

Cabinet

5 May 2026

Gateway 3 Contract Award: Provision of Residential and Nursing Care for Older People (Aged 65+)

Portfolio Holder: Councillor Teresa Murray, Deputy Leader of the Council

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Procurement Overview

Total Contract Value: £330,876,622

Contract Term: 96 months

Contract Start Date: 1 June 2026

Initial Contract End Date: 31 May 2034

Extension End Date: No extensions

Summary

This report seeks permission to award an open framework following the procurement exercise for Residential and Nursing Care for Older People (Aged 65+).

1. Recommendations

- 1.1. The Cabinet is asked to agree to select the suppliers named within section 3.2 of the Exempt Appendix for participation in the open framework as they have been evaluated as complying with the Council's selection criteria as per the evaluation information contained within section 3.1 of the Exempt Appendix.

2. Suggested reasons for decisions

2.1. The provision of Residential and Nursing Care for Older People (Aged 65+) contract will deliver a service that aims to:

- Reduce reliance on spot purchasing and individual contracts for specialist care for older people (Aged 65+) by working collaboratively with colleagues, stakeholders, and providers to develop new bandings that reflect an individual's mental and physical level of need, rather than relying solely on a dementia diagnosis.
- Standardise services across Medway Council and Kent County Council, ensuring a shared understanding of services commissioned through aligned specifications covering quality, KPI's, and performance requirements.
- Maintain an awareness and of the proposed Local Government Reorganisation (LGR) and ensure the contract design remains flexible and responsive to emerging strategic changes.
- Provide greater consistency for providers operating across the Medway-Kent border, supporting improved joint market management and reducing unnecessary variation between authorities.
- Supporting national and local priorities for social care and health integration, contributing to a more coordinated, outcome focused system for older people.

3. Background Information

3.1. Budget & Policy Framework

- 3.1.1. Ensuring that the most vulnerable members of our community are appropriately cared for and supported is one of the council's most important responsibilities. Priority 1 of the One Medway Council Plan is Delivering quality social care and community services.
- 3.1.2. Under the Care Act 2014, local authorities have a statutory duty to support vulnerable people who are assessed as eligible for adult social care. One way in which this duty is met is through the recommissioning of Residential and Nursing Care providers to deliver care and support to residents.
- 3.1.3. Residential care provides support with health, wellbeing, safety, and activities of activity of daily living for individuals who require substantial assistance. Nursing care includes all elements of residential care, with the additional provision of 24-hour nursing support for people with complex comorbidities, disabilities, or

those living with a terminal illness. Care within nursing homes, is delivered under the supervision of a Registered General Nurse (RGN).

- 3.1.4. Where residential or nursing care is arranged by the local authority, a financial assessment is undertaken in accordance with the Care Act 2014 to determine the contribution an individual is required to make towards the cost of their care.
- 3.1.5. Failure to secure a sufficient supply of good quality residential and nursing care may lead to avoidable hospital admissions resulting in significant social, health, and financial consequences for the wider health and care system.
- 3.1.6. It is the responsibility of Medway Council under its Care Act market shaping duties, to ensure the availability of a diverse and high quality range of residential and nursing care services to meet current and future need.
- 3.1.7. The provision of Residential and Nursing Care for Older People (aged 65+) is funded through the Adult Social Care budget. Effective commissioning is essential to ensure the best use of public resources.

3.2. Background Information and Procurement Deliverables

- 3.2.1. In March 2026, Care Quality Commission (CQC) data confirmed there are currently 14 nursing, and 29 residential care homes in Medway for older people (Aged 65+). These homes have a combined total of 1548 registered beds, (796 nursing and 752 residential). Medway Council individually purchases placements for older people outside of Medway's geographical area where specialist care provisions cannot be found.
- 3.2.2. The Adult Care and Support JSNA (2024) projects the 65+ population to increase by 24% by 2040 (11,400 people) with the 85+ cohort rising by 55% (3,100 people). In addition:
- 3.2.3. Care and support needs rise with age; the number of people 80+ needing help with at least one self-care and/or domestic task is projected to increase by 43% (women) and 53% (men) by 2040.
- 3.2.4. A larger older population implies more age-related conditions (e.g. dementia, multimorbidity, frailty and falls) and more older adults living with disability.
- 3.2.5. Service data indicates a rising prevalence of dementia with the number of people with dementia in Medway projected to rise by 46% between 2019 and 2030.
- 3.2.6. The existing arrangements for Residential and Nursing Care for Older People (Aged 65+) were developed many years ago and

