

Report to: EXECUTIVE CABINET

Date: 8 February 2023

Executive Member: Councillor John Taylor – Executive Member for Adult Social Care, Homelessness and Inclusivity

Reporting Officer: Stephanie Butterworth, Director of Adults Services

Subject: **AWARD OF PRE-PLACEMENT AGREEMENT FOR CARE HOMES**

Report Summary: On 27 October 2021 Strategic Commissioning Board initially approved a renegotiation of the current contract to commence within the next 12 months with a contract go live date on 1 April 2023 for the provision of a Pre-Placement Agreement for the provision of permanent, temporary or respite care for older people in a care home (with or without nursing)

Following a comprehensive procurement process, the successful providers have been identified and this report seeks approval by Executive Cabinet to award the contract as detailed in the report with a contract commencement date of 1 April 2023.

Recommendations: That Executive Cabinet be recommended to award the contract for the provision of a Pre-Placement Agreement for the provision of permanent, temporary or respite care for older people in a care home (with or without nursing) to the following

| | |
|------------|--|
| Provider A | Anchor Hanover Group |
| Provider B | Auden House |
| Provider C | Care UK Community Partnerships |
| Provider D | Cartwright Care Balmoral |
| Provider E | Devonshire Care |
| Provider F | Domain Care Limited |
| Provider G | Downshaw Lodge |
| Provider H | HC-One Limited |
| Provider I | Hurst Hall Care Home |
| Provider J | Hyde Nursing Home |
| Provider K | Laurel Bank Residential Care Home |
| Provider L | Moss Cottage Nursing Home |
| Provider M | Oakwood Care Centre |
| Provider N | Parkhill Nursing Home |
| Provider O | Polebank Hall Residential Care Home |
| Provider P | Sandtoft Care Home Ltd – Partnership Caring Ltd |
| Provider Q | St Lawrence's Lodge |
| Provider R | The Lakes Care Centre (R1) and Fairfield View (R2) |
| Provider S | The Vicarage Residential Care Home |
| Provider T | Tulsi Homes TA Clarkson House |

Policy Implications: The proposals align with the Living Well, Working Well and Ageing Well programmes for action. The service also links into the Council's priorities :-

- Help people to live independent lifestyles supported by responsible communities.

- Improve the health and wellbeing of residents
- Protect the most vulnerable

**Financial Implications:
(Authorised by the statutory
Section 151 Officer)**

The pre-placement agreement is for an open framework with care home providers. Under this framework individual service contracts are purchased by the council from the care home providers. This pre-placement agreement does not dictate the cost of the individual provision for each service user. The standard individual provision cost is communicated by the service to providers before the start of each financial year.

The pre-placement procurement exercise has been undertaken with STaR involvement to ensure that it delivers best value for money for the council.

**Legal Implications:
(Authorised by the Borough
Solicitor)**

The service has undertaken a procurement exercise as detailed in the main body of the report with the support of STaR procurement to ensure that there has been a compliant process which delivers best value for the council

Risk Management:

There will be a continued dialogue between commissioners and providers to ensure best value is delivered against the contract resource with a view to working towards service developments. These will be delivered through contract performance management and working in partnership with neighbourhood teams.

Access to Information:

The background papers relating to this report can be inspected by contacting Siobhan Gough



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1. INTRODUCTION

- 1.1 On 27 October 2021 the Strategic Commissioning Board approved a renegotiation of the current contract for a Pre-Placement Agreement for the provision of permanent, temporary or respite care for older people in a care home (with or without nursing) to commence within the next 12 months. The current contract is due to expire on 31 March 2023.
- 1.2 The agreement will provide the framework of providers available in Tameside from which individual service contracts can be purchased. Placement on the agreement is not a guarantee that individual service contracts will be awarded to the provider.
- 1.3 The agreement is an open framework agreement to which new care home providers in Tameside can apply to be appointed to during its life.
- 1.4 The framework will provide the basis for any future call-off contracts during its life, which means that the Council can undertake mini tenders to award to any of the providers on the framework.
- 1.5 A closed tendering exercise supported by STaR Procurement commenced on 1 October 2022 and closed on 14 November 2022. The tender was completed fully in accordance with Tameside Metropolitan Borough Council Procurement Standing Orders and in conjunction with OJEU requirements via the CHEST (the North West procurement portal).
- 1.6 The intention is to award an agreement for a duration of five years commencing on 1 April 2023 with an expiry date of 31 March 2028 with no option to extend.

