

Item No. 12.	Classification: Open	Date: 6 February 2024	Meeting Name: Cabinet
Report title:		Gateway 1 - Procurement Strategy for Nursing Care Provision	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Evelyn Akoto, Health and Wellbeing	

FOREWORD – COUNCILLOR EVELYN AKOTO, CABINET MEMBER FOR HEALTH AND WELLBEING

Southwark is committed to ensuring that we have high quality local services for our residents. Over the last decade, the number of nursing homes have reduced and the quality has been variable.

This procurement strategy seeks to protect the current provision in a nursing home by seeking an alternative provider to run the services. This strategy is related to another report being considered by Cabinet in relation to purchasing the freehold of a property that provides nursing care.

This procurement strategy builds on the previous strategies for increasing local provision. Firstly, there was the GW1 report in 2019 which led to block contracts with three nursing homes including the redevelopment of a site for nursing care that increased the number of registered beds from 55 to 98. Then there was the GW1 report for the transfer of provider for four older people care homes, which included the intention to repurpose some of the residential provision into nursing provision; since May 17 rooms have converted to nursing care and the Avon Unit has opened with its reablement beds.

This procurement strategy recommends that officers undertake a negotiated approach to identifying an alternative provider in the nursing home. This will enable officers to involve residents and loved ones in the process and ensure that discussions about quality, and particularly quality improvement, is at the heart of the evaluation process.

Cabinet should note that residents, loved ones and staff were met by officers from the council and the current provider to explain the contents of both reports in terms of what it means for them – that services and employment continue to be available, with a view to identifying a new provider of care.

I am delighted that this procurement is linked to the purchase of the freehold of the property so that, in the future, the council can better control the future provision on the site and look forward to working with the new provider in the future.

RECOMMENDATIONS

1. That the Cabinet approve the procurement strategy for nursing care provision in Tower Bridge Care Centre by advertising the contract opportunity on the Find a Tender Service (FTS) using a negotiated approach for a single contract for a period of ten years with an option to extend for a further five years (2+2+1) commencing 1 October 2024.
2. That the Cabinet delegate the approval of the award of the contract, following the conclusion of the tender to the Strategic Director for Children and Adult Services, in consultation with the Cabinet Member for Health and Wellbeing for the reasons set out in paragraph 39.
3. That the Cabinet note that this procurement strategy will require separate negotiations with individual bidders resulting in a single contract award which will be approved through a Gateway 2 report.
4. That the Cabinet note that the procurement strategy is subject to the approval of the cabinet report titled: 'Freehold acquisition of an operational property asset for key service provision and subsequent leasing arrangements'.
5. That the Cabinet note that the total estimated maximum figure for the contract is in the region of £4.3m per annum, £64.5m over the term of the contract.

BACKGROUND INFORMATION

6. Nursing care homes are regulated by the Care Quality Commission (CQC) to provide both general and dementia beds where the care is supervised by a nurse funded by the local NHS Integrated Care Board (ICB). Nursing care homes usually contain floors that are not registered for nursing care (referred to simply as "Residential Care"). Services tend to operate from large buildings, usually purpose built to meet the specialist requirements of their residents.
7. Forecast spend will be around £16m in 2023/24 on adult social care nursing care home provision. Nursing Care providers receive on top of this, an additional payment per resident from the local ICB through a standard funded nursing care (FNC) fee. This FNC rate in 2023/24 was £219.71 per week. Of the total forecast spend for 2023/24, approximately £4.3m will be spent with Tower Bridge Care Centre across 90 clients of which 55 are included in the block contract. TBCC is currently rated by the CQC as Requires Improvement.
8. Around 45% of clients (295 in total) are currently out of borough in 69 different homes. Nursing homes in Lambeth, Lewisham, Croydon and Bromley tend to be those most frequently used.
9. There are presently three block contract arrangements for nursing care. In April 2019, Cabinet approved a GW1 report to undertake negotiated procedures with nursing home providers to purchase services. In October 2020, a Gateway 2 report was approved by the Strategic Director for Children

and Adult Services for the award of a contract to HC-One for 55 nursing care beds at Tower Bridge Care Centre (TBCC) in Southwark.

