

).

**Report for:** Council Cabinet 9<sup>th</sup> of July 2019

**Title:** The award of Contract for Intermediate Care Nursing Beds under Contract Standing Order 9.01.2.1

**Report authorised by :** Charlotte Pomery  
020 8489 3751  
[Charlotte.Pomery@Haringey.gov.uk](mailto:Charlotte.Pomery@Haringey.gov.uk)

**Lead Officer:** Emily Snelling  
Commissioning Officer  
020 3688 2752 [Emily.Snelling@Haringey.gov.uk](mailto:Emily.Snelling@Haringey.gov.uk)

**Ward(s) affected:** All

**Report for Key/**

**Non Key Decision: Key Decision**

## **1. Describe the issue under consideration**

The purpose of this paper is to seek authorisation for a direct contract award under Contract Standing Order 9.01.2 (g) negotiation without publication of an advertisement to The Supplier outlined in the exempt appendix for the provision of 10 Intermediate Care Nursing beds. These specialist nursing beds are an essential element of Haringey's intermediate care pathway, which is made up of a range of integrated care services that aim to support residents at risk of an unnecessary hospital admission and to support patients to increase their independence following a hospital admission.

## **2. Cabinet Member Introduction**

- 2.1 Provision of intermediate care which supports people to avoid a hospital stay and to return home in a timely fashion after such a stay, is fundamental to helping people remain independent and well. Intermediate care for those who also need high levels of nursing care is particularly important and can make a really positive difference to people's wellbeing and long-term care options.
- 2.2 This report seeks to ensure we have local provision which is sustainable and supports us into the future, creating local capacity for this specialist area of provision.

## **3. Recommendations**

- 3.1 For Cabinet to approve the award of contract under CSO 9.01.2 (g) for intermediate nursing care beds to the Supplier named in the exempt appendix for a period of eight (8) years, commencing from 1<sup>st</sup> August 2019 at a value of

£4,400,000 with an option to extend for a further period of up to two (2) years, for an estimated total value over the life of the contract of £5,600,000

#### **4. Reasons for decision**

- 4.1 Intermediate nursing care beds are an essential component of Haringey's intermediate care pathway, providing enablement to patients that cannot be supported within extra care facilities or within their own homes due to the complexity of their health needs. Intermediate care beds differ in nature from standard nursing care as the purpose of Intermediate care is to improve a resident's level of independence, predominantly through activity based therapies. A nursing care setting is appropriate for some people due to the complexity and medical nature of their needs, as well as the high levels of activity required of the service provider to safely mobilise residents.
- 4.2 These beds are a component of Haringey's wider intermediate care provision and are supported by a dedicated community health multi-disciplinary team (MDT) comprised of occupational therapy, physiotherapy, nursing and social work for example, which was established following a multi-agency review of the intermediate care offer. It is commissioned outside of this contract and funded through Haringey's Better Care Fund. The MDT works across two bed based intermediate care services in Haringey and is critical for ensuring efficient bed flow and therapy input to achieve better outcomes for individuals and reduce long term care costs and ensures that Haringey's intermediate care pathway meets the NICE guidance definition of intermediate care. Moreover, in-borough delivery of this contract is in the Council's overall interest. The MDT service is provided by community health professionals and the referral criteria for community health is based on the location of a patient's GP – they can, therefore, only provide a service to those both residing and registered with a GP in borough. Nursing home residents outside of the borough would not be registered with a Haringey GP and therefore would not be able to receive services from the MDT which is at the heart of the success of this type of provision – limited or no access to the MDT will significantly reduce the effectiveness of the service.
- 4.3 The use of a block contract will mitigate the significant risk that local nursing beds will otherwise not be available when needed which would lead to a delay in transfers of care within acute care and a reduced opportunity to support residents to return to their previous levels of mobility and independence. The remaining capacity will be used by LBH in lieu of spot purchasing step up and step down nursing beds. In order to further alleviate the risk of void beds we will be able to make the beds available for use by partners across North Central London, where the full costs will be recharged to them
- 4.4 There is a paucity of nursing home provision within the borough with only 2 Care Quality Commission registered nursing homes (one of these provisions currently has an embargo on new placements). Haringey's commissioning service intends to secure block contracts with this service provider for differing levels of nursing care to ensure access to local nursing is protected for Haringey residents. Notwithstanding a Cabinet decision on the future of OGNH, it is expected that capacity locally will not exceed that of the local demand. This

award of contract will therefore enable the Council to continue working with a local provider to deliver intermediate care nursing bed service in Haringey.

