

Report for: Cabinet Member Signing – 28 November 2022

Title: Block Contracts for the Provision of Nursing Intermediate Care

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

Lead Officer: Rebecca Cribb, Commissioning Manager

Ward(s) affected: All

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

1. Describe the issue under consideration

- 1.1. This report seeks agreement by Cabinet Member for Health, Social Care, and Wellbeing to vary the pricing of two contracts with MagiCare Limited for the provision of Nursing Intermediate Beds at Priscilla Wakefield House. One is an 8-bed contract funded by the Clinical Commissioning Group (CCG) Better Care Fund (BCF) Minimum Allocation, and the other is a 10-bed contract funded from the Improved Better Care Fund (iBCF). Operationally we utilise the 18 beds flexibly as a joint Health and Social Care initiative to help people recover.
- 1.2. The variation requested is to allow an inflationary increase in the weekly bed rate:
- 8 bed contract: from £1,032 to a new base rate of £1,105, with an additional temporary uplift for 2022/23 only to £1,200
 - 10 bed contract: from £1,036 to a new base rate of £1,078, with an additional temporary uplift for 2022/23 only to £1,200
- At a total additional cost of £408,778 over the remaining lifetime of the contracts.
- 1.3. The variation is allowed under CSO10.02.1(b) (variations and extensions valued at £500,000 and above to be taken by Cabinet) and CSO16.02, which provides that in-between meetings of the Cabinet the Leader take any such decision that would normally be taken by Cabinet or may allocate this to the Cabinet Member with the relevant portfolio.
- 1.4. The 10-bed contract was awarded by Cabinet in August 2019 for an initial period of eight years. The 8-beds contract was directly awarded by Cabinet in February 2022 for an initial period of three years.

2. Cabinet Member Introduction

- 2.1. N/A

3. Recommendations

The Cabinet Member for Health, Social Care, and Wellbeing is recommended:

- 3.1 Pursuant to CSO 10.02.1b and CSO 16.02, to approve the variation in price of the existing block contracts awarded to MagiCare Limited for the provision of 18 (10 + 8) nursing intermediate beds at Priscilla Wakefield House, to a new base rate.
- 3.2 To temporarily increase, for 2022/23 only, the nursing intermediate bed price from the new base rates, £1078 and £1105 respectively, to £1200 per week for all 18 beds from the 1 April 2022, bringing the remaining contract value over the maximum life of the contracts from £5,916,779 to £6,325,557. The total addition cost of the variation over the remaining lifetime of the contracts is £408,778 (£216,903 for the 10-bed contract and £191,875 for the 8-bed contract).

	Start date	End date	Max. Weekly Cost per bed	Number of beds	Max. Value
Base Rate	1 April 2022	31 July 2029	£1,078	10	£3,923,920
Temporary Uplift		31 March 2023	Additional £122.33 per bed per week		£63,611
Base Rate	1 April 2022	31 March 2027	£1,105	8	£2,298,400
Temporary Uplift		31 March 2023	Additional £95.25 per bed per week		£39,626
				18	£6,325,557

- 3.2 To approve the variation of the existing contracts at the costs set out in paragraph 3.2 of the report.

3. Reasons for decision

- 3.1. There is a paucity of nursing home provision within the borough with only one CQC registered nursing homes. The award of both existing contracts with MagiCare Limited has enabled us to continue working with a local provider to deliver intermediate care nursing bed service in Haringey.
- 3.2. The existing contracts do not provide for any inflationary increase for the first three years of the contract; therefore all costs were deemed to reflect the price for the relevant Contract Year and the price was held from the contract commence date.
- 3.3. However, an uplift is required sooner to sustain the provider through high levels of inflationary pressures and increasing staff costs experienced by this provider which are similar to those experienced by the rest of the care home sector. The new base rate is made within available uplifts to the BCF and iBCF. The temporary uplift for 2022/23 will sustain the provider whilst the council and the

Integrated Care Board (ICB) review its funding as part of the overall North Central London (NCL) Intermediate Care Bed Review during 2022/23.

- 3.4. Increasing the value of the contracts will secure access to local provision for older people and maintain much needed nursing intermediate care capacity within the sub-region. It will also maintain certainty over price, securing sustainable prices for placements for Haringey residents.