10. HC-One has agreed to sell the care home (TBCC) to the council so that the council will own the freehold and appoint an alternative provider to provide care in the home. The sale is linked to finding an alternative care provider who can take responsibility for running the home from 1 October 2024. The sale to the council will avoid the possibility of the care home closing and ensures that local provision continues to be available for Southwark residents.
11. The number of people receiving nursing care has remained relatively constant over recent years:

Table 1: Nursing Care Permanent Placements

Period	No. at end of the year (snapshot)	Total number of permanent placements during the year (flow)	Average length of tenure in nursing homes (Years)
2018-19	225	325	1.3
2019-20	250	355	1.5
2020-21	195	305	1.9
2021-22	235	310	1.7

12. Due to the increasing frailty of most people accessing this setting of care, the average length of stay for all new placements anticipated to decrease. Modelling of demand has shown that if there was sufficient local supply (240 placements), around 80% of nursing placements would have been made in borough. The remaining cohort of service users will require a longer term placement in a specialist home (primarily those of working age adults with complex acquired brain injury) or primarily older people who have family connections to other areas.

Summary of the business case/justification for the procurement

13. In addition to the reasons set out in the GW1 – Nursing Care report (April 2019), the reason for this procurement strategy is to ensure that a qualified provider is appointed to run, and improve, the nursing home.

Market considerations

14. The CQC’s State of Care report 2023 discusses access to adult social care and the challenges faced by the sector – providers and commissioners alike. The most significant challenges relate to financial sustainability and the maintenance of good quality care across the entire health and social care system.
15. The reasons cited by providers for the decline in nursing care provision in London include the higher land prices that deter development in inner London, workforce challenges, and relatively few self-funders compared to outer

London areas such as Bromley, Croydon and Ealing. These are areas with much larger populations of older people with far higher rates of owner occupation (a basic indicator of what proportion of people pay for their own care). This means that Southwark care homes are far more reliant upon council funded placements.

16. There are three homes in Southwark registered to provide nursing care:

- **Tower Bridge Care Centre** (provided by HC One), which is a large home whose CQC rating has fluctuated over recent years between Good, Requires Improvement and Inadequate and is currently rated as Requires Improvement.
- **Camberwell Lodge** (provided by Country Court), which is currently rated as Requires Improvement and we are currently working with the provider to improve quality.
- **Waterside** (provided by Agincare), not inspected since nursing care introduced.
- Queens Oak care home previously operating within borough has now closed.

17. The local market is therefore summarised in table 2 below:

Table 2: The evolving Southwark Nursing Care Market

Nursing home and number of beds	Provider	2015	2018	2020	2022	2023
Camberwell Lodge*	Country Court Care from 2017 (Previously Four Seasons)	55	0	0	98*	98*
Tower Bridge	HC-One Ltd	128	128	128	128	128
Queens Oak**	Excel Care	88	88	88	88	0
Waterside***	Agincare from 2023 (Previously Anchor)	0	0	0	0	17
Total		271	216	216	320	249

* The new home on this site recently increased nursing care beds from 52 to 72

** Care home was initially block booked by Lambeth. It closed in 2022.

*** Residential care home converting some rooms to provide nursing care

18. The recommended procurement approach does not restrict any other potential suitably experienced providers who may be able to meet in borough requirements from applying to win this contract.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach.

19. The strategic objective of the procurement exercise is to avoid a reduction in the provision of nursing care within the borough of Southwark and identify an alternative provider of care in Tower Bridge Care Centre. Several options have been considered which are summarised below (including the recommended option):

Table 3: Procurement Options

Recommended Option	Detail
1. Negotiated process	<p>The Council publishes a Prior Information Notice (PIN) in FTS and Contracts Finder to potential bidders who have experience in running a Nursing home seeking expressions of interest in entering negotiations for this contract opportunity.</p> <p>A contract notice will be published inviting interested parties to bid for this opportunity. Bidders will need to pre-qualify before entering into negotiations with the council.</p> <p>Officers know of a number of providers who currently or plan to develop local care homes with whom it would highlight the procurement opportunity.</p> <p>The service specification, which was recently co-produced with local people and key multi-disciplinary leads, and the subject of the current contract with HC One, will be included within the tender documents.</p>

Not Recommended Options	Detail	Advantages	Disadvantages
2. Do nothing	Carry on purchasing beds on an individual basis	Buy only what is needed when it is needed	This approach has not ensured sufficient local supply and does not necessarily provide value for money.
3. Cease the service	No longer use nursing care facilities	No need to undertake a procurement	This will not meet statutory duty defined under the Care Act 2014.