require updating. The Contract Terms and Conditions have been refreshed to reflect current legislation, regulatory requirements and commissioning practice to ensure the service model remains responsive to an increasingly aging local population.

3.2.7. While not a new pressure, Medway Council continues to experience difficulty in sourcing placements for older people with specialist needs and/or behaviours that challenge. This challenge has been amplified by limited capacity in the local market. The issue is not unique to Medway.

3.2.8. Medway Council holds three 25-year block contracts providing residential care for older people (aged 65+). Each contract includes planned reductions in bed capacity over its term. These block arrangements remain out of scope of this commissioning exercise and will remain unaffected.

| Location | Contract period | Number of beds |
|--|------------------------------------|----------------|
| Strode Park Foundation (Platters Farm) | 1 April 2013 to 31 March 2038 | 20 |
| Agincare (Rochester Care Home and Victory Care Home) | 1 September 2013 to 31 August 2038 | 66 |
| Avante Care and Support (Amherst Court) | August 2010 to July 2035 | 37 |

3.2.9. The following issues were identified in the existing contract service design and were addressed in the new contract:

- updated to ensure compliance with statutory and regulatory obligations including the Care Act 2014 and the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014.
- introduction of a specialist band for individuals assessed as having the highest level of specialist need, reducing the reliance on individually commissioned placements.
- strengthen workforce requirements so staff undertake continuous learning and apply skills to support people with cognitive impairment (e.g. dementia awareness, recognising and managing cognitive decline, medicines optimisation, and evidence-based management strategies).
- streamline assessment and referral processes, with expected referral response times and placement commencement timeframes outlined in the new contract. This will support system flow and help reduce delays in hospital discharges.

- stimulate local market capacity, particularly in nursing care services, where referrals have increased in recent years.
- acknowledge and seeking to improve ongoing market conditions (rising costs, low pay and staff turnover).

3.3. Parent Company Guarantee/Performance Bond Required

3.3.1. As set out in the Gateway 1 report, commissioners requested a waiver of the Performance Bond requirement for this procurement as it would have imposed additional costs on bidders and risked deterring the market participation.

4. Procurement Process

4.1. Procurement Process Undertaken

4.1.1. An open procedure was conducted in accordance with the Procurement Act 2023. The table below sets out the procurement process chronology and onward timeline dates.

| Project Phase | Action | Date |
|----------------------|---|---------------------|
| Consultation | Market engagement event held for care home Providers | 29 April 2025 |
| | GW1 CADMT (Options appraisal paper) | April 2025 |
| | Care home resident engagement, and Registered Manager engagement undertaken by Healthwatch Medway. | May to July 2025 |
| | GW1 CADMT | July 2025 |
| | GW1 Procurement Board | 11 August 2025 |
| | GW1 Cabinet | 26 August 2025 |
| | Request for Information (RFI) published – Provider consultation on new bandings | 14-26 November 2025 |
| | Finalise Invitation to Tender (ITT) – Specification, Selection questionnaire, Terms and Conditions, etc. | December 2025 |
| Tender stage | ITT Published Lot 1 Residential Care 1a) Residential Standard 1b) Residential Enhanced Lot 2 Nursing Care 2a) Nursing Standard 2b) Nursing Enhanced | 16 January 2026 |

| Project Phase | Action | Date |
|-----------------------|---|---------------------|
| | Lot 3 Residential and Nursing Care 3a) Highly Specialised Care | |
| | Tender submission deadline | 20 February 2026 |
| | Tender evaluations | 24-27 February 2026 |
| Gateway 3 | GW3 CADMT | March 2026 |
| | GW3 Procurement | 21 April 2026 |
| | GW3 Cabinet | 5 May 2026 |
| Contract award | Contract Award | May 2026 |
| Mobilisation | Mobilisation | May 2026 |
| Implementation | Service Go Live | 1 June 2026 |

