

Central Bedfordshire Council Residential and Nursing Home Contract Procurement Workshop

18th May 2017

Introductions & Welcome

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Head of Service

Social Care, Health & Housing

Agenda for Today's Workshop

- Introductions and purpose of event
- Review of current arrangements
- Challenges and objectives
- Key issues and proposed approach
- Questions and feedback
- Timescale and next steps

Introducing the Team

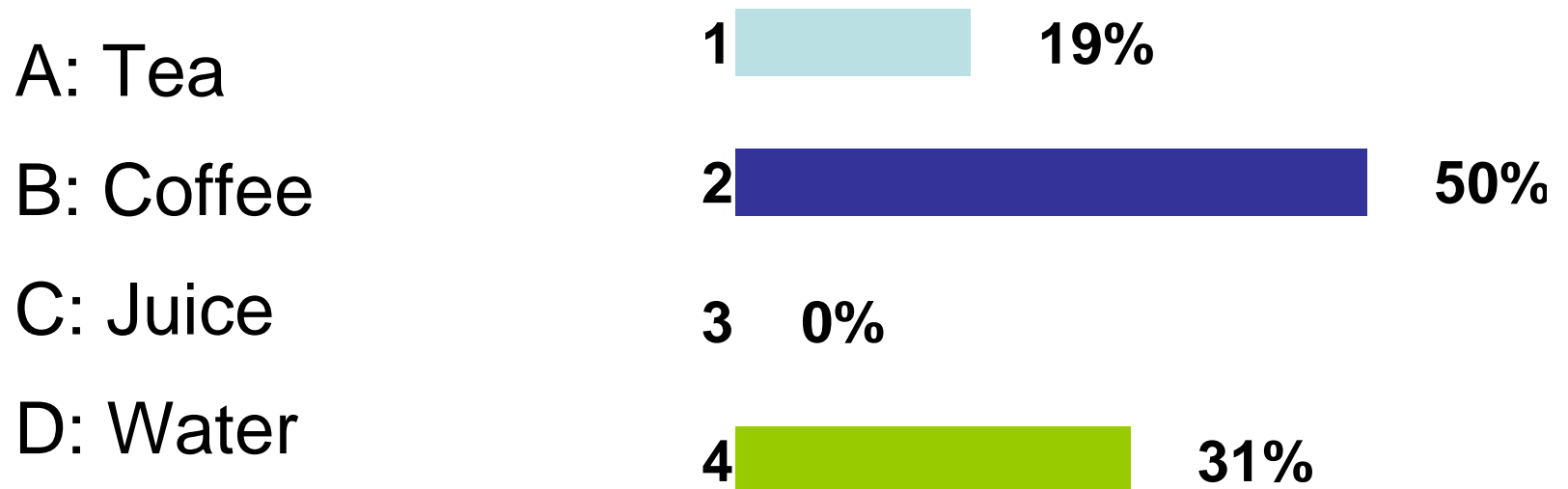
- Tim Hoyle: Head of MANOP, CBC
- Ann Knought: Contract Manager, CBC
- Lisa Matthews: Senior Category Manager, CBC
- Diana Butterworth: Bedfordshire CCG
- Melanie De La Ford: Bedfordshire CCG
- Virginia Conley: Contracts Officer, CBC
- Mel Alderton: Project Manager, CBC

Interactive Approach

- Opportunities to ask questions as we go
- Table discussions and feedback
- Voting buttons
 - One 'clicker' per organisation
 - Results will be displayed in real time
 - Data is collected anonymously

Test Question

What is your first drink of the day?