Not Recommended Options	Detail	Advantages	Disadvantages
4. Shared Service Delivery	Purchasing beds with other boroughs through joint contracting arrangements	Achieve economies of scale	There is little tangible interest currently amongst neighbouring boroughs and this approach would not necessarily support the development of good provision within Southwark
5. Bring in house	The Council provides nursing care itself	Council uses its assets to create local supply	The Council does not possess the technical expertise in this area and given that an alternative provider needs to be identified within 6 months, the council will have insufficient time to acquire the relevant expertise.
6. Voluntary sector/not for profit provision only	Restrict bids to non-profit making organisations	Profits on any operation would be directed back into the service and not towards company profit. Providers also can fund raise to support running costs	The recommended approach does not exclude charitable organisations, but soft market testing recognises that few voluntary and community sector providers now deliver general nursing care for frail older people due to the financial and operational challenges. The trend being for them to close such services in recent years.
7. Single-borough Dynamic Purchasing System (DPS) or other forms of framework agreements.	Establish a framework from which to undertake "call Offs "or mini competitions as required	Simpler to procure in the first stage and DPS in particular gives scope for new providers to join during the term	The market showed little interest in engaging with this approach and is unlikely to support the local market and guarantee sufficient supply

Proposed procurement route

20. Option one is recommended due to the council purchasing the freehold of the building and requiring a new provider to run the home whilst providing a number of block-purchased rooms. In addition there will need to be clarity about the responsibilities and liabilities related to the building in the form of a

lease linked to the care contract. This will build on the arrangements set out in appendix 1 of the closed report, 'Freehold acquisition of an operational property asset for key service provision and subsequent leasing arrangements'.

21. A PIN will be published as set out in table 3 above, notifying the market of the upcoming contract opportunity and giving potential bidders an opportunity to express an interest up to four weeks prior to the Contract Notice being published.
22. The contract notice will be advertised in the following places:
 - Find a Tender Service
 - Contracts Finder
 - ProContract portal (the council's e-procurement portal)
23. This procurement will be subject to the light touch regime as prescribed under the Public Contract Regulations 2015 and will not be subject to the new Provider Selection Regime (PSR) as the primary purpose of the service is to provide social care and not health care. The nursing care provider will receive funding directly from their local ICB through a standard funded nursing care (FNC) fee. As this tender is subject to the light touch regime, the tender process does not require one of the established procurement processes to be followed.
24. The tender process will comprise the following stages:
 - Stage 1 – Standard Selection Questionnaire (SQ), pre-qualification stage
 - Stage 2 – Minimum of three shortlisted bidders Invited to Negotiate (ITN)
 - Stage 3 – Initial Proposals submitted and evaluated
 - Stage 4 – Commencement of Negotiations
 - Stage 5 – Final Proposals evaluated and preferred bidder recommended for contract award
25. Dependent upon the number of pre-qualified bidders, the recommended procurement strategy is likely to involve a number of concurrent negotiations which will be informed by the council's requirements and specific circumstances.
26. The council will reserve the right to shortlist bidders at any stage during the tender process although a minimum of three bidders will be invited to negotiate if numbers allow.
27. Bidders will be required to complete a "Standard Selection Questionnaire" (SQ) which is a series of set questions to evaluate the bidder's suitability to deliver the contract.
28. The SQ will require bidders to provide details of their company structure and financial standing, alongside their record of delivering nursing care. If the information supplied meets the minimum requirements, the council will then

invite pre-qualified bidders to submit an initial proposal which will be evaluated prior to entering into formal contract negotiations with each bidder covering areas such as:

- Bed numbers to be covered by any contract
 - The ratio of beds for standard nursing care and dementia nursing care
 - The mix of complexity of need of the residents
 - Approach to delivering the service to the required standards set out in the service specification
 - Ability to attain and maintain the CQC rating of Good
 - How general void costs can be minimised for both the Council and the provider
 - Ability to adopt the current contract price
 - Length of contract term and any specific targets or milestones to be achieved during that term
 - Approach to multi-disciplinary partnership working
29. By commissioning this provision, through an external provider, there is an opportunity for the council to consolidate the capital costs of the building with care costs and achieve efficiency and better value for money. A cost benefit analysis of this consolidated approach will be undertaken as part of the tendering process and a final decision will be taken at the award stage and will be detailed in Gateway 2 report.
30. The total number of rooms within the care home is 128 and it is expected that the provider will use the beds outside of the block of 55 rooms for self-funders and other local authorities which will enable the provider to competitively price their tender. The amount of self-funders beds will be defined prior to going out to tender.
31. In addition, a significant reason for recommending this option is for the council to ensure a fit for future and high quality nursing care provision from a provider who has the expertise and track record of supporting the needs of older people with dementia and nursing care needs.
32. The tendering process will invite providers with the necessary experience of CQC regulation and governance structures to bid for the contract to run a large scale nursing care provision within the Tower Bridge Care Centre.

