

**ADULT SOCIAL CARE & HEALTH JOINT FRAMEWORK FOR RESIDENTIAL /  
NURSING CARE**

**Report of the Director of Adult Social Services**

**1. Introduction and Purpose of the Report**

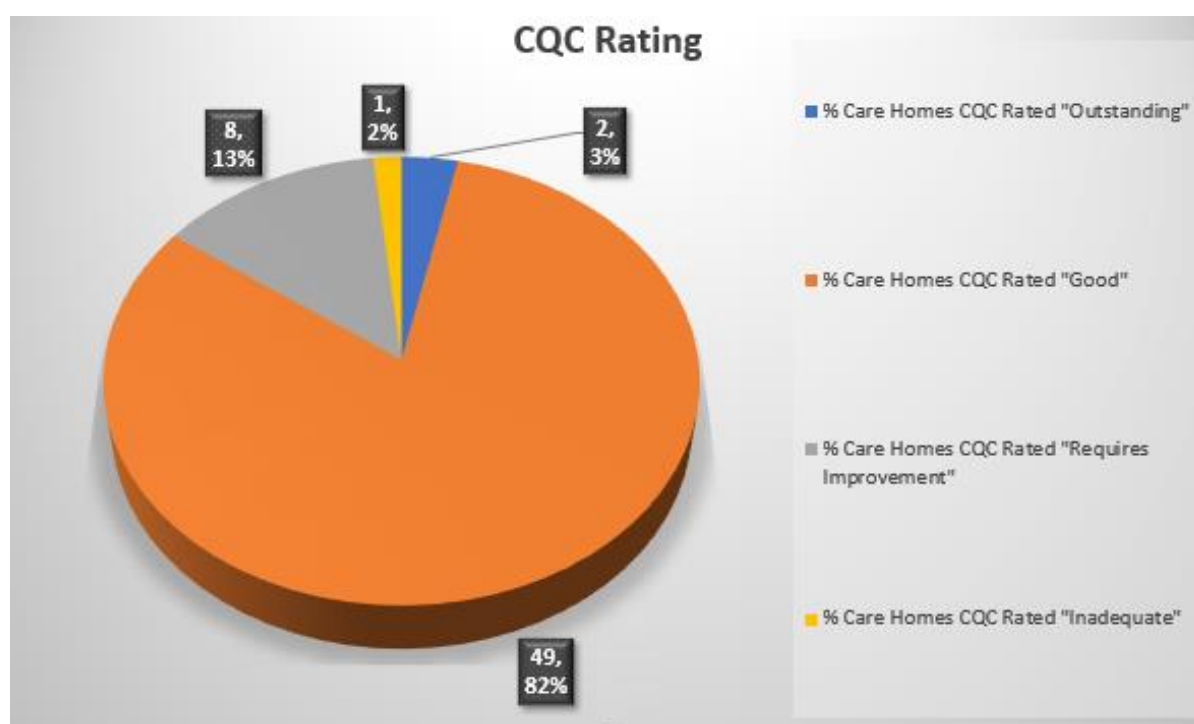
- 1.1 This report outlines the proposal to set up a Joint Commissioning Framework for residential and nursing care beds through a Flexible Purchasing System (FPS) across Adult Social Care and Health in Stockport. This work is in line with the developing plans for an Integrated Care System in the Borough.
- 1.2 The development of an FPS is in line with and supports Stockport's One Health and Care Plan which in turn underpins the delivery of the One Stockport Borough Plan.
- 1.3 Under the proposed FPS, commissioners will be able to draw down contracts for individual placements as well as hold mini competitions under the framework. This is where the providers who are accredited to the framework will be able to bid for block contracts for needs such as respite beds, winter pressures or intermediate tier provision. The framework will also enable commissioners to have more flexibility if there is a need to tender at short notice, for example due to COVID-19 or similar pressures.
- 1.4 The proposed approach considers how Stockport Council and Stockport Clinical Commissioning Group (CCG) will work together with care homes to better support residents under joint contracting arrangements. This will provide transparency, consistency and predictability for providers and enable commissioners across adult social care and health in Stockport to continue to drive best value and support quality improvements in the sector locally.
- 1.5 Cabinet is asked to approve the recommendations on the planned development of a Residential and Nursing care services framework via a joint commissioning arrangement with Stockport CCG. The framework will be for a term of up to 5+2 years and accreditation awarded to providers carries no guarantee of business during that time.
- 1.6 Outside of the scope of this process, it is envisaged that colleagues in Stockport CCG will be able to link into the Council's existing Ethical Home Support framework for domiciliary care. This will enable commissioners across Health and Social Care to purchase domiciliary support consistently, from the same framework, managing the market and driving continual improvement and best value locally.
- 1.7 There is a dovetailing governance approval process ongoing within Stockport CCG, mirroring this paper, as part of the commitment to furthering integration between health and social care commissioning partners.