Central Bedfordshire

Population: 269,100
Households: 104,400
73% owner occupied

Over half the population is rural

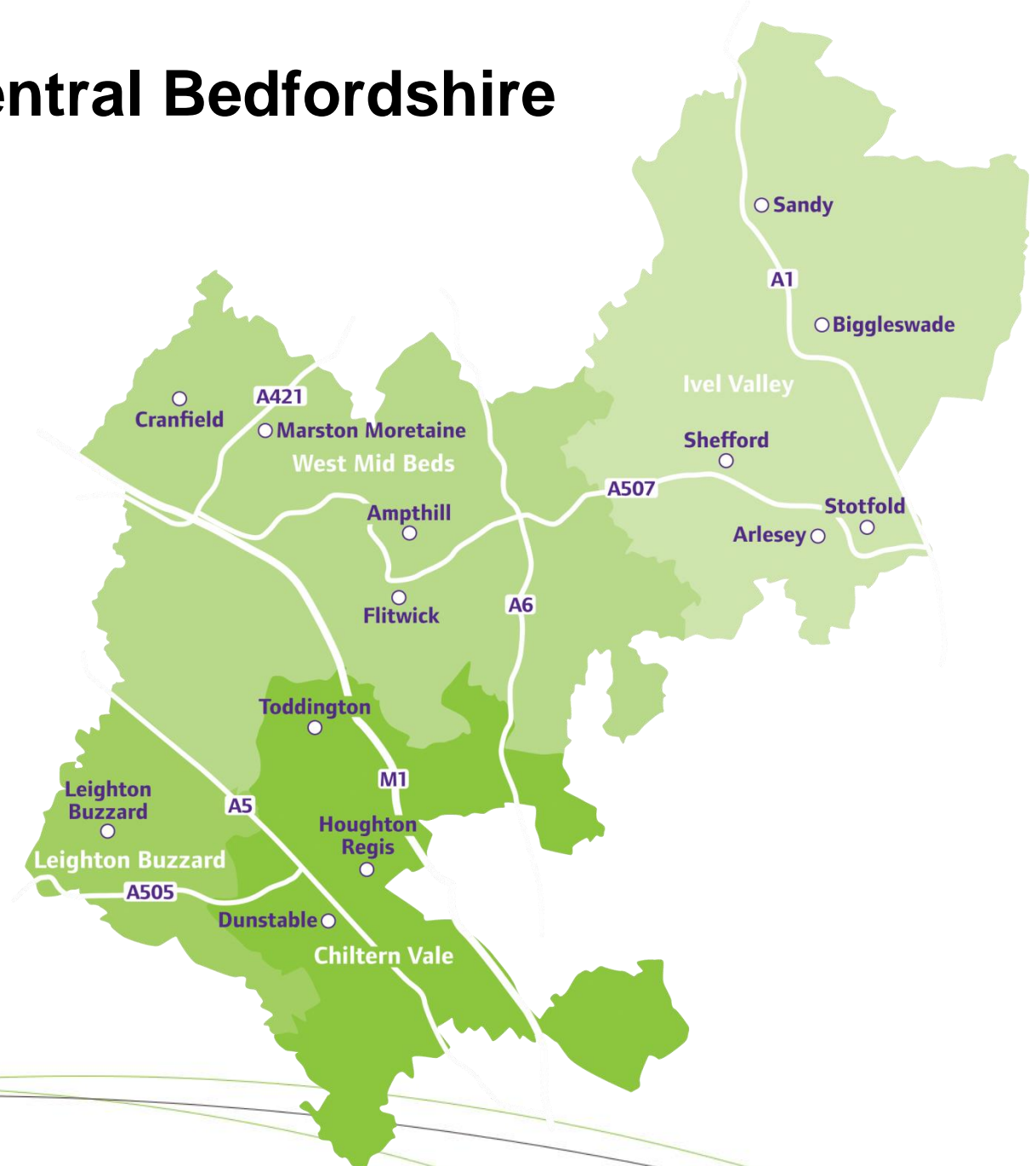
Major centres of population:

Leighton Linslade: 40,070
Dunstable: 37,880
Houghton Regis: 18,110
Flitwick: 13,180
Sandy: 12,210

Growth Areas:

Leighton Buzzard
Biggleswade
Houghton Regis
North of Luton
Arlesey

Generally low levels of deprivation but some 'pockets'
Higher than average life expectancy



Care Homes in Central Bedfordshire

- 1290 care and nursing home places in 32 homes
- 24 different providers
- 5 of these homes are owned and managed by the Council
- Council presently contracts with all but one independent provider (which has a block contract with NHS)
- Council contracts using a standard contract that sets T's&C's and rates
- Contract has financial incentive to improve care quality
- Council has no block contracts
- Council places in about 50% of total capacity

The Council's Care Home Programme

- When formed in 2009 the Council 'inherited' seven older care homes from the outgoing county council
- At the time those homes were being run under contract by BUPA
- Council took over their direct management in 2014
- Long standing intention to replace these homes but made public commitment to complete this by the end of 2020.
- Forms part of overall programme that includes development of extra care housing and mainstream homes suitable for older people

Reprovision Approach

- New care homes will be constructed and operated by independent sector
- Operators will join Council's contractual arrangements
- When a new home is developed close to an existing Council home then Council will work with operator to agree and facilitate transfer
- Council has a dedicated 'transition team' that works with residents and their relatives
- Formal consultation and Executive decision required before a Council-run home can close

Reprovision Approach

Progress to date

- Two new homes have opened in the last two years and this has enabled two Council homes to close
- A third home is under construction and the future of a third Council home is being consulted on
- Options being explored in two other locations – Biggleswade and Sandy

But...