4.2. Evaluation Criteria Used

4.2.1. The first stage of the evaluation was a compliance check and to evaluate applicants' responses to a procurement specific questionnaire (PSQ). Applicants were also asked to confirm their compliance with the Council's rates for each band of care and also respond to the following quality questions.

| # | Question | Weighting |
|---|---|-----------|
| 1 | <p>Service Delivery</p> <p>Please provide details of your ability to deliver residential and/or nursing care to older people in accordance with the service specification using examples of delivering similar services including:</p> <ul style="list-style-type: none"> How will you currently deliver safe, high-quality care that meets individual needs and promotes independence. How will you embed residents' preferences (including cultural requirements) into daily routines. Outline your priorities in managing transitions (e.g. admission, hospital discharge, end of life care) and how you apply these in care delivery? How will you use technology or innovation when delivering care services, and how do use this to enhance service delivery? | 25% |
| 2 | <p>Quality Assurance</p> <p>Please describe how you ensure quality is embedded throughout your service and how you will maintain and continuously improve standards of care (including out-of-hours)?</p> <p>In addition, please provide details on:</p> | 20% |

| # | Question | Weighting |
|---|---|-----------|
| | <ul style="list-style-type: none"> • How will you train staff to deliver high quality care consistently and how you keep their skills and knowledge current through ongoing development? • How will you identify potential risks or weak areas in service delivery (e.g. audits, feedback, performance data), and escalate concerns promptly and effectively? • What templates, tools or frameworks do you use to monitor and improve quality (e.g. audit templates, care planning tools) and how these support consistency and compliance? • How will you investigate and learn from incidents, complaints, or near misses, and how lessons learned are embedded into practice to prevent recurrence? | |
| 3 | <p>Safeguarding Adults</p> <p>Please describe how you currently ensure safeguarding is embedded in your service, and how you maintain and strive to improve this?</p> <p>In addition, please provide details on:</p> <ul style="list-style-type: none"> • How will you train staff to recognise and escalate safeguarding concerns (including out of hours), and keep skills current? • How will you respond and escalate safeguarding concerns (including out of hours), and what improvements will you make? • How will you monitor safeguarding practice (audits, supervision) and embed lessons learn from past incidents? • How will you work with local safeguarding boards and ensure policy alignment? | 15% |
| 4 | <p>Staffing and Workforce</p> <p>Please provide a brief description (with structure chart to be attached to your submission) showing the structure and staffing resource for the delivery of this service.</p> <p>Alongside the structure chart, please detail the following within the text box below:</p> <ul style="list-style-type: none"> • How will you currently maintain safe staffing levels and the right skill mix, and how do you forecast and plan staffing to match dependency needs? • How will you recruit and retain employees, including staff development and supervisions? | 15% |

| # | Question | Weighting |
|---|---|-----------|
| | <ul style="list-style-type: none"> • How will you deliver mandatory and specialist training (e.g., behaviours that challenge, dementia, end of life) and how do you improve on compliance and competency? • How does your organisation support staff wellbeing, and build on workforce resilience? • Provide full details of your policies and procedures for ensuring continuity of care during instances of service disruption (for example, Christmas, bad weather, unplanned staff absence etc.) | |
| 5 | <p>Partnership Arrangements</p> <p>Provide a description of how you currently work with families, health professionals, and local authorities to ensure co-ordinated care, and consider improvements you can make to current processes to meet an individual's care and support needs?</p> <ul style="list-style-type: none"> • How will you involve families in care planning now and are there ways you can strengthen this? • How will you share information securely with external professionals? • How will you manage multi-disciplinary Team (MDT) meetings and escalate concerns? • Provide a case study of successful partnership working that improved resident outcomes. | 15% |
| 6 | <p>Social Value</p> <p>Describe how you will support the Council to deliver its social value objectives during the term of this framework through placements that you may be awarded? A list of social measures are provided below:</p> <ul style="list-style-type: none"> - More local people in employment - Improved skills - More opportunities for local MSMEs and VCSEs - Social Value embedded in the supply chain - Creating a healthier community - Carbon emissions are reduced - Sustainable Procurement is promoted - Social innovation to create local skills and employment. | 10% |

