the patient prior to admission to the home
- 3.2 The findings of the review further supported the view of SRG and senior commissioners, that current commissioning arrangements were impacting on all partners ability to address delays in the system and ability to manage price; the un-coordinated, reactive approach to purchasing bed capacity needed, on an individual basis by key partners, with no control over price, not only makes it challenging for providers to be able to respond to the needs of different commissioners, it also drives the price of provision up, as we are all competing with each other to secure the same capacity. This different approach to joint commissioning means we can manage the market much more effectively.
- 3.3 As a key partner in the SRG, the Council agreed to lead on joint commissioning activity to proactively support a reduction in waiting times for patients requiring specialist residential/nursing home beds, a reduction in waiting times from placement identification to provider assessment and admission and Through this to ultimately achieve more effective hospital discharge, a reduction in the number of Delayed Transfers of Care (DTOC) and to support the timely and safe discharge of medically fit people from the acute hospital setting.
- 3.4 A key element to achieve the aims detailed in paragraph 3.2 is the need to procure contracts for short stay and reablement residential and nursing step-down beds for 2015/16 and 2016/17 (for a 12 month period commencing

November 2015). It is proposed that the council leads on the joint commissioning of these step-down beds. Over a 12 month period the estimated value of the proposed contracts is £878,800 for 26 beds (based on an estimated cost of £650 per week per bed).

- 3.5 Winter pressures, which see increased acute activity and in turn a greater demand for capacity for residential and nursing beds in the community to support people stepping down from hospital tend to commence in November each year. Therefore it is critical that commissioners have the capacity secured and contracts in place at the beginning of November 2015.
- 3.6 Senior Officers across all key partner organisations have undertaken a detailed review to establish the best options for procuring contracts for the nursing and residential bed capacity required; that allows us to secure the best price possible and allows us to more effectively access and monitor the quality of service provision. This review has concluded that the West London Alliance Accreditation, Purchasing and Contract Management List offers the most appropriate, cost effective and swiftest route to market.
- 3.7 Key partners have agreed this joint procurement will service as the foundation for a further phase of work to start in the new year, based on learning from this project. This second phase of work will establish a strategic, long term approach to managing all health and social care placements in the residential and nursing care market, recognising the lead role of ASC in facilitating this, But also the importance of wider health services to deliver an effective and sustainable local residential and nursing home market that supports people to live well and avoids unnecessary hospital admissions.”

Accreditation, Purchasing and Contract Management Scheme

- 3.8 The Accreditation, Purchasing and Contract Management Scheme (APC) is an approved list for Care Homes. It is made up of providers who have met robust criteria regarding the standards and quality of services provided, systems operated and financial viability. It was set up by Ealing Council on behalf of all participating WLA Boroughs (including Brent). The APC Scheme went live in 2012.
- 3.9 As all the major providers of nursing/residential beds operating in west London are part of the APC Scheme, it is used by the majority of West London boroughs to purchase bed capacity required. In addition to meeting criteria regarding standard of services and quality, systems and financial viability; providers that are a part of the APC Scheme also provides an agreed cost for beds. The council regularly uses the APC Scheme for individual placements either by making a purchase directly or by inviting costed proposals from a number of suitable providers in the accredited list in accordance with the rules governing the list. Officers believe the APC Scheme ensures value for money for beds, through agreed, set prices and for

individual placements and has proved a quick and effective method of procuring such placements since 2012.

Proposed Procurement

3.10 Given Officer's experience of the APC Scheme in relation to individual placements, it is proposed to procure short stay and reablement, through a volume purchasing arrangement using the APC Scheme. It is proposed to procure the contracts under 3 lots. Details of the lots including the number of proposed beds under each lot and the estimated value of contracts to be procured under each lot are as follows:

- Lot 1 Short-stay residential care home accommodation – 9 – 13 beds with an estimated value of £304,200 - £439,400
- Lot 2 Residential care home accommodation with reablement – 6 – 10 beds with an estimated value of £202,800 £338,000
- Lot 3 Short-stay care home with nursing accommodation – 6 beds with an estimated value of £202,800

3.11 Officers consider that it would be appropriate to award contracts for up to 6 providers for each Lot. The actual number of providers appointed to each lot will however very much depend on the capacity of providers. As a result it may be that only one provider per lot will have relevant capacity. If this is the case then contracts would be classed as either Medium or High Value Contracts under Contracts Standing Orders and as such would have to be tendered (and authority from Cabinet to tender and award for High Value Contracts).