## 2. Background

- 2.1 The Health and Care Bill is expected to receive royal assent in April 2022 and at that point, new arrangements in relation to the governance, commissioning and delivery arrangements for health and care services will come into place. The new legislation makes for the establishment of an Integrated Care System (which will be established at a Greater Manchester level) and locally, places an emphasis on collaborative working, local delivery partnerships and locally led solutions.
- 2.2 Stockport's One Health and Care Plan is the blueprint through which these changes will be facilitated locally. The all age plan will support people to start well, live well and age well and will reduce expensive crisis management by bringing together delivery partners to provide a cohesive and integrated response, at the earliest possible stage.
- 2.3 The proposed joint adult social care and health framework will be within this context and will be developed in line with central government plans around Adult Social Care and Health outlined in Building Back Better Policy Paper.
- 2.4 Nursing and residential care plays an essential role in the care system locally, for some of the most vulnerable people in Stockport. Good care home services aim to deliver high quality care, which is person centred, treat people with dignity and respect, keep people safe, offer real choice and control, promote independence and social inclusion and are supported by highly skilled and dedicated staff.
- 2.5 This approach recognises the contribution and status this part of the care sector plays to the economy of Stockport. Health and Social Care is the second largest employer by sector in Stockport. This represents around 13.3% of the total workforce in Stockport. 2.2% of the Stockport workforce is in the residential and nursing sector.
- 2.6 These services support other developments which improve the health and wellbeing and independence outcomes of customers, including asset based social care practice and outcomes-based commissioning. Commissioners are committed to a home first approach for anyone with health and/ or social care needs in Stockport but we are projecting an ongoing need for quality care home placements for our residents.
- 2.7 The current approach to care home commissioning through the Council in Stockport is that there are contracts in place with care homes across the locality which allows for placements to be made through a pre-placement agreement. Individual agreements for individual residents are then made based on the terms and conditions within the pre-placement agreement.
- 2.8 Commissioning Landscape in Stockport (Council Commissioned Care Home Placements)

<b>Total number of Council Commissioned Care Home Residents (April 2021)</b>	<b>Residential Care</b>	<b>Nursing Care</b>
853	622 (73%)	231 (27%)

- 2.9 These figures from April 2021 represent a reduction of approximately 5% on numbers in permanent residential and nursing care at the same point in 2020, bucking a long-term upward trend in the number of placements made by Stockport Council. The ongoing impact of the COVID-19 hospital discharge support scheme may result in these numbers changing (possibly with an increase aligned to a higher number shorter term placements) but a reduction ties into the reduction in occupancy levels seen in Care Homes in Stockport through the pandemic (97% occupancy in Feb 2020, 87% occupancy in Feb 2021, 89% occupancy in September 2021).
- 2.10 Adult Social Care and Health commissioners will continue to provide support and guidance alongside the financial investment in the Stockport market for residential and nursing care. The proportion of care homes in the Borough rated as Good or Outstanding by Care Quality Commission (CQC) is 82% of premises that have been inspected. This is the 3rd highest level for authorities across Greater Manchester. Please note that the CQC have changed their approach to delivering inspections as a result of the COVID-19 pandemic and are targeting providers where concerns have been raised in the reduced number of inspections that are taking place. This is likely to result in the ratings reducing as providers who have a rating of Requires Improvement but have addressed quality issues and where there are no active concerns are less likely to be inspected in the short term.



- 2.11 Local residential and nursing home providers have experienced significant financial pressures through additional costs and reduced levels of income due to the COVID-19 Pandemic. The issues facing the sector includes, for example, additional insurance premiums, food costs and staff costs to minimise staff movement within and between homes to reduce the risk of spread of infection. Financial support has been provided to homes through the Infection Control Fund, Rapid Test Fund and Workforce Capacity Grant. Occupancy rates across care homes in Stockport are on

the rise but the sector continues to have financial and practical challenges arising from the COVID-19 Pandemic.