4. Alternative options considered

- 4.1. Do nothing – there is a high likelihood that the provider would service notice on these contracts. This would result in sole reliance on spot purchasing for the provision of these beds. Due to the limited availability of nursing bed provision within the borough this would likely lead to out of borough provision, delays to discharge and the loss of the benefits of rehabilitative input from the Multi-Disciplinary Team (MD)T and Care Home Assessment Team (CHAT).
- 4.2. Go out to tender – As Priscilla Wakefield House is the only nursing home in the borough it would have been necessary to obtain bids from nursing homes outside the borough. Due to the multi-disciplinary support already in place at PWH out of borough provision would result in the loss of the benefits of rehabilitative input from the MDT and CHAT and diminish the effectiveness and value of the service.
- 4.3. Across the North Central London Sustainability and Transformation Plan footprint 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 the STP footprint are in establishments rated 'requires improvement' which further limits the number of available supply.

5. Background information

- 5.1. In March 2016, the Council, CCG and local providers (including clinicians, service managers and representatives from the voluntary sector) designed a new pathway for intermediate care in the London Borough of Haringey. The group recommended that a MDT was created to support the provision of bed based intermediate nursing care, providing step down care and avoiding hospital admissions.
- 5.2. The Nursing Intermediate Care Beds provide an alternative nursing care offer for those with ongoing health needs following a hospital discharge. These beds support patients with high intensity and/or more specialised nursing needs who may require a spell of 'active nursing convalescence' as part of the joint intermediate care pathway to prevent patients needing to go to, or to facilitate their return home from hospital. This time-limited response forms part of the wider intermediate care and community nursing solutions available for Haringey patients.

5.3. Traditionally these patients would have been provided care by the health partners through spot purchased health step down. It is recognised that patients placed in these provisions frequently deconditioned due to a lack of timely therapeutic input and following period of convalescence had higher than anticipated needs requiring Long Term Care placements funded predominantly by adults social care. It is believed that incorporating these beds into the joint Health and Social Care intermediate care pathway will streamline connections between Intermediate Care Services and Continuing Health Care (CHC) assessments through closer collaboration between the Single Point of Access (SPA), CHC team and Reablement services and will better accommodate and manage this patient group improving patient outcomes and the effectiveness of care.

5.4. Haringey Council commissioned the provision of a Nursing Intermediate Care Service comprising eighteen nursing beds, as part of a group of initiatives aimed at expanding Haringey's intermediate care provision and making it consistent and better coordinated.

10 Intermediate Care beds are funded from the iBCF ('LBH therapeutic input beds in association with WHT').

5.5. A further 8 Nursing Intermediate Care beds were commissioned to support the CCG at the time, which represented an expansion of the original 6 nursing intermediate care beds required at the time by Haringey CCG. It should be noted that the North Central London ICB formed in 2022/23 (previously North Central London CCG and previously Haringey CCG). Operationally, the CCG and Council, with the provider, agreed to utilise the bed split flexibly to best accommodate the needs of patients needing short-term recovery – whether needing therapeutic input or nursing convalescence - in a bedded facility support through a multi-disciplinary team of nurses, therapists and social workers in this facility. Over time, this led to the need for a slight re-alignment of the number of beds:

5.5.2. 6 nursing intermediate care beds funded through the CCG BCF Plan Minimum Allocation ('CCG Nursing IC beds to support people to recover their health status [convalescence] before therapeutic input').

5.5.3. 2 beds originally funded through NHS England's National Hospital Discharge scheme in 2020/21 and 2021/22, and which are now predominantly utilised as 'therapeutic input' beds. These beds are now funded through the ICB Minimum Allocation in the BCF Plan in 2022/23.

5.6. The contract for the provision of 10 Intermediate Care Beds has entered into its third year and therefore is subject to inflationary increases, a new contract for the 8 nursing intermediate care beds was due to be executed in April 2022 however this was stalled pending price negotiations with the provider.

5.7. A base rate increase for both contracts has been calculated to allow for inflation pressures and increase staffing costs to effectively recruit and retain staff. Negotiations were held with the provider to agree a temporary uplift for 2022/23 only, to reflect the rising cost of living.

