Report of:	*Jayne Ludlam*
Report to:	*Cabinet*
Date of Decision:	*13th February 2019*
Subject:	*Improving support for older people with high care needs to leave hospital*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes x	No
- **Expenditure and/or savings over £500,000**	x	
- **Affects 2 or more Wards**	x	

Which Cabinet Member Portfolio does this relate to? ***Health and Social Care***

Which Scrutiny and Policy Development Committee does this relate to? ***Healthier Communities and Adult Social Care***

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	No x

If YES, what EIA reference number has it been given? ***(495)***

Does the report contain confidential or exempt information?	Yes	No x

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."

Purpose of Report:

To:-

- ***Describe the proposed model for assessment beds that will enable older people with high care needs to leave hospital and provide a safe setting to arrange longer-term support***
- ***Gain approval to proceed with a single procurement (led by Sheffield City Council on behalf of Sheffield Clinical Commissioning Group) for 36 assessments beds (18 funded by Sheffield City Council)and***
- ***Delegate the contract award to the Director of Adult Services in conjunction with the Director of Commercial and Finance Services, the Director of Legal Services and Clinical Commissioning Group Chief Nurse***

Recommendations:

Approve the procurement of the Assessment Beds as outlined in this report.

Delegate the decision for whole contract award to the Director of Adult Services in consultation with the Director of Commercial and Finance Services, the Director of Legal Services and Clinical Commissioning Group Chief Nurse, in line with this report.

Where no such authority exists, delegate such authority to Director of Adult Services in consultation with the Director of Commercial and Finance Services to carry out such actions in order to meet the aims and objectives of this report.

<table>
<tr><th colspan="4">Lead Officer to complete:-</th></tr>
<tr><td rowspan="4">1</td><td rowspan="3">I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.</td><td colspan="2">Finance: Hayley Ashforth</td></tr>
<tr><td colspan="2">Legal: Henry Watmough-Cownie</td></tr>
<tr><td colspan="2">Equalities Ed Sexton</td></tr>
<tr><td colspan="3">Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</td></tr>
<tr><td>2</td><td>EMT member who approved submission:</td><td colspan="2">Phil Holmes</td></tr>
<tr><td>3</td><td>Cabinet Member consulted:</td><td colspan="2">Cllr Chris Peace</td></tr>
<tr><td rowspan="3">4</td><td colspan="3">I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.</td></tr>
<tr><td>Lead Officer Name:
Joe Horobin</td><td colspan="2">Job Title:
Head of Commissioning (Adult Social Care)</td></tr>
<tr><td colspan="3">Date: (Insert date) 18th December 2018</td></tr>
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1. PROPOSAL

1.1 *Background*

Assessment beds can be used following a hospital admission or to prevent a further admission, the aim is always that the person if possible should return home or to their usual place of residence. The beds are typically used for up to 28 days, where a person is “medically fit” but needs a period of time to fully recover and to work out their potential to manage in the future.

Assessment beds allow “future needs conversations” to take place outside of an acute setting, reducing the person’s risk of infection and/or decompensation in hospital and ensuring discussions about the future don’t take place at a point of crisis when their needs are likely to be higher.

1.2 *The Model and Procurement*

The evaluation of a pilot scheme this has helped shape the model for the new assessment beds and has used the feedback from those involved.

An options appraisal was undertaken about the type of model most suitable and recommended the following:-

- A quadrant model with 9 beds available in the North, South, East and West of the city – this will allow some flexibility/choice to individuals to be nearer to their usual place of residence (feedback received as part of the pilot) and ensure the beds are integrated into the primary care and locality areas (currently the beds are centred around the SW of the city)

- The procurement of four Care Homes who can offer both residential, nursing and dementia care– This will mean people do not have to move when their needs change particularly from residential to nursing (feedback from the evaluation) and the contract and management of the beds is easier to undertake (currently managed separately between the Sheffield Clinical Commissioning Group and the Council and raised as a concern by providers)

- The beds will be paid on a block basis at the current standard rate (plus FNC for nursing) for a period of 2 years plus an option to extend. Despite the number of growing vacancies in the city there are only a small number of providers who are able to provide the range of services required. The combination of standard rate fee with a guaranteed payment over 2 years is likely to attract more interest from providers and offer an improved selection of bidders. Block purchasing can bring risks in terms of voids however previous beds have been well utilised so there is no reason why this should not continue to be the case. Contract management will involve negotiation every 3 months and reduction of beds if voids are seen to be an issue.