- 4.5 This contract will be partly funded from existing resources within Adults Social Care and funded from a combination of:
- NHS Continuing Health Care, Individual client funding
  - North Central London Partners, Individual client funding
  - Systems Resilience Funding
- 4.6 The Home (see exempt appendix) run by the Supplier delivered an Intermediate Care Nursing Bed Service between two winter periods (September 2017 and March 2018) and (September 2019 and March 2019). The initiative was highly successful in supporting:
- Hospital discharge, demonstrating clear commitment to partners to resourcing reduction in delayed transfers of care (DToCs). Haringey's intermediate care provision has supported Haringey to achieve a 21% reduction in delayed transfers of care in 2018/19.
  - Development of the trusted assessor pilot.
  - Achievement of the 90% CHC assessment target.
- 4.7 For the reasons outlined above it was considered that a direct award under s.32 of the Public Contracts Regulations 2015 was the most appropriate method to secure an already scarce provision, along with the added benefit of the MDT, on the basis that there was no competition, i.e. there is no other currently available nursing provision in borough, and certainly none with MDT input. The MDT element is the main requirement for Intermediate care provision and would not be available to residents if they were placed out of borough. Moreover intervention of this type is short and intense to enable residents to avoid hospital readmission, reduce or mitigate against delayed hospital discharge and costly long-term care. It also would not be an option to decant vulnerable, aged, residents to alternative out of borough placements if a tender was undertaken.

## **5. Alternative options considered**

### **5.1 Do nothing**

- 5.1.1 This would result in Haringey having no nursing beds as part of our intermediate care pathway and being solely reliant on spot purchasing. Due to the limited availability of nursing bed provision within the borough this would likely lead to out of borough provision, significant delays to discharge and the loss of the benefits of rehabilitative input from the MDT.

### **5.2 Go out to tender**

- 5.2.1 The Council considered undertaking a competitive tender process in line with the Public Contract Regulations 2015. However, as the Home is the only CQC registered nursing home rated Good in the borough it would have been necessary to obtain quotes from nursing homes outside the borough. This was considered problematic as there would not be the same access to the multi-disciplinary support in place at the Home. Out of borough provision would result in the loss of the benefits of rehabilitative input from the MDT and diminish the

effectiveness and value of the service. Moreover, residents were already insitu and it would not be a viable proposition to remove elderly, vulnerable residents to another establishment if one were available.

### 5.3 **Deliver in-house**

5.3.1 This was rejected as the only other nursing home in-borough is the Council managed service at OGNH. However, it is currently being considered for redesign and development to meet future demand and is presently unsuitable for the provision of intermediate care.

## 6. **Background information**

6.1 Intermediate care services are provided to patients, usually older people, after leaving hospital or when they are at risk of being admitted to hospital. The services offers a link between hospitals and where people normally live, and between different areas of the health and social care system – community services, hospitals, GPs and social care. There are 3 main aims of intermediate care and they are to:

- Help people avoid going into hospital unnecessarily;
- Help people be independent as possible after a stay in hospital; and
- Prevent people from having to move into a residential home until they really need to.

6.2 NICE Guidance [NG74] Published in 2017 defines Intermediate care as: a multidisciplinary service that helps people to be as independent as possible. It provides support and rehabilitation to people at risk of hospital admission or who have been in hospital. It aims to ensure people transfer from hospital to the community in a timely way and to prevent unnecessary admissions to hospitals and residential care. A range of integrated services that: promote faster recovery from illness; prevent unnecessary acute hospital admissions and premature admissions to long-term care; support timely discharge from hospital; and maximise independent living. Intermediate care services are usually delivered for no longer than 6 weeks and often for as little as 1 to 2 weeks.

