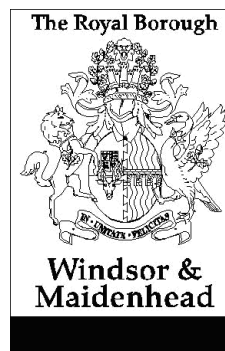


Report for: ACTION



<b>Contains Confidential or Exempt Information</b>	NO - Part I
<b>Title</b>	<b>Tender for Residential and Nursing Support Contract for Older People</b>
<b>Responsible Officer(s)</b>	Alison Alexander, Managing Director and Strategic Director Adults, Children and Health Services
<b>Contact officer, job title and phone number</b>	Hilary Hall, Head of Commissioning, Adults, Children and Health, 01628 683893
<b>Member reporting</b>	Cllr Coppinger, Lead Member for Adult Services, Health and Sustainability
<b>For Consideration By</b>	Cabinet
<b>Date to be Considered</b>	28 July 2016
<b>Implementation Date if Not Called In</b>	Immediately
<b>Affected Wards</b>	All

### REPORT SUMMARY

1. The report recommends that a procurement exercise is undertaken to secure care provision in the two older people's residential and nursing homes owned by the Royal Borough, Clara Court in Maidenhead and Queens Court in Windsor. Leading to a contract let for up to 10 years.
2. Demand for Council funded residential and nursing care continues to grow and further growth is estimated to be by 20% by 2025 for the over 65 population, including those with dementia. Affordable residential and nursing care is a challenge to procure in the Borough.
3. The current 10-year contracts for providing care in the homes end in November 2017. The two homes provide 138 residents with personal care and support to manage dementia at a value of £2.5 million a year.

### If recommendations are adopted, how will residents benefit?

Benefits to residents and reasons why they will benefit	Dates by which residents can expect to notice a difference
1. Significant numbers of nursing beds for eligible residents in close proximity to family members.	1 November 2017
2. Residents receive care and support in line with Care Quality Commission standards.	1 November 2017

## 1. DETAILS OF RECOMMENDATIONS

### RECOMMENDATION: That Cabinet:

- i. Approves a tender for two contracts for residential and nursing beds for older people in Clara Court and Queens Court at an estimated combined value of £2.5m a year.
- ii. Delegates authority to the Managing Director/Strategic Director of Adults, Children and Health and the Lead Member for Adult Services, Health and Sustainability to agree the final specification and invitation to tender.

## 2. REASON FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

### Background

- 2.1 Residential and nursing care is the provision of 24 hour care and support by professional carers to individual residents living in regulated residential or nursing care homes. Residents receive continued support to maximise their independence to enable them to manage daily living activities.
- 2.2 The Royal Borough has the largest number of care homes per capita in England. Of the 46 homes in the borough 26 homes are registered to provide care for older people within the Borough's boundaries with a total of 1,122 beds. 16 of these homes are registered to support people with dementia. 24 of the care homes are privately run and two by the Council. The more private beds available means that they could be occupied by other boroughs' residents and when they run out of funding, they come to the local authority to cover their costs.
- 2.3 The Royal Borough currently funds 303 people over 65 that require 24 hour, long term support in residential and nursing care homes. This comes at an annual cost of £10.4m. Beds are commissioned through a combination of block and spot contracts, approximately a 50:50 split. The Royal Borough purchases its spot placements by negotiating the best rate for each bed to meet resident's needs.

### Future demand

- 2.4 It is projected that demand for residential and nursing provision will increase and the demand will be for those with more complex needs. At the time of the 2011 Census there were over 25,200 people aged 65 and over living in the Borough, of which nearly 7,585 (30.1%) were living alone and 3,489 (13.8%) were aged 85+. It was estimated that, by 2015, the 65+ population would have increased by a further 2,100 people to 27,300, with those aged 85+ numbering 4,100.
- 2.5 Increases of this scale in the older population have a significant impact of the numbers requiring care. For example, reablement, out of hospital care services and residential care services are all likely to experience increases in demand as the population ages with the numbers of individuals requiring crisis care rises for conditions such as stroke, heart attack, falls and hip fractures.