- The suggested timeline for the procurement is as follows:-

Action	Revised Date	Note
Cabinet Approval	13th Feb	
Decision can be Implemented	21st Feb	Earliest Date
Procurement Strategy Finalised and Signed Off by Commercial Services	13th Feb	
All ITT documents agreed and finalised	18th Feb	
ITT issued	22nd Feb	(must be advertised for a minimum 30 days)
Deadline for queries	18th March	
Deadline for submissions	25th March	Closes at 12 Noon
Evaluation of ITT	28th March – 4th April	
Contract Award issued	12th April	
Successful/Unsuccessful Notification	11th April	
Alcatel 10 Days Expires	22nd April	Voluntary
Contract start date	22nd April	Increasing at a rate of 12 per week until contract is fully operational (3 weeks)
Contract fully operational	13th May	

- The procurement will be subject to an open tender and it is anticipated that that the beds will be in place by 13th May 2019.

1.3 ***Selecting providers***

Sheffield care homes have been made aware of this opportunity via meetings and individual conversations. The open tender will include method statements which require the provider to demonstrate their ability and experience of managing and delivering the specification including all aspects of quality, performance and delivering the primary outcome of supporting people to recover, maintain their independence and return home if they are able.

Procurement will follow legal and commercial requirements as defined by both organisations. Sheffield City Council will lead the procurement however the Clinical Commissioning Group will be actively involved; the joint contract will use agreed NHS terms and conditions (which are a national stipulation) with a Sheffield specification which has been jointly agreed.

1.4 ***Operating the Model***

A collaborative approach is required to enable the contract to operate successfully. This includes for example:-

- A Standard Operating Procedure which describes the end to end process from admission to discharge and the responsibility and function of each team/worker who will make this happen.
- A single "brokerage" function to ensure appropriate placements and flow through the beds – The City Council will be hosting this and the brokerage function will manage the resource by allocating people to resources and moving people through the system to ensure flow out of hospital and prevent unnecessary flow into hospital
- A single contract management and quality and performance function which the City Council will host. This will ensure the providers' adherence to the specification, will develop and negotiate any variations to the contract arrangements and ensure the quality of the provision is maintained.
- A Memorandum of Understanding between the City Council and the Clinical Commissioning Group which specifies the responsibilities if each organisation under the joint agreement

2. HOW DOES THIS DECISION CONTRIBUTE?

2.1 This procurement recognises the advantages of collaboration across a health and social care system. The outcome for the system means reduced Delayed Transfers of Care from hospital and associated costs and creates opportunities for further efficiencies. For those in receipt of the support and for the providers it means easier navigation through a complex system and means a conversation with only one organisation rather than multiple conversations. All this builds on the learning from feedback from individuals, the public and providers of services.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 Feedback from individuals, families and providers on the pilot approach was used to design the model which is proposed. In addition the need to integrate commissioning approaches more is an ambition from both organisations and this proposal meets with those ambitions.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 *Equality of Opportunity Implications*

There are no adverse risks or implications in this proposal, there are benefits to the older population in supporting and promoting independence

4.2 *Financial and Commercial Implications*

The forecast demand for the beds has been based on the joint 5Q Pilot evaluation and Council's own evaluation of the beds, it has taken account of the needs and demand rather than the current usage. There is recognition that the supply will need to flex at certain times of the year and therefore the contract will allow for a 3 monthly review and change, if required, to the number of block beds purchased.

The costing below are based on 38 beds block booked each week, with the four dual registered Care Homes allocated a mixture of residential and nursing care beds.

Bed type and numbers	**Unit Price**	**Cost per annum**	**Cost 2 Year Contract Duration**
EMI Residential x 18	£463	£481,520	£866,736
Nursing Care x 18	£621.16 [1]	£646,006	£1,162,812
Totals		**£1,127,526**	**£2,029,548**

Sheffield City Council will fund the EMI Residential cost of £866,736; the Sheffield Clinical Commissioning Group will fund the Nursing Care costs.

Sheffield City Council will fund the gross cost and recharge the Sheffield Clinical Commissioning Group for its contribution.

