

**Report of Deputy Director, Integrated
Commissioning, Adults & Health Directorate
Report to Director of Adults and Health
Date: 24 March 2020**

Subject: Request to utilise regulation 32(2)(c) under the Public Contract Regulations 2015 on behalf of Covid-19 – Securing ‘step down’ care home bed capacity through block purchasing arrangements

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

1. Main issues

- Due to the COVID-19 outbreak there is a need to secure significant numbers of care home beds from the independent sector older people's care home providers. These beds are needed as additional 'step down' capacity, over and above the usual numbers of care home placements, as many of these placements will be required for a short term period only until people are able to return to their own home or to a care home of their choice.
- In order to secure the required capacity, it is proposed that block purchasing arrangements are put in place for a period of three months which will then guarantee availability of the required capacity.
- It is proposed that capacity is secured for approximately 60 beds across a number of care homes, for both residential and nursing provision, including for people with dementia related care needs. It is likely that further capacity may be required, to be commissioned under the same block purchasing arrangements.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- The proposals outlined in this report will help to deliver a number of crucial elements of the Adult Social Care 'Better Lives' strategy by helping local people with care and support needs to have their needs met in a safe and appropriate environment once they are ready to leave hospital. The 'step down' provision should also enable people to eventually return to live at home after a period of convalescence following a stay in hospital.

3. Resource Implications

- In accordance with the guidance on COVID-19 Hospital Discharge Service Requirements issued by Central Government on 19 March 2020, it is envisaged that this provision is to be paid for from the NHS COVID-19 budget. Though initial discussions with the CCG have indicated this funding source, should there be any risk to accessing this funding there is an alternative funding source, specifically the monies the Council will receive to ease the burden caused by COVID-19.

Recommendations

1. The Director of Adults and Health is recommended to:
 - a) grant authority for approximately 60 beds to be commissioned under block purchasing arrangements with immediate effect, for a period of three months at an estimated cost of £468k.

1. Purpose of this report

- 1.1 To seek approval to put in place block purchasing arrangements to secure 'step down' bed capacity from a range of independent sector care home providers in Leeds for residential and nursing care provision.

2. Background information

- 2.1 On 19 March 2020, Central Government published the guidance on COVID-19 Hospital Discharge Service Requirements. This places a duty on local authorities to assume lead commissioning and contracting responsibilities for "expanding the capacity in domiciliary care, care homes and reablement services in the local area". [..\Covid-19\COVID-19 Hospital Discharge Guidance.pdf](#).
- 2.2 In response to the guidance, the Adults and Health Directorate's Integrated Commissioning staff are required to secure additional care home bed capacity on a short term basis for people who are ready to be discharged from hospital. This capacity is to be sourced from a range of independent sector care homes and will include residential care and nursing care, including for people with dementia.

3. Main issues

- 3.1 There are often difficulties in ensuring prompt discharge arrangements for people who require a care home placement following a hospital stay. The difficulties are compounded by the limited availability of care home placements, particularly for people who have dementia, and all the more where people require nursing care.
- 3.2 Delays frequently occur where people are awaiting a placement at a care home of their choice. The guidance that has been issued states that during the COVID-19

pandemic, individuals will not be able to wait in hospital until their choice of care home has a vacancy. People will be required to accept a care home placement on a short term basis until the care home of their choice is able to provide them with a bed. Additionally, some people are likely to only require a short term placement in a care home as a 'step down' from hospital until they are well enough to go back to their own home.

- 3.3 Care homes are frequently reluctant to offer placements to people on a short term basis as this impacts in their income due to frequency of voids as a result of a high turnover of the residents.
- 3.4 In order to support timely discharges at this critical time, there is a need to put new and different arrangements in place to commission a large number of beds on a short term basis, as 'step down' provision. It is envisaged that many of the people who access this provision may subsequently need and choose to stay in the care home placement on a longer term basis, but there will also be a significant people who will only need the care home bed for a short period for recuperation or whilst they are awaiting a package of care to be set before they are able to go home. Some people will also need the placements for a short period whilst they await a bed at a home of their choice, or are moved to a care home placement which more appropriately meets their longer term needs.
- 3.5 In order to secure this 'step down' capacity and to support timely discharges from hospital, there is a need to offer some financial incentives to care home providers so that they are willing to make their bed capacity available for people on a short term basis. As such, it is proposed that, in partnership with the CCG, the A&H Directorate commissions a number of care home beds under block purchasing arrangements so that the providers are paid for the bed capacity for a period of three months.
- 3.6 It is proposed that this arrangement is put in place with a large number of care home providers, initially for approximately 60 beds, to include both residential and nursing capacity, including for people with dementia. The intention is to secure a small number of beds from each of the homes rather than bulk purchasing a large number of beds from just a few homes. This will mean that the beds are available in various locations across Leeds. Also this will better enable the management of voids to ensure that these are kept to a minimum.
- 3.7 It is likely that as COVID-19 peaks over the forthcoming weeks, further beds may be required and so the arrangements may be increased as required. Further approvals will be sought if the 'step down' provision needs to be extended beyond the three month period.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Due to the urgency of securing this additional capacity, it has not