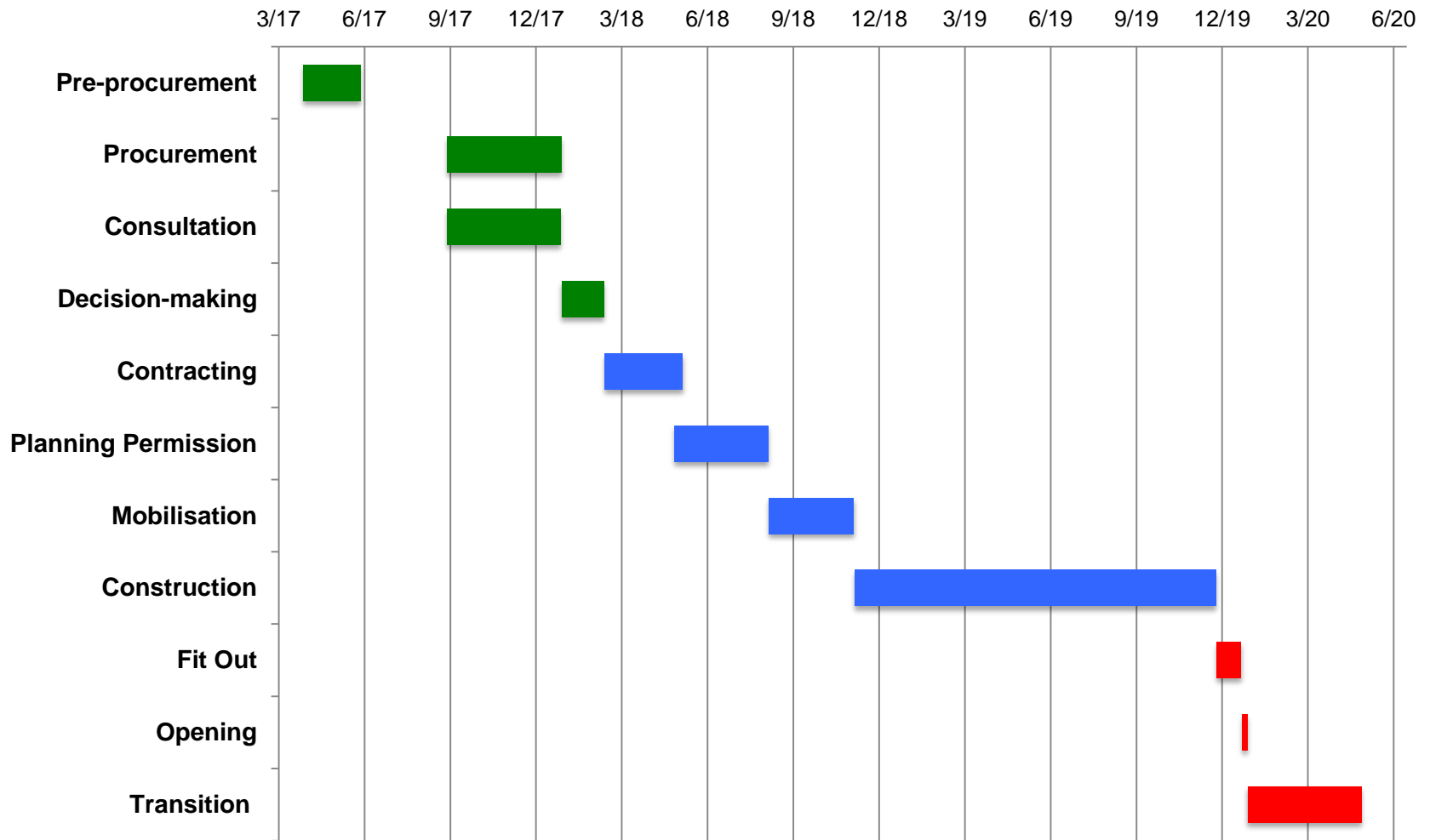
- Shortage of appropriate/available sites for care homes in Leighton Buzzard and Flitwick/Ampthill

Reprovision Approach

Approach in Leighton Buzzard and Flitwick/Ampthill

- Council has acquired sites in Leighton Buzzard and Flitwick which would be suitable for care homes
- Each home would include that ability of offer day care
- Council will obtain outline planning permission on each site
- Council will go to the market to secure care home development and operation on the two sites
- Council expects to achieve commercial value from the sites
- Informal market engagement has commenced

Timescales for Flitwick and Leighton Buzzard



Current Contract

Key aspects:

- Framework contract – no obligations on either side in respect of placements
- Terms and conditions and standards based on ADASS Eastern Region model contract
- Standard fee rates banded dependent on care quality ratings
- Ends January 2018

Current Contract – Our SWOT analysis

Strengths

- Price stability
- CBC is able to place
- Monitoring framework incentivises quality
- Level playing field across the market
- Uses regional T&C's and monitoring standards
- Ability to benchmark cost and quality across the region
- Productive relationship with providers
- All providers are on contract

Weaknesses

- No obligation on contracted providers to offer places
- Cost of monitoring is significant
- Potential for duplication or conflict with CQC
- Contract does not provide direct incentive for providers to improve their buildings
- Lack of co-working with NHS
- Only available to homes in Central Bedfordshire
- Lack of short term places

- New providers have come of Central Bedfordshire
- Existing providers are keen to develop
- Co-working with NHS linked to Better Care Fund and other initiatives
- PAMMS quality tool being introduced

Opportunities

- Incidents of poor performance by providers
- Uncertain about use of 3rd Party Top Ups
- Financial pressures within the sector
- Little control over the private market

Threats

Current Contract – Your SWOT analysis

From your perspective in respect of the current market and CBC contract what are the...

- Strengths
- Weaknesses
- Opportunities
- Threats

...that we haven't captured

Overall Objectives

- No disruption for existing customers
- Maintain choice for customers
- Improve quality of both care and accommodation
- Encourage diversity and innovation
- Manage costs – both council costs and customer costs
- Manage overall capacity

Options being considered

- Contract type
- Contract length
- Managing the places available to the Council
- Financial incentives
- Contract monitoring
- Co-working with NHS
- Short term places
- Fee levels
- Occupancy and vacancy data
- 3rd Party Top Ups