3.12 For both efficiency and price reasons, Officers consider that there are clear advantages in not tendering contracts but instead inviting costed proposals from all suitable providers in the APC Scheme in accordance with the rules governing the Scheme. The time taken to operate a quote process under the APC framework is considerably shorter than operating a traditional tender. All the major providers of nursing/residential beds operating in west London are part of the APC Scheme and therefore it is considered that quotes will be received from all the main providers. The existence of a cost ceiling provided by the APC Scheme should also ensure that quotes are very competitive. As a result authority is sought to waive the requirement to tender contracts and instead permit Officers to seek quotes under the APC Scheme. Award of contracts procured under the APC Scheme would then be purely on the basis of price

3.13 To support effective systems resilience during the 'Winter pressures' period , the council must be able to award and mobilise contracts on 2nd November 2015/, Officers therefore have limited time to procure and mobilise the contracts. As a result Members are asked to delegate authority to the Director of Adult Social Care in consultation with the Chief Finance Officer and Chief Legal Officer to award any High Value Contracts procured under the APC Scheme quote process.

4.0 Financial Implications

- 4.1 The estimated value of the short stay and reablement contracts under the 3 Lots are as follows:

	Type of Care	Cost Range	Funding
Lot 1	Short-stay residential care home accommodation	£304,200 to £439,400	Joint Brent Council and Brent CCG
Lot 2	Residential care home accommodation with reablement	£202,800 to £338,000	Brent CCG
Lot 3	Short-stay care home with nursing accommodation	£202,800	Brent CCG
Total		£709,800 to £980,200	

- 4.2 The maximum cost of the 3 Lots is £980,200. This contract would be for 12 months running from November 2015. Therefore there are cost implications for 2015/16 and 2016/17.
- 4.3 It is expected that the majority of the contract will be funded from Brent CCG including the full cost of Lot 2 and Lot 3 and a joint funding arrangement for Lot 1. The council contribution will be met from within the 2015/16 and 2016/17 Adult Social Care budget and an allocation made within the Reablement service budget.
- 4.4 A Section 256 agreement will be put in place between Brent CCG and the council to detail funding and joint funding arrangements. The council will house all contract costs and thus receive all CCG contributions as set out in this agreement. The agreement will also specify the exact contributions from each party expected for Lot 1, which will be dependent on primary use at the time of awarding the contract.

5.0 Legal Implications

- 5.1 The value of the potential contracts under the 3 Lots are as detailed in paragraph 4.1. As short stay and re-ablement services fall under Schedule 3 of the Public Contracts Regulations, the contracts for each Lot are individually and indeed collectively per Lot below the threshold for application of the Public Contracts Regulations 2015.
- 5.2 Depending on the Lot, the contracts to be procured are classed as either Medium Value Contracts or High Value Contracts under the Council's Contract Standing Orders and Financial Regulations and should thus be procured through a tender process, involving advertising on Contracts Finder

and the London Tenders Portal. As detailed in paragraph 3.9, Officers consider that there are good operational and financial reasons not to tender but instead wish to seek quotes under the APC Scheme in accordance with the rules governing the list. In the circumstances an exemption from the requirements to tender in accordance with Contracts Standing Orders and Financial Regulations is sought. Cabinet is able to grant such exemption pursuant to CSO 84(a) where there are good operational and/or financial reasons.

- 5.3 As detailed at paragraph 3.13, approval is also sought for Cabinet to delegate authority to the Director of Adult Social Care in conjunction with the Chief Finance Officer and Chief Legal Officer to award contracts procured under the APC Scheme.

6.0 Diversity Implications

- 6.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications and no negative impacts across any the seven protected characteristics groups. Impact for the protected characteristic of disability was positive, as this service will provide a service to people with identified high support needs as part of their recovery pathway following a period in hospital.

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 The services to be provided under the contracts are new services to be provided by external providers and there are no implications for Council staff arising from the procurement of contracts.

8.0 Background Papers

- 8.1 None

Contact Officers

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