Identified risks for the procurement.

Table 4: Risk log

Risk	Mitigation	Level
Lack of interest	Soft market testing has demonstrated that there is interest within the sector to deliver good quality homes within the borough under contract with the Council.	Low
Challenge from providers	The proposed approach satisfies the requirements of the Public Contracts Regulations 2015 as they apply to “light touch” services, which allow for a negotiated process.	Low
The procurement approach recommended is un-affordable or fails to meet requirements as set out in the Council’s Fairer Futures Procurement Strategy.	The negotiations will be informed by the Fairer Future Pledges Strategy. Should the outcome of individual negotiations not provide value for money then consideration to the future of the home will have to be given.	Low
Procurement might not get completed within timescales.	Robust project management is in place and this tender will be given priority by the officers. The council will seek to agree with HC-One to continue delivery of service in case of any delay in the procurement.	Low
Freehold acquisition doesn’t go through.	If the sale does not conclude then the procurement will not proceed.	Low
CQC ratings are not satisfactory.	The CQC history of a provider and the care home from which the service is intended to be delivered will be considered with any individual contract award potentially being linked to the achievement or maintenance of quality milestones through the initial contract term. Step-in rights will also be included in the contract terms and conditions.	Medium

Risk	Mitigation	Level
	Adherence to the Southwark Residential Care Charter will be a condition of contract.	

Key /Non-Key decisions

33. This is a key decision.

Policy Implications

34. The recommendations as set out in this report are shaped by the Council Plan 2022-26; to ensure Southwark residents have access to good quality residential and home care and roll out of Southwark's Residential Care Charter.
35. The Care Act 2014 places a duty on the council to assess and support frail and disabled adults with their eligible care needs, whilst promoting diversity and quality in the provision of services.
36. Southwark's vision for adult social care is to deliver well-co-ordinated personalised health and social care services to prevent, delay or reduce the need for care, and to support people to live as independent lives as possible. Nursing care within this context applies to those living with complex needs who require 24-hour care in the latter stages of their life.
37. It is estimated that there are approximately 4,000 Southwark citizens who are frail, living with dementia or approaching the end of life, to whom nursing care may be a significant area of service provision.

Procurement project plan (key decisions)

Activity	Complete by:
Enter Gateway 1 decision on the Forward Plan	16/01/2023
DCRB Review Gateway 1	17/01/2023
CCRB Review Gateway 1	11/01/2023
Brief relevant cabinet member (over £100k)	12/01/2023
Notification of forthcoming decision - Cabinet	16/01/2023
Publication of PIN	22/01/2024
Approval of Gateway 1: Procurement strategy report	05/02/2023
Scrutiny Call in period and notification of implementation of Gateway 1 decision	10/02/2024
Completion of tender documentation	10/02/2024
Publication of Find a Tender Notice	19/02/2024

Activity	Complete by:
Publication of Opportunity on Contracts Finder	19/02/2024
Invitation to tender	19/02/2024
Closing date for SQ	01/03/2024
Evaluation of SQ	05/03/2024
Issue Invitation to Negotiate to shortlisted bidders	11/03/2024
Deadline for return of Initial proposal	25/03/2024
Evaluation of Initial Proposals	12/04/2024
Commencement of Negotiation Rounds	22/04/2024
Completion of Negotiation Rounds	31/05/2024
Closing date for return of Final tenders	07/06/2024
Completion of evaluation of tenders	17/06/2024
DCRB Review Gateway 2:	03/07/2024
CCRB Review Gateway 2	11/07/2024
Approval of Gateway 2: Contract Award Report	26/07/2024
Debrief Notice and Standstill Period (if applicable)	09/08/2024
Contract award	09/08/2024
Add to Contract Register	09/08/2024
TUPE Consultation period (if applicable)	01/10/2024
Place award notice on Find a Tender portal	09/08/2024
Place award notice on Contracts Finder	09/08/2024
Contract start	01/10/2024
Initial contract completion date	30/09/2034
Contract completion date – (if extension(s) exercised)	30/09/2036

38. Timescales as shown in the plan above are tight and therefore require the approval of the GW2 contract award report to be delegated as it is unlikely that Cabinet dates could be met.