### 6.3 **National Evidence Base**

6.3.1 Evidence from the 2017 National Audit of Intermediate Care demonstrated that intermediate care services are key to reducing the financial, quality and activity pressures being experienced in secondary care and the social care service sector.

6.3.2 National Audit of Intermediate Care (NAIC) evidence demonstrates that intermediate care works with more than 91% of service users who received intermediate care maintained or improved their dependency across home, bed and re-ablement services.

6.3.3 The NAIC 2017 report evidenced that the experience of intermediate care service users was generally positive with all the aspects of services investigated by the Patient Reported Experience Measure (PREM) obtaining high results. Over 91% of people felt they had been treated with dignity and respect.

## **6.4 National Context**

6.4.1 Intermediate Care delivers savings to the health and social care economy with more effective discharges being facilitated earlier with reduced length of stays and a reduction in unavoidable admissions or readmissions.

6.4.2 In January 2019 the NHS released the Long Term Plan which outlines 'Over the next five years all parts of the country will be asked to increase the capacity and responsiveness of community and intermediate care services to those who are clinically judged to benefit most.' There is an expectation that local areas will be expected to accommodate service users into bed based intermediate care provisions within 2 days of a patient being identified as medically fit as defined in NICE guidance.

6.4.3 Across North Central London (here designated as Barnet, Camden, Enfield, Haringey and Islington), there is limited provision of nursing care. Currently there are approximately 2500 nursing home beds within the five partner boroughs. It is Haringey's policy to only place residents in homes which are rated 'Good' and 'Outstanding' by CQC, 28% of beds within this area are in establishments rated 'requires improvement' which further limits the number of available supply.

6.4.4 The Care Act placed new duties on local authorities to facilitate and shape their market for adult care and support as a whole, so that it meets the needs of all people in their area who need care and support, whether arranged or funded by the state, by the individual themselves, or in other ways. The ambition is for local authorities to influence and drive the pace of change for their whole market, leading to a sustainable and diverse range of care and support providers, continuously improving quality and choice, and delivering better, innovative and cost-effective outcomes that promote the wellbeing of people who need care and support.

## **6.5 Local Context**

6.5.1 Haringey Council, Haringey Clinical Commissioning Group (the CCG) and local providers (including clinicians, service managers and representatives from the voluntary sector) began to develop a new pathway for intermediate care in the London Borough of Haringey in 2016. The group recommended that a multidisciplinary team (MDT) be established to support the provision of bed based intermediate care. The aim of the service was to provide step down care and avoid hospital admissions. Over the past three years the Council and CCG have continued to jointly develop their intermediate care provision.

6.5.2 The service provides a time limited episode of intermediate care commissioned and supported by a MDT. These beds will be used flexibly to support the development of discharge to assess continuing healthcare pathway as well as

general step down beds (transfer from acute hospital for further period of assessment and rehabilitation) and as step up beds (admitted from home for assessment and rehabilitation as an alternative to acute hospital admission). The aims of the service are to:

- Support more people to remain as independent as possible after a stay in hospital
- Facilitate earlier discharge and avoid preventable hospital admissions
- Improve health and social care outcomes for service users
- Prevent people from moving into long term provisions of care unnecessarily with a reduction in permanent admissions to nursing and residential care homes.
- Reduction in dependence on statutory social care services

6.5.3 Savings to Adult Social Care are realised through less reliance on long term care services following an intensive period of reablement in a 24 hour setting supported by a multidisciplinary team approach. Intermediate Care contributes significantly to the MTFs savings attributed to preventative savings as a result of the health and social care system operating more effectively. Delayed discharges cost the Council £155 per day.

6.5.4 Haringey's MDT Service is comprised of a part time GP, part time manager, Social Worker, Physiotherapist, Occupational Therapist rehab tech and Pharmacist all working holistically with the service user to maximise their independence. The MDT Service is funded through the boroughs Better Care Fund and supports residents placed in intermediate care at both the Home and another intermediate care provision in a local extra care facility within the borough providing continuity of care for patients transferring between establishments. The team are also able to access additional support from other community health providers such as district nursing and rapid response within borough.

