

Divisions Affected – N/A

DELEGATED DECISIONS FOR CABINET MEMBER FOR ADULT SOCIAL CARE

17 September 2024

Block contract for Nursing Specialist care home beds to manage individuals with complex dementia and mental health needs.

Report by Director of Adult Social Care

RECOMMENDATION

- 1. The Cabinet Member is RECOMMENDED to**
 - a) Endorse the decision of the Director of Adult Social Care to approve the funding for a 20-bed block contract with Vale House care home in Oxford for the supply of Nursing specialist care home beds to manage the needs of individuals who present with complex dementia and/or mental health issues and who require a care home bed in Oxfordshire.**
 - b) Endorse the decision of the Director of Adult Social Care to approve the contract award to Vale House following a procurement exercise. Contract to commence from 01 July 2023 for 1 year with the option to extend for a further year.**

Executive Summary

- 2. The Council has a legal duty to provide bed-based residential or nursing care to meet eligible needs under the Care Act 2014. The ICB has a statutory duty to provide similar service for individuals who meet the eligibility criteria for NHS Continuing Health care (CHC).**
- 3. A block contract was originally awarded to Vale House Care home in Oxford in 2018 for 25 Block beds to provide specialist care for those with dementia and mental health. This contract expired on 30th June 2023. The beds reduced to 20 during the lifetime of the original contract.**
- 4. Operational staff, brokerage and commissioning agreed there was a continuing need for beds of this type in order to provide good quality care for those individuals with a high level of need. This was also a cost-effective contract with beds costing £1,273.53 per bed per week whilst the same beds were costing £1500 per bed per week elsewhere on an individual placement contract.**
- 5. In March 2023, the Director of Adult Social Care, supported by the Adult Social Care Directorate Leadership Team, agreed to the recommendation for a mini competition to be carried out under the Residential Care Homes Dynamic**

Purchasing System (DPS) to procure 30 block contract beds to increase geographical spread. In response to the mini-competition, two bids were received but one bid was deemed to be non-compliant. The remaining bid was from Vale House. Following evaluation of the Vale House bid, officers were satisfied that the bid meet the council's evaluation criteria in terms of cost and quality, representing value for money. Unfortunately, the bed numbers could not be increased following the procurement exercise.

6. Within this procurement process there was a maximum price of £1,300 per bed per week allowed for this contract with a maximum number of beds set at 30. Vale House provided a price of £1,282 per bed per week which is below the maximum price allowed, with an offer of 20 beds.
7. The Cabinet Member is asked to endorse the decision taken in March 2023 to approve the above and award contract to Vale House from 01 July 2023 for 20 block beds for a 1-year contract with the option to extend for a further year.

Exempt Information

8. Not applicable.

Background

9. In 2018, the Council established a block contract for 20 beds with Vale House care home in Oxford to provide Nursing specialist care for both Adult Social Care (ASC) and for Continuing Health care (CHC). This was a specialist provider for dementia and mental health care.
10. The original contract was due to end in February 2023, but an extension was agreed to 30th June 2023 to allow for a mini competition to test the market for this service and to test out the new care bands model. It was agreed to continue with the integrated model of commissioning for both ASC and CHC as this has worked well over the past 5 years with ASC paying for the beds it used and CHC paying for the beds it used. There had been minimum voids under that contract and the beds are well utilised.
11. On 01 March 2023 a paper was taken to Directorate Leadership Team to request approval for a mini competition for 30 Nursing Specialist beds to meet the needs of individuals with complex dementia and mental health. This was approved by the Director of Adult Social Care and a mini competition under the DPS took place in April 2023.
12. In response to the mini-competition, two bids were received but one bid was deemed to be non-compliant. The remaining compliant bid was from Vale House who scored well both on quality and cost and therefore won the contract. There was a maximum price of £1,300 per bed per week allowed for this contract with a maximum number of beds set at 30. Vale House provided a price of £1,282 per bed per week which is below the maximum price allowed, with an offer of 20 beds. The Council has been paying £1,273.53 per bed per week under the previous contract.