TUPE/Pensions implications

39. There will be TUPE implications for staff at Tower Bridge Care Centre from the current provider. As part of the tendering process, all the TUPE information will be obtained from the current provider and shared with all bidders.
40. There will be no TUPE implications for the council as there are no staff on council's terms and conditions employed by the current provider.

Development of the tender documentation

41. The Director of Commissioning will oversee the procurement process with support from Adults and Children's procurement team and the council's legal team.
42. The key aspects of subsequent negotiations will be recorded, and templates as required developed to assess the value for money for bed prices quotes, to ensure a thorough audit trail.

Advertising the contract

43. Notification on FTS and Contracts Finder. Homes who have engaged with the council under soft market testing are advised to register on the government's "contracts finder" portal, so they will receive notifications of the advert automatically once placed.

Evaluation

44. The tender submissions will initially be subjected to a suitability assessment and will be evaluated by officers from commissioning, procurement, and finance teams.
45. Evaluation of submissions and the subsequent negotiations will be carried out by senior council officers who have sufficient seniority and expertise in the area.
46. The evaluation methodology for the tender submissions will be agreed in conjunction with finance, legal, property and facilities management, as well as procurement colleagues.
47. The evaluation criteria will include weightings based on 55% quality, 30% price and 15% social value. The proposed balance reflects the plan to incorporate strict financial controls using capped rates and the necessary emphasis upon the quality of care and outcomes to be achieved for vulnerable residents.

Community impact statement

48. Southwark is an extremely diverse borough, and this applies both to users of adult social care, the general population, and its care workforce. The residential care population is predominantly frail older adults or older people with dementia and mental health support needs. In line with the demographic profile of old frail population, this group of residents is more likely to be female and white than the general population.
49. It is believed the council's procurement plans will not have a negative impact in relation to the groups identified as having a "protected characteristic" under the Equality Act 2010 and the councils' equality agenda, age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race,

religion or belief, sex, sexual orientation. It will however directly benefit the older population including those with mental health support needs.

50. Initial Equalities Impact Assessment (EIA) has been conducted and further EIA will be conducted as part of the tendering process and following aspects will be considered:

- Ensure the new provider can provide culturally competent and sensitive personal care, meals and activities.
- Ensure processes are in place for carers to deliver culturally competent end of life care to Black, Asian, Latin American, and Minority Ethnic residents.
- Ongoing monitoring of satisfaction levels across all residents on person centred quality of care.
- Provider to understand how to support and manage any language barriers for those with dementia, as people can lose the ability to communicate in languages, as their dementia progresses.
- Take appropriate action to ensure digital access for older people.

51. Care homes provide employment opportunities for local people.

Equalities (including socio-economic) impact statement

52. Pursuant to section 149 of the Equality Act 2010, the Council has a duty to have due regard in its decision-making processes to the need to:

- a. Eliminate discrimination, harassment, victimisation or other prohibited conduct.
- b. Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not.
- c. Foster good relations between those who share a relevant characteristic and those that do not share it.

53. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The Public Sector Equality Duty also applies to marriage and civil partnership, but only in relation to (a) above.

54. Equalities aspects will be assessed in advance of the negotiation process. The EIA will be included as an appendix in the Gateway 2 report.

Health impact statement

55. Nursing care provides professional care for those that can no longer live independently in their homes. The health and wellbeing of residents within the nursing home is a multi-disciplinary endeavour. The nursing home is the home

of residents with the presence of personal care and nursing professionals to meet their health and care needs with in-reach support from health services from the commissioned GP service, geriatrician of acute hospitals and the dementia care team from South London and Maudsley NHS Foundation Trust (SLAM).

Climate change implications

56. The successful provider will be required to comply with the council's environment and sustainability policy and the delivery of the service and aims to reduce carbon emission as part of the council's 2030 target would form part of the review as part of climate action plan and on-going contract management.