- 2.12 A joint health and adult social care approach to commissioning care home placements for the people of Stockport will reflect and support the integrated working approach between commissioners in Stockport. In the context of Stockport's One Health and Care Plan, the framework will provide clarity and consistency to the provider market and support the continuing drive for quality and value for money.

### **3. Financial Context**

#### **3.1 Pooled Budget**

- 3.1.1 An established s.75 agreement exists between Stockport Council and Stockport CCG which supports the current pooled budget arrangements. The total pooled budget is circa £250m.
- 3.1.2 Under this agreement the CCG pools resources for the provision of health services (excluding surgery, radiotherapy, termination of pregnancies, endoscopy, other invasive treatments and emergency ambulance services) provided to people who are registered with a Stockport GP Practice over the age of 65, and the Council pools resources for the provision of Adult Social Care services and Public Health services.
- 3.1.3 The current pooled budget agreement is under review aligned to the establishing of the Greater Manchester Integrated Care System (ICS). This will enhance the current agreement aligned to commissioning arrangements with the Greater Manchester ICS.

#### **3.2 Residential & Nursing Care**

- 3.2.1 The pooled budget enables significant investment into the commissioning of Residential and Nursing Care services of circa £60m (including CHC spending and based on 2019/20 spending, 2020/21 figures have not been used given the impact of the COVID-19 Pandemic and the mitigation measure put in place), with Stockport Council being the predominant lead commissioner.
- 3.2.2 In May 2020 the Department for Health and Social Care announced the Covid Infection Control, Rapid Testing and Workforce Capacity Grant. This was intended to offset the impact the pandemic has had on the care sector. Stockport immediately distributed this funding along with the necessary governance and legal agreements. Circa £9m was allocated to support the care home sector up to the 30 September 2021. On 1 October the Council was notified that this funding will continue until March 2022.
- 3.2.3 The development of a joint commissioning framework aligns to ongoing collaboration between the Council and Stockport CCG on fees and the annual fee setting process. This includes continued engagement on fee setting with the external residential and nursing care market, which is of fundamental importance to the local health and social care system for those that require care and support.

### 3.3 Health and Adult Social Care Reform

- 3.3.1 The Government announced its reform package for Adult Social Care on 7 September through the release of their Build Back Better – Our Plan for Health and Social Care.
- 3.3.2 Funding for the reforms will be raised from increased taxation, expected to generate circa £36bn over the next three years. Of this total £5.4bn has been allocated to Adult Social Care; £500m will support workforce reform and resilience, £4.9bn will be used to fund the planned reforms to 2024/25 resulting in an implied annual funding of circa £3.2bn in 2024/25.
- 3.3.3 The changes to the cap and asset threshold from October 2023 will mean the Council will have to fund a greater share of the care costs that are currently paid for by self-funders. In addition, the costs of administering the reforms locally will result in additional new burdens costs to the Council. It is noted that there is no new funding to support the existing Adult Social Care cost pressures detailed within the Government's reform proposals.
- 3.3.4 The reforms announced will have a significant impact on the residential and nursing care market, including both the joint commissioning of services from the Council and CCG and also the self-funder market. The announcement of the reforms provides an opportunity for further collaboration with the external care market on the costs of care within care home provision.

## 4. Local Context & Aims

- 4.1 The proposed FPS approach will provide commissioners across ASC and Health with the opportunity to:
  - 4.1.1 Support more cost-effective package costs and enabling more effective use of existing capacity in the wider social care and health workforce.
  - 4.1.2 Shape care markets sustainably with providers. Using their vision and creativity to move beyond traditional services and to implement principles of person-centred care and an enabling approach to service delivery.
  - 4.1.3 To facilitate prompt discharges from the acute hospital.
  - 4.1.4 Deliver a consistent approach to commissioning residential and nursing placements across health and social care in Stockport, ensuring a single voice from statutory leadership and commissioners.
  - 4.1.4 Meet the Council's duty of care to protect the most vulnerable people in our communities by ensuring equitable access to nursing and residential care supply.
- 4.2 The use of demand data, including the effects of COVID-19, helped identify demand priorities and informed longer-term strategic direction for care homes and the wider social care commissioning landscape.

