

**Forward Plan Reference Number: N/A**

<b>Report title:</b> Award of contracts for Integrated Residential Nursing (IRN) Intermediate Care Beds in West Essex and Maldon 2023	
<b>Report to:</b> Nick Presmeg, Executive Director Adult Social Care	
<b>Report author:</b> Matthew Barnett, Head of Strategic Commissioning and Policy	
<b>Date:</b> 20 October 2023	<b>For:</b> Decision
<b>Enquiries to:</b> Jo Grainger, Commissioning Manager, <a href="mailto:jo.grainger@essex.gov.uk">jo.grainger@essex.gov.uk</a> or Simon Evans, Procurement Specialist, <a href="mailto:simon.evans@essex.gov.uk">simon.evans@essex.gov.uk</a>	
<b>County Divisions affected:</b> All Essex	

## **1 Everyone's Essex**

- 1.1 Everyone's Essex sets out the Council's commitment and ambition to improve and support the health and wellbeing of the County's residents. This includes our commitment to support people with care needs to be as independent as possible through access to suitable accommodation, and to ensure they have the support they need to promote their wellbeing and quality of life.
- 1.2 The Care Act 2014 places a duty on local authorities to promote a sustainable market for care and support that delivers high quality services for all local people (however that care is funded).
- 1.3 Under the Care Act 2014, the Council has a statutory duty to meet eligible needs. Providing access to suitable accommodation with care and support, including residential care homes, on either a short-term or permanent basis is one way to meet those needs.
- 1.4 The purpose of this report is to seek the Executive Director's approval to progress to Final Award stage and enter into Integrated Residential and Nursing (IRN) call-off block contracts for the provision of Recovery to Home beds for short-term placements within three residential care homes in West Essex and Maldon. This is in addition to the six residential care homes secured through a previous decision.

## **2 Recommendations**

- 2.1 Agree to award IRN call-off block contracts for the provision of Recovery to Home beds at a maximum cost of £2.1m for a 12-month period within three residential care homes in the following Lots:
  - 2.1.1 Lot 6, West Essex, Harlow/Epping Forest to Alexandra House, Runwood Homes Limited
  - 2.1.2 Lot 7, Mid Essex, Maldon to Mansion House Residential Home, Hintlesham Care Limited
  - 2.1.3 Lot 9, West Essex, Uttlesford to Humfrey Lodge, Runwood Homes Limited

- 2.2 To note there is the provision for the call-off block contracts to be extended for an additional 12 months, subject to further governance informed by evaluation of performance.
- 2.3 To note that this decision is in addition to the decision secured on 9 October 2023 to award Recovery to Home call-off block contracts to six residential care homes.
- 2.4 To note that additional support, including from Therapy and Reablement services, will be provided as part of the Recovery to Home model and that associated decisions for this additional support are being progressed in tandem with this call-off block contract award.

### **3 Background and Proposal**

- 3.1 Recovery to Home is a new model designed to improve outcomes for those adults who require a short-term residential care home placement as part of their onward journey back to their own home, following an acute admission or step up from the community. This model aligns to strategic ambitions in care and health systems to ensure people are as independent as possible for as long as possible in life, in particular in facilitating the support needed to keep stays in care home environments as short as they can possibly be.
- 3.2 In July 2023, a decision was taken by the Cabinet Member for Health, Adult Social Care and ICS Integration, (FP/128/05/23) which authorised a mini-competition process under the Integrated Residential and Nursing care (IRN) Framework to purchase Recovery to Home beds for short-term placements within nine care homes across Essex on a block purchase basis for an initial period of 12 months. The contracts contain an option to extend the contracts for up to a further 12 months, subject to further decision, if the model is successful.
- 3.3 The Recovery to Home service includes additional support from Therapy and Reablement services. This element of the service is being developed at the same time as this Recovery to Home beds procurement; associated decisions and additional funding and resources are being progressed in tandem.
- 3.4 The decision taken by the Cabinet Member for Health, Adult Social Care and ICS Integration delegated authority to award contracts to successful bidders to the Executive Director, Adult Social Care following completion of the mini-competition process.
- 3.5 The initial tender process took place between 11<sup>th</sup> August 2023 and 15<sup>th</sup> September 2023, seeking bids from suitably qualified organisations to provide a minimum of five (5) Recovery to Home beds across nine care homes.
- 3.6 The number of Recovery to Home beds can increase or decrease up to a maximum number of fifteen (15) beds per care home. The total number of beds block purchased at any one time has been capped at 90 across Essex. The number of beds purchased on a block basis in each home will only increase in line with demand, along with the availability of beds within the homes and Therapy and Reablement resource following assurance of service performance.