2. PRE-PLACEMENT AGREEMENT FOR CARE HOMES (WITH OR WITHOUT NURSING) IN TAMESIDE

- 2.1 The Council has been operating a Pre-Placement Agreement with care homes in Tameside since the Registered Homes Act 1984. This is a continual contractual relationship where the terms and conditions are reviewed on a regular basis. The contract was last renewed on 1 April 2018.
- 2.2 The agreement allows the Council and GM ICB (Tameside) to purchase placements as required through an individual service contract from the care homes on the framework.
- 2.3 The care homes provide 24 hour care and support to residents, ensuring an asset based approach is used to promote independence wherever possible and focus on achieving outcomes for individuals to ensure health and wellbeing is maintained. The care homes focus on community engagement and meaningful activities to ensure residents have purpose and stimulation. The care homes work as part of a Multi-Disciplinary Team (MDT) approach to ensure holistic care and support is maintained and people are supported to remain in the care home to reduce the number of hospital admissions.
- 2.4 All care homes on the framework are registered with the Care Quality Commission (CQC) and agree to work with commissioners to strive for continual quality improvement.
- 2.5 There are 34 operational care homes in Tameside for over 55's on the framework with access to 1084 residential beds and 394 nursing beds when all homes are operating at full capacity.
- 2.6 All care homes on the framework are committed to future developments and will work with commissioners to develop services to meet the growing demands of the sector.

3. DETAILS OF PROPOSED CONTRACTUAL ARRANGEMENTS

3.1 Tameside Adult Services in its role as lead commissioner is looking to award a five year contract, which is expected to commence on 1 April 2023 and expire on 31 March 2028.

4. PROCUREMENT APPROACH USED

4.1 Adult Services has worked closely with STAR Procurement to undertake an appraisal of the procurement options available and conducted a fair, open and transparent procurement process.

4.2 A closed tendering exercise commenced on 10 October 2022 and closed on 14 November 2022. The tender was completed fully in accordance with Tameside Metropolitan Borough Council Procurement Standing Orders and in conjunction with OJEU requirements via the CHEST (the North West procurement portal).

4.3 The approaches used to evaluate the responses included:

- Supplier Questionnaire – Each provider completed a supplier questionnaire to allow checks to be completed that will assess their viability to provide the service in the Borough. This includes questions in relation to: Insurance; Health and safety; Financial Standing; Grounds for exclusion and Modern Slavery. Providers were required to complete this in its entirety to ensure inclusion in the Framework.
- Cyber Security Questionnaire – Each provider was required to complete the questionnaire to demonstrate the level of security in place to receive and store information safely. Each provider will have a Data Protection Impact Assessment (DPIA) in place to ensure any improvements needed to their cyber security are achieved within an agreed timescale prior to contract commencement.
- Copy of Contract – Each provider has received a copy of the General Conditions, Service Conditions and Service Particulars that form the contract at procurement stage and have agreed in principle to its contents.

5. EVALUATION METHOD AND OUTCOME

5.1 Responses were received from 20 providers covering all 34 care homes in Tameside and these were evaluated by:

Shirella Simms - STAR Procurement Category Manager (People)
Siobhan Gough - Commissioning and Contracts Officer

5.2 The evaluated submissions were used to inform the due diligence completed by STAR Procurement. These documents are available for further scrutiny if required.