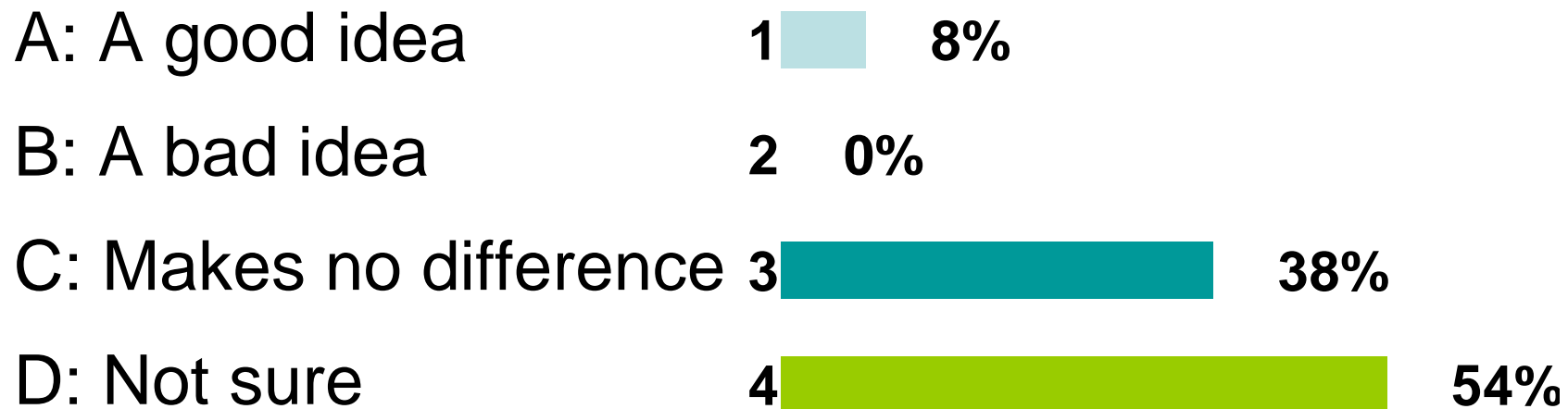
Contract Type

Move from Framework Contract to Accreditation Scheme:

- Initial procurement process to establish providers for start of the contract.
- New providers can join the scheme during the lifetime of the contract providing they meet the original requirements specified by the Council.
- It would also allow for providers in other areas to join. This may be suitable for providers who have homes close to CBC border and who take a number of Council customers.

Question 1: Contract Type

Do you think moving from a Framework Contract to an Accreditation Scheme is:



Contract Length

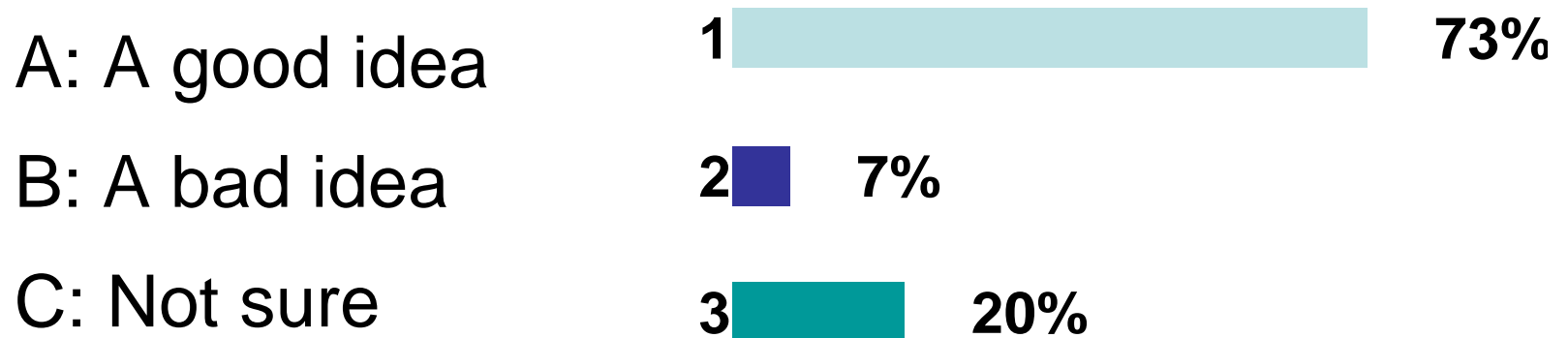
Have a long-dated contract with the provision for the Council to give notice and re-procure before this date.

- Contract would run to a future date (perhaps 2030)
- Council would have the provision to re-procure by giving a years' notice

This would mean that the Council can re-procure when the time is right rather than just because the current contract is coming to an end.

Question 2: Contract Length

Do you think changing the contract length as described is:



Managing Places Available to the Council

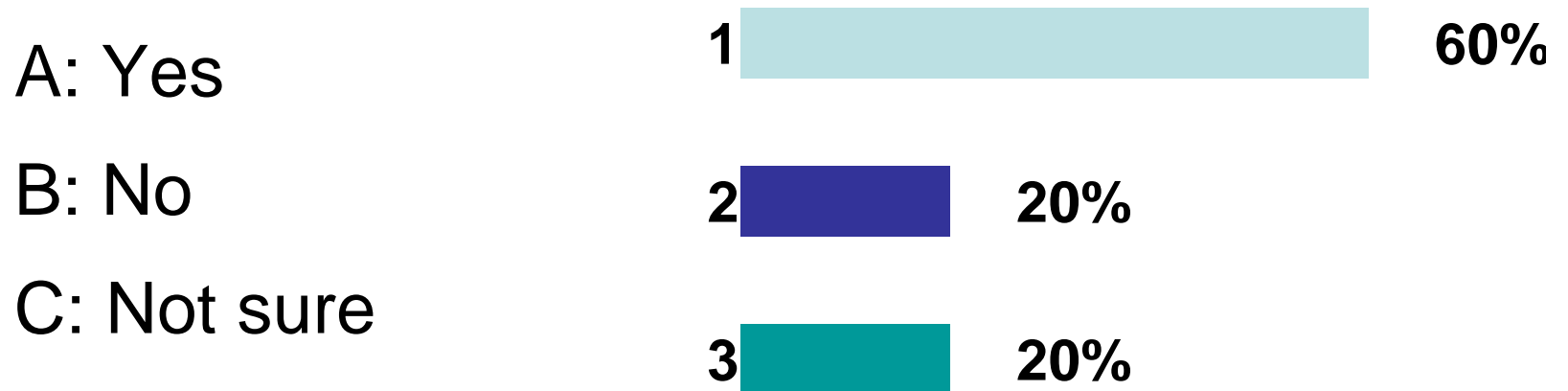
Currently there is no obligation on the Council to place and no obligation on providers to offer a specific number of places.

