

Report No.
ACH20-014

London Borough of Bromley

Part 1 – Public

Decision Maker: Portfolio Holder for Adult Care & Health
With pre-decision scrutiny from Adult Care & Health Policy Development
& Scrutiny Committee

Date: 24 March 2020

Decision Type: Non-Urgent Executive Key

Title: **CONTRACT VARIATION NURSING CARE BLOCK CONTRACT**

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Chief Officer: Kim Carey Interim Director of Adult Services

Ward: All wards

1. Reason for report

- 1.1 The Council has a block contract with Mission Care for the provision of 70 Adult Nursing Care Beds. The block contract commenced 2 January 2018 for a seven year period with the option to extend for a further three years. The estimated current annual value of the contract is £2.6m with an estimated whole life value of £27m.
- 1.2 The block contract is the main referral route for Nursing Care beds; outside the block contract, the Council is reliant on the spot purchasing of beds from a variety of providers at higher rates.
- 1.3 This paper proposes an increase to the block contract rate, to be enacted via a contract variation, in order to ensure the sustainability of the current block contract arrangement.

2. **RECOMMENDATION(S)**

- 2.1 **Adult Care and Health PDS Committee is asked to note and comment on the contents of the report.**
- 2.2 **The Portfolio Holder is recommended to:**
 - i. **Approve the contract variation to the Nursing Care block contract, as detailed in paragraphs 3.9 and 4.2.3 of the Part Two Report, to increase the unit rate of the block contract equivalent to the amount detailed in the Part Two report.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: To ensure ongoing, suitable, provision for older people with nursing needs.
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Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Excellent Council Healthy Bromley:
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Financial

1. Cost of proposal: Estimated Cost: as detailed in the Part Two report.
 2. Ongoing costs: Recurring Cost: as detailed in the Part Two report.
 3. Budget head/performance centre: Assessment & Care Management
 4. Total current budget for this head: £3.1m
 5. Source of funding: Core Funding, Client Contributions
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Personnel

1. Number of staff (current and additional): Not applicable
 2. If from existing staff resources, number of staff hours: 0.2FTE Contract Compliance Team
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Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Not Applicable: Portfolio Holder Decision
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Procurement

1. Summary of Procurement Implications: None
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 70 at any one time
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

- 3.1 In 2017, the Council commissioned and tendered for a new block contract for Nursing Care Beds to replace its existing block contract which was coming to an end. The previous block contract was for 40 beds and was held with Mission Care.
- 3.2 Following a tender process, a new block contract for 70 beds was proposed to be awarded to Mission Care with an expected start date of 2 January 2018. The previous block contract would continue as a residual contract for as long as the clients already placed on that contract required the services. All new referrals would be placed on the new block contract across all four Mission Care Homes.
- 3.3 The Part Two report details the contract's history and the circumstances that have led to the recommendation to agree a contract variation.

4. SUMMARY OF THE BUSINESS CASE

- i) This business case considers whether the Council should invest additional resources to retain the provision of 70 nursing block beds with Mission Care.

4.1 SERVICE PROFILE/DATA ANALYSIS

- 4.1.1 Over the past two years, significant work has been undertaken to understand the care home market within Bromley. This has resulted in the production of a Market Position Statement (MPS) which is intended to be used as a basis for provider engagement and market facilitation.
- 4.1.2 Bromley's population consists of a high number of ageing, owner occupiers who are likely to fund their own care as they become dependent upon services. This is reflected in 77% of Bromley's nursing and residential beds being occupied by self-funders and a small number of placements from other councils. Only 19% of occupancy relates to Council placements and 4% from the CCG. Self-funders tend to push up market prices and this makes local placements, at Council guide rates, more difficult. Whilst the Council is able to place in some neighbouring boroughs at its guide rates, placing locally can present challenges.
- 4.1.3 Analysis of future demand indicates an increasing percentage of older people who are expected to require services; further details are contained within the MPS. Whilst the Council will endeavour to meet the needs of people in their own homes in accordance with the Care Act, the demand for nursing home placements is expected to continue.
- 4.1.4 The contract for 70 block nursing beds with Mission Care was intended to ensure the ongoing local provision of nursing beds at rates affordable to the Council.

4.2 OPTIONS APPRAISAL

- 4.2.1 The Options Appraisal is detailed within the Part Two report.

4.3 PREFERRED OPTION

- 4.3.1 The preferred option is detailed within the Part Two report.

4.4 MARKET CONSIDERATIONS

- 4.4.1 Analysis of future demand highlights an increasing percentage of older people who are expected to require services; further details are contained within the MPS.
- 4.4.2 Market considerations have been taken into account within the recommended option.

5. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

5.1 Subject to agreement, Officers will seek to apply the variation from 1 April 2020 and will seek to finalise the contract and variation as swiftly as possible.

6. PROCUREMENT RULES

6.1 This report seeks a variation to the block rate for 70 Nursing Care Beds and the spot rate for up to 15 Nursing Care Beds with Mission Care. The estimated cost of this variation is set out in the Part Two report 'Contract Variation Nursing Care Block Contract'.

6.2 The Service is covered by Schedule 3 of the Public Contract Regulations 2015 and thus, the original procurement was undertaken in accordance with the 'Light Touch' Regime (LTR) of those Regulations.

6.3 This Service was originally procured as an above-threshold contract following a competitive tendering process. The variation stated above can be completed in compliance with Regulation 72 of the Public Contract Regulations. Subject to compliance with this Regulation (which allows change to a contract without re-advertisement in OJEU where the proposed change, irrespective of monetary value, is provided for in the initial procurement documents in a clear, precise and unequivocal option clause which specifies the conditions of use and the nature and the scope and nature of the change).

6.4 The Council's requirements for authorising a variation are covered in Contract Procedure Rule 23.7 and 13.1. For a contract of this value, the Approval of the Portfolio Holder following Agreement by the Chief Officer, Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance. In accordance with 2.1.2, Officers must take all necessary professional advice.

6.5 Following Approval, the variation must be applied via a suitable Change Control Notice, or similar, agreed with the Provider.

6.6 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

7. FINANCIAL CONSIDERATIONS

7.1 The current budget for this contract is £3.1m, which also covers the cost of the residual placements from the previous block contract with Mission Care.

7.2 Financial considerations relating to the proposed variation are contained within the Part 2 report.

8. LEGAL CONSIDERATIONS

8.1 Legal considerations relating to the proposed variation are contained within the Part Two report.

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| Non-Applicable Sections: | Stakeholder Engagement Sustainability and Impact Assessment Policy Considerations IT and GDPR Considerations Personnel Considerations |
| Background Documents: (Access via Contact Officer) | [Title of document and date] |