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## **Health and Adult Social Care Overview and Scrutiny Committee**

**16 June 2026**

### **Residential and Nursing Care for Older People (Aged 65+)**

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Commissioning and Better Care Fund

#### **Summary**

This report is intended to update the Committee on the background, procurement process and new framework for Residential and Nursing Care for Older People (Aged 65+), as approved by Cabinet on 5 May 2026.

#### **1. Recommendations**

1.1. The Committee is asked to note the report.

#### **2. Budget and policy framework**

2.1. 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.

2.2. Under the Care Act 2014, local authorities have a statutory duty to support vulnerable people who are eligible for adult social care. One way in which this is met is through the commissioning of Residential and Nursing Care providers.

2.3. Residential care provides support with health, wellbeing, safety, and activities 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 co-morbidities, disabilities, or those living with a terminal illness. Care within nursing homes is delivered under the supervision of a Registered General Nurse (RGN).

2.4. 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.

- 2.5. 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.
- 2.6. It is the responsibility of the Council under its 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.
- 2.7. 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. Background

- 3.1. As of March 2026, Care Quality Commission data shows there are 43 registered care homes for older people aged 65 and over located in Medway, including 14 nursing home and 29 residential homes. Together these homes provide a total of 1,548 registered beds within the local care market. The Council commissions from this market and from outside of the Medway area.
- 3.2. Demand for residential and nursing care is expected to increase significantly over the coming years. The Adult Care and Support JSNA (2024) projects the population aged 65 and over will grow by 24% by 2040, with the number of people aged 85 and over rising by 55%. As care needs increase with age, the number of people aged 80 and over requiring assistance with self-care or domestic tasks is expected to rise substantially. This demographic shift will be accompanied by a higher prevalence of age-related conditions such as dementia, frailty, multi-morbidity, and disability. In particular the number of people living with dementia in Medway is projected to increase by 46% between 2019 and 2030.
- 3.3. The existing arrangements for Residential and Nursing Care for Older People (Aged 65+) were developed many years ago and required updating. They have been updated to reflect current legislation, regulatory requirements and commissioning practice.
- 3.4. The Council continues to face challenges in securing placements for older people, in particular with specialist needs or behaviours that challenge, reflecting limited capacity within the local care market. Whilst these pressures may not be unique to Medway, they do present local challenges.
- 3.5. 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 the term. These block contract arrangements were 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

3.6. 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.
- 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 evidenced 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.

3.7. The new contractual model introduces a revised banding structure based on levels of need, replacing traditional dementia based categorisation with five bands ranging from standard to specialist need.

Old Bandings	New Bandings (Lots/Sublot)
Residential Standard (Band 3)	Residential Standard (1A)
Residential Dementia (Band 3+)	Residential Enhanced (1B)
Nursing Standard (Band 4)	Nursing Standard (2A)
Nursing Dementia (Band 4+)	Nursing Enhanced (2B)
	Highly Specialised Care (Residential or Nursing) (3)

3.8. These bandings are determined by key indicators including (not exhaustive): nutrition, mobility, personal care, continence, skin and tissue viability, cognition, psychological and emotional support. Developed in alignment with the NHS Continuing Health Care Decision Support Tool, ensuring a consistent approach across Adult Social Care and health with no duplication or overlap.

- 3.9. A specialised care band has been introduced for individuals with the highest level of need, reducing reliance on individually commissioned placements. The associated weekly band rates for 2026/27 are set out under Section 10.
- 3.10. Prevention principles have been embedded throughout the new specification and contractual terms, including a focus on frailty and improved health outcomes developed in collaboration with Public Health colleagues. Infection prevention and control requirements have been strengthened through input from Health Protection colleagues, and the overall quality of the framework has been informed by the Quality Assurance team. In addition, clear discharge timeframes have been defined within the new specification to support timely transitions of care and reduce delays, ensuring a consistent, high quality and preventative approach to care for older residents.
- 3.11. The Key Performance Indicator Framework (KPI) provides a comprehensive set of measures across quality and safety, resident experience, operational delivery and resident outcomes within care homes. It includes indicators on medication safety, falls, pressure ulcers, admissions, satisfaction, and person centred care, alongside workforce stability and responsiveness. Robust safeguarding and governance measures are also included. All KPIs are aligned to CQC regulations, NICE guidance and national policy, within defined targets and reporting requirements to support oversight and continuous improvement
- 3.12. Regular data collection from providers will be undertaken on a monthly, quarterly and annual basis, enabling timely oversight of performance, identification of risks and longer-term trends. This aligns with Quality Assurance processes, ensuring consistent and effective oversight of service quality and delivery.
- 3.13. As part of the tender process, providers were evaluated on their ability to deliver social value outcomes. This approach supports wider benefits for Medway, including creating local employment and skills opportunities, strengthening the role of local SMEs and voluntary sector organisations, and promoting healthier communities. It also encourages innovation and partnership working, ensuring that the framework contributes to the local economy and wider community wellbeing.
- 3.14. Additional social value questions are included in the referral documentation, requiring providers to demonstrate how they will deliver meaningful outcomes for residents beyond core care, such as supporting the residents' connection with the community.
- 3.15. An open procedure was conducted in accordance with the Procurement Act 2023. The table below sets out the procurement process (from publishing the tender) and onward timeline dates.