Social Value considerations

57. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic, and environmental benefits that may improve the wellbeing of the local area can be secured. The details of how social value will be incorporated within the tender are set out in the following paragraphs.

Economic considerations

58. As set out in the community impact assessment (above) the award of the contract/s will continue to support the local economy. The service will have specialist dementia provision which will provide opportunities for career progression for care workers. Staff in the care home will be paid the London Living Wage (LLW) as part of the Southwark Residential Care Charter.
59. Local care homes provide employment opportunities for local people, with homes required to expand apprenticeship schemes as a condition of contract in line with the Council's "Southwark Apprenticeship Standard" target of one apprentice per £1m of expenditure.

Social considerations

60. In addition to the creation of apprenticeships, the council will expect that care leavers – as part of Southwark's corporate parenting duties – will be encouraged and supported to apply for opportunities of employment with the provider.
61. Residential care providers create employment opportunities for local people. As part of service development there will be joint working by the provider with health and care professionals in training the care staff. There is commitment to improve the skills and expertise of their employees to deliver outcomes for residents.
62. During 2020, the average turnover of staff in residential care homes was 6.7% in London, this is lower than the social care sector average of 9.4%; as was

the turnover rate in care homes at 20% compared to the sector average of 30%. The Residential Care Charter will seek to reduce the turnover rate by requiring providers to recruit apprentices and retain them in the sector so that turnover reduces. This is particularly important in the care home sector, which has a relatively aging workforce compared to the wider sector with 31% of staff aged 55 or more years old.¹

Environmental/Sustainability considerations

63. The successful provider will be required to comply with the council's environment and sustainability policy and would review as part of climate action plan. Areas to be explored for inclusion are opportunities:

- To reduce carbon emissions
- To reduce waste
- To increase recycling for use of recyclable or reusable products
- For greener versions of staff transport.

Plans for the monitoring and management of the contract.

64. The council's contract register publishes the details of all contracts over £5k in value to meet the obligations of the Local Government Transparency Code. The Report Author must ensure that all appropriate details of this procurement are added to the contract register via the eProcurement System.

65. The future contracts will be monitored through both the quality and performance team along with annual reviews in line with the contract standing orders as well as regular reviews of individual residents that will be undertaken by social workers.

Staffing/procurement implications

66. The procurement will be carried out from existing staffing resources within the council's commissioning and social work teams, drawing upon technical support (such as legal, procurement, finance) from the council's existing resource.

Financial implications

67. The council currently pays for nursing care home placements at TBCC and therefore award of contract would be sustaining these placements and there is currently budget in place to fund these placements.

68. The estimated expenditure for 2023/24 is £16m, this includes the TBCC expenditure. There is currently sufficient budget in place to fund the nursing care expenditure.

¹ <https://www.skillsforcare.org.uk/adult-social-care-workforce-data/Workforce-intelligence/publications/regional-information/London/London.aspx>

69. The purchase of the nursing care home linked to this contract award activity gives the Council a direct interest in the sustainability of the nursing care home and may provide opportunity for reduced placement costs.

Investment implications

70. None

Legal implications

71. Please see concurrent from the Assistant Chief Executive (Governance and Assurance).

Consultation

72. Residents and families as well as staff members have been informed about the transfer of the care delivery to a new provider. There will be regular meetings with residents and their families to keep them informed about the progress of the procurement process.
73. "I Statements" that form the core of the service specification were co-produced with care homes residents, their families, advocates and key multi-disciplinary leads.

Other implications or issues

74. N/a

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance REF: [55EN202324]

75. The Strategic Director of Finance notes the recommendations of this report to approve a procurement strategy for nursing care provision in Tower Bridge Care Centre. As addressed in the financial implications paragraph 67 and 68 there is budget in place to fund the nursing home placements.
76. It is important that weekly rate negotiations take into account the current budget envelope and the potential additional financial risk associated with maintenance costs of the ownership of the building.
77. The nursing care expenditure is part funded by Better Care Fund (BCF) and Improved Better Care Fund (IBCF) grants.

Head of Procurement

78. This report seeks approval of the procurement strategy for nursing care provision in Tower Bridge Care Centre. It is noted that the procurement strategy will require separate negotiations with individual bidders, resulting in a single contract award for a period of ten years with an option to extend for a further five years (2+2+1) commencing 1 October 2024, to be approved

through a Gateway 2 report, and that the report further requests that Cabinet delegate the approval of the award of the contract, following the conclusion of the tender, to the Strategic Director for Children and Adult Services, in consultation with the Cabinet Member for Health and Wellbeing.

