

**CARE HOME DEVELOPMENT**

*To:* **Adults Committee**

*Meeting Date:* **18<sup>th</sup> October 2018**

*From:* **Executive Director, People & Communities.**

*Electoral division(s):* **All**

*Forward Plan ref:* **2018/034** *Key decision:* **Yes**

*Purpose:* **To seek approval to extend two contracts for short term, respite and interim bed capacity, and provide an update on the commissioning strategy to address the current shortfall in care home beds within Cambridgeshire**

*Recommendation:* **The Committee is being asked to:**

- 1. Approve an extension of 12 months for two short term, respite and interim contracts**
- 2. Approve current commissioning approaches to addressing the remaining shortfall of care home beds within Cambridgeshire**
- 3. Approve the incorporation of care suites into existing models of commissioning where appropriate**

<b><i>Officer contact:</i></b>		<b><i>Member contacts:</i></b>	
Name:	<b>Michelle Foster</b>	Names:	Cllr Bailey/Cllr Howell
Post:	Commissioner	Post:	Chair/Vice-Chair
Email:	<a href="mailto:Michelle.foster@cambridgeshire.gov.uk">Michelle.foster@cambridgeshire.gov.uk</a> ;	Email:	<a href="mailto:annabailey@hotmail.co.uk">annabailey@hotmail.co.uk</a> ; <a href="mailto:mark.howell@cambridgeshire.gov.uk">mark.howell@cambridgeshire.gov.uk</a> ;
Tel:	01223 706317	Tel:	01223 706398

1.	BACKGROUND																
1.1	The Council commenced a review of care home provision in Cambridgeshire from November 2017 with the aim of increasing the capacity of affordable, sustainable high quality care home provision across the county. Through this review, a current shortfall of 150 quality, affordable beds which could be directly commissioned by the Council was identified.																
1.2	<p>Since November 2017, commissioning have sought to address the shortfall identified through:</p> <ul style="list-style-type: none"><li>• Extending the current block contract by 39 beds which has addressed the shortfall of Residential Dementia Care Home Beds within the Cambridge City area for the remainder of the contract.</li><li>• Development of a medium term approach to tender an additional block contract for long term beds within East Cambridgeshire, Huntingdonshire and South Cambridgeshire. This will aim to target the ongoing shortfall of 111 beds by May 2019.</li><li>• Making significant progress with the competitive dialogue process aimed at procuring a strategic partner to design, build and run a number of Care Homes on Council owned land under a lease arrangement. This programme will target both the current and future shortfall of beds as well as introducing a number of high quality beds to the self-funder market through an ongoing build programme. The contract is currently due to be awarded to a strategic partner in May 2019, with an initial build site being identified as part of the procurement process.</li></ul>																
1.3	<p>Whilst this has taken place a review of the volume and approach to commissioning Care Home provision has been undertaken. This review has considered how the Council currently commissions and uses both:</p> <ul style="list-style-type: none"><li>• Long Term Care Home provision which is purchased on a block and spot basis for individuals who require a permanent placement in order to meet their outcomes under the Care Act. This is commissioned via a 3 plus 2 year block contract which, with the extension period, will expire in August 2021.</li><li>• Short Term Care Home provision which is purchased on a block and spot basis for individuals who require temporary, more intensive support for period of time or to provide short term respite. These have been commissioned under historical contractual arrangements which are due to expire and therefore require review and re-commissioning.</li></ul> <p>An overview of current arrangements has been included in the table below:</p> <table><tr><th>Type of Provision</th><th>Total Volume</th><th>Total Annual Spend (2017/18)</th><th>Key Challenges</th></tr><tr><td>Long Term Block Beds</td><td>369 Beds</td><td>£9,838,839</td><td>Shortfall of 111 Beds</td></tr><tr><td>Long Term Spot Beds</td><td>774 placements</td><td>£32,680,787</td><td>Rising cost of spot placements</td></tr><tr><td>Total</td><td></td><td>£42,519,626</td><td></td></tr></table>	Type of Provision	Total Volume	Total Annual Spend (2017/18)	Key Challenges	Long Term Block Beds	369 Beds	£9,838,839	Shortfall of 111 Beds	Long Term Spot Beds	774 placements	£32,680,787	Rising cost of spot placements	Total		£42,519,626	
Type of Provision	Total Volume	Total Annual Spend (2017/18)	Key Challenges														
Long Term Block Beds	369 Beds	£9,838,839	Shortfall of 111 Beds														
Long Term Spot Beds	774 placements	£32,680,787	Rising cost of spot placements														
Total		£42,519,626															