We do not think that this will change fundamentally but are considering having an arrangement whereby we review annually the level of placements and give homes an indication of what to expect in the coming year.

The homes could also at that time share with us their intentions.

Question 3: Managing Places

Do you think this idea is worth exploring further?



Financial Incentives

In the current contract the Council pays:

- a higher rate for homes that achieve higher quality ratings.
- a higher rate for nursing care placements (in addition to FNC)
- a 'dementia premium' for homes achieving DQM.

There are other areas where the contract does not have any incentives such as:

- Quality of building and facilities
- Customer outcomes
- Innovation

Question 4: Financial Incentives

How would you best describe the current financial incentives?

A: They are important to how we operate

1



60%

B: They are helpful but not that important

2



27%

C: They are neither helpful nor important

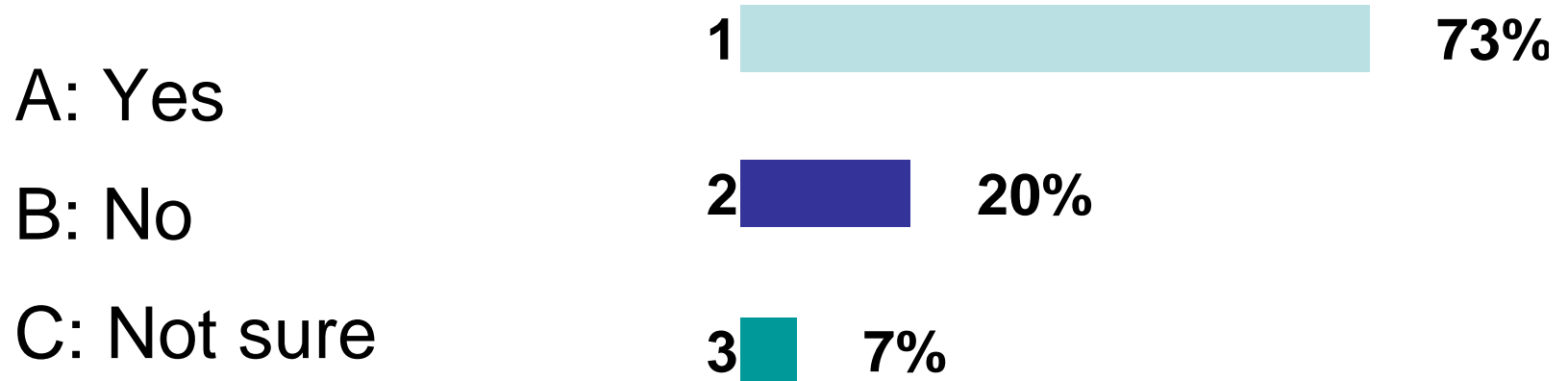
3



13%

Question 5: New Financial Incentives

Would you like the Council to consider new financial incentives like the ones described?



Contract Monitoring

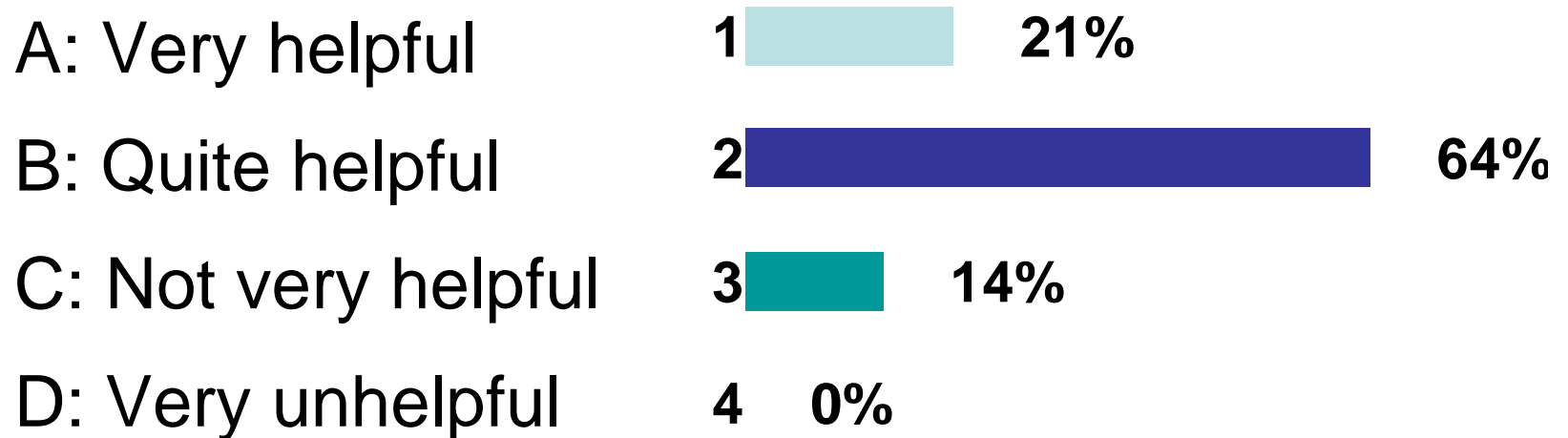
The Council is planning to use PAMMS as the main contract monitoring mechanism from January 2018 after implementation during 2017

- PAMMS delivers improved market oversight and helps us build better Markets by combining quality, risk and finance data in one place, with changes made (and seen) in 'real time' (**Section 5:** "Duty to promote the efficient and effective operation of a market for meeting care and support needs & **Section 56:** Improve Market Oversight")
- PAMMS will help us reduce Provider Failure (**Section 49:** Managing Provider Failure)
- Enables us to add quality and risk data from any external source to enrich our understanding of our markets and service provision

Therefore using PAMMS and getting feedback from you about it during 2017 will be very helpful

Question 6: Contract Monitoring

Do you find the current contract monitoring and support?