6.5.5 There are only two nursing homes in the borough. The Home run by the Supplier, is the only nursing care home with a Good Care Quality Commission rating. It has a current bed base of 93 Nursing beds and has recently been designated a Teaching Nursing Home given the quality of its care and support for staff. The other nursing care home is OGNH. This contract would include a block book provision of 10 Nursing home beds available for the sole purpose of intermediate care.

6.5.6 The Home has a strong track record in intermediate care provision as it ran an Intermediate Care Nursing Bed Service between two winter periods (September 2017 and March 2018) and (September 2019 and March 2019) which was highly successful in supporting:

- Hospital discharge, demonstrating clear commitment to partners to resourcing reduction in delayed transfers of care (DTocS). Haringey's intermediate care provision has supported Haringey to achieve a 21% reduction in delayed transfers of care in 2018/19.
- Development of the trusted assessor pilot.
- Achievement of the 90% CHC assessment target.

## **7. Contribution to strategic outcomes**

- 7.1 The Borough plan 2019-2023, sets out the vision and priorities for the Council over three years. The development of Haringey's Intermediate Care provision contributes to Priority 2: People: Our vision is a Haringey where strong families, strong networks and strong communities nurture all residents to live well and achieve their potential. Bed based intermediate care links directly with Outcome 7: All adults are able to live healthy and fulfilling lives, with dignity, staying active, safe and connected in their communities.
- 7.1.1 Objective 7b: People will be supported to live independently at home for longer. Increased reablement provision will enable more people to regain the skills and confidence they require to live independently in the community and will deliver the following outcomes for residents:
- More people are supported to avoid going into hospital unnecessarily
  - More people are supported to remain as independent as possible after a stay in hospital
  - More people are prevented from moving into residential care unnecessarily
- 7.1.2 Objective 7d: Adults with multiple and complex needs will be supported to achieve improved outcomes through a coordinated partnership approach. Provision of the bed based intermediate care within Haringey allows residents access a multi-disciplinary community service who provide coordinated rehabilitation and intermediate care for residents with complex needs across health and social care.
- 7.2 This work is also aligned to the Better Care Fund plan, the aim of which is for people in Haringey to be healthier and have a higher quality of life for longer. It aims to give people more control over the health and social care they receive, for it to be centred on their needs, support their independence and be provided locally wherever possible.

## **8. Statutory Officers comments**

### **8.1 Finance**

- 8.1.1 This decision relates to the extension of a contract with a cost implication of £4.4m over 8 years, which would be funded from the existing budgets for nursing care provision. The annual cost of this would be £550,000 and the weekly cost per bed would be £1,055. The average nursing care cost for Haringey is approximately £900 per week and it is estimated that this would increase to approximately £1,000 within the next five years. These are the average costs across all nursing placements so do not factor in the additional costs for complex packages. There is no immediate cost saving related to the contract extension, rather the mitigation of future nursing placement shortages within the borough.
- 8.1.2 The risk of non-utilisation of the nursing beds would be mitigated by vacant beds being recharged to North Central London partners at full cost.

### **8.2 Procurement**

- 8.2.1 Strategic Procurement has been supporting Commissioning in the employment of this approach and preparation of this report. The process is in line with the

requirements of the Procurement Code of Practice and the Public Contract Regulations 2015 and is agreed by the Head of Procurement

8.2.2 The Public Contracts Regulation 2015 prescribes several tender processes that may be employed for awarding contracts to suppliers including Regulation 32, Negotiation Procedure without prior publication, which requires inter alia that:

- Competition is absent for technical reasons (Regulation 32 (2) (b)(ii). Strategic Procurement believes that the reasons for the use of this procedure have been met as outlined in paragraphs 4 ad 6 above, more particularly the paucity of registered nursing homes ie only this one and one other which is currently not in position to deliver this provision. Further access to Intermediate care provision is reliant on community health professionals, the criteria for which is residence and registration with an in borough GP , which would preclude use of out of borough provision and;
- Additional ground relevant to new works or services which repeat similar ones . Which refers to “services consisting of the repetition of similar works or services entrusted to the economic operator to which the same contracting authority awarded an original contract, providing the services are in conformity with the basic project for which the original contract was awarded” – the Supplier had successfully provided this service previously during two winter periods, the same provision is now sought on a longer term basis (Regulation 32 (2) (9)