79. The nature and value (estimated to be in the region of £4.3M per annum) of the services to be procured dictates alignment with the Public Contracts Regulations 2015 (PCR 2015). In accordance with PCR 2015, the council must follow an advertised and competitive procurement process (detail of the proposed procurement approach and model is contained within paragraphs 20 – 32 and confirms alignment with PCR 2015 requirements). The services are not considered to be covered by the NHS Provider Selection Regime 2023 (PSR 2023) on account of the aforementioned nature of the services (local authority commissioned social care residential nursing as opposed to health care residential nursing). The report is also consistent with the council's Contract Standing Orders, which reserve decision to approve the recommendation to Cabinet following review at DCRB and CCRB.
80. Headline risks associated with the recommended procurement strategy are contained within table 4 at the end of paragraph 32.
81. Intended alignment with the Fairer Future Procurement Framework (FFPF) is explicitly referenced within table 4 at the end of paragraph 32, and the content of paragraphs 48 - 63 more generally.
82. Proposed methodology for performance/contract monitoring is detailed within paragraphs 64 - 65. The report also confirms that an annual performance review will be provided to the council's DCRB and CCRB in alignment with council Contract Standing Orders.
83. The Community, Equalities and Health Impact Statements are set out in paragraphs 48 - 55.
84. The Climate Change, Social Value, Economic and Environmental / Sustainability statements are set out in paragraphs 56 - 63.

Assistant Chief Executive (Governance and Assurance) (SB08012024)

85. This report seeks approval of the procurement strategy for nursing care provision in Tower Bridge Care Centre, which is required for the reason explained in paragraph 10. Approval is also requested to delegate the decision to award the contract, following the conclusion of the tender, to the Strategic Director for Children and Adult Services, in consultation with the Cabinet Member for Health and Wellbeing.
86. Due to the nature and estimated value of the service its procurement is subject to the Public Contracts Regulations 2015, which include various procurement route options. Whilst the Health Care Services (Provider Selection Regime) Regulations 2023 which came into force on 1 January 2024 regulate the procurement of certain health care services it is considered that they do not

apply in this instance since the proposed procurement comprises social care residential nursing commissioned by the council. As detailed from paragraph 20 the council's preferred option is to undertake a negotiated procedure which will commence with the publication of a notice on the UK Find-a-Tender portal for the purpose of inviting and attracting expressions of interest, and will comprise the further stages described in paragraph 24.

87. The procurement strategy proposed in this report is also consistent with the council's Contract Standing Orders, which reserve to Cabinet the decision to approve the report's recommendations, following consideration of the report by the Departmental and Corporate Contract Review Boards.
88. When making procurement decisions the council must consider and have due regard to any effects of the decision on the community at large and, in particular on people identified as possessing a "protected characteristic", as defined in the Equality Act 2010. Paragraph 54 notes that equalities aspects will be assessed in advance of the negotiation process and that an Equality Impact Assessment will be conducted and included as an appendix in the Gateway 2 report. In conducting such an exercise, the council will be able to demonstrate compliance with the Public Sector Equality Duty (PSED) contained in section 149 of the Act.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Gateway Zero	Commissioning Directorate 4 th Floor, 160 Tooley Street London SE4 2QH	Genette Laws 020 752 53460
Link: http://moderngov.southwark.gov.uk/mgListPlanItems.aspx?PlanId=508&RP=153		
CQC State of Care Report	Commissioning Directorate 4 th Floor, 160 Tooley Street London SE4 2QH	Genette Laws 020 752 53460
Link: https://www.cqc.org.uk/sites/default/files/2023-10/20231030_stateofcare2223_print.pdf		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Evelyn Akoto, Health and Wellbeing	
Lead Officer	David Quirke-Thornton, Strategic Director of Children and Adult Services	
Report Author	Genette Laws, Director of Commissioning	
Version	Final	
Dated	25 January 2024	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance	Yes	Yes
Head of Procurement	Yes	Yes
Assistant Chief Executive (Governance and Assurance)	Yes	Yes
Director of Exchequer (For Housing contracts only)	N/a	N/a
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		25 January 2024