

DEVELOPMENT OF AFFORDABLE CARE HOME PROVISION

To: **Adults Committee**

Meeting Date: **7 December 2017**

From: **Executive Director People and Communities**

Electoral division(s): **All**

Forward Plan ref: Not applicable *Key decision:* No

Purpose: **To provide a progress report on the procurement process supporting the expansion of care home provision.**

Recommendation: **The Committee is asked to note and comment on the content of the report.**

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1. BACKGROUND

- 1.1 The Care Homes project is part of the Older People's Accommodation Strategy and focusses on current and future requirements for residential and nursing home care in Cambridgeshire. There is currently a shortfall of bed spaces of all types, which results in limited choice for purchasers, including the Council, and leads to escalating cost. It also has a direct impact on transfers of care. Consequently, at times this lack of capacity can contribute to delays in hospital discharge. A paper was presented to the Adults Committee in September 2017, which set out the Council's commitment to use its assets to support the expansion of care home provision by an additional 450 beds. The paper gave a broad timeline with clear milestones, which were approved by the Committee. At the request of the Committee it was agreed that a further report would be presented to update the Committee on progress.

2. MAIN ISSUES

- 2.1 The September report set out the Council's intention to develop three consecutive procurement work streams:
1. Extending the existing block contracts as required
 2. Exploring the option of Cambridgeshire care home providers expanding their existing buildings and services
 3. Commencing a Competitive Dialogue to Procure an increase in capacity through a number of new build sites
- 2.2 The Timetable for increasing capacity through a number of new build sites was provided to the September Adults Committee and is set out below. An additional column has been added to indicate progress. Additionally, a GANTT Chart has been included as an Appendix to provide an overview of the project management process. It can be seen that work stream 3 is anticipated to deliver one or more new care homes by 2020. It is agreed by all parties that this is a challenging but deliverable time frame. Additionally, work stream 2 has the ability to deliver some of the required additional provision in a shorter time frame, as a result of a less challenging and quicker procurement process and a faster planning and construction process. It is envisaged that work stream 2 could deliver additional care home beds in 12 to 18 months from contract award. Specific timescales relating to Workstream 1 and Workstream 2 are currently being developed and will be confirmed on completion.

Milestone	Further details	Delivery date	Progress
Initial Project roles and responsibilities agreed	Lead Senior Responsible Owner and Project Lead agreed. Transformation Team support agreed.	July 2017	Complete
High level plan submitted to Adults Committee	This timeline is the high level plan	14 September 2017	Complete
Development of sourcing strategy, procurement plan and contract notice	<p>This work will include the following deliverables:</p> <ul style="list-style-type: none"> • Analysis of Current Supply Arrangements • Analysis of market position • Identification of Business Needs / Requirements • Generation and evaluation of strategic options • Options appraisal • Identification of strategic option and delivery plan 	<p>August 2017</p> <p>w/c 4th September to w/e 22nd October</p> <p>6 weeks to develop sourcing strategy / plan</p>	Complete
Commence Competitive Dialogue procedure	<ul style="list-style-type: none"> • Develop tender documentation • Supplier selection • Outline Solutions • Detailed Solutions • Final Tender 	<p>November 2017 – September / November 2018</p> <p>12 Months has been recommended to complete the competitive dialogue procedure</p>	On Track
Preferred bidder awarded		December 2018	
Post tender contract negotiations	To include designation of appropriate land	December 2018 – February 2019	
Planning and construction by award supplier(s)		2019	
Phased delivery of options to meet the demand		2020 onwards	

- 2.3 Following publication of a Prior Information Notice to launch the procurement process, a Suppliers' event was held on 25th October. This was extremely well attended, by a broad range of housing, care and construction organisations. The event provided extremely useful feedback on a number of key areas such as:
- whether the building and care contract should be combined,
 - the importance of design, and
 - Planning issues.
- 2.4 There was also a strong endorsement of the approach being taken and the timeline set out by the Council. Although the event was primarily aimed at suppliers interested in the new build provision, a number of existing providers attended and several expressed an interest in expanding their existing operation. This aspect of the work will be dealt with through a separate procurement process. All work streams will be managed through a single Project process.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

The following bullet points set out details of implications identified by officers:

- The planned development will result in a multi-million pound investment of capital in the construction of the care homes.
- It will also provide significant employment opportunities both in the construction and care industries

3.2 Helping people live healthy and independent lives

3.2.1 There is currently a shortfall of bed spaces of all types, which results in limited choice for purchasers, including the Council, and leads to escalating cost.

3.2.2 This approach is intended to support the principle of using Council assets to intervene in the Care Home market to increase capacity and secure affordable provision for Cambridgeshire residents.

3.3 Supporting and protecting vulnerable people

The report above sets out details of significant implications in paragraph 3.2

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The following bullet points set out details of significant implications identified by officers:

- The Council is experiencing significant inflation in the cost of care provision relating to capacity shortfalls.
- The principle of using Council assets- both land and purchasing ability- to intervene in the Market has been accepted by both the Adults Committee and the Assets and investment Committee.

- A clear governance process involving authorisation at Member level has been agreed.

4.2 **Procurement/Contractual/Council Contract Procedure Rules Implications**

The report above sets out details of significant implications in section 2.

4.3 **Statutory, Legal and Risk Implications**

The following bullet points set out details of significant implications identified by officers:

- The process is being supported by the LGSS legal team.

4.4 **Equality and Diversity Implications**

There are no significant implications within this category

4.5 **Engagement and Communications Implications**

The following bullet points set out details of significant implications identified by officers:

- There has been significant engagement with the Care Home sector. This will continue with all three work streams.
- A Communication plan is a key part of the Project Management arrangements

4.6 **Localism and Local Member Involvement**

The following bullet points set out details of significant implications identified by officers:

- As plans for specific sites come forward, it will be important to ensure full engagement with the relevant Local Member

4.7 **Public Health Implications**

The report above sets out details of significant implications in paragraph 3.2

Source Documents	Location
Older People's Accommodation Strategy	Older People's Accommodation Strategy