8.2.3 Employment of Regulation 32 may come with the risk of challenge from other organisations, which would not have the opportunity to bid, as the contract was not advertised. However, Procurement is of the view that this risk is minimal as, coupled with the fact there are currently no other nursing homes in borough currently able to deliver this provision, moreover, the MDT element of intermediate bed provision requires service users have access to a Haringey GP ( therefore, provision must be in borough) in order to access the MDT input and CCG funding.

8.2.4 The price secured per bed provides best value and compares favourably to the top quartile of prices paid by the Council in 2018/9 for high need nursing care per bed (which is the service profile for intermediate care provision) at £1335 or £1015 across all client groups aged over 65. Moreover, the contract price will be fixed for the first 3 years of the contract, further inbedding best value.

8.2.5 Monitoring requirements contained within the contract specification, will ensure that, throughout the duration of the contract, service delivery, or void risks should be mitigated by regular contract management monitoring and case management review which has thus far proved to be successful.

### **8.3 Legal**

8.3.1 The Assistant Director of Corporate Governance note the content of this report.

8.3.2 Pursuant to the Council’s Contract Standing Order (CSO) 9.01.2(g) and Regulation 32 of the Public Contracts Regulations 2015, the Council may

procure a contract through the negotiated procedure without prior publication of an advertisement following consultation with the Head of Procurement.

8.3.3 Pursuant to CSO 9.07.1(d), Cabinet may approve the award of a contract if the value of the contract is £500,000 or more and as such Cabinet has power to approve the award of the Contract in this Report.

8.3.4 The Assistant Director of Corporate Governance note the comment of Procurement in Paragraph 7.2.1 that the risk of challenge of the award of the contract through the negotiated procedure without prior publication is minimal but because of the graveness of the repercussion of any successful challenge which may include the contract being declared ineffective, the Assistant Director of Corporate Governance would recommend that a VEAT notice be issued before the final award of the contract. The VEAT notice would have the effect of bringing to the fore any potential challenge(s) and give the Council (if need be) the opportunity to change course.

## **8.4 Equality**

8.4.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

8.4.2 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

8.4.3 The decision is to approve a direct contract award to the Supplier for the provision of 10 Intermediate Care Nursing beds. The award of this contract will help to ensure access to nursing care for residents who may benefit from such a setting due to the complexity and medical nature of their needs, and gain a greater degree of independence through access to therapies. It follows that older residents and those with long-term health conditions and/or disabilities will be the primary beneficiaries of the decision. The decision represents a course of action to meet the needs of these groups where they are different to the needs of other groups and thereby helps to advance equality of opportunity. Moreover, women and BAME residents are overrepresented among nursing care service users in Haringey, and so it is likely that these groups will be positively impacted by the decision.

## **9. Use of Appendices**

9.1 Exempt appendix.

**10. Local Government (Access to Information) Act 1985, Background papers**

i. NHS Long term plan

<https://www.longtermplan.nhs.uk/publication/nhs-long-term-plan/>

ii. NICE guidance (NG74) - Intermediate care including reablement

<https://www.nice.org.uk/guidance/ng74/resources/intermediate-care-including-reablement-pdf-1837634227909>

iii. National audit of intermediate care (NAIC) Highlight report 2018

<https://static1.squarespace.com/static/58d8d0ffe4fcb5ad94cde63e/t/5b2ca7711ae6cfd5a3387e6d/1529653114439/NAIC+2018+Project+Card.pdf>

iv. National audit of intermediate care (NAIC) Summary report 2017

[https://s3.eu-west-2.amazonaws.com/nhsbn-static/NAIC%20\(Providers\)/2017/NAIC%20England%20Summary%20Report%20-%20upload%202.pdf](https://s3.eu-west-2.amazonaws.com/nhsbn-static/NAIC%20(Providers)/2017/NAIC%20England%20Summary%20Report%20-%20upload%202.pdf)