### Proposal

- 2.6 Demographic data suggests that within the next 10 years, the Royal Borough will need to commission 82 more residential beds and 103 nursing beds, of which 60 will need to meet the needs of those with dementia. ,

2.7 The two contracts RBWM are seeking to tender to meet part of identified need are:

- **Clara Court** in Maidenhead. A residential care provision of 76 beds run by Care UK. The Royal Borough buys 60 beds at £461 a week for the care element of the contract, totalling £1.4m a year. In addition the weekly rent per bed is £140, making the total cost to the council £601 per week. In comparison, the spot price in the market is currently between £700- £850.

Care UK has successfully provided the care for 10 years and the current contract term runs until 6 September 2016, with an optional one year extension. The home is currently rated in the top 20 care homes in the South East.

The Council leases the building to Radian to provide the housing management services.

- **Queens Court** is a nursing and residential provision – 24 nursing beds and 22 residential beds – run by Central and Cecil in Windsor. The annual contract value for care is £1.15m and the contract expires in November 2017. The weekly residential care cost is £384 and the rent is £139 giving a total cost per week of £523. The weekly nursing care cost is £570, and with rent, the total cost is £709. In comparison, the spot price in the market is currently between £750 and £950 per week.

The council leases the building to Housing Solutions to provide the housing management services.

2.8 The provider at Queens Court announced a strategic decision to withdraw from the residential market and specifically from the contract before the full term. There are currently quality issues with the provision which is rated requires improvement. As a result, the Royal Borough is recouping funding for six voids as the home is embargoed by the Council and the Care Quality Commission has given them an overall rating of Inadequate.

2.9 The tender approach will ask providers to:

- Respond to an updated specification, terms and conditions aligned to the Care Act.
- Provide a contract price for one or both homes.
- Quote a price based on the length of contract and the mix of commissioned and private beds
- Outline how they will meet quality standards.
- Outline how they will provide opportunities for local workforce and sustain good home management.

2.10 The response to these questions will also inform discussions with Windsor, Ascot and Maidenhead and Bracknell and Ascot Clinical Commissioning Groups about potential joint commissioning.

2.11 There are a number of factors likely to impact on the tender, in particular the challenges of recruiting and maintaining a stable workforce. The introduction of the national living wage is already impacting on rates requested by providers from April 2016, with some providers requesting a 7% increase on their current rates. It

is estimated that the number of jobs paid less than £7.20, held by people aged 25 and over in Borough is approximately 650.

2.12 The Borough's overall strategy to provide the best outcomes for residents' independence continues to be focused on preventing and delaying the need for residential and nursing care through providing robust support to eligible residents in their own home.

2.13 The options being presented to Cabinet are set out in table 1.

<b>Table 1: Options</b>	<b>Comments</b>
Tender for two block contracts which will give greater flexibility and choice for residents in a preferred home. <b>Recommended option.</b>	Certainty of supply for a number of beds will control the Borough's costs and quality.
Do not block contract for beds and rely on spot purchases when required.	Demand is greater than supply. The Royal Borough needs to provide a viable contract in the buildings it is responsible for to meet the most acute high cost need.

### 3. KEY IMPLICATIONS

3.1 The key implications are in table 2.

**Table 2: Key implications**

<b>Defined Outcomes</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date they should be delivered by</b>
Contracts in place for Clara Court and Queens Court that offer best value for money and quality outcomes for residents	Later than November 2017	November 2017	October 2017	September 2017	November 2017

### 4. FINANCIAL DETAILS

#### **Financial impact on the budget**

4.1 There are no financial implications in relation to the proposal in this report to issue a specification for a block residential and nursing home contract that invites providers to tender. The outcome of the tender will be reported to Cabinet for approval.