- 3.7 The tender was for nine Lots based on geography to try and ensure an appropriate cover of care homes across the County to support short term placements. Providers were able to bid for more than one Lot if they had care homes in the geographical areas covered by more than one Lot.
- 3.8 The tender was open to care homes that:
- Are on the IRN Framework; and
  - Have a CQC rating of Good or Outstanding; and
  - Are registered to deliver dementia services; and
  - Are in the administrative area of Essex.
- 3.9 The evaluation criteria were based 100% on quality as the price for each bed is fixed at the care home's standard rate selected from the IRN schedule of rates, plus a £280 top-up per bed per week.
- 3.10 There were ten pass/fail questions seeking bidders' commitment to the staffing, timescales and buildings requirements deemed essential to ensure the Recovery to Home service is successful.
- 3.11 Bidders were also required to provide their CQC Key Lines of Enquiry ratings, this formed 20% of the quality evaluation score.
- 3.12 As well as providing a written response to two technical questions relating to:
- 3.12.1 Mobilisation and staffing of the service
- 3.12.2 An enabling independence case study
- 3.13 Bidders' responses to the two questions were assessed and formed 80% of the quality evaluation score. Bidders had to score a minimum of two out of five for each of the two questions for their bid to be compliant to ensure a focus on quality.
- 3.14 Through the initial tender process there were no successful bids for three of the nine Lots. A subsequent tender process has now been completed, following the same approach and criteria as set out above, but with the tender open for seven days. This has resulted in successful bids for the three remaining Lots, as follows:

<b>Lot/District</b>	<b>Number of homes <b>not passing</b> quality criteria</b>	<b>Number of homes <b>passing</b> quality criteria</b>	<b>Total</b>
Lot 6 - West Essex - Harlow/Epping Forest	0	1	1
Lot 7 - Mid Essex – Maldon	0	1	1
Lot 9 - West Essex – Uttlesford	0	2	2
<b>Total</b>	<b>0</b>	<b>4</b>	<b>4</b>

## **4 Links to our Strategic Ambitions**

4.1 This report links to the following aims in the Essex Vision:

- Enjoy life into old age
- Develop our County sustainably

4.2 Approving the recommendations in this report will not impact on the Council's ambition to be net carbon neutral by 2030. We are working on wider improvements as part of our longer-term market shaping strategy which will have an impact on this ambition.

4.3 This report links to the following strategic priorities in the Organisational Strategy 'Everyone's Essex':

- A strong, inclusive and sustainable economy
- Health wellbeing and independence for all ages

## **5 Options**

5.1 **Option 1: Do not award the call-off block contract to the winning bidders (not recommended)**

5.1.1 This option is not recommended. It would mean that the Council would continue to place in multiple care homes in West Essex and Maldon for short-term placements. This could also impact the Council's ability to meet its duty under section 5 of the Care Act 2014 and the promotion of a sustainable care home market, and to promote consistent quality, with a focus on Good and Outstanding provision.

5.2 **Option 2: Award the call-off block contracts to the winning bidders (recommended)**

5.2.1 This option would result in the contract being issued to the winning bidders for the remaining three of the nine Lots.

5.2.2 This is the recommended option because it enables the Recovery to Home block bed model to be implemented in three of the remaining nine residential care homes across the County. This supports the Council's strategic aim that, when a care home placement is required, either on a short-term or permanent basis it is into a care home on the IRN Framework which is rated Good or Outstanding by the CQC.

## **6 Issues for Consideration**

### **6.1 Financial Implications**

6.1.1 The maximum cost of the recommended option is £2.1m for the 12-month contract period. This would occur if the maximum 45 beds (15 per home) were

made available immediately when the contract goes live, though the actual cost is expected to be lower assuming mobilisation and not all homes will reach the maximum contract capacity. The minimum 12-month cost for the initial five beds per home (15 in total) is £792,000.