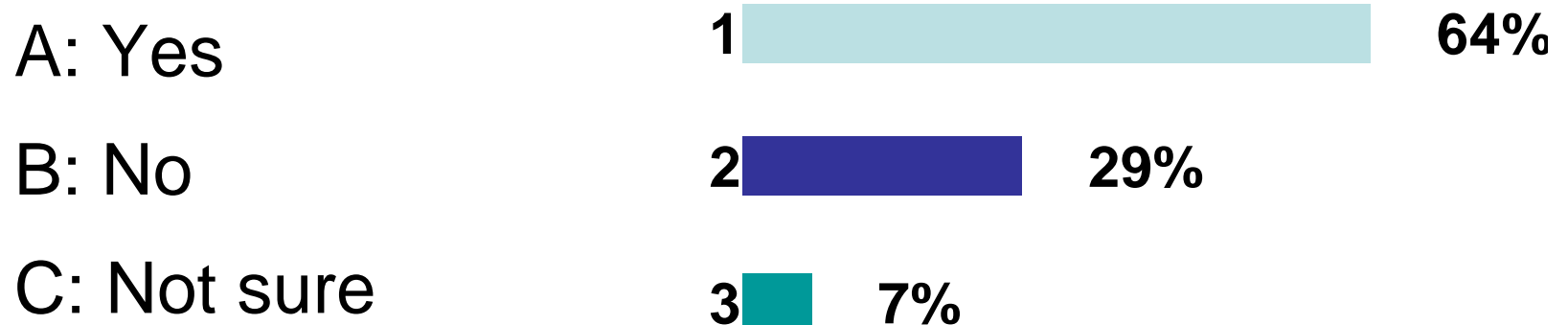
Co-working with NHS

The Council is exploring the options for being more aligned with NHS. These include:

- The potential for a single contract for residential and nursing care places (based on the current Council contract)
- Contractual arrangements to deliver key priorities for NHS such as
 - Discharge to assess and other ‘out of hospital’ arrangements
 - Enhanced Health in Care Homes

Question 7: Working with NHS

Do you support the idea of a single contractual arrangement – i.e. both social care and health placements could be under the same contractual conditions?



Short Term Placements

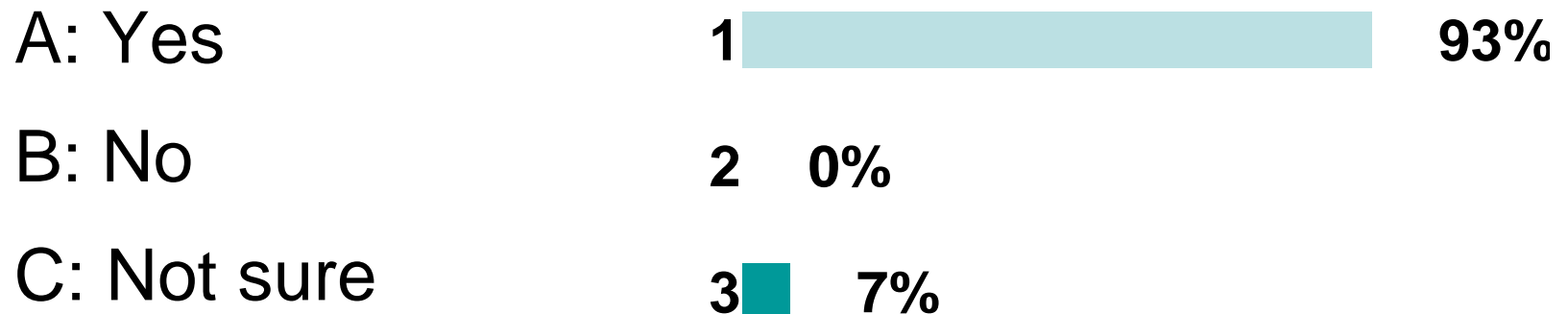
In house provision has previously provided the majority of short term placements but as these homes close we are increasingly looking to the independent sector:

- Regular respite stays
- Hospital discharge
- Rehabilitation
- Emergency placement

The current contract does not have any detailed provision for short stays.

Question 8: Short Term Placements

Should the new contract be more specific about short term placements and have provisions for the delivery of short stays on a different basis than permanent ones?