5.3 Under the Care Act 2014 we are obliged to facilitate choice and control for service users, therefore we are required to contract with all care homes within the borough and have done for a number of years. The Commissioning Team hold substantial quality data in relation to each home, as detailed in Section 5.4, therefore this was not required in the submission. As service users are already resident in each of the care homes we are required to ensure that each care home agrees to the terms and conditions and is able to provide relevant information to enable the due diligence checks to be completed. All care homes have agreed the Terms and Conditions and provided all relevant information.

5.4 In order to monitor the quality of the providers on the framework a number of mechanisms are in place.

- Contract Performance Monitoring - Two official visits take place annually which include one announced and one unannounced visit. Ongoing support is also provided as and when required.
- Monthly Quality Returns - Each provider completes monthly returns detailing activity in the home which is used to monitor any trends, themes or identify any concerns. Support and guidance is provided positively to enable growth within the sector.
- Quality Improvement Team – This is a dedicated team which provides intensive and ongoing support to the providers on the framework, when required, with the aim of working towards continual improvement and increased quality of care.
- Care Quality Commission – All providers are registered with the CQC and are subject to their regulation and inspection regime. Providers are rated from Inadequate to Outstanding.
- Accountability and Escalation Policy - This is a joint policy between TMBC Adult Services and GM ICB (Tameside) which is in place to ensure that all actions, processes and responsibilities of each stakeholder are clear in the event of a care concern being raised.
- Suspension and Termination clause - General Condition 16 (Suspension) gives the co-ordinating commissioner the right to suspend the service by written notice in part or in whole. Services can be reinstated once the co-ordinating commissioner is satisfied the provider is able to deliver the service to the expected standard. General Condition 17 (Termination), gives the co-ordinating commissioner the right to terminate the service by written notice.

6. CHECKS ON PROVIDERS

6.1 An evaluation of the submissions has been completed by STAR Procurement to ensure each provider is compliant and is able to confirm that they meet the pass criteria for Economic and Financial standing; Modern Slavery Statement; Health and Safety; Insurance and all grounds for exclusion. These documents are available for further scrutiny if required.

6.2 Credit checks have been completed by STAR Procurement using Company Watch. The Credit Risk Score thresholds are as follows:

- High: 25 or less
- Medium: 26-35
- Low: 36-100

The table below indicates the risk level identified by Company Watch and provides further information relating to the risk and how this is being managed.

| Provider | Credit Score | Risk Level | Risk Information |
|------------|--------------|------------|---|
| Provider A | N/A | Medium | The credit check on Company Watch did not return sufficient information and therefore the financial accounts have been requested to complete due diligence. |

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| | | | Provider A is part of a large corporation covering a number of areas. |
| Provider B | 97 | Low | No Concern |
| Provider C | 41 | Low | No Concern |
| Provider D | 8 | High | There is limited history on Company Watch as the provider was newly established in 2020. As a commissioner we are aware the care home has a high level of occupancy and remains economically viable. A copy of the accounts have also been requested. |
| Provider E | 2 | High | Provider E is a large organisation investing in a number of different fields and therefore the accounts would not provide a clear picture of the care home in Tameside so they have not been requested. However the provider in Tameside is a Care Home that is well occupied and open to further placements. The provider engages well with support to improve and maintain quality in order to remain economically viable. |
| Provider F | 45 | Low | No Concern |
| Provider G | 20 | Medium | This provider is currently in administration, the local authority remain in regular contact with the administrator to ensure the on-going care and support of the residents and to ensure the viability of the business while a buyer is sought. At present this care home is part of a wider provider but as a home remains economically viable. |
| Provider H | 30 | Medium | Provider H is a larger corporation with a number of provisions in the borough. They are investing heavily in future developments and maintain a good standard of care across their sites. They remain a strategic partner of Tameside and on the whole maintain a high level of occupancy across their homes. |
| Provider I | N/A | High | This is a newly registered provider and therefore is automatically classed as high risk due to the lack of financial records. The provider has several care homes across the country and a good structure of support. They maintain a high level of occupancy and provide good quality care. |
| Provider J | 97 | Low | No Concern |
| Provider K | 55 | Low | No Concern |
| Provider L | 30 | Medium | Provider L is part of a wider corporation The provider in Tameside is a successful care home that provides good quality care and operates at 100% occupancy most of the time. Any vacancies are filled quickly and the business remains economically viable. |
| Provider M | 16 | High | While Provider M remains a high risk the credit report does indicate a significant improvement since 2020 when it was taken over by new owners. The provider remains engaged with the Council and has been supported to improve the quality of the service which is now rated by the CQC "Good". They have a high level of occupancy and remain economically viable. As the care home is part of a wider group the |