<b>Tender stage</b>	ITT Published  Lot 1 Residential Care 1A) Residential Standard 1B) Residential Enhanced  Lot 2 Nursing Care 2A) Nursing Standard 2B) Nursing Enhanced  Lot 3 Residential and Nursing Care - Highly Specialised Care	16 January 2026
	Tender submission deadline	20 February 2026
	Tender evaluations	24-27 February 2026
<b>Gateway 3</b>	GW3 CADMT	March 2026
	GW3 Procurement	21 April 2026
	GW3 Cabinet	5 May 2026
<b>Contract award</b>	Contract Award	May 2026
<b>Mobilisation</b>	Mobilisation	May 2026
<b>Implementation</b>	Service Go Live	June 2026

- 3.16. To qualify for the framework applicants were required to pass a procurement specific questionnaire, respond to six technical questions (quality) and to confirm adherence to the process specified in the invitation to tender (price).
- 3.17. There were 36 suppliers that applied to join the framework. Of this number 18 were successful in their applications. Reasons for applicants failing generally ranged from incomplete applications e.g. documents missing, to insufficient/omitted responses with the application, either in the PSQ or technical questions.
- 3.18. The overall market response was below expectations. Some Medway care homes chose not to apply. Whilst the tender did invite and attract care homes from across Kent to apply, the number of applications from homes in the area immediately surrounding Medway is also lower than expected. The results of this will be a lower than expected capacity level within the framework. Please see the below Advice and Analysis section for next steps.

#### 4. Advice and analysis

- 4.1. Following low provider uptake, the framework will be reopened at the earliest opportunity. There is an anticipated three month process including, (invitation to tender, evaluation, and contract award) to enable additional providers to

onboard ahead of Winter 2026/27. Lessons learned from the initial tender process, as outlined in section 4.17, including common reasons for non-submission (i.e. incomplete responses) will inform targeted support to providers prior to reopening delivered in line with the requirements of the Procurement Act 2023.

## 5 Diversity Impact Assessment

5.1. A Diversity Impact Assessment (DIA) was completed and presented at Cabinet in June 2025 with the Gateway 1 report. The summary of likely impacts taken from the DIA were outlined as follows:

5.1.1. Recommissioning Residential and Nursing Care Service for Older People (Aged 65+) will advance equality for future residents, providers, and local health and community services.

5.1.2. Negative impact(s) on any protected characteristic groups listed above are unlikely and fostering good relations amongst groups is likely.

5.1.3. The service will give increased insight into the experiences of those with the below characteristics and whether there are differences in peoples experience, accessibility, and outcomes when placed in the residential or nursing care homes.

- Age
- Disability
- Gender reassignment
- Marriage/Civil partnership
- Race
- Religion/belief
- Sex
- Sexual orientation
- Other (e.g. low-income groups)

5.1.4. The contract is for people over the age of 65, therefore pregnancy and maternity pathways are not supported by this service. The service will not exclude individuals from accessing the service based on any other protected characteristic.

5.1.5. Actions taken to mitigate likely adverse impacts outlined in the DIA are as follows:

5.1.6. Under the Care Act 2014, Medway Council Local Authority has a statutory duty to provide residential and nursing care services to eligible adults.

5.1.7. There are 43 Residential and Nursing Care homes in Medway registered with the CQC to deliver care to Older People (aged 65+), a number of who are experienced in delivering support to individuals with dementia, complex and/or behaviours that challenge.

