

# CABINET MEMBER SIGNING

**Monday, 27th February, 2023, 1.30 pm**

**Councillors:** Lucia das Neves

## **1. APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

## **2. DECLARATIONS OF INTEREST**

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

(i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and

(ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct

## **3. BLOCK CONTRACTS FOR THE PROVISION OF GENERAL NURSING AND RESIDENTIAL BEDS (PAGES 1 - 6)**

## **4. EXCLUSION OF THE PRESS AND PUBLIC**

Item 5 is likely to be subject to a motion to exclude the press and public from the meeting as it contains exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); paras 3 and 5, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

## **5. EXEMPT - BLOCK CONTRACTS FOR THE PROVISION OF GENERAL NURSING AND RESIDENTIAL BEDS (PAGES 7 - 8)**

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Friday, 17 February 2023

**Report for:** Cabinet Member Signing

**Title:** Block contracts for the provision of General Nursing and Residential Beds

**Report authorised by :** Beverley Tarka, Director of Adults, Health and Communities

**Lead Officer:** Jon Tomlinson, Senior Head of Brokerage, Quality Assurance and Commissioning

**Ward(s) affected:** All

**Report for Key/  
Non Key Decision:** Key Decision

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

- 1.1. This report seeks approval for the award of two block contracts with Ourris Properties Limited and Ourris Residential Homes Limited for 21 nursing and 12 residential beds at Autumn Gardens and 11 residential beds at Anastasia Lodge, respectively.
- 1.2. Entering into these contracts will result in the Council securing access to specialist provision as the care homes specialise in the care and support of Greek and Cypriot older people and maintaining much needed nursing care capacity within the sub-region. Entering into the contract will also support achievement of Medium-Term Financial Savings targets with regarding to managing the market more efficiently.

## **2. Cabinet Member Introduction**

- 2.1. Not applicable

## **3. Recommendations**

- 3.1. For the Cabinet Member for Health, Social Care and Well-being to approve the following:
  - 3.1.1. award of a contract to Ourris Properties Limited for the block purchasing of 33 beds (21 nursing care beds and 12 residential care beds) at Autumn Gardens, for an initial period of 2 years from 1st November 2022, at a price of £3,015,777.5 or £1,507,889.75 per annum or with the option to extend for further periods of up to 2 years with a maximum contract value of £6,031,555.
  - 3.1.2. The award of a contract to Ourris Residential Homes Limited for the block purchasing of 11 residential care beds at Anastasia Lodge, for an initial period of 2 years from 1st November 2022 at a cost of £917,664 (£458,832 pa) with the option to extend the contract for further periods of up to 2 years with a maximum contract value of £1,835,328.

- 3.1.3. To approve the delegation of contract extensions to the Director of Adults, Health & Communities Service

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

- 4.1. The care homes at Anastasia Lodge and Autumn Gardens offer culturally specific provision, catering largely – but not exclusively – for residents of Greek or Cypriot heritage. They are the only residential and nursing homes in the sub-region offering such specialist provision and Haringey has considerable demand for such placements.
- 4.2. Entering into these contracts will result in the Council continuing to secure access to specialist provision as the care homes specialise in the care and support of Greek and Cypriot older people and maintaining much needed residential and nursing care capacity within the sub-region.
- 4.3. The proposed arrangements will yield efficiencies in commissioning costs by continuing to secure a reduced purchasing rate per placement through a block contract as compared to existing spot placement rates.

#### **5. Alternative options considered**

- 5.1. The alternative options available to the Council are to either ‘do nothing’ or to conduct an open tender arrangement to commission a new block arrangement. The reasons these options have been discounted are noted below:
- a) Doing nothing may deprive the Council of being able to offer other Greek & Cypriot residents the choice of living in a culturally specialist care home; whereas a block would secure supply and allow the Council to do so. Doing nothing would also likely mean the Council having to either pay an increased spot rate to the provider or find alternative accommodation for the residents placed under the previous block contracts. Either option would create issues, be that a budget pressure for the former, or significant unacceptable disruption to residents for the latter.
  - b) The other option would be for the Council to establish the new block contract via an open tender process. This has not been pursued for the following reason:
    - There is a limited market in culturally specialist provision for Greek and Cypriot older people, and there are no care homes of a similar size sub-regionally (i.e. within North Central London) capable of meeting a requirement to support 36 residents. This has been established through market engagement conducted by the commissioning unit as well as the limited culturally specific homes in the region registered by the Care Quality Commission. Given the state of the market therefore there is no realistic alternative to awarding the contracts to Ourreis Properties Ltd and Ourreis Residential Home Ltd

