

Procurement Committee On 13/3/07

Report Title: **Older People Nursing Care Beds: Request for Award of Contract - Part A**

Report of **Interim Director of Adult, Culture and Community Services**

Ward(s) affected: **All**

Report for: **[Key / Non-Key Decision / Info']**

1. Purpose

1.1 Following agreement by Procurement Committee on 14/11/06 to waive the requirement to tender for residential and nursing care provision until December 2007, I write to request your approval to award two contracts on the following scheme in order to secure value for money for the Council.

2. Introduction by Executive Member

- 2.1 Due to demand that cannot be met within the Council's own provision it is necessary for the Council to source alternative provisions for Service Users requiring residential care within the locality.
- 2.2 Due to the nature of the market it is necessary to secure residential and nursing care beds and formalise contracts with Providers immediately beds become available.
- 2.3 To reduce the possibility of the Council incurring fines due to delays in discharge it is necessary to have care bed provision available to the Department.
- 2.4 A waiver of the requirement to tender also enables the Council to negotiate terms and develop close working partnerships with Providers to ensure that a high standard of care is available to Service Users.

3. Recommendations

- 3.1 That Members agree to award contracts to the two organisations named in Part B of this report.

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4. Executive Summary

4.1 Due to the nature of the market it is necessary to formalise contracts with providers immediately as soon as beds become available

5. Reasons for any change in policy or for new policy development (if applicable)

5.1 n/a

6. Local Government (Access to Information) Act 1985

6.1 List of background documents:

Report to Procurement Committee dated 14th November, entitled 'Older Peoples Services Residential Provision – waiver and award of contracts

6.2 This report contains exempt and non-exempt information. Exempt information is contained in Part B of this report and is **NOT FOR PUBLICATION**. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972):

(3) Information relating to the financial or business affairs of any particular person (including the authority holding that information)

7. Background

7.1 Agreement to waive and award contracts was agreed at Procurement Committee on 14th November 2006.

7.2 In order to reduce the number of Service Users awaiting delayed hospital discharge it is being proposed by Social Services and Health to purchase nursing care provision. Beds have been identified at two homes and would initially be purchased for a period of two (2) years, with the option to extend for a further period of one (1) year. The bed price for both organisations is listed in Part B of this report. The beds of Provider A would be used in a flexible manner, ie permanent, respite and 'step down' in order to make best use of the beds and for dementia nursing care at the home of Provider B.

7.3 To purchase six (6) nursing care beds with Provider A and three (3) with Provider B. The reasons being the general shortage of nursing placements available to the Department and the urgency for obtaining 'step down' beds to alleviate any possible future delayed discharge problems from hospitals.

7.4 The contracting of permanent and 'step down' beds has over the past 3 years helped to manage delayed discharges in a consistent manner. The homes identified as having the beds available are Provider A and Provider B.

7.5 The department proposes to initially contract with the proposed providers homes for a period of up to three years (3). Haringey has contracted with Provider A over the last two years and feedback from Care Management has shown that the Provider offers value for money. There have not been any problems with achieving contractual compliance. The home has received favourable reports from the Commission for Social Care Inspection (C.S.C.I). The links forged with Care Managers and Health

professionals have been constructive and progressive. We have contracted beds with Provider B and to date they have provided value for money. The C.S.C.I report for Provider B is favourable.

7.6 Pending a final decision on the future of Osborne Grove, services there will not be available until the Autumn of this year. All indicators show future residential needs will be in the specialised area of dementia and nursing care with the need for low dependency residential care diminishing, competition of for such specialised provision will therefore increase. HPCT has also expressed a desire to jointly commission nursing care with the Council.

7.7 The Contracts Team in Social Services Directorate will continue to conduct frequent monitoring visits with the Providers and is satisfied that they can meet the demands expected by the Service Specification

8. Budget

8.1 The cost of the beds will be met from the Older People Commissioning budget, with the step down beds being coded against the delayed discharge grant. The costs of the contracts per annum are detailed in Part B of this report.