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|------------|--------------------------------------|--------|--|
| | | | accounts will not be reflective of the care home in Tameside and therefore accounts have not been requested, |
| Provider N | 78 | Low | No Concern |
| Provider O | 36 | Low | No Concern |
| Provider P | 91 | Low | No Concern |
| Provider Q | N/A | Medium | Provider Q is a sole trader and therefore does not have a company number in order to complete the checks on Company Watch. However, copies of the financial accounts have been requested in order to complete the due diligence. |
| Provider R | Provider R1 - 41 Provider R2 - 78 | Low | Providers R1 and R2 are subsidiaries of the same organisation and are both in administration. The local authority remains in regular contact with the administrator to ensure the on-going care and support of the residents and is providing support to ensure the viability of the businesses whilst a buyer is sought. Provider R1 is suspended to new placements at present and is under occupancy. Support remains in place to improve quality in order to re-inspect and lift suspension. Provider R2 is suspended to new placements, however they remain economically viable. Support is in place to assist the provider to improve quality in order to re-inspect and lift suspension. |
| Provider S | 91 | Low | No Concern |
| Provider T | N/A | High | This is a newly registered provider and therefore automatically high risk due to lack of financial records. However, they have significantly increased occupancy and are investing in the improvement of the service. Due to this being a new provider only operating from September 2022 they do not have records available for us to request. |

6.3 While some providers are deemed high risk due to their current financial status, the continual contractual agreement needs to remain in place due to service users already being resident in the care home. Under the Care Act 2014 the Council is obliged to facilitate choice and control to Tameside residents so the placements are required to continue. The table above highlights mitigating factors and concerns will be managed as identified in section 5.4 of the report.

6.4 In order to further mitigate the financial risk of contracting with high-risk providers, the Council will be changing the payment terms and will be paying in arrears as opposed to in advance as was previously the case.

7. CONCLUSION

7.1 A summary of the providers awarded a place on the framework is shown below. This also includes confirmation of the completion of each stage of the evaluation.

| Provider | Supplier Questionnaire | Cyber Security Questionnaire | Contract Agreement |
|------------|------------------------|------------------------------|--------------------|
| Provider A | Complete | Complete | Complete |
| Provider B | Complete | Complete | Complete |

| | | | |
|------------|----------|----------|----------|
| Provider C | Complete | Complete | Complete |
| Provider D | Complete | Complete | Complete |
| Provider E | Complete | Complete | Complete |
| Provider F | Complete | Complete | Complete |
| Provider G | Complete | Complete | Complete |
| Provider H | Complete | Complete | Complete |
| Provider I | Complete | Complete | Complete |
| Provider J | Complete | Complete | Complete |
| Provider K | Complete | Complete | Complete |
| Provider L | Complete | Complete | Complete |
| Provider M | Complete | Complete | Complete |
| Provider N | Complete | Complete | Complete |
| Provider O | Complete | Complete | Complete |
| Provider P | Complete | Complete | Complete |
| Provider Q | Complete | Complete | Complete |
| Provider R | Complete | Complete | Complete |
| Provider S | Complete | Complete | Complete |
| Provider T | Complete | Complete | Complete |

8. RECOMMENDATIONS

8.1 As set out at the front of the report.