4.3. Contract Management

4.3.1. Contract management will be the responsibility of the Programme Lead for Accommodation and Registered Services and Senior Contract Management Officer within the Adults Partnership Commissioning Team.

4.3.2. It is proposed that the below table is used for the purpose of further reporting.

| Contract Start Date | Initial Contract End Date | Extension Period in months | Reprocure Period in months | Project Extension Review (GW4) Date | End of project review (GW4) Date |
|---------------------|---------------------------|----------------------------|----------------------------|-------------------------------------|----------------------------------|
| 1 June 2026 | 31 May 2034 | 0 | 12 | n/a | 31 May 2033 |

5. Risk Management

5.1. The absence of a formal contract increases the likelihood of having to purchase individual specialist placements. This approach reduces oversight, limits value for money and can lead to inconsistent service standards. Establishing a contract with defined bandings describing physical and mental health needs and including a new specialist needs band - should provide clearer expectations, improve market stability and reduce unplanned placements.

| Risk | Description | Action to avoid or mitigate risk | Risk rating |
|---------------------|--|--|-------------|
| Service Model | The model will see a reduction in the number of contracted providers. This could destabilise the market and unintentionally create gaps in provision. | Existing Providers have been consulted on the model and have had the opportunity to feed into the service design. The Council will not actively remove services from providers and will allow for the natural cessation of placements. This allows providers increased time to adjust to the change in the system. | CII |
| Procurement Process | Providers fail to register as a supplier on the Central Digital Platform (CPD), a requirement under the Procurement Act 2023. | Existing Providers have been made aware of the need to register; This was communicated via different channels. This does not affect existing placements. | CIV |
| Procurement Process | Providers miss Medway Council's tender opportunity or choose to prioritise KCC's tender leading to a reduction of providers and therefore beds on the new framework. | A market engagement exercise and project updates to providers has kept the market informed. We have monitored KCC's project with a view to avoiding both tenders | DIII |

| Risk | Description | Action to avoid or mitigate risk | Risk rating |
|-----------------------------|---|---|-------------|
| | | <p>opening and closing at the same time. During the tendering opportunity weekly messages have been sent to providers to remind them to apply.</p> <p>KCC are not accepting Medway care home providers onto their framework.</p> | |
| Contractual Delivery | Providers fail to fulfil contractual obligations. | Commissioners will work in partnership to ensure early identification of issues. Contract management will be robust and performance reviews will be conducted regularly. Stakeholders including social workers, BI and QA will support the management of the service. | CII |
| Local Government Reform | Creating new unitary authorities could cause confusion amongst providers and result in the framework needing amending or ending early. | Continue to seek information about the implementation of LGR in terms of geography and timeframe. The specification and contract has been adjusted as much as possible to future proof the service – ensuring the periods in which the framework ‘opens’ coincides with the LGR timeframes. | CIV |
| Financial Risk | Setting band rates and capped tender rates could increase the spend on the service more than expected if too high, puts providers off tendering if too low. | <p>Engagement with Finance colleagues and involvement in budget discussions.</p> <p>Continued engagement with senior management and finance (based on inflationary pressures).</p> | DIV |
| Contract Monitoring Process | Providers fail to submit KPI data under the new contract, resulting in commissioners not being able to assess the service as meeting the required | Commissioners will support and work with providers to understand what data is required and when. Enable a period of transition in reporting new metrics, | DIII |

| Risk | Description | Action to avoid or mitigate risk | Risk rating |
|------|---|--|-------------|
| | standards, or monitor poor performance. | reviewing returns regularly to ensure data is complete and returned on time. | |