**Table 3: Financial implications**

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	Revenue £'000	Revenue £'000	Revenue £'000
Addition	£0	£0	£0
Reduction	£0	£0	£0

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	Capital £'000	Capital £'000	Capital £'000
Addition	£0	£0	£0
Reduction	£0	£0	£0

**5. LEGAL IMPLICATIONS**

- 5.1 The services will be tendered in accordance with contract standing orders and the Public Contract Regulations 2006.
- 5.2 The Royal Borough has a duty to make arrangements for providing residential accommodation and care for persons who, by reason of age, illness, disability or any other circumstances, are in need of care and attention which is not otherwise available to them.
- 5.3 Providers will be required to be registered with the Care Quality Commission and to comply with their Fundamental Standards in line with the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014.

**6. VALUE FOR MONEY**

- 6.1 This approach to commissioning and procurement is designed to ensure that the service is making effective and efficient use of the health and social care budgets.

**7. SUSTAINABILITY IMPACT APPRAISAL**

- 7.1 Environmental considerations and impact will be considered and evaluated through the tender process. Impact areas identified for these services are higher water and energy usage, and higher waste production levels. Care homes are contractually required to have adequate systems in place for the storage, disposal and documentation associated with any clinical waste produced.

**8. RISK MANAGEMENT**

<b>Risks</b>	<b>Uncontrolled Risk</b>	<b>Controls</b>	<b>Controlled Risk</b>
Insufficient interest from providers to allow for	Medium	Actively engage providers through the provider forums. Ensure that smaller providers are able to bid for this	Low

<b>Risks</b>	<b>Uncontrolled Risk</b>	<b>Controls</b>	<b>Controlled Risk</b>
competitive tender process		service.	
Rates tendered are unaffordable	High	Tender to operate a flexible approach to number of beds required and over a variety of timeframes to achieve optimum rates.	Medium

## **9. LINKS TO STRATEGIC OBJECTIVES**

9.1 This initiative links to, and works towards achieving the following of our strategic objectives:

### **Residents First**

- Encourage Healthy People and Lifestyles
- Work for safer and stronger communities

### **Value for Money**

- Deliver Economic Services
- Improve the use of technology
- Invest in the future

### **Delivering Together**

- Enhanced Customer Services
- Deliver Effective Services
- Strengthen Partnerships

## **10. EQUALITIES, HUMAN RIGHTS AND COMMUNITY COHESION**

10.1 Equality Impact Assessments will be undertaken if they are required to support a contract award report.

## **11. STAFFING/WORKFORCE AND ACCOMMODATION IMPLICATIONS**

11.1 None

## **12. PROPERTY AND ASSETS**

12.1 The Council owns the Queens Court and Clara Court buildings and leases them to landlords.

## **13. ANY OTHER IMPLICATIONS**

13.1 None

## 14. CONSULTATION

14.1 None

## 15. TIMETABLE FOR IMPLEMENTATION

Date	Details
August – September	Specification writing and preparation
October	Issue Invitation to Tender
1 <sup>st</sup> Week November	Deadline for receipt of written questions (by 12:00 hours)
1 <sup>st</sup> Week November	Issue answers to questions
Mid November	<b>Deadline for submission of final tenders</b>
November	Evaluate tenders
December	Shortlist of suppliers
January	Negotiations
Mid February	Recommendation decision on supplier award
April	Contract award decision made by the Council
May	Issue contract to supplier to sign
May - July	Implementation and TUPE consultations
December 2017 for Queens September 2017 Clara	Contract services transfer start date

## 16. APPENDICES

- Appendix 1: Future Demand for Care Homes - Summary needs analysis

## 17. BACKGROUND INFORMATION

17.1 None

## 18. CONSULTATION (MANDATORY)

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
<b>Internal</b>				
Cllr Coppinger	Lead Member for Adult Services, Health and Sustainability			
Russell O'Keefe	Strategic Director Corporate and Community			

<b>Name of consultee</b>	<b>Post held and Department</b>	<b>Date sent</b>	<b>Date received</b>	<b>See comments in paragraph:</b>
	Services			
Alison Alexander	Managing Director/ Strategic Director Adults, Children and Health	25/6/16	25/6/16	throughout
Simon Fletcher	Strategic Director Operations and Customer Services			
Alan Abrahamson	Finance Partner			
Michael Llewelyn	Cabinet Policy Assistant			
	Shared Legal Solutions			

