

**CARE HOME DEVELOPMENT**

**To: Adults Committee**

**Meeting Date: 7 November 2019**

**From: Executive Director People and Communities**

**Electoral division(s): All**

**[The My Cambridgeshire representation map on the web may help:  
<http://my.cambridgeshire.gov.uk/myCambridgeshire.aspx>]**

**Forward Plan ref: 2019/059                      Key decision: Yes**

**Purpose: To seek approval to launch a tender exercise to put in place a Framework Agreement for continuing to spot purchasing care home services**

**Recommendation:**

- 1. To seek approval from Committee to launch a tender exercise to put in place a Framework Agreement for continuing to spot purchasing care home services**
- 2. To seek approval from Committee to delegate authority to award to preferred suppliers to Executive Director, People and Communities**

| <b><i>Officer contact:</i></b> |                                  | <b><i>Member contacts:</i></b> |  |
|--------------------------------|----------------------------------|--------------------------------|--|
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## **1. BACKGROUND**

### **1.1 Purpose of this Report**

The Purpose of this report is to seek approval from committee to launch a tender exercise to put in place a framework agreement to continue spot purchasing care home provision across Cambridgeshire and neighbouring areas.

### **1.2 Care Homes Commissioning Overview**

The Commissioning Directorate is developing a strategic approach to reduce the Council's reliance on spot purchasing arrangements by increasing block contracts for residential and nursing care. This is to create greater financial sustainability for the council at a time when we are experiencing substantial increases in the cost of spot placements.

The council currently spot purchases approximately 700 placements for adults 65+ and younger adults with physical disabilities requiring residential, residential dementia, nursing and nursing dementia care from approximately 90 providers. This cost approximately £38m in the 2018/19 financial year.

Notwithstanding our strategic approach to reduce reliance on spot purchasing arrangements, in order to comply with Procurement Regulations, we are required to put in place an overarching contract and agreement with providers for spot purchasing residential and nursing care. This will assure the quality of provision, clarify the rights and responsibilities of both parties regarding service delivery and funding and secure a robust procurement approach for the Council.

## **2. MAIN ISSUES**

### **2.1 Proposed Tender Exercise**

We propose to launch an open procurement exercise for all care home providers to bid to be placed onto the Cambridgeshire Dynamic Purchasing System (DPS) Framework.

This exercise will provide assurance around provider quality and sustainability and will in effect create an 'approved supplier' list for the council to spot purchase care home provision for service-users that we have a duty to provide funding for.

Following successful providers being placed onto the Framework, individual contracts for service-user placements will be made by the Brokerage Service via a call-off process that sets out placement cost and how the service-users wants and needs should be supported.

We propose to launch this process in November 2019 and following the bid process and subsequent evaluation and due diligence of successful providers, award contracts in February 2020.

### **2.2 Provider Engagement**

The council currently spot purchases care homes services from the majority of care home providers across the county. In order for these arrangements to continue,

providers must engage with this tender process and bid to enter onto the Framework Agreement.

The care home market in Cambridgeshire is diverse with some large national companies but a large proportion of small, local providers. Not all providers have had experience in being involved in a tender process and therefore we will ensure robust provider engagement and support is carried out in the lead up to the tender exercise to ensure that all providers are aware of what they are required to do and feel confident in doing so.

### **2.3 Ensuring High Quality Services**

Receiving high quality support for Cambridgeshire residents is the most important factor to consider when entering into contract arrangements with external providers.

In order to assure high-quality services are provided for Cambridgeshire residents via these new spot purchasing arrangements, providers will only be successful in being placed onto the Framework Agreement if they can evidence a CQC rating of Requires Improvement, Good or Outstanding.

Where providers have a rating of Requires Improvement, they will be required to submit an Improvement Plan via the tender process to the council that will be assessed by officers in order for quality assurances to be met.

### **2.4 Contract Length and New Providers**

We propose a total contract length of 10 years for the overarching Spot Framework Agreement. Individual contract lengths made via this Framework will be determined by the needs of service-users.

In order for new providers to have the ability to enter the Framework Agreement at a later date, we propose to open up the tender process approximately every 6 months, whilst retaining flexibility in this to account for emerging providers in the market and best use of council resources.

### **2.5 Contract Monitoring**

Providers that are successful in being placed onto the Framework Agreement and subsequently receive any individual service placement contracts will receive support and ongoing contract monitoring processes from our Contract Management team. This will ensure ongoing quality and safety for residents over the lifetime of the contract.

### **2.6 Pricing**

Providers will not be required to submit prices for service delivery in order to be placed onto the Framework Agreement.

Current spot pricing processes will continue with the Brokerage Service negotiating individual placement costs.

### **3. ALIGNMENT WITH CORPORATE PRIORITIES**

#### **3.1 A good quality of life for everyone**

Ensuring high-quality services using CQC ratings at point of tender and ongoing contract management will promote a good quality of life for all council-funded residents of Cambridgeshire care homes.

#### **3.2 Thriving places for people to live**

There are no significant implications for this priority

#### **3.3 The best start for Cambridgeshire's Children**

There are no significant implications for this priority.

### **4 SIGNIFICANT IMPLICATIONS**

#### **4.1 Resource Implications**

Although there are no new significant resource implications resulting from this work, the overall resource implications are set out in section 1.2

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

Significant implications relating to this category are set out in section 2.1, 2.4 and 2.5

#### **4.3 Statutory, Legal and Risk Implications**

*There are no significant implications in this category*

#### **4.4 Equality and Diversity Implications**

*There are no significant implications in this category*

#### **4.5 Engagement and Communications Implications**

Significant implications relating to this category are set out in section 2.2

#### **4.6 Localism and Local Member Involvement**

*There are no significant implications in this category*

#### **4.7 Public Health Implications**

*There are no significant implications in this category*

| <b>Implications</b>  | <b>Officer Clearance</b>                          |
|--|---|
|  |   |
| <b>Have the resource implications been cleared by Finance?</b>   | Yes<br>Name of Financial Officer: Stephen Howarth |
|  |   |
| <b>Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?</b> | Yes<br>Name of Officer: Gus De Silva              |
|  |   |
| <b>Has the impact on statutory, legal and risk implications been cleared by LGSS Law?</b>  | Yes<br>Name of Legal Officer: Fiona McMillian     |
|  |   |
| <b>Have the equality and diversity implications been cleared by your Service Contact?</b>  | Yes<br>Name of Officer: Will Patten               |
|  |   |
| <b>Have any engagement and communication implications been cleared by Communications?</b>  | Yes<br>Name of Officer: Matthew Hall              |
|  |   |
| <b>Have any localism and Local Member involvement issues been cleared by your Service Contact?</b>                                   | Yes<br>Name of Officer: Will Patten               |
|  |   |
| <b>Have any Public Health implications been cleared by Public Health</b>   | Yes<br>Name of Officer: Tess Campbell             |

| <b>Source Documents</b>               | <b>Location</b>  |
|---------------------------------------|--|
| <b>January Adults Committee Paper</b> | <a href="#"><u>January Adults Committee - Work stream 2 Tender</u></a> |