#### **6. Background information**

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- 6.1. In order to ensure both capacity and flexibility, the Council is keen to have a mixed economy of spot and block purchase arrangements in place. Many placements are commissioned on a spot purchase basis, but the proposal set out here – to renew a block contract – reflects the need to maintain capacity for a particular cohort of the population, notably Greek and Cypriot older people, and to ensure best value in commissioning this provision.
- 6.2. Haringey has had block contracts in place with both homes for a number of years, with the previous block contracts expiring in February 2022. Autumn Gardens and Anastasia Lodge currently meet 60% of demand for care home placements for Greek and Cypriot residents. The market in these services is very limited and there are no other Greek and Cypriot older peoples care home sub-regionally. Consequently, Commissioning undertook direct negotiation as permitted by procurement Regulations with the service Provider rather than opt for a tender process,
- 6.3. The Council is also seeking to block commission an additional 5 residential beds at Autumn Gardens (included in numbers at 3.1 above) on top of the existing placement levels as and when they become available (i.e. the Council will only pay the provider for these beds when the Council begins to place with them). The reason for this is that there is limited specialist care home alternatives for this client group and demand for nursing care is increasing.
- 6.4. **Quality**
- a) Autumn Garden was last inspected by CQC in August 2020 and was rated Good
  - b) Anastasia Lodge was last inspected by CQC in November 2019 and was rated Good
  - c) The Quality Assurance Team does not have any current concerns with this provider, however we would like to work with both homes, within the North Central London Market Management Programme, on building the capacity of the home to accept clients with increasing levels of complexity.
- 6.5. **Utilisation**
- a) Void rates under the previous block arrangements were good, operating at under 5%. Work is underway within the brokerage and commissioning service to tighten up our void management processes.
  - b) For residential, both previous block contracts were consistently at occupancy levels of 100%.
  - c) Nursing blocks will always have a lower occupancy rate as the nature of nursing placements means that the turnover rate is quicker. Despite this, occupancy levels have been between 95%+. Where they have

dipped it has been due to delays in hospital discharge and having fewer spot placements with this provider in recent years to move into available block beds.

6.6. **Pricing**

New pricing has been negotiated with the provider in line with our local cost model for older people care homes, which aim to pay a sustainable rate to providers. The agreed weekly fee rates per bed is included in Appendix 1 – Part B (exempt information) of this report.

6.7. **Contract Monitoring and Review**

Service Outcomes will include both ‘qualitative’ and ‘quantitative’ performance indicators. The provider will be required to keep records of all performance activity. There will be monthly contract monitoring meeting which will focus on performance, outcomes and problem solving any structural and systemic or operational issues. The Service will be subject to regular reviews and adjustments, including to eligibility criteria, can be made by mutual agreement.

7. **Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes’?**

7.1. The project is directly linked to theme four of the Corporate Delivery Plan, Adults, health and welfare:

- Healthy and Fulfilling Lives - All adults are able to live healthy and fulfilling lives, with dignity, staying active, safe, independent and connected in their communities.

8. **Statutory Officers comments (Chief Finance Officer (including procurement), Head of Legal and Governance, Equalities)**

8.1. **Finance**

8.1.1. The block contract to place clients at Autumn Gardens and Anastasia Lodge expired in March 2022. Clients are currently being placed at both locations under an informal extension of the contract at existing rates. However, going forward, this arrangement will not be available, and clients would have to be placed at a spot rate.

8.1.2. The new contract rates show an increase on the old block rates, but a decrease when compared to the available spot rates.

8.1.3. When comparing the rates of the proposed new block contract for purchasing beds at Autumn Gardens and Anastasia Lodge against the spot rates available, a potentially saving of £541K per annum would be made. Comparison of unit cost of the proposed new block contract and the spot purchase included in Appendix 1 – Part B (exempt information) of this report

8.1.4. Payment for the contract will be met from the adults care purchasing budget.

8.2. **Procurement**

8.2.1. Residential and nursing care services are within remit of the Light Touch Regime of the Public Contracts Regulations 2015. Usually, an advertised tender opportunity and process would be required to award contracts at this value.

8.2.2. However, under Regulation 32 a negotiated direct award may be made where the services can only be supplied by a particular economic operator where competition is absent for technical reasons, and no reasonable alternative or substitute exists, moreover, that the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement. As outlined at 4 above there are no other providers in North Central London that caters for this cultural group, nor in the numbers required to meet demand.

8.2.3. The price negotiated is within the Council's sustainable price band for residential and nursing care and as such provides good value for the Council. This direct award is, therefore, in compliance with the parameters set out by Regulation 32.

8.2.4. Commissioning will regularly monitor key performance indicators set out in the contract, as well as hold monthly monitoring meeting to ensure contract performance and contract outcomes are met. Monitoring meetings will also provide a forum to discuss and resolve operational issues at an early stage to avoid escalation, as well as, provide opportunities to share knowledge, best practice and foster partnership working.

8.3. **Legal**

8.3.1. The Head of Legal and Governance (Monitoring Officer) has been consulted in drafting this report.

8.3.2. Strategic Procurement have confirmed this procurement has been undertaken in compliance with Regulation 32 of the Public Contracts Regulations 2015.

8.3.3. Pursuant to Contract Standing Order 16.02 the Cabinet Member with the relevant portfolio responsibilities has authority to approve the recommendations in the report.

8.3.4. The Head of Legal and Governance (Monitoring Officer) sees no legal reasons preventing the Cabinet Member for Health, Social Care and Well-being from approving the recommendations in the report.

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 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 service reflects the need to maintain capacity for a particular cohort of the population. There is a limited market in culturally specialist provision for Greek and Cypriot older people, and there are no care homes of a similar size sub-regionally. The care homes at Anastasia Lodge and Autumn Gardens offer culturally specific provision, catering largely – but not exclusively – for residents of Greek or Cypriot heritage.

8.4.3. Entering into these contracts will result in the Council securing access to specialist provision, maintaining much needed nursing care capacity within the sub-region and being able to offer older Greek and Cypriot residents the choice of living in a culturally specialist care home

## **9. Use of Appendices**

9.1. Appendix 1 – PART B Exempt Information

## **10. Local Government (Access to Information) Act 1985**

10.1. This report contains exempt and non-exempt information. Exempt information is contained in the exempt report and is not for publication. The exempt information is identified in the amended schedule 12 A of the Local Government Act 1972 under the following categories:

- (3) information in relation to financial or the business affairs of any particular person (including the authority holding that information)



By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is exempt

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