

**Wiltshire Council**

**Health Select Committee**

**10 January 2017**

---

**Adult Care Tender – Care home placements for older people**

**Executive summary**

This paper is to inform the Committee of the current tender for care home beds for older people.

The Council has recently tendered for contracts for care home beds (both residential care and care with nursing) for older people. Tenders are being evaluated and the decision to award contracts will be made by Cabinet at its meeting on 13<sup>th</sup> February 2017.

**Proposal**

That the Committee notes the information contained in this report and that a further update will be provided once contracts have been let.

**Reason for proposal**

To inform the Committee of the tender process

**Author:** Sue Geary, Head of Community Commissioning

Contact details: [sue.geary@wiltshire.gov.uk](mailto:sue.geary@wiltshire.gov.uk) 07901 848422

## **Adult Care Tender – Care home placements for older people**

### **Purpose of report**

1. The purpose of this report is to inform the Committee of the current tender for care home beds for older people.

### **Background**

2. The Council currently uses three methods to purchase nursing and care home beds for older people:
  - Block contracts – a fixed number of pre-purchased beds which ensure a more competitive rate and guaranteed supply.
  - Framework contracts – pre-agreed rates, terms and conditions, but with no commitment to purchase beds. Frameworks do not guarantee supply, but support more competitive rates and reduce administration costs around individual placements
  - Spot contracts – beds purchased as required, at rates which are not pre-agreed, so will be at the discretion of the provider.
3. In addition to the above, the Council has long-standing contracts with the Order of St John Care Trust (OSJ) for residential beds. These contracts are not affected by the current tender.

### **Main considerations for the committee**

4. Block and framework contracts maximise the opportunity for the Council to manage the supply of beds and spend on placements. The contracts place obligations on the provider to achieve specified quality of care outcomes and also to facilitate prompt admissions, which supports hospital discharge arrangements.
5. The Council is renewing arrangements for block and framework contracts and has recently tendered inviting bids for the following:
  - Nursing home block beds (up to 200 beds)
  - Nursing home framework beds (approximately 200 beds)
  - Residential home framework beds (approximately 200)
  - Intermediate care block beds (up to 75).
6. Tenders are currently being evaluated and the decision to award contracts will be made by Cabinet at its meeting on 13<sup>th</sup> February 2017.

**Environmental impact of the proposal**

- 7. A level of choice of residential and nursing bed provision across Wiltshire will reduce the level of travel and associated costs for families and will help to ensure that Wiltshire residents can remain living in Wiltshire.

**Equality and diversity impact of the proposal**

- 8. The specification for the service states that providers will be expected to demonstrate use of local resources and provision of service which take account of customers’ religious and cultural needs and recognises the right of diversity.

**Risk assessment**

- 9. If contracts are not awarded, this will create additional pressure for the Council because care home beds would need to be purchased under spot-purchase arrangements. The costs of spot placements are individually negotiated and are likely to be higher than placements made at pre-agreed rates. In addition, block and framework contracts make it easier to be specific about the Council’s expectations for delivering to agreed quality standards.
- 10. There is a risk that there will be insufficient bidders of a suitable quality to meet the number of block-contract and framework beds required, or that there will not be an adequate spread of care homes across the County. It may be necessary to re-tender and/or target specific parts of the county, with support for care homes to enter into the tender process.

**Financial implications**

- 11. Spend on block and framework care home beds depends upon contract prices and the volume of placements made. In the last financial year (excluding OSJ block contract) was as follows:

Nursing beds block contract	£7.53m
Nursing beds framework contract	£7.37m
Nursing beds spot contract	£5.18m
Residential beds framework contract	£3.87m
Residential beds spot contract	£15.48m
Intermediate care block (Better Care Fund)	£2.9m

- 12. Awarding block and framework contracts supports market management and gives greater control of spend, because rates, terms and conditions have been agreed within the contract.

**Legal implications**

13. None

**Conclusion**

14. The Committee is requested to note the information contained in this report and that a further update will be provided once contracts have been let

---

**Background papers**

None