

TO: EXECUTIVE
12 JULY 2017

RESIDENTIAL CARE SERVICES BLOCK CONTRACT
Director of Adult Social Care, Health & Housing

1 PURPOSE OF REPORT

- 1.1 To seek approval to award a block contract(s) for residential care services.

2 RECOMMENDATION

- 2.1 That a contract for Residential Care Services, commencing September 2017 is awarded to the following care home:**

- **Tenderer A**

3 REASONS FOR RECOMMENDATION

- 3.1 Since 2013/14 the Council has seen an overall reduction of 205 residential and nursing beds within the Borough, and a further reduction of nearly 400 beds in homes previously used outside the Borough. Whilst the demand has not reduced, the supply has, which has led to much higher prices than we should be paying. Recent cost modelling evidences that the situation is getting worse.
- 3.2 Whilst placement costs are becoming unsustainable, they are also becoming increasingly less reflective of a client's needs and more about how much money the provider can get paid for a bed. Other Berkshire local authorities also report experiencing the same problems, as care managers vie for the limited number of beds available, regardless of the true cost of care and value for money.
- 3.3 As part of looking at options to contain rising costs, discussions were held with a number of new-build care homes locally, who are currently seeking business from the private sector and local authorities to fill their beds. These discussions evidenced that savings could be made through purchasing through block contracts.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Not to enter into block contract(s) and continue to purchase through spot contracts, however, this would mean that the Council miss the opportunity to make the savings indicated in the Confidential Annexe to this report, thereby reducing some of the pressure on this budget.

5 SUPPORTING INFORMATION

- 5.1 Currently the Council purchases residential beds, which includes provision for people with dementia, on a spot purchase basis, and the cost for each placement is negotiated on an individual basis. Since 2013-14 there have been six care home closures, reducing the overall local bed capacity by 205 beds. There have been further home closures with providers the Council had been using outside of the

Borough resulting in a loss of approximately 400 further beds. This has led to a shortage of beds to meet demand, and has resulted in care homes increasing their fees. Recent cost modelling has indicated that this has resulted in the average weekly rate per placement increasing by £130.00 per week in the last five months, and is continuing to rise. Entering into a block contract supports the Council's plans to address these rising costs.

- 5.2 The block contract would also provide an opportunity for people who have been placed outside the borough in recent months, due to the general shortage of local beds – to be offered the opportunity to move back to the area. This would benefit the person, and the Council, as it is likely that the block contract fees would be below the spot purchase fee. The Council could also consider whether it would be appropriate, in some cases, to move people currently in high cost spot purchase care homes to a block contract.
- 5.3 As residential care services are categorised as Social & Other Specific, and the contract value is above the OJEU threshold of £589,148, the procurement was subject to the Light Touch Regime. A Prior Information Notice (PIN) was placed in OJEU and on the South East Business Portal and Contracts Finder on 12th June 2017 informing care homes of the Council's intention to enter into block contract(s) for a maximum of 20 beds, through a maximum of 4 block contracts, and inviting interested care homes to express an interest in being considered for a contract. The contract term indicated was for a minimum of three years and a maximum of five years, including any extensions. The deadline for expressions of interest was 28th June 2017.
- 5.4 The procurement was undertaken in accordance with those detailed in the procurement plan, which was approved by the Chief Executive of the Council and Executive Member for Adult Social Care, Health & Housing.
- 5.5 The PIN included a minimum criteria that care homes had to meet before they could be considered for a block contract. Care homes that met the minimum criteria were invited to register an interest in being considered by emailing the Contracts Team, indicating how they met the criteria.
- 5.6 The responses were considered by the project team, the details of which are contained in the Confidential Annexe to this report.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 Legal advice was obtained at the outset confirming that the value of the contract dictated the need to follow the requirements of the Public Contract Regulations 2015 as this procurement fell within the provisions of the Light Touch Regime for Social Care related services in excess of £589000. Those requirements have been complied with in securing the contract.

Borough Treasurer

- 6.2 The financial case for entering into the spot contract has been made within the main body of the report.

Equalities Impact Assessment

- 6.3 An initial Equalities Screening Record Form was completed, and indicated that a full Equalities Impact Assessment was not required.

Strategic Risk Management Issues

- 6.4 A full Risk Register is not required as procurement risks are covered in the procurement plan with suitable mitigations proposed. Post contract risk management will form part of the regular review meetings undertaken by the Council's appointed contract manager

7 CONSULTATION

Principal Groups Consulted

- 7.1 Not applicable.

Method of Consultation

- 7.2 Not applicable.

Representations Received

- 7.3 Not applicable.

Contact for further information

Neil Haddock, Adult Social Care Health & Housing - 01344 351385
Neil.haddock@bracknell-forest.gov.uk