## REPORT HISTORY

<b>Decision type:</b>	<b>Urgency item?</b>
Key decision 15 December 2015	No

<b>Full name of report author</b>	<b>Job title</b>	<b>Full contact no:</b>
Nick Davies	Service Leader - Commissioning	01628 683614



## Appendix 1 - Residential and Nursing care – Summary needs analysis

### 1. Demographic context – Older People

- 1.1 The current number (2015) of people aged over 65 is estimated to be 27,300. RBWM's population is ageing with the number of people aged 65 and over, increasing by 9.2% (2500 individuals) in the next 5 years to 2020 and by 20.1% (5500 individuals) in the next 10 years to 2025. This represents a significant and growing challenge in terms of health and social care services. In terms of service use, the need for care services increases significantly over the age of 85. All demographic statistics presented in this report are taken from POPPI/Census 2011 or RBWM information systems.

**Table 1: Population projections**

Age Group	2015	2020	2025	2030	% total increase 2015 - 2030
65-69	8100	7200	7900	9400	16%
70-74	6200	7500	6800	7500	21%
75-79	5000	5700	7000	6400	28%
80-84	3900	4300	5000	6200	59%
85-89	2500	3000	3400	4100	39%
Over 90	1600	2100	2700	3600	125%
<b>Total population 65 and over</b>	<b>27300</b>	<b>29800</b>	<b>32800</b>	<b>37200</b>	<b>27%</b>

- 1.2 Growth in 85-89 and 90+ cohorts in RBWM are faster than the national average. Between 2014 and 2015 4% and 7% respectively compared with 3% and 4% nationally. The growth to 2020 is also ahead of the national figures, 20% for 85-89 compared with 18% nationally, and 31% compared with 28% for 90+. Increases of this magnitude in the older people population will have a significant impact of the numbers requiring care.

### 2. Trends

- 2.1 The trends, 2012-2015, for all RBWM commissioned long term beds are in table 2

**Table 2: Trends in bed numbers**

	Residential Home	Nursing Home	Total in care homes	% difference from previous year
2012/13	137	168	305	-
2013/14	137	152	289	-5.2%
2014/15	159	154	313	+8.3%
2015/16 YTD (October)	148	159	307	-1.9%
<b>TOTAL</b>	<b>581</b>	<b>733</b>	<b>1214</b>	

\*does not include interim beds

- 2.2 In addition to the above, six residents were in interim beds awaiting a home of their choice.

### 3. Length of stay

- 3.1 Table 3 shows previous year's trends and highlights that there has been an increase in stay in both residential and nursing care over the last two years. Current year trends would indicate that this increase is likely to continue. Overall it would also appear that individuals stay slightly longer in nursing care than they do in residential care.

**Table 3: Trends in stays in residential and nursing homes**

	Residential Home		Nursing Home	
	Mean	Median	Mean	Median
2013/14	654 days/1.8 years	351 days/11.5 month	904 days/2.5 years	570 days/1.6 years
2014/15	978 days/2.7 years	505 days/1.4 years	995 days (2.7 years)	844 days/2.3 years
2015/16 YTD (October)	719 days/2 years	356 days/1 year	736 days/2 years	169 days/0.5 months

### 4. Future requirements

- 4.1 Table 4 shows the assumptions based on the current percentage of the population requiring residential and nursing care from the total over 65 population and increasing over time.

**Table 4: Assumptions in requirements**

	% of over 65 population requiring RBWM funded residential care	% of over 65 population requiring RBWM nursing care
<b>2015-2020</b>	0.6%	0.7%
<b>2020-2025</b>	0.7%	0.8%
<b>2025-2030</b>	0.9%	1%

- 4.2 Applying these percentages to each setting enables projections of future demand to be made, see table 5.

**Table 5: Projected demand for beds**

	Residential Care Beds	Nursing Care beds	Dementia beds (of total number)	Respite beds (based on current numbers)
2015	148	159	82	50
2015-2020	179	209	108	55
2020-2025	230	262	141	60
2025-2030	260	372	155	65