9. Description of Procurement Process

There is strong competition between local authorities when nursing care beds become available. Under the circumstances formal tendering exercises are not considered appropriate. As the Procurement Committee agreed at its meeting on 14 November to a waiver of tendering requirements in respect of nursing and residential care provision, it is recommended that Procurement Committee agree to award two contracts to the providers listed in Part B, in accordance with its powers under CSO 11.03 (contracts over £250,000).

9.1 There is an acute shortage of good quality nursing care beds. Within Haringey there is one nursing home. Of the 3 homes closest to Haringey in Islington one does not provide dementia care, one can only take mild dementia cases and one has a secure floor for dementia. Costs for the beds in these homes range from £630 to £1210 per week. One of the homes identified for the purchase of block beds is located in Barnet close to the Haringey border. It has received favourable reports from C.S.C.I and is used on a regular basis by Haringey. The home is able to accommodate Service Users with dementia and is flexible in the use of the beds i.e respite, 'step down' and permanent. The other, Provider B is located in the west of the borough and is able to accommodate Services Users with dementia.

10. Consultation

10.1 Consultation on the homes being considered for block contracting to provide the care required was undertaken between the Service Manager for Commissioning and the Contracts Section.

11. Key Benefits and Risks

11.1 The benefits to the Council will be financial security over a three year period, access to good quality care, and the availability of beds which will reduce the waiting time

for Service Users who require nursing care. The benefits for Service Users include access to good quality care within the locality of Haringey and a reduction in time spent in hospital awaiting discharge. The risks to the Council are the possibility of the homes closing due to financial pressures, and a drop in the quality of care being provided. These risks will be minimised by regular monitoring of the contract both for the quality of care and the homes financial viability.

12. Contract and Performance Management

12.1 The contracts will be monitored on a quarterly basis and the performance management regularly checked in consultation with the Commissioning Service on a monthly basis.

13. Summary and Conclusions

13.1 Following discussion with the Service Manager for the Commissioning Service it was agreed that the two homes identified in this report would be the most able to provide the high quality of care required. The proximity of the homes to Haringey was also a deciding factor

14. Recommendations

14.1 That Members approve the award of two contracts to the providers listed in Part B of this report from 1 March 2007 for a period of two years with an option to extend for further year.

15. Equalities Implications

15.1 Providers A and B are C.S.C.I registered and such registration requires compliance with all equalities legislation. Contracts will be monitored post-award to ensure continued compliance with legislation during the life of the contracts.

16. Health and Safety Implications

16.1 The contract terms include requirements to comply with all relevant legislation. Providers A and B are C.S.C.I registered and such registration requires compliance with all health and safety legislation

17. Sustainability Implications

N/A

18. Financial Implications

18.1 Purchasing beds with Providers A and B will provide both a fair price and financial security to the Council during the period of the contract.

19. Comments of the Director of Finance

19.1 The Director of Finance has been consulted in the preparation of this report. The service has identified a shortage of specialist beds in the market and by entering into a block contract with this Provider the council's position in the market will be more secure. The funding for the purchase of the nursing care beds will come from the Older People's budget.

20. Comments of the Head of Legal Services

- 20.1 TA waiver of Contract Standing Order 6.4. (requirement to tender) in respect of residential and nursing provision was approved by the Procurement Committee at its meeting on 14 November 2006.
- 20.2 The proposed contracts are not designated as priority services under the Public Contracts Regulations 2006 and therefore tendering is not required in Europe.
- 20.3 Because of the value of the proposed contract to Provider A, a decision in respect of award must be made by the Procurement Committee in accordance with Contract Standing Order 11.03 (contracts over £250,000). The value of the proposed contract to Provider B is under £250,000 but the Procurement Committee also has power to approve award of this contract.
- 20.4 The Head of Legal Services confirms that there is no legal reason preventing Procurement Committee from agreeing the recommendation at paragraph 14.

21. Comments of the Head of Procurement

- 21.1 The situation and options appraisal has been discussed with the Corporate Procurement Unit which has agreed that this is the most sensible approach in the circumstances. This approach will ensure that the council is best placed to take advantage of market conditions. CPU will work closely with colleagues to ensure that the contract is appropriate and represents best value for the authority.