

Report to:	Cabinet	Date of Meeting:	23 rd May 2024
Subject:	Future Approach to Commissioning of Residential & Nursing Care Sector.		
Report of:	Executive Director Adult Social Care & Health	Wards Affected:	All
Cabinet Portfolio:	Cabinet Member - Adult Social Care and Health		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

To seek approval for the future commissioning approach for the Sefton Adult Social Care Residential & Nursing Sector.

Recommendation(s):

Cabinet is recommended to approve:

- (1) Establishing a new Sefton framework of Residential & Nursing Care Homes that will be established for up to, and not more than, a ten-year period, commencing in the 2024/25 financial year, compliant to the latest regulations effective of 1st October 2024.
- (2) That decisions on the award, contracting models, contract terms and conditions and service specification to be applied to the new Framework be delegated to the Executive Director of Adult Social Care and Health in consultation with the Cabinet Member on the basis that they can be contained within existing and approved budget provision within the service.
- (3) That delegated authority is given the Executive Director of Adult Social Care and Health in consultation with the Cabinet Member, Adult Social Care to issue new contract terms and conditions to all care homes for adults over 18 who are commissioned by Sefton Council. This includes the direct award of contracts to such homes, with the proviso that this approach and any such awards adhere to procurement regulations, and the intent that this approach maintains prospective Care Home residents' Choice Directive.
- (4) Periodic re-opening exercises of the Framework, and make decisions on the awarding of contracts to successful new applicants and with respect to any such specific commissioning exercises / competitions.
- (5) That over the course of the new Framework, delegated authority is given to the Executive Director of Adult Social Care and Health in consultation with the Cabinet Member – Adult Social Care, to make decisions on any amendments to its rules / operation.

Reasons for the Recommendation(s):

To ensure that updated commissioning and contractual arrangements are put in place. These commissioning and contractual arrangements will adhere to the new CQC single assessment framework, which aims to deliver Effective, Responsive, Safe, Caring and Well-led models of care, and which will ensure that there is greater control of the market, that future decisions on commissioning and market management can be made in a timely manner, and to put in place new contractual and service delivery arrangements which both seek to ensure market sustainability and that there is a greater focus on commissioning high quality services with Providers that are willing to deliver services in line with the Framework arrangements.

Alternative Options Considered and Rejected: (including any Risk Implications)

- 1. **Maintaining the status quo** – This was not considered a viable option due to identification of the need to establish new commissioning arrangements in Sefton for the Residential & Nursing care sector, which reflect the needs of Sefton Residents and meets Sefton’s joint Social Care and Health strategic and commissioning objectives for the sector.

What will it cost and how will it be financed?

- (A) Revenue Costs
Revenue costs with respect to the new contracts will need to be met from existing Residential and Nursing care sector budgets. The current gross expenditure on Residential & Nursing care is £66.8m per annum, however this does include expenditure on care home placements outside of the Sefton borough.
- (B) Capital Costs
There are no capital costs associated with the implementation of the recommendations within this report.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):
Legal Implications: Care Act 2014 Care and Support Statutory Guidance
Equality Implications: The equality Implications have been identified and mitigated.

Contribution to the Council’s Core Purpose:

Protect the most vulnerable: The new Framework and associated service specifications and contractual arrangements will help to ensure that Sefton commission placements with Residential & Nursing Care settings that meet the requirements of the new CQC single assessment framework (Effective, Responsive, Safe, Caring and Well-led) and adhere, follow or exceed the performance indicators of the Residential & Nursing Service Specification that we are developing with LCR colleagues. These documents have been developed with a specific focus on driving innovation and continuous improvement in Residential & Nursing Care Settings so that residents can live their lives well, receiving the right care, in the right place and in the right way. However, it must be stressed that the new Framework and associated service
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specifications and contractual arrangements will be utilised in such a way as to maintain the choice directive for residents and their families, to ensure the best possible outcomes.
Facilitate confident and resilient communities: The implementation of the new Framework and associated service specifications and contractual arrangements will give greater control to Sefton of our Residential & Nursing Care Home sector whilst maintaining the choice directive to ensure the best possible outcomes for our adults, subject to an Adult Social Care, Care Act 2024 Needs Assessment, including where the best interest option may be to remain and contributing to vibrant communities.
Commission, broker and provide core services: The implementation of the new Framework and associated service specifications and contractual arrangements will give greater control to Sefton of our Residential & Nursing Care Home sector.
Place – leadership and influencer: The implementation of the new Framework and associated service specifications and contractual arrangements will give greater control to Sefton of our Residential & Nursing Care Home sector and proceed with our future strategic commissioning vision.
Drivers of change and reform: Implementing the Framework will innovate how placements are commissioned and arranged with our Residential & Nursing Care Sector, and wider Adult Social Care in Sefton.
Facilitate sustainable economic prosperity: Implementation and delivery of the new Framework, service specification and contractual arrangements all complement our Market Transformation Project Initiation Documentation and Market Sustainability Plan.
Greater income for social investment: N/A
Cleaner Greener: N/A

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director Corporate Resources and Customer Services (FD 7637/24) and the Chief Legal and Democratic Officer (LD.5737/24) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Consultation has taken place with Stakeholders. If the recommendations within this report are approved then as part of the development of the new Framework, further consultation an engagement will take place with Stakeholders as well as care Providers on the arrangements for the Framework and the procurement approach.

