

**HEALTH AND ADULT SOCIAL CARE
OVERVIEW AND SCRUTINY COMMITTEE
30 SEPTEMBER 2014**

**GATEWAY 4 REPORT: OUTSOURCING OF NELSON COURT AND
ROBERT BEAN LODGE**

Report from: Barbara Peacock, Director of Children and Adults

Author: Preeya Madhoo, Head of Category Management - People

Summary

This report reviews the progress of the contract currently delivered through the supplier as highlighted within 1.1 of this report.

This Gateway 4 report has been approved for submission to Cabinet after review and discussion at Children and Adult Directorate Management Team and Procurement Board. The report is being considered at this Committee following a request from the Vice-Chairman to include it on the agenda.

1. BACKGROUND INFORMATION

1.1 Budget & Policy Framework

1.1.1. On the 1 September 2013 the Council transferred the services provided at Robert Bean Lodge and Nelson Court, to Agincare Holmes Holding, a family run provider. The contract was for the provision of older people residential care services. The original invitation to tender outlined the option for a leasehold agreement for the provision at Robert Bean Lodge and Nelson Court. The proposal from Agincare outlined an option for freehold and this matter was taken to full Council where sale of the land was agreed. The contract price agreed was within the service budget.

1.1.2. The contract duration is 25 years with break clauses at the 12th and 17th anniversaries and there are no provisions within the contract to extend. The contract has now been in place for one year. This Gateway 4 paper outlines the performance of the service during that time.

1.1.3. Approval for contract award was provided by the Cabinet on 12 February 2013.

2. STATUTORY/LEGAL IMPLICATIONS

2.1. Statutory/Legal implications

- 2.1.1. The Council has a range of statutory duties and powers to provide services to vulnerable adults such as older people, people with learning disabilities, physically disabled people, people with mental health needs, drug and alcohol misusers and carers. Duties and powers are contained within the National Assistance Act 1948, the Chronically Sick and Disabled Persons Act 1970, the NHS and Community Care Act 1990, the Mental Health Act 1983 together with other statutes and regulations. These services include residential care and day care.
- 2.1.2. Care Homes are subject to Section 23(1) of the Health and Social Care Act 2008, which requires the Care Quality Commission (CQC) to produce guidance for providers of health and adult social care, to help them comply with the regulations within the Act that govern their activities.
- 2.1.3. The guidance is used to decide whether to register individual providers, and also when monitoring their services afterwards to check that they are continuing to comply with the regulations. CQC also refer to this guidance when using their powers of enforcement.

3. BUSINESS CASE

3.1 Procurement Project Outputs / Outcomes

The following procurement outcomes/outputs identified as justification for awarding the contract at Gateway 3, have been appraised in the table below to demonstrate how the procurement contract and corresponding supplier(s) has delivered said outcomes/outputs.

Outputs / Outcomes	How will success be measured?	Who will measure success of outputs/ outcomes	When will success be measured?	How has contract award delivered outputs/outcomes?
1. Quality and service improvements	As set out within the Key Performance Indicators (KPIs) for contract monitoring	Partnership Commissioning Team, closely working with Performance and Intelligence colleagues	At least quarterly intervals as set out in the contract	The policies and procedures for the homes are very good. The induction for new staff is also very good. Overall staff felt supported and clear on policies and procedures. All the senior staff have been on the Mental capacity act training. Any training staff attend, is tested to ensure staff have the competencies covered in the training. This has ensured the quality has remained high on the staff skills and support.
2. Service user satisfaction	As set out within the Key Performance Indicators (KPIs) for contract monitoring	Partnership Commissioning Team, closely working with Performance and Intelligence colleagues	At least quarterly intervals as set out in the contract	There were only 2 complaints registered within the first year of the contract. One was due to a failed placement but this was due to a change in service users' needs which meant that service user had to go to a nursing home when the family wished them to stay at Victory care home. The other complaint was regarding a new private placement which did not go ahead.

<p>3. Achieving Best Value</p>	<p>Review of the price submissions in accordance with the evaluation criteria set out in the ITT</p>	<p>Finance</p>	<p>As part of the tender evaluation process</p>	<p>A price was set within the tender, for both dementia and Older people placements.</p>
<p>4. Retaining and recruiting excellent, high quality staff</p>	<p>As set out within the Key Performance Indicators (KPIs) for contract monitoring</p>	<p>Partnership Commissioning Team, closely working with Performance and Intelligence colleagues</p>	<p>At least quarterly intervals as set out in the contract</p>	<p>Staff retention has been very good, with very few staff leaving, due to retirement and change in their personal circumstances. The management of the home have been in place for a significant number of years. Staff training is up to date and regular supervision with staff and team meetings ensures staff are keep up to date on any legislation changes etc.</p>

5. Risk management

Risk Categorisation – The following risk categories have been identified as having a linkage to the procurement contract at this Gateway 4 stage.