	Type of Provision	Total Volume	Total Annual Spend (2017/18)	Key Challenges
	Short Term/ Respite Block Beds	14 beds	£409,739	Contracts are due to expire and the rising costs of spot placements
	Short Term/Respite Spot Beds	295 placements	£291,665	
	Interim Block Beds	19 beds	£697,406	
	Interim Spot Beds	120 placements	£34,771	
	<b>Total</b>		<b>£1,433,581</b>	
1.4	<p>Key findings have identified a number of challenges which Adults Commissioning is seeking to address:</p> <ul style="list-style-type: none"> <li>• <b>The need to re-dress the balance of block and spot commissioning:</b> At present, 65% of long term care home provision is spot purchased, with remaining provision being commissioned via a block contract arrangement. Block contract arrangements offer the provides a more stable income for a longer period of time which translates into more affordable rates for the Council, with better control of rising costs over the term of the contract. As spot purchased beds do not offer the provider this level of certainty and are often used at times of capacity pressures and escalation they are, on average, more expensive and over time provide the council with less control over cost. The rising cost associated with spot purchasing beds which cannot be delivered through our current block arrangement either due to capacity or individual requirements is placing pressure on existing budgets.</li> <li>• <b>Short Term, Respite and Interim Contracts:</b> The Council currently commissions 33 short term beds under historical contractual arrangements which are due to expire. An extension to existing arrangements is required to enable provision to reviewed and recommissioned.</li> <li>• <b>The need to incorporate and consider new models of commissioning and care:</b> The review of existing care home provision and approaches being produced to manage the market are taking place within a fluid environment, into which new concepts and models are continually being trialled, tested and introduced. Care Suites is an example of a new model which has been implemented within the Sussex area. Care Suites is a model of 24 hour residential care which continues to deliver outcomes for residents requiring this level of support, but offers the Council a more sustainable model of funding. However, this model does impact on the level of welfare and housing support currently claimed from District Councils and their engagement and support is therefore critical.</li> </ul>			
2.	<b>Recommended approach and cost implications</b>			
2.1	Taking of all of the above into account, please see three recommendations outlined below:			
2.2	<p><b>Recommendation 1:</b> Approval for two extensions for short term, interim and respite block contracts is requested to recommission provision and meets need over the next 12 months:</p> <ul style="list-style-type: none"> <li>• 19 interim beds with an annual value of £685,510 (mainly nursing provision)</li> </ul>			

	<ul style="list-style-type: none"> <li>• 14 respite beds with an annual value of £409,739 (mainly residential provision)</li> <li>• <b>Total extension annual value (12 months): £1,095,249</b></li> </ul>
2.3	<p><b>Recommendation 2:</b> Adults Committee are asked to approve the commissioning approach to addressing the current shortfall in capacity and redressing the balance of block and spot contracts through:</p> <ul style="list-style-type: none"> <li>• Tendering an additional block contract for long term beds which aims to address the current shortfall of beds within East Cambridgeshire, Huntingdonshire and South Cambridgeshire. This approach will aim to use a 'light touch' procurement approach to enable additional capacity to be accessed by May 2019.</li> <li>• Continued progression of the competitive dialogue procurement process which will enable the Council to work with a strategic partners to design, build and run a number of care homes in order to address the current and future shortfall of long term beds. This will aim to produce additional capacity by 2021.</li> </ul>
2.4	<p><b>Recommendation 3:</b> Approval to work in partnership with District Councils to incorporate the use of 'care suites' into commissioning arrangements wherever it is appropriate to do so. This will include engaging with existing providers to convert current provision into care suites where appropriate to do so and in consultation with residents.</p>
<b>3.</b>	<b>ALIGNMENT WITH CORPORATE PRIORITIES</b>
3.1	<b>Developing the local economy for the benefit of all</b>
	There are no significant implications for this priority.
3.2	<b>Helping people live healthy and independent lives</b>
	<p>The following bullet points address this priority:</p> <ul style="list-style-type: none"> <li>• Respite enables informal carers to have a break and thus support them in their role of caring and making this role sustainable for as long as possible.</li> <li>• Interim beds facilitate discharge from the acute hospital enabling individuals to reach their potential before returning home.</li> </ul>
3.3	<b>Supporting and protecting vulnerable people</b>
	<p>The following bullet points address this priority:</p> <ul style="list-style-type: none"> <li>• Respite and interim/short term bed provision supports individuals who have identified care and support needs under the Care Act 2014.</li> </ul>
<b>4.</b>	<b>SIGNIFICANT IMPLICATIONS</b>
4.1	<b>Resource Implications</b>
	The report above sets out details of significant implications in <i>Paragraph 2.1 above</i> .
4.2	<b>Procurement/Contractual/Council Contract Procedure Rules Implications</b>
	<i>The following bullet points set out details of significant implications identified by officers:</i>

	<ul style="list-style-type: none"> <li>• The report above details the request for two extensions under existing arrangements</li> <li>• The extensions were discussed at Commercial Board on 06-09-2018 where it was reported that the evidence of the basis of the original contract award arrangements was not known</li> </ul>
4.3	<b>Statutory, Legal and Risk Implications</b>
	<p>The following bullet points set out details of significant implications identified by officers:</p> <ul style="list-style-type: none"> <li>• The existing short term, interim and respite bed provision does not appear to have followed the expected contract and procurement rules so the County Council could be at risk of challenge.</li> <li>• It is felt to be a low risk as the market was approached in 2016 under the block bed contract procurement and had the opportunity to offer block bed provision at this time.</li> <li>• The existing block bed providers were also approached in December 2017 under Work Stream one of the care home development project to offer additional block bed capacity.</li> </ul>
4.4	<b>Equality and Diversity Implications</b>
	There are no significant implications identified by officers
4.5	<b>Engagement and Communications Implications</b>
	There are no significant implications identified by officers
4.6	<b>Localism and Local Member Involvement</b>
	There are no significant implications identified by officers
4.7	<b>Public Health Implications</b>
	There are no significant implications identified by officers

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes or No Name of Financial Officer: Stephen Howarth
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Paul White
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Name of Legal Officer: Allis Karim

Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Will Patten
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Matthew Hall
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Will Patten
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Tess Campbell

### **SOURCE DOCUMENTS GUIDANCE**

*It is a legal requirement for the following box to be completed by the report author.*

Source Documents	Location
None	None