- 4.3 Current modelling shows a reduced demand for traditional residential beds but an increase in nursing bed needs, particularly for more complex cases and including people living with dementia. Commissioners will continue to monitor these trends and engage with providers to ensure that provision locally meets this evolving demand.
- 4.4 Within this context the Council is seeking to develop its own innovative approaches to residential and nursing care provision. The Academy of Living Well is part of Stockport's ground-breaking prospectus to reduce health inequalities among older people. A place where social care and health will come together offering short breaks in a small household environment; giving the tools to enable Stockport's older residents to flourish back in their own homes. The Academy addresses the three challenges of workforce reform, people-centric service focusing on "home first" and true integration of social care, housing and health

## **5. Procurement approach and Residential and Nursing Care Flexible Procurement System (FPS)**

- 5.1 The Council will follow a robust process in line with the Public Contracts Regulations (2015) Light Touch regime. The procurement approach proposed is a flexible purchasing system under regulations 74-76 of the Public Contracts Regulations (PCR). Due to the contract value, a full OJEU (Official Journal of the European Union) will be followed.
- 5.2 Advertising and market engagement for the tender will seek to stimulate the market and should secure bids from those providers able to meet the requirements to apply to the framework. The procurement approach should enable commissioners to seek a good geographical coverage of block and framework beds across the locality.
- 5.3 Providers will be selected on the basis of key business information, current Care Quality Commission (CQC) registration status and evidence provided through a quality self-assessment.
- 5.4 Providers with an 'Inadequate' rating with CQC will not be able to apply to the framework. However, such providers will be able to resubmit an application when their CQC rating has improved.
- 5.5 In addition to the initial opening of the framework, providers will be able to apply to the framework every 3 months as a minimum (in the lifetime of the framework) or where the commissioners chose to open the framework.
- 5.6 The FPS will be an electronic system set up to enable commissioners to procure care services in a way that complies with the Care Act 2014 (as well as the relevant Continuing Healthcare Legislation) but also complies with the Public Procurement Regulations 2015, to enable a fair and transparent system of sourcing suppliers and ensuring service user choice is respected. New suppliers will be able to join when the Framework opens at regular intervals.
- 5.7 The FPS approach will also support commissioners in fulfilling their duties in respect of choice of placement. Under the Care and Support and Aftercare (Choice of Accommodation) Regulations 2014, Local Authorities have a duty to offer residents (whose care they are funding) choice over where they receive their care, provided

the home accepts the funding terms and conditions, including how much the Council is willing to pay.

- 5.8 The proposal is to set up an FPS with all Potential Providers that meet the minimum requirements. The FPS will be opened regularly for new providers to apply or previously unsuccessful providers to re-apply. The FPS will be opened at regular intervals throughout the lifetime of the purchasing system to any new potential provider that satisfies the selection criteria.
- 5.9 The commissioners will then be able to call off the FPS selected suppliers list in accordance with the procedures set out in the tender and contract documentation.

## **6. Legal considerations**

- 6.1 Any procurement process must be undertaken in line with the Contract Procedure Rules within the Council's Constitution, as well as the Public Contracts Regulations (2015, PCR). This is alongside the CCG's governance requirements and commissioning colleagues in the CCG are taking the proposal for a joint framework through their governance process at the same time as the Council's governance requirements.
- 6.2 Appropriate contract documents will be prepared to support the compliant and effective delivery of services and support the Council in ensuring its statutory duties are upheld through commissioning services from the private care market. Colleagues in Legal Services are aware of and support this approach. They will be involved in ensuring the contractual documentation required is robust and fit for purpose.
- 6.3 Non-compliance with the Constitution, the Public Contract Regulations and the general principles of contract law could result in a legal challenge. However, this risk is minimised through a robust procurement process and involvement of colleagues in legal services and STaR as the Council's Procurement Partner.

## **7. Local Authority Responsibilities**

- 7.1 Whilst developing joint commissioning arrangements, the Council will continue through the FPS to deliver on legal responsibilities. Local Authorities in England have a range of specific responsibilities under the Care Act (2014) which relate to the proposal for a framework approach:
  - 7.1.1 To shape care and support market sustainably and in collaboration with care providers, to ensure a range of appropriate and high-quality providers and services are available.
  - 7.1.2 Local market oversight and contingency planning for provider failure and a temporary duty to support providers and service users through service interruptions. Where a provider cannot meet needs as their business has failed, the Council ensures smooth transition for services users so that their needs continue to be met.

7.1.3 The Council's duties in market shaping, oversight and provider failure as well as safeguarding apply to all care providers active in Stockport, regardless of whether the Council has a contractual relationship with a provider.