1. Risk Category: Service delivery	Likelihood:	Impact:
Outline Description: The current satisfaction with the service levels may not be maintained if the contract monitoring is not sufficiently robust.		
Plans to Mitigate: Reporting of key performance indicators and unannounced compliance visits		
2. Risk Category: Financial	Likelihood:	Impact:
Outline Description: The Council must maintain best value in terms of managing the annual price review		
Plans to Mitigate: The Council has built into the contract the bed price and a clear process for price review each year.		
3. Risk Category: Reputational / Political	Likelihood:	Impact:
Outline Description: As part of approving the decision to outsource the Linked Service Centres, Cabinet agreed that service user concerns should be taken into account as part of the tender evaluation and longer term for the service.		
Plans to Mitigate: A key performance indicator monitoring the satisfaction of service users with the quality of service is an integral part of the quarterly contract monitoring meetings. Agincare held events inviting families, and Council officers to view any changes and improvements being made to the home.		

6. POST PROJECT APPRAISAL/PERMISSIONS REQUIRED

6.1 Post Project Appraisal

6.1.1. This procurement post project appraisal and its subsequent review is within the Council's policy and budget framework and ties in with all the identified Core Values, Strategic Priorities, Strategic Council Obligations and Departmental/Directorate service plans. Regular project meetings were held leading up to the contract start date, which enabled a smooth mobilisation to the new provider and the transfer of staff. A final mobilisation meeting was held one month after mobilisation to ensure there were no further issues to be ironed out. This was a very successful transfer of service and a good example of partnership working across the internal disciplines to ensure the outsourcing was carried out smoothly.

6.2 Permissions Required

6.2.1. This report seeks permission to provide the Procurement Board with a post project appraisal and to agree that a further gateway 5 report is submitted following the second anniversary of the contract in 2015. Should performance of the service be maintained at the current levels permission will be sought to report back to Procurement Board every 5 years for the remainder of the contract.

6.2.2. This request is on the basis that whilst this contract has fulfilled requirements in accordance with the service specification, associated contract terms and conditions and review of Key Performance Indicators, there are sensitivities with any outsourcing of services.

7. CONTRACT MANAGEMENT

7.1 Contract Management

7.1.1. Partnership Commissioning team have responsibility for the management of this contract and undertake unannounced compliance visits. A full contract compliance visit was undertaken at both victory care home and Rochester care home in August 2014. This was an annual review of the service. Bed occupancy levels have remained high. There is currently 1 vacancy at Victory care home. There is currently 1 bed vacancy at Rochester care home. Both staff and service user surveys are conducted annually. Part of the compliance visit at Victory care home, 6 staff were spoken to and all felt supported by their managers. New processes have been embedded.

8. CONSULTATION

8.1 Internal (Medway) Stakeholder Consultation

As part of this ongoing contract management, continued close dialogue and working has been maintained with Service Managers and Care Managers.

8.2 External Stakeholder Consultation

Service user satisfaction surveys are undertaken annually and these will continue for the remainder of the contract term. The first survey has just been held and from the 27.5% of residents that responded, 65% agreed that overall they were satisfied with the service. One comment said, "The service I receive enables me to have choice and control over my daily life."

8.3. Procurement Board

The Procurement Board considered this report on 17 September 2014 and supported the recommendation set out in paragraph 10 below. The Procurement Board recommended that all further Gateway reports are downgraded to medium risk.

8.4. Cabinet

The Cabinet will be also considering this item on 30 September and a verbal update on the Cabinet decision will be made at the meeting.

9 SERVICE COMMENTS

9.1 Finance Comments

9.1.1 The procurement requirement and its associated delivery are funded from existing revenue budgets.

9.1.2 Further detail is contained within Section 2.1 Financial Analysis of the Exempt Appendix at the end of this report.

9.2 Legal Comments

9.2.1 The comments set out in section 2.1 are correct in respect of legal and statutory obligations.

9.2.2 The permission requested in this report has no further legal implications and is in line with the contractual rights of the Council.

9.3 TUPE Comments

9.3.1. The purpose of this report is to appraise Procurement Board on the current position of the contract and as a result there are no immediate TUPE implications. Should however a future review of the contract resulted in a termination of the current contract, TUPE implications would be likely to arise.

9.4 Procurement Comments

9.4.1. There are no procurement implications for this GW4 report. The value of the proposed contract was above the EU procurement threshold for services set at £173,934 and therefore was subject to EU Procurement Rules and accordingly a compliant procurement exercise was conducted.

9.5 ICT Comments

9.5.1. There are no ICT implications

10. Recommendation

10.1. The Committee is asked to note the Gateway 4 report.

LEAD OFFICER CONTACT

Name **Title**

Department **Directorate**

Extension **Email**

Name **Title**

Department **Directorate**

Extension **Email**

BACKGROUND PAPERS

The following documents have been relied upon in the preparation of this report:

Description of Document	Location	Date
Gateway 3 Report – Nelson Court and Robert Bean Lodge	http://democracy.medway.gov.uk/mgIssueHistoryHome.aspx?IId=10120	Cabinet 12 February 2013
Gateway 3 Report – Napier and ECU	http://democracy.medway.gov.uk/mgIssueHistoryHome.aspx?IId=12792	Cabinet 2 September 2014