- 5.8. Intermediate Care delivers savings to the health economy with more effective discharges being facilitated earlier with reduced length of stays and a reduction in unavoidable admissions or readmissions. Local modelling undertaken in March 2020 estimates that this contract and the MDT save £1.33 for every £1 spent in CCG and Council in terms of reducing long-term care needs and hospital re-admission.
- 5.9. 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. Contribution to strategic outcomes

- 6.1. The Borough Plan sets out the Council and partners' approach to ensuring that strong families, strong networks and strong communities nurture people to live well and achieve their potential through a range of partnership approaches, focused on meeting the specific needs of residents. The proposals here align with that approach by maintaining a focus on local, quality provision for older people as they become more frail.

7. Statutory Officer Comments

7.1. Finance

This report is seeking the approval of Cabinet to vary the contract price for the remainder of the contracts, including a temporary additional uplift for 2022/23 only, commencing from the 1st April 2022 to 31st March 2023. The total addition cost of the variation over the remaining lifetime of the contracts is £408,778. Funding will be met from existing resources within the BCF and iBCF. There is sufficient budget to meet the allocated expenditure.

7.2. Procurement

- 7.2.1. The Nursing Intermediate care provisions referred to in this report are within the ambit of the Light Touch Regime of the Public Contracts Regulations 2015. The contracts were directly awarded to Magicare Ltd in line with Regulation 32
- 7.2.2. Contract modifications often necessitate a new procurement process. However, under Regulation 72 contract modifications may be permitted without a further tender process providing, inter alia, that the modification is for economic or technical reasons. (72 (1) b)
- 7.2.3. Technically there is a paucity of nursing provision in borough and certainly no other provider of intermediate nursing care with a specialist multi- disciplinary team, which provides residents with access to 24 hour intensive rehabilitative support which enables them to return to their homes and community. This approach has economic benefits both to the Council and Health partners. It contributes to the Council's MTFS savings due to preventative measures and

reduction of costs for longer-term care, as well as contraction of health costs due to delayed discharges. The request for additional costs is to relieve unprecedented inflationary pressures outlined at 5 above which will ensure this singular provision continues to be available for both the Council and its Health partner. The variation is permissible under Regulation (72 (1) (b), and is well within the maximum 50% limit at 5% and 14% for the 10 and 8 bedded unit originally let at £4m, and £1,372,800 respectively.

- 7.2.4. The requested variations are permitted under Contract Standing Order 10.02.1b and CSO 16.02 and will enable the Council to continue to deliver much needed nursing intermediate care provision with a local provider sustainably, much of the cost is met externally, the temporary uplift cost notwithstanding,
- 7.2.5. Commissioning will continue to monitor service provisions throughout the duration of the contracts to ensure residents/ service outcomes, as well as value continues to be delivered

7.3. Legal

- 7.3.1 The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.
- 7.3.2 The services are classified as Schedule 3 services (social and other specific services) under the Public Contracts Regulations 2015 (the Regulations) which are subject to a “light touch regime”. Under Regulation 72 (modification of contracts during their term) there are certain safe harbours where contracts may be modified without the Contracting Authority having to undertake a procurement exercise. Under Reg 72 (1) (b) a contract may be modified without the need for a procurement where there is a need for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor—
- (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, and
 - (ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority,
- provided that any increase in price does not exceed 50% of the value of the original contract;
- 7.3.3 The decision to award the contract is a Key Decision and, as such, needs to comply with the Council’s governance process in respect of Key Decisions including publication in the Forward Plan.
- 7.3.4 As the aggregated value of the contract is in excess of £500,000, the decision to vary the contract would ordinarily be taken by Cabinet. However, in between meetings of the Cabinet, the Leader may take any such decision or allocate to the Cabinet Member with the relevant portfolio (CSO 16.02).
- 7.3.5 The Head of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing the Cabinet Member for Health, Social Care & Wellbeing from approving the recommendations in this report.

7.4. Equality

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.

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.

Retaining 18 beds within the Tottenham area will support older and disabled people to benefit from a local offer which provides equality of opportunity for local residents to access the services they need.

8. Use of Appendices

N/A

9. Local Government (Access to Information) Act 1985

N/A