Fee Levels

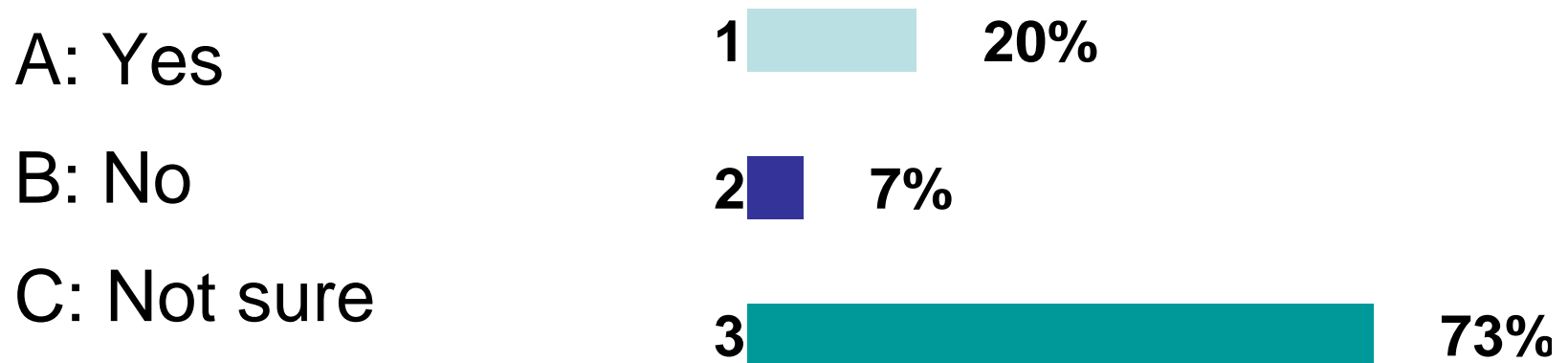
Similar arrangements in respect of fee levels are envisaged:

- Specified rates (with incentives)
- Annual review of rates

May repeat the use of independent evaluation of fee levels on a regular basis

Question 9: Fee Levels

Should we continue to use independent evaluation of fee levels?



Occupancy and Vacancy Data

We currently collect data about the occupancy of places available to the Council but it would be helpful from a market intelligence perspective to have visibility of all occupancy:

- Council placements
- Private placements
- Other Local Authority and NHS placements

We could also make information available publically either in an anonymised or non-anonymised form

Question 10: Occupancy Data

If we collect occupancy data for each home do you think we should make it available to everyone?

A: Yes, with details of each home's vacancies



B: Yes but without details of individual homes



C: No



D: Not sure



3rd Party Top Ups

Current contract permits 3rd Party Top Ups but requires the Council to be aware of any arrangements (as the Council is still ultimately responsible for the fees).

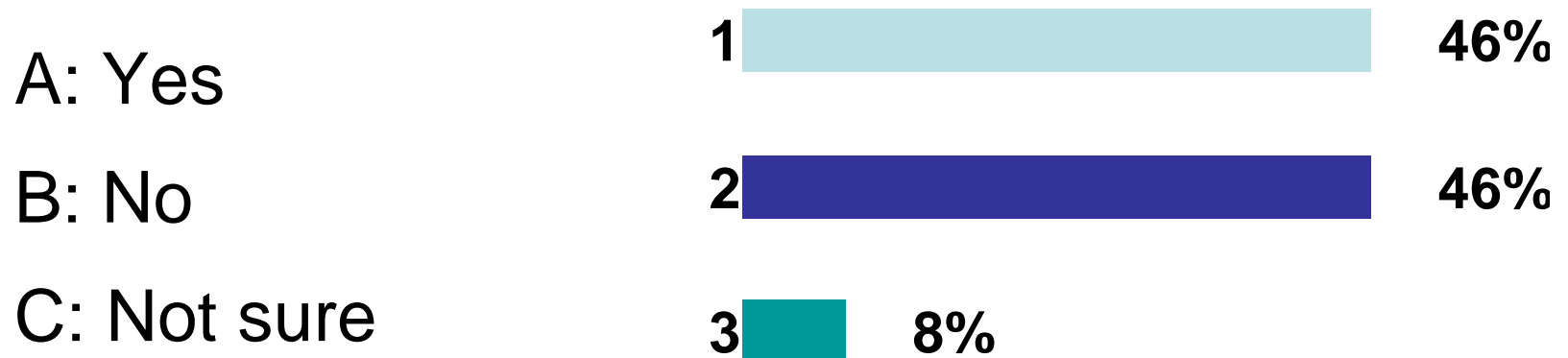
We are aware of some 3rd Party Top Ups but suspect there may be more. We will be looking into this in more detail over the coming months.

Our aims in respect of 3rd Party Top Ups are:

- Only use where absolutely necessary and lawful
- Have a clear understanding of when they are likely to be used
- Open and transparent system for their agreement

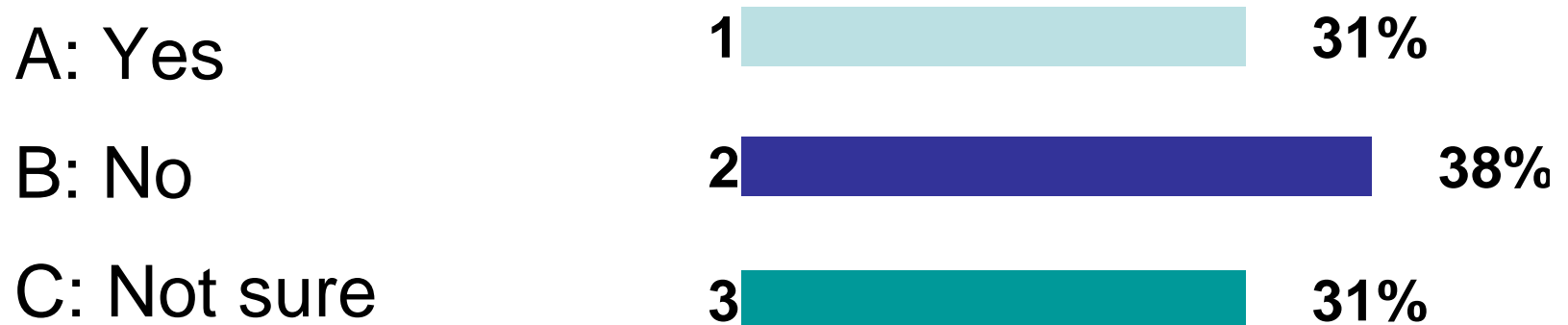
Question 11: 3rd Party Top Ups

Do you have any 3rd Party Top Ups in place at present with Council customers?



