

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Member for Adult Social Care
<b>Date:</b>	29 June 2012
<b>Title:</b>	Permission to seek Executive Member approval to increase maximum contract value and tender for additional re-ablement beds
<b>Reference:</b>	4067
<b>Report From:</b>	Director of Adult Services

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### 1. Executive Summary

1.1. This paper seeks approval from the Executive Member for Adult Social Care to:-

- Increase the number of beds to be included in the tender for re-ablement beds
- Revise calculations in respect of the maximum contract value.

### 2. Contextual information

2.1. On 28 October 2011 the Executive Member for Adult Social Care (Decision reference 3197) approved the going out to tender to establish contracts in respect of re-ablement beds for up to five years with an annual contract value of £1.815m and a total contract value of up to £9.075m.

2.2. The proposed tender was to replace a number of contracts for a total of 46 re-ablement beds due to expire at the end of September 2012 and to commission a further 15 re-ablement beds from the independent sector, bringing the total re-ablement beds commissioned from the independent sector to 61.

2.3. At that time, 46 beds were commissioned from the independent sector and a further 52 re-ablement beds were being provided by Hampshire County Council in house residential or nursing care homes.

2.4. It is now proposed that a total of 71 re-ablement beds be commissioned from the independent sector and that 42 be provided by Hampshire County Council in house residential or nursing homes. The total number of beds County wide would remain at 113.

- 2.5. At the time of the previous report the value of the contract was calculated on the basis of an average cost per bed of £572 per week.
- 2.6. Experience since then has demonstrated that the actual cost to the Council for each re-ablement bed has ranged from £487.83 per week to £700.00 per week. This figure does not include the figure for free nursing care that is payable by the Primary Care Trust (PCT).
- 2.7. Given the current cost of commissioning re-ablement beds and the need to increase by 10 the number of beds commissioned from the independent sector, the total contract value needs to be updated. The revised contract value for 71 beds therefore needs to be increased to a maximum of £2,584,400 per annum which equates to a cost of £700.00 per week per bed. This gives a maximum contract value of £12.922m over the five years.
- 2.8. The revised tender would therefore be advertised on the basis of contract value ranging between £1,801,068 and £2,584,400 per annum.
- 2.9. The existing contracts were originally subject to single tender approval and are currently due to expire at the end of September 2012. A further single tender approval is being sought from Legal services for an additional 2 months which would take the existing contracts up to the end of November 2012. This is to ensure continued provision while the revised tender timetable is undertaken. In order to conduct the tender in the shortest timescale it is proposed to use the open rather than the restricted procurement process.  
Please see Appendix A for the tender timeline.

### **3. Financial and Risk Implications**

- 3.1. The approval given in October was for the tender of 61 beds at an annual cost of £1.815m, with a total contract value of £9.075m over a five year period. This was to be funded from the £12.63m Department of Health monies in 2011/12. This money was reduced for 2012/13 to £12.2m. There is a significant risk attached to this funding stream as it has not been guaranteed beyond 2012/13. The contracts will therefore include suitable break clauses to manage the risk of funding not being maintained.
- 3.2. The increase in the number of beds to be commissioned from the independent sector and the potential increase in costs represents an additional cost of up to £769,400 per annum and £3.847m over the five year contract period from the previous Decision. However it is anticipated that in tendering for block contracts the average cost of a re-ablement bed can be negotiated down below the maximum stated above.

### **4. Equality Impact Assessment**

- 4.1 An EIA was completed for the 28 October 2012 Decision report (Decision reference 3197) for this scheme and there have been no changes have been identified.

<http://www3.hants.gov.uk/adult-services/adultservices-professionals/aboutas/as-equality-ia-archive.htm>

- 4.2 The service specification for re-ablement services, will enable a comprehensive evaluation of any future tenders that will ensure that the service provider will not unlawfully discriminate against individuals who receive the service by virtue of age, race, gender, religion, disability, sexual orientation or because of transgender issues.
- 4.3 In summary the development of re-ablement in Hampshire followed the success of a series of bed based re-ablement projects in south east Hampshire. The pilots found that 65-70% of service users returned to their homes after a 6 week period of re-ablement following an acute hospital episode, rather than accessing long term nursing or residential care.
- 4.4 It is believed that by contracting for beds on a county wide basis it will secure the appropriate level of resources to ensure that there is always availability of re-ablement beds to meet existing and future demand.

## **5. Legal Implications**

- 5.1 In exercising its functions an authority must have due regard to the need to: eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act and advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

## **6. Recommendation**

- 6.1 That the Executive Member for Adult Social Care gives approval to go out to tender for contracts of up to 5 years based on 3 years +2 years with an annual contract value of up to £2,584,400 and total contract value of up to £12.922m in respect of the re-ablement beds.

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	Yes
Corporate Improvement plan link number (if appropriate):	
<b>Maximising well-being:</b>	yes
Corporate Improvement plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	yes
Corporate Improvement plan link number (if appropriate):	

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u> Permission to seek Executive Member approval to tender for Re-ablement beds	<u>Reference</u> 3197	<u>Date</u> 28 October 2011
<b>Direct links to specific legislation or Government Directives</b>		
<u>Title</u>	<u>Date</u>	

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

## **IMPACT ASSESSMENTS:**

### **1. Equalities Impact Assessment:**

- 1.1 In summary the development of re-ablement in Hampshire followed the success of a series of bed based re-ablement projects in south east Hampshire. The pilots found that 65-70% of service users returned to their homes after a 6 week period of re-ablement following an acute hospital episode, rather than accessing long term nursing or residential care.
- 1.2 It is believed that by contracting for beds on a county wide basis it will secure, the appropriate level of resources to ensure that there is always availability of re-ablement beds to meet existing and future demand.
- 1.3 The drafting of a new specification will also ensure that the needs and aspirations of service users are fully met in line with the Personalisation agenda.

### **2. Impact on Crime and Disorder:**

- 2.1. There is no impact on Crime and Disorder

### **3. Climate Change:**

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

It is anticipated that the re-ablement beds will be clustered in geographical areas to support the local hospitals, thereby reducing the need for transportation across the county.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Reduction in fuel consumption