For risk rating, please refer to the following table:

| Likelihood | Impact: |
|---|--|
| A Very likely B Likely C Unlikely D Rare | I Catastrophic II Major III Moderate IV Minor |

6. Service Implications

6.1. Financial Implications

6.1.1. The provision of Residential and Nursing Care for Older People (Aged 65+) is funded through existing Adult Social Care budgets.

6.1.2. The previous four-band structure has been revised to five bandings to better reflect levels of need rather than dementia diagnosis. The framework therefore includes five Lots/Sub-lots related to each care band with fixed weekly prices for Lots 1A to 2B and a price cap for Lot 3, which were developed with Finance and aligned to the available 2026/27 budgets. The agreed rates are set out in the table below:

| Lot / Sub-Lot | Care Band | Band Rate (Weekly) 2026/27 (from framework start date) |
|---------------|--|--|
| 1A | Residential Standard | £824.00 |
| 1B | Residential Enhanced | £875.50 |
| 2A | Nursing Standard | £1,030.00 |
| 2B | Nursing Enhanced | £1,081.50 |
| 3 | Highly Specialised Care (Residential or Nursing) | up to £1,300 |

6.1.3. As part of the procurement exercise, bidders were required to confirm acceptance of the stated band rate for the Lot they were bidding for. This was set as a mandatory pass/fail criterion, meaning only bidders who agreed to these fixed price points were compliant, and no alternative or higher prices could be submitted.

6.2. Legal Implications

- 6.2.1. This procurement activity was above the Find a Tender Service (FTS) threshold and therefore an FTS notice was required.
- 6.2.2. The procedure gives a high degree of confidence that the Council's primary objectives for procurement are met, as required by Rule 2.2 of the Council's Contract Procedure Rules ("the CPRs").
- 6.2.3. Under the Council's Contract Procedure Rules, the procurement is a Process 3 procurement (Rule 18), and the process set out in this report meets the requirements for such procurements. The procurement was advertised on the Kent Business Portal, in compliance with rule 18.4 of the CPRs.
- 6.2.4. Medway Council has the power under the Local Government (Contracts) Act 1997 and the Localism Act 2011 to enter into contracts in connection with the performance of its functions.
- 6.2.5. The process described in this report complies with the Procurement Act 2023 and Medway Council's Contract Procedure Rules.
- 6.2.6. This report has been presented as a high-risk procurement, and therefore the Monitoring Officer, in consultation with the Procurement Board will therefore set the risk and reporting stages for the remainder of the procurement process for Gateway 4.

6.3. TUPE Implications

- 6.3.1. TUPE is not applicable to this framework.

6.4. Procurement Implications

- 6.4.1. An open procedure was conducted in accordance with the Procurement Act 2023 to establish an open framework. The framework can be re-opened during its term.

6.5. ICT Implications

- 6.5.1. There are no ICT implications.

6.6. Climate Change implications

- 6.6.1. This contract aligns with Medway Council's Climate Change Action Plan 2025–2028, supporting the Council's commitment to achieve net-zero carbon emissions by 2050. By reducing single use plastics and promoting sustainable resource use, the service contributes to the Council's "Resource Efficiency" priority,

encouraging practices such as refusing, reducing, reusing, and recycling.

- 6.6.2. Embedding environmentally responsible procurement and operational requirements within the contract will help lower the carbon footprint of commissioned services and empower providers to adopt greener practices. These actions reflect Medway's strategic ambition to create a cleaner, more resilient local environment and demonstrate leadership in tackling climate change across public sector services.

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Appendices

Appendix 1 – Diversity Impact Assessment
Exempt Appendix – Financial Analysis

Background Papers

None