Question 12: 3rd Party Top Ups

Do you support the Council's proposed approach to 3rd Party Top Ups?



Other Areas for Discussion

Are there any other areas we should be addressing in the procurement?

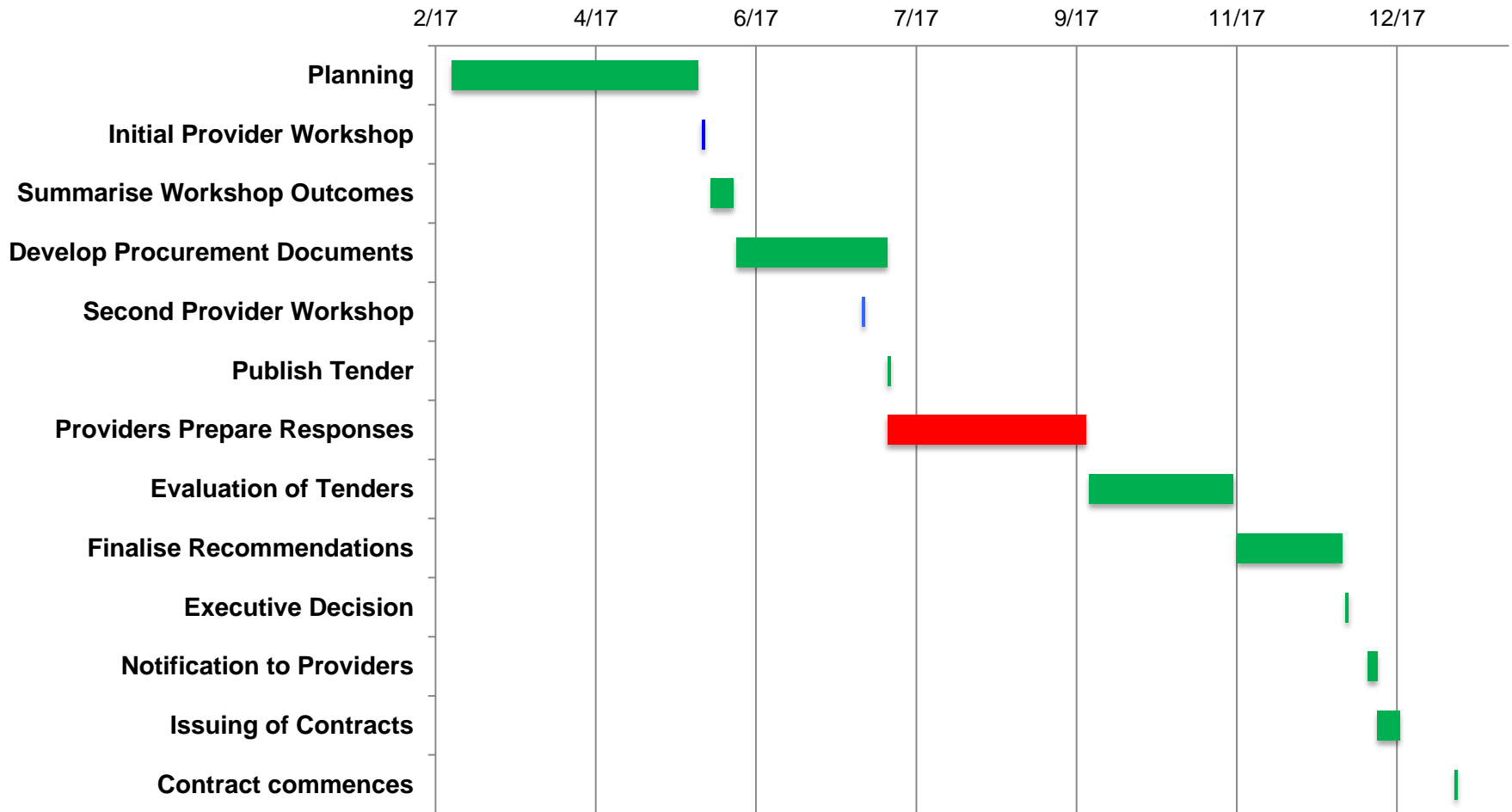
Procurement Process

- Single-stage open process under the 'Light Touch Regime'.
- Council will develop:
 - Specification
 - Tender Questions, Evaluation Criteria and Model Answers
 - Draft Contract (based on regional contract)
- Invitations to tender (ITT) issued
- Providers return their tender submissions
- Council evaluates submissions and decides on award of contract
- Successful providers advised and contracts issued
- Contract commences

Procurement Support

- We are keen that all existing providers submit tenders
- We would rather include providers than exclude them
- We can provide advice and support where necessary

Procurement Timeline



Providers will be responding mid-July to Mid- September

Next Steps

- Send any further thoughts to us
- We will summarise outcomes from today along with any additional comments
- Once all documents are ready to be issued we will hold another event to go through the documents and the process we will be following

**Thank You for
Participating**