6.1.2 Awarding these 3 contracts in addition to the 6 contracts awarded in the decision taken on 9 October 2023 will mean a total of 9 Recovery to Home contracts in place. The maximum cost for the 9 homes across the two decisions is not aggregated, as there is a limit of 90 beds in place at any time, meaning a maximum cost of £4.7m.

6.1.3 The cost of occupied beds (at IRN Framework rates) will be funded through ASC care and support budgets, where provision was made as part of the budget setting process. The enhanced rate of £280 per bed per week, plus any void costs arising, will be funded through the Discharge Fund grant (part of the overall Better Care Fund) as the premium cost of access to bed capacity over and above the ASC base budget.

6.1.4 The cost of the enhanced rate would be a maximum of £1.3m. An example of void costs at 80% average occupancy on 90 beds would be £670,000, therefore £2m total chargeable to the Discharge Fund grant.

Maximum capacity (90 beds)	2023/24 £'000	2024/25 £'000	Total £'000
ASC Budget	1,143	1,600	2,743
Discharge Fund (80% occupancy)	827	1,158	1,986
<b>Total</b>	<b>1,970</b>	<b>2,758</b>	<b>4,729</b>

Minimum capacity (45 beds)	2023/24 £'000	2024/25 £'000	Total £'000
ASC Budget	654	915	1,569
Discharge Fund (80% occupancy)	324	453	776
<b>Total</b>	<b>977</b>	<b>1,368</b>	<b>2,345</b>

6.1.5 The November 2023 start date will mean that up to £2.8m of expenditure will fall in the 2024/25 financial year. Allocations and conditions for the Discharge Fund grant beyond 31 March 2024 have not yet been published, meaning there is a risk that commitments exceed available grant funding. It has been assumed (in line with BCF planning requirements) that the allocations will grow in line with national funding but if a shortfall were to arise then it would need to be managed within the overall ASC budget, which may require draw down from reserves.

6.1.6 As is inherent in block purchased arrangements, there is a risk of low utilisation resulting in poor value for money. The level of voids will be closely monitored, and provision exists in the contract to reduce the number of beds included in the block to minimum levels if necessary.

6.1.7 Additional wrap-around support for the Recovery to Home model is not included as part of this decision but is integral to delivery of the model. If this is not aligned, or there is limited impact on outcomes and length of stay in a short-term bedded

setting, then the risk is that the premium cost of block purchasing will be of limited value.

- 6.1.8 Improvements in length of stay could reduce the total short-term bed requirement at any one time, though this will likely be offset by the premium cost of the block purchasing arrangement. There is also an opportunity to provide better long-term outcomes, reducing the cost of ongoing care.

## **6.2 Legal Implications**

- 6.2.1 Residential and Nursing Care Services are considered to be Light Touch for the purposes of the Public Contracts Regulations 2015 ('the Regulations') and are therefore not subject to the full rigour of the Regulations. The Council is therefore not required to procure these services using one of the procedures defined in the Regulations, provided that the procedure adopted complies with the treaty principles of transparency, equal treatment and fairness.
- 6.2.2 The IRN Framework was procured in accordance with the Public Contracts Regulations 2015 and is a compliant route to market for the Council. The Council can call off services from the IRN Framework provided it follows the processes and procedures set out in the IRN Framework for call-off. Therefore, the use of the IRN Framework to purchase beds on a block purchase basis is a legitimate route to market that is compliant with the obligations placed on the Council by the Public Contracts Regulations 2015.
- 6.2.3 The procurement process was undertaken in accordance with the Public Contracts Regulations and the Council's internal policies and procedures.
- 6.2.4 The bids received were evaluated in accordance with the published evaluation methodology and criteria. The Council is therefore able to lawfully award these contracts.
- 6.2.5 Awarding the contracts also enables the Council to discharge the duties and obligations placed on it by the provisions of the Care Act 2014.

<b>I approve the above recommendations set out above for the reasons set out in the report.</b>	<b>Date</b> <b>23.10.23</b>
<b>Nick Presmeg, Executive Director, Adult Social Care</b>	
<b>In consultation with</b>	<b>13.11.2</b>
<b>Councilor John Spence, Cabinet Member for Health, Adult Social Care and ICS Integration</b>	
<b>Executive Director, Corporate Services (S151 Officer)</b>	<b>20.10.23</b>
<b>Laura Davis-Hughes on behalf of Nicole Wood</b>	