

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 4 <sup>th</sup> November 2003	<b>MEETING NAME</b> EXECUTIVE
<b>Report title:</b>		Proposal to establish a block contract for the provision of registered nursing care for the mental health of older adults – with Excelcare Holdings (owners of St. Andrew's Nursing Home)	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Social Services	

## RECOMMENDATION

1. That the Executive approves, in accordance with Contract Standing Orders, the establishment of a block contract, commencing in November 2003 for three years, for the provision of twenty residential care beds with nursing for mentally frail older people at St Andrew's Nursing Home, Choumert Road, Peckham (run by Excelcare Holdings).

## BACKGROUND INFORMATION

2. A key commissioning issue remains the building of capacity for Mental Health for Older Adults (MHOA) residential care with nursing provision within the local care economy:
  - There are 378 nursing beds in Southwark. Only 93 are registered for MHOA nursing care.
  - Of the 93 beds, 34 are currently under placement embargo due to recurrent concern about the quality of the nursing care provided. Of the remainder, 32 are currently located in a care home that is being marketed and only temporary placements are available there, which leaves 27 available at St Andrew's.
3. Since the start of 2003/04 local statutory partners have maintained a high level of monitoring and support to those providers of the 66 MHOA nursing beds that are currently not available for permanent placement. Whilst it is anticipated that these beds will be available over the winter of 2003, the provision of 20 beds at St Andrew's will form a critical mass in relation to capacity for Southwark residents.
4. A trial block contract at St Andrew's came into effect on 7<sup>th</sup> October 2002 and expired on 7<sup>th</sup> April 2003. Since the expiry date, Excelcare Holdings have undertaken to maintain service provision to the agreed service specification and nominate any available beds to Southwark in the spirit of the trial block contract. Prior to this trial contract beds were purchased on a spot basis.
5. The Strategic Director of Social Services approved, as a delegated item, the establishment of the trial block contract and sole provider exemption for this service under Contract Standing Order 3.2.

6. St Andrew's was selected for the trial block contract because at the time (September 2002) it was the only local provider of a registered home care with nursing for older people with mental frailty.
7. The outcome of the evaluation of the trial block contract was positive and enabled the revision of the existing service specification and the development of a block contract for the provision of services at St Andrew's for a period of 3 years.

## **KEY ISSUES FOR CONSIDERATION**

8. Policy Implications  
The proposal is entirely consistent with national policy on services to older people with a mental frailty. The proposed block contract is an essential element of integrated health and social care commissioning for the care and well being of older people with mental frailty in Southwark.
9. Effect of the proposed changes on those affected  
The establishment of the block contract at St Andrew's will ensure designated local capacity for residential care with nursing for older people with mental frailty. It will enable Social Services to monitor and evaluate the delivery of service against contract requirements and help ensure vulnerable older people placed in St Andrew's have the best possible quality of life.
10. The local independent provider market  
The overall capacity locally of registered care homes providing nursing for the mental health for older adults is concentrated in three providers, two of which are not able to offer the required standard or cost effectiveness of service for this client group with special needs.
11. The proposal to reinstate a block contract for the services provided at St Andrew's will guarantee availability to Southwark Social Services of 20 beds. This capacity would be part of a critical mass of nominated beds for this client group.
12. Other Local Authorities actively seek quality provision of registered nursing for the mental health of older adults. As and when beds become available at St Andrew's they would be subject to open competition rather than being designated to Southwark – unless the proposed block contract is renewed.
13. There is currently much volatility both nationally and locally in the market with potential for acquisitions and disposals of other Homes providing registered nursing for the mental health of older adults. The proposed block contract will build a degree of stability that will benefit both the provider and the council.
14. Historically there has been a lack of development of residential care with nursing in the Borough that has resulted in an under developed market. The 2003/04 budget settlement for the Department included an element to establish a market stabilisation fund. This is being used to implement the commissioning strategy.
15. Risk management.  
Currently there are significant concerns regarding the quality and quantity of suitable registered care beds for older people with mental illness within Southwark. The extension of the trial contract offers access to a service that has been evaluated and found to satisfactorily meet service user need.

