

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

The Cabinet Member is RECOMMENDED to

- a) Endorse the decision of the Director of Adult Social Care to extend the contract with Vale House for nursing specialist care home beds from 01 July 2024 to 30 June 2025.**

Executive Summary

1. 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).
2. 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.
3. Operational staff, brokerage and commissioning agreed there was a continuing need for beds of this type 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.
4. 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 met 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.

5. 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.
6. The Cabinet Member is asked to endorse the decision taken by the Director of Adult Social Care to approve the extension of this contract for 1 further year to 30 June 2025. This will allow time to develop a new model and generate interest from new providers ahead of any new procurement. Any new beds would be procured as a call off contract against the new Care Home Framework, thereby aligning the terms and conditions and quality inputs. In a separate report to the Cabinet Member, the Cabinet member is being requested to endorse the original award decision.

Exempt Information

7. Not applicable.

Background

8. 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.
9. 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 were well utilised.
10. On 01 March 2023, a paper was taken to Adult Social Care 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.
11. 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. Please see detail below:

01/07/2023	31/03/2024	39.29	1,282.00	20	1,007,285.71
01/04/2024	31/03/2025	52.14	1,282.00	20	1,336,869.60
01/04/2025	30/06/2025	13.00	1,282.00	20	333,320.00
					2,677,475.31

Contract Extension

12. This request is for an approval to endorse the decision already taken by the Director of Adult Social Care on 20 June 2024 to extend the contract from 01 July 2024 to 30 June 2025.

Deployment of Contract Extension

13. The extension of the contract will allow the Council time to develop a new model (taking account of other inputs such as D2A) and generate interest from new providers ahead of any new procurement. It is recommended an extension is applied and the Council procures these beds deploying a new model under the new Care Home Framework.

Corporate Policies and Priorities

14. 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

15. The proposed contract extension is for a one-year period. The contract extension is expected to cost £1,336,869.60. This gives a whole life value of £2,677,475.31, including the extension period.

16. 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.

17. 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:

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Legal Implications

18. The Council has a statutory duty to provide residential care services as detailed in paragraph 2 of the report.
19. 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.
20. 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.
21. Approval of the contract extension to Vale House will enable officers to formalise the contractual arrangements with Vale House.

Comments checked by:

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Staff Implications

22. 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

23. 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

24. 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

25. 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.

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

Consultations

27. 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

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17 September 2024