## **8. Block Contract Commissioning in Care Homes**

- 8.1 The proposed FPS will enable commissioners to run mini-competitions for providers who are accredited to the framework for any purpose but this is likely to be used to commission Intermediate Tier beds, beds to support with winter pressure and Discharge to Assess beds as part of the strategic approach locally.
- 8.2 The proposed framework is not going to be available at the point where health and social care partners across the system need to commission beds in the short term (i.e. the next 7 months) so there will need to be some interim collaborative commissioning arrangements to ensure that there is sufficient high quality and value capacity to meet immediate pressures.
- 8.3 This commissioning will be based on short-term contracts. Whilst the COVID-19 pandemic is ongoing, the requirements in the system are unclear and a short-term contract will provide an opportunity to review and evaluate need and trend data. In addition, short term contracts will mean that commissioners across the system will be able to use the joint framework for needs beyond the initial short-term period.
- 8.4 Block contracts are advantageous in that they maximise commissioners' ability to manage spend and bed availability and be less reliant on spot-purchased beds where there is less control financially and in terms of quality assurance.
- 8.5 In addition, block and framework contracts also place obligations on the provider to achieve specified quality of care outcomes and support system flow by reducing delayed transfers of care from hospitals into the community.

## **9. Risks**

- 9.1 One of the risks arising from the framework approach is engagement with providers, who may choose not to apply to join the framework. This risk is managed by building on good existing relationships, formal engagement through procurement portal and practical support to engage with the framework where required.
- 9.2 Another broader risk is a failure of demand, leaving commissioners unable to secure sufficient provision to meet the identified needs of the population of Stockport. This risk is mitigated by commissioners' ongoing monitoring, management and shaping of the provider market to meet the evolving and developing demands of residents in Stockport.
- 9.3 Rising costs and limited statutory budgets are a risk across the Integrated Care System in Stockport and across England. Locally this is mitigated by engagement with providers around fee setting as part of an annual process, aligned to the budget setting across health and social care partners in Stockport.
- 9.4 Any delay in the project timeline is a risk and colleagues across Stockport CCG and the Council continue to ensure that there is sufficient capacity and



engagement to support this proposal and deliver to the required standard where agreed within the indicative project timeline.

## **10. Human Resources Impact**

- 10.1 There is no direct HR impact for the Council other than officer time and resources.

## **11. Equalities Impact**

- 11.1 An equalities impact assessment will be undertaken prior to publishing any tender document. However, given the nature of the services that will be provided and the contractual obligations we will be placing on providers, we do not see any issues that would disadvantage any individuals or groups including those with protected characteristic.

## **12. Environmental Impact**

- 12.1 The tender evaluation criteria and contract terms & conditions will include provision on environmental and climate change impact to ensure this is appropriately considered by providers.
- 12.2 By ensuring a range of good quality local provision in Stockport, local residents will be enabled to remain living in their local area. Travel and associated fuel costs and usage for families are likely to be reduced along with related fuel emissions.

## **13. Conclusion & Recommendations**

- 13.1 As the Council's existing Pre Placement Agreement contracting arrangements for residential and nursing placements are coming to an end in April 2022 and the development of Stockport's ICS is coming in to place at the same time, a new, integrated commissioning and procurement platform for care home activity is required.
- 13.2 The advice from legal colleagues, evidence from other health and social care systems and market conditions locally suggest the framework approach is the most effective option to secure value for money and security of supply of care home placements for the Adult Social Care and Health for the people of Stockport.
- 13.3 Indicative, proposed timetable for the Joint Commissioning Framework for residential and nursing care beds through a Flexible Purchasing System (FPS):

<b>Indicative Date</b>	<b>Activity</b>
To November 2021	Market Engagement
November 2021	Tender publication
November 2021	The Chest (Procurement Portal) provider support session
January 2022	Closing date for submission of tenders
February 2022	Tender Evaluation
April 2022	Joint Commissioning Framework for residential and nursing care beds commences

- 13.4 Cabinet is asked approve the recommendations on the planned development approach going forward to Cabinet for their approval of the development of a Residential and Nursing care services framework via a joint commissioning arrangement with Stockport CCG. The framework will be for a term of up to 5+2 years and accreditation awarded to providers carries no guarantee of business during that time

#### BACKGROUND PAPERS

There are none

Anyone wishing to inspect the above background papers or requiring further information should contact Vincent Fraga on Tel: 0161-474-4401 or by email on [vincent.fraga@stockport.gov.uk](mailto:vincent.fraga@stockport.gov.uk)