16. As a result of the shortage of suitable accommodation within Borough, service users are being placed in neighbouring Boroughs. The availability of suitable accommodation also has a direct bearing on the Department's ability to meet obligations concerning the timely discharge of older people from hospital.
17. The Department is introducing new 'Brokerage' arrangements to support care managers in making care home placements. It is anticipated that these arrangements, together with discussions with the provider on using the contracted beds at St Andrew's more flexibly, will mean that temporary admissions and planned respite placements may be made. Specific provisions relating to maximising occupancy and minimising the risk of voids are included in the service specification and form part of the mechanism to measure performance under the contract.
18. Facilities at St Andrew's are provided in an adapted building, which necessarily cannot offer the same level of amenities as a purpose built establishment. It is proposed to restrict the risk associated with the possible future development of alternative, higher standard accommodation by limiting the length of contract to three years.
19. Placement under contract as apposed to spot agreements  
Block contracts enable Social Services to assess the performance of service delivery against an agreed service specification. They also provide more leverage for quality assurance and cost effectiveness of services. Block contracts also focus the relationship between the commissioner and provider on addressing the projected changes in the local population of older people and known trends in assessed needs and levels of dependency.
20. The Commissioning Unit will lead the regular monitoring of the renewed block contract with the provider, linking in with other specialist support as provided by South London and the Maudsley NHS Trust, the Care Home Support Team and the inspections conducted by the National Care Standards Commission.
21. To date the experience of working with the provider at St Andrew's demonstrates the company is willing to form part of the network of care provision for the mental health of older adults in Southwark. The provider is committed to expanding its share of the local market, working in partnership with the Department on strategic commissioning and improving the quality of care for older people.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Borough Solicitor & Secretary**

22. This report sets out the recommendation that a contract for the block provision of residential and nursing care services is negotiated with and provided to the provider identified in the report. The Council has powers and duties to provide residential care for whom it is responsible under the NHS and Community Care Act 1990 and associated legislation. The Council no longer has any powers to provide nursing care to residents in nursing homes. This duty now lies with local health trusts. However, the Council intends to enter into an agreement with the local Primary Care Trust under which the Council will, in effect, act as the agent of the Primary Care Trust and contract for the provision of certain types of nursing care. This agreement will be entered into under the provisions of the Health Act 1999 and is referred to in the report.

23. The provision of such residential services falls within part B of the European Procurement Regulations. As such, there is no requirement from these European Regulations for the external tendering of these contracts.
24. The Executive will need to cover all relevant matters when considering whether the proposals should be approved. This may include considering whether there is proper support for the arrangements for management of the contracts and whether there is appropriate budget coverage for the significant financial risk presented by these block contracts.
25. The Council Constitution which was agreed on 29<sup>th</sup> May 2002 provides under Article 13 that a decision taker may only make a Key Decision in accordance with the requirements of the Executive Procedure Rules and Access to Information Rules set out in Part 4, and the Protocol for Key Decisions set out in Part 5 of the Constitution. As the projected value of this contract exceeds £500,000 per annum, the award of the contract is a Key Decision under that Protocol. Rule 13 (Procedure before taking Key Decisions) provides that a Key Decision may not be taken unless the matter is on the Forward Plan. At least five days before the decision, a copy of the Report must be sent to the Chair of the Overview and Scrutiny Committee and to the Constitutional Support Unit. The Decision must not be implemented until the publication and call-in requirements set out in the Constitution have been satisfied.

**Chief Finance Officer**

**Financial Implications - (Ref: FI/JC/659)**

26. The overall budget for nursing within the assessment and care management service exceeds £4m. The contract cost can be met from within existing resources including market stabilisation monies. The source of funding the increase will need to be clear to avoid any funding pressures in the future.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Excelcare files	Community Care Commissioning Unit	John Chapman Commissioning Officer 020-7525-3698

## APPENDIX A

### Audit Trail

<b>Lead Officer</b>	Rod Craig, Interim Senior Manager – Adult Services	
<b>Report Author</b>	Mary Walker, Project Manager – Commissioning Unit	
<b>Version</b>	Final	
<b>Dated</b>	27th October 2003	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Borough Solicitor & Secretary	Yes	Yes
Chief Finance Officer	Yes	Yes
<b>Executive Member</b>	Yes	No
<b>Date final report sent to Constitutional Support Services</b>	27.10.03	