13. The new contract was tendered on the basis a one-year period plus an option to extend for a further one year with a right for the council to break the contract for convenience upon 2 months' notice in writing as well as termination for breach. The contract value was estimated to cost £1,336,869.60 per annum. This gives a whole life value of £2,677,475.31, including the extension period.

Contract Award

14. This request is for an approval to endorse the decision already taken by the Director of Adult Social Care supported by the Adult Social Care Directorate Leadership team. The decision is to award a contract to Vale House from 01 July 2023 with the option to extend for 1 year.

Corporate Policies and Priorities

15. The procurement aligns with the following corporate policies and priorities:

- a) Oxfordshire County Council's Corporate Plan 2023-2025 includes prioritising social care system, and partnership working.
- b) The Oxfordshire Way.
- c) Better Care Fund (BCF)

Financial Implications

16. The proposed contract is for a one-year period plus an option to extend for a further one year. The contract is expected to cost £1,336,869.60 per annum. This gives a whole life value of £2,677,475.31, including the potential extension period.

17. In the procurement process a maximum price was set at £1,300 per bed per week for this contract with a maximum number of beds set at 30. Vale House provided a price of £1,282 per bed per week which is below the maximum price allowed, with an offer of 20 beds. The Council is paying £1500 per week per bed for individual placements outside of this block arrangement with this provider and with other providers.

18. This is still the most cost-effective option available to both the ASC and CHC which also guarantees a set quality for these block beds.

Comments checked by:

Thomas James, Finance Business Partner (Adults & Public Health),
Thomas.James@oxfordshire.gov.uk

Legal Implications

19. The Council has a statutory duty to provide residential care services as detailed in paragraph 2 of the report.

20. The Residential Care Homes DPS (DPS) was established following a procurement exercise carried out in 2016 pursuant to the light touch regime under the Public Contracts Regulations 2015 (the Regulations). Being a light touch regime contract, the DPS was not required to meet the stricter requirements for dynamic purchasing systems that are subject to the full regime.
21. The DPS was designed to allow providers to be admitted to the DPS throughout its lifetime and to provide the Council with the ability to call-off contracts for individual placements and block contracts. The mini-competition for the block contract specialist nursing beds was conducted in accordance with the call-off procedure set out in the DPS.
22. Approval of the contract award to Vale House will enable officers to formalise the contractual arrangements with Vale House.

Comments checked by:

Jayne Pringle, Head of Law and LBP – Contracts & Conveyancing

Jayne.pringle@oxfordshire.gov.uk

Staff Implications

23. The service is procured via a third part Vale House Care Home. The Council's Quality Improvement team and the joint Commissioning team in HESC will manage the contract. Therefore, there is no impact on the council's workforce as a result of the recommendation.

Equality & Inclusion Implications

24. The equality and inclusion implications have been considered. The contract is specifically designed to support those individuals who have complex dementia and mental health needs and who have had a Care Act assessment or a CHC assessment which indicates this level of need within a residential setting.

Sustainability Implications

25. The block contract ensures there is sustainable high quality care home beds for those with high level of need due to mental health or dementia. The provision of Nursing specialist block beds aligns with Oxfordshire County Council's vision for The Oxfordshire way which prioritises individuals for care homes that are unable to remain at home or in an alternative setting such as extra care housing.

Risk Management

26. The block contract includes an agreed specification for the delivery of this service and expectations of the service which includes statutory requirements. Any changes to the service delivery within the specification would need to be agreed between the individual provider and the council.

27. There are minimal risks to recommendation and the Council has confidence in this service from previous experience.

Consultations

28. No specific consultation was undertaken for this service, although feedback from operational staff, brokerage, QI and Commissioning is positive relating to the same provider which has provided this service from 2018-2023.

Karen Fuller
Director of Adult Social Care

Annex: Nil

Background papers: Nil

Contact Officer: Ian Bottomley, Lead Commissioner – Age Contact
ian.bottomley@oxfordshire.gov.uk
07532 132975

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