The model will result in earlier discharges from hospital which will take pressure off acute hospital beds and which will save the NHS money. This is an excellent outcome for the person and provides a strong example of the Local Authority working collaboratively to support the NHS. Improved assessment support is also enabling a greater number of people to be able to return safely to their own homes with domiciliary care, rather than need to move permanently into care home provision.

However there will be a corresponding displacement of activity and cost to the Local Authority. Evaluation of the pilot suggests that each person leaves hospital an average of 5 days earlier than they would have done under the old system and those in residential beds will be funded by the Local Authority for that time. This creates additional financial pressure for the Council in an already extremely constrained

[1] Includes FNC at a rate of £158.16

situation.

The Council is currently working with local NHS organisations to set up arrangements to ensure that available funding in Sheffield is deployed appropriately to secure this and similar initiatives over the longer term.

4.3 *Legal Implications*

The Council has a duty to meet the eligible needs of those in its area and it fulfils this duty in part through Council arranged services. The Council also has functions under the Care Act 2014 to ensure that service users:

- receive services that prevent their care needs from becoming more serious, or delay the impact of their needs;
- can get the information and advice they need to make good decisions about care and support• have a range of provision of high quality, appropriate services to choose from.

Support which offers people time to be assessed about their long term needs are now a core element of the local offer.

The European Convention on Human Rights requires local authorities to take into account their 'positive obligations' to actively promote and protect the rights of people as described in the Convention and maintains that providers of publically funded care should consider themselves bound by the HRA.

Sheffield City Council has to comply with its own internal procurement rules and the 2015 Public Contract Regulations so that the required legal obligations and that there is fair and open competition across the EEU.

4.4 *Risks*

There are risks associated with this procurement; the table below details these risks and the mitigations which will be adopted.

Risk	**Mitigation**
Insufficient beds available of the right type (nursing/residential/dementia)	Providers engaged early so they can adapt their business model in time for the tender and the longer contract term will give some guarantees to providers
Risk to Delayed Transfers Of Care (DTOC) as a result of poor flow through the assessment period and transition of individuals to their final care destination.	Single brokerage arrangements for both organisations will identify flow issues and ensure flow is optimised with clear monitoring and escalation systems in place. Will also act as an early warning system for overstays and alert locality teams to this Use of joint weekly meetings to track flow and

	move on.
Under or over utilisation of the block booked beds resulting in poor value for money.	The brokerage function will closely monitor and control bed utilisation, there will be 3 monthly contract meetings with the provider where the bed numbers can be varied Joint work with STH to ensure appropriate placement to assessment beds. The brokerage team will also ensure that the Care Homes are compliant in providing weekly admissions reports to support the monitoring.
Risk of the market responding poorly to the bed price of £463 for EMI Residential Care, which would pose a financial risk to the budgeted costs.	Currently relatively high vacancies in the care home sector suggest that this risk is lower than it would have been when the 5Q beds were procured. The length of contract also offers security which will be attractive to providers in the current climate.
Any delay to the timeline means current beds will have to be extended, this has cost implications	The Council's decision making process sets the timeline, sufficient time is also required to allow the providers to recruit/ensure staff are ready to access this type of admission. Discussion will take place with current providers about the costs/continuation of the contract
Current providers will not extend the contract	Negotiations will take place with providers currently delivering the contract A contingency plan is being developed to ensure there is adequate provision until the new model is in place

5. ALTERNATIVE OPTIONS CONSIDERED

An options appraisal was undertaken which considered the following alternatives

Revert back to the previous arrangements for hospital discharge: This would have a significant negative effect on the DTOC position and would prevent the benefits of the pilot from being realised. This would mean less people being able to return home.

The hospital avoidance element to these beds would also be lost.

Continue with pilot in the current format: The benefits of the pilot would be realised, however additional improvements would not be realised. The continuation of the current service would also be more expensive to both the Council and Clinical Commissioning Group.

6. REASONS FOR RECOMMENDATIONS

This is the preferred option as it offers:-

- A more integrated commissioning approach
- Builds on lessons learned from the pilot approach
- Is cost effective
- Supports a system wide approach to making hospital discharges and preventing hospital admissions
- Has more chance of securing preferred providers
- Offers individuals an opportunity to go home if possible
- Reduces delays in hospital and prevents people from decompensating or becoming less able whilst in hospital
- Ensures conversations with people about their long term future are done at the most appropriate time

GP Neighbourhoods and ASC Localities with Homes Providing Nursing & Residential Care