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting.

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Appendices:

None.

Background Papers:

There are no background papers available for inspection.

1. Introduction/Background

- 1.1. The vision for Adult Social Care in Sefton is that people should be supported to live independent lives at Home for as long as possible. To this end a key strategic priority is to expand Domiciliary Care, Extra Care Housing and Reablement provision so as to ensure that Sefton Residents have increased choice on where their care and support will be delivered.
- 1.2. When remaining at home is no longer possible and people require a Residential or Nursing Care Home placement, we want there to be high quality care and accommodation provision to best meet their unique needs. There is a continued recognition of the ongoing important role Residential and Nursing care provision plays in supporting some of the most vulnerable people in the borough.
- 1.3. The Sefton Adult Social Care Nursing and Residential sector remains as one of significant strategic importance as it supports some of the most vulnerable people in our community. The sector currently accounts for around 50% of the total gross Adult Social Care annual expenditure, which equates to £66.8m in the last financial year.
- 1.4. As at March 2024, Sefton has 122 Care Homes operating in the borough; 86 of these are situated in the Formby, Ainsdale, Southport areas of Sefton and the remaining 36 are spread across the South Sefton areas of Bootle, Crosby and Maghull in the east of the borough.
- 1.5. These care homes encompass 3,626 bedspaces and at any one time, we commission in the region of 1,500 placements each year in these care homes and Adult Social Care commissioning represents in the region of 41% of beds occupied.
- 1.6. The market has seen a significant change in vacancy levels which have previously been in the region of 6%, but in recent years reached a peak of 20% during the Covid pandemic and are now in the region of 10%. This is as a result in reductions to the overall demand for care home placements, the Covid pandemic and also the ongoing implementation of strategies to support more people to remain in their own homes for longer, which is then reflected in increased demand for other services, principally Domiciliary Care. This trend is being replicated both regionally and nationally.
- 1.7. The current approach to care home commissioning through the Council is that there are contracts in place with care homes which allows for placements to be made through individual placement agreements for individual Resident's underpinned through the overarching contract and service specification, both of which would benefit from being updated to reflect new contractual requirements and in order to

have an improved focus on quality, required environmental standards for care homes and outcomes for people.

- 1.8. In 2021, the Council and Health Partners developed a Joint 2021-24 Care Home Strategy and also a joint Intermediate Care Strategy. The care home strategy outlines key strategic objectives for the sector and includes the aim of Commissioners making less care home placements and supporting people to remain living independently in their own homes for longer. As a result, the strategy outlines to the market that it is expected that there will be exits from it due to these aims and the Council will support Providers with this.
- 1.9. It is also the case that there have been increases to service user acuity, as confirmed by ongoing market analysis work and as evidenced through the Joint Strategic Needs Assessment. Such analysis work will be used to inform the type of services to be commissioned to ensure there is sufficiency to meet needs of the frail older population.
- 1.10. However, as previously stated, the sector remains one of vital importance to both Adult Social Care, Health and the wider Sefton population. The Care Act 2014 sets out our duties to support market development, and to facilitate a diverse, sustainable high-quality market for their whole local population, including those who pay for their own care and to promote efficient and effective operation of the adult care and support market.
- 1.11. It is also envisaged that there will be a reduction in the number of people aged under 65 who are placed in care homes as additional extra care housing becomes available, and so this paper is focussed primarily on the approach to care homes who support frail older people or people who need specialist care home placements.

2. Proposed Future Approach

- 2.1. Sefton in conjunction with Liverpool is developing a new service specification for care with Liverpool City Region colleagues, focusing on service quality and outcomes for people.
- 2.2. It is therefore proposed that following on from the above workstream, a new Sefton Framework will be developed to implement new commissioning and contracting arrangements.
- 2.3. The new Framework will seek to ensure that:
 - Sefton Adult Social Care can better shape the market and meet their duties to protect the most vulnerable.
 - New contractual and service specification arrangements are implemented.
 - A system is established which supports continuation of the integration agenda.
 - There is a consistent approach to commissioning residential and nursing placements across Health and Social Care in Sefton, ensuring a single voice from statutory leadership and Commissioners.