5.1.8. The specification will be developed with particular attention on providing equity of service to all as well as accommodating additional needs such as those with sensory disabilities. The service provided will be sensitive to, and meet , the residents cultural and/or religious beliefs and must accommodate their needs and wishes when providing care.

## 6. Risk management

6.1. Below is a copy of the risks identified during the procurement process as well as risks presented with the lower than expected tender response rate.

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	A market engagement exercise and project updates to providers has kept	DIII

	tender leading to a reduction of providers and therefore beds on the new framework.	<p>the market informed.</p> <p>We have monitored KCC's project with a view to avoiding both tenders 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.	<p>Commissioners will work in partnership to ensure early identification of issues. Contract management will be robust and performance reviews will be conducted regularly.</p> <p>Stakeholders including social workers, BI and QA will support the management of the service.</p>	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	CIV

		as possible to future proof the service – ensuring the periods in which the framework ‘opens’ coincides with the LGR timeframes.	
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.	Engagement with Finance colleagues and involvement in budget discussions.  Continued engagement with senior management and finance (based on inflationary pressures).	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 standards, or monitor poor performance.	Commissioners will support and work with providers to understand what data is required and when. Enable a period of transition in reporting new metrics, reviewing returns regularly to ensure data is complete and returned on time.	DIII
Service Delivery	The low number of providers joining the new framework, which may limit placement capacity, reduce market resilience and impact the ability to source appropriate placements.	During mobilisation and post go live of the new contract we will proactively engage with providers to encourage uptake and provide onboarding support. Placement activity will be managed with	BII

		continuous monitoring of capacity and demand. The intention is to stimulate the market and open the framework in July 2026.	
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<b>Likelihood</b>	<b>Impact:</b>
A Very likely B Likely C Unlikely D Rare	I Catastrophic II Major III Moderate IV Minor

## 7. Consultation

- 7.1. Engagement activity undertaken throughout 2025 has informed the development of the framework and approach to provider engagement.
- 7.2. On 29 April 2025, commissioners delivered a market engagement event with residential and nursing care providers, including themed workshops designed to gather feedback and inform service improvement.
- 7.3. Healthwatch Medway representatives attended the event to promote their Care Home Managers Project, which was underway at the time, to gather feedback on development opportunities, system relationships, and winter planning arrangements.
- 7.4. Between May and July 2025 Healthwatch subsequently undertook care home visits engaging with residents through face to face conversations and surveys as part of their 'Have your Say' programme.
- 7.5. In November 2025 commissioners issued a 'Request for Information' to seek provider feedback on the proposed 'Level of Need' bandings that underpin the new contractual model.
- 7.6. Building on the engagement activity undertaken throughout 2025, commissioners will continue provider engagement during mobilisation in advance of the go-live to support the implementation of the new framework.

## 8. Climate change implications

- 8.1. 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, reusing, and recycling.

8.2. 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.

## 9. Financial implications

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

9.2. The new framework includes five Lots/Sub-lots with fixed weekly process for Lots 1A to 2B and a price cap for Lot 3. These were developed with Finance and aligned to the available 2026/27 budgets. The agreed rates are set out in the table below.

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

9.3 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.

## 10. Legal implications

10.1. This procurement activity was above the Find a Tender Service (FTS) threshold and therefore an FTS notice was required.

10.2. The procurement gives a high degree of confidence that the Council’s primary objectives for procurement are met, as required by Rule 2.2 of the Councils Contract Procedure Rules (“the CPRs”).

10.3. 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.

- 10.4. Medway Council has the power under Local Government (Contracts) Act 1997 and the Localism Act 2011 to enter into contract in connection with the performance of its functions.
- 10.5. The process described in this report complies with the Procurement Act 2023 and Medway Council's Contract Procedure Rules.
- 10.6. This report has been presented as a high risk procurement, and therefore the Monitoring Officer, in consultation with the Procurement Board will there set the risk and reporting stages for the remainder of the procurement process for Gateway 4.

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### Appendices

None

### Background papers

[Gateway 1 Project Commencement/Options Appraisal: Provision of Residential and Nursing Care for Older People \(Aged 65+\) August 2025](#)

[Gateway 3 Provision of Residential and Nursing Care for Older People \(Aged 65+\) May 2026](#)