- There is the ability to implement arrangements based in the principles of person-centred care and an enabling approach to service delivery, including moving beyond the commissioning of traditional services.
- There is a system which can be used for specific commissioning arrangements, like block-booking of beds during Winter pressure periods.
- The Council and Providers can work together to be in a better position to meet changing need and provide the care support needed in the future, and reflect this in the framework arrangements, such as with regard to being clear on Sefton demand, such as that identified in Joint Strategic Needs Assessments and wider Health & Social Care system demand profiling.
- The framework supports with the implementation of ensuring that Staff working in care homes are paid the Real Living Wage, and that such developments are implemented within the available budget for the sector.
- The framework supports the continuous drive to improve quality in care homes and to further support care homes to develop the workforce.

- 2.4. The new Framework and associated documents such as a new contract, will be developed with Procurement and Legal and in line with procurement regulations and referencing the updated Service Specification. The Framework and associated tender documents will outline the minimum quality standards expected of Care Home Providers.
- 2.5. It is intended that the Framework will be established in the 2024/25 financial year and as part of its development, engagement with Care Home Providers will take place to stimulate the market and outline the approach to them. The Framework will be established for up to, and not more than, a ten-year period.
- 2.6. The Framework will seek to be the primary route to market and will allow us to deliver future commissioning exercises. The Framework gives us strong relationships with those Providers that share our vision and ambition and allow us a basis to work principally with those Providers. However, the choice directive for people who require a placement will continue to be of paramount importance.
- 2.7. The Framework will also be developed and shaped to support continued integration with partners, principally Health, and so that it can therefore be used as part of potential new joint commissioning and placement brokerage arrangements.
- 2.8. A co-production approach will be implemented to develop the framework, including working with key partners including Providers, on the desired service and quality standards to be stipulated under the rules of the framework and the contractual and service specification arrangements.
- 2.9. It is recommended that the following decisions are delegated to the Executive Director of Adult Social Care and Health in consultation with the Cabinet Member – Adult Social Care:-
- 2.10. The rules of the new Framework, including any amendments to them throughout the duration of the Framework.

- 2.11. Any new contracting models, contract terms and conditions and service specification to be applied to the new Framework, which may also include amendments to payment arrangements and fee rate models in order to reflect factors such as Service User acuity and amended fee rates to reflect specific commissioning exercises such as securing specific market capacity at times of winter pressures.
- 2.12. Awarding of contracts under this new Framework to Care Home Providers, based on the contract model agreed. This will include delegated authority for the direct award of contracts to existing Sefton Care Homes that apply and are accepted onto the Framework. Such contracts would be awarded at the commencement of the Framework and throughout its duration.
- 2.13. The periodic re-opening exercises of the Framework, to attract new Provider applications onto it and/or for specific commissioning exercises/ further competitions conducted using the Framework, and to then make decisions on the awarding of contracts to successful new applicants and with respect to the awarding of contracts relating to any such specific commissioning exercises/ further competitions conducted using the Framework.
- 2.14. It is also proposed that any new contract terms and conditions and service specification developed for the Framework are also used for the issuing of contracts to Sefton care homes that may not apply to go onto the Framework and also for out-of-borough care homes, so as to ensure that there is a consistent approach to contractual and service delivery arrangements in place with all care homes. It is therefore also recommended that delegated authority is also approved for the Executive Director of Adult Social Care and Health in consultation with the Cabinet Member – Adult Social Care to issue such contracts throughout the same duration that the Framework will be in operation for. This will also ensure that such contracts can be issued in a timely manner which then supports with ensuring that care home placements can be arranged in a way that supports people's choice and control (for example when they wish to move into a care home in another Local Authority area in order to be close to their family / support networks) and reflects that any overarching contract issued will be underpinned by separate placement agreements for each individual placement made.
- 2.15. The above approach / proposal will continue to be developed with the Council's Procurement and Legal Teams to ensure adherence to all relevant legislation, to reflect the choice directive for people to be placed in the care home of their choice, and to take into account that any contract put in place with a care home would relate to overarching contractual arrangements for placements made, but that each placement is also a separate 'agreement' between the Council and the care home to provide services for the individual person, to meet their unique assessed needs.
- 2.16. The Framework will be co-produced / designed with key Partners, Providers and Stakeholders, including experts by experience so as to ensure that it reflects joint priorities, supports the delivery of person-centred and outcomes focussed services, supports with ensuring market sustainability and has an increased focus on delivering high quality services.

3. Conclusions

- 3.1. The recommendations set out in Section 2 have been submitted in order to seek a new procurement approach that supports the Council in continuing to meet the needs of Sefton Residents. It will reflect that the care home market remains one of significant strategic importance to Sefton.
- 3.2. The new proposed arrangements will also seek to ensure that the care home market is sustainable, offers the identified required sufficiency of high-quality provision and that there are arrangements in place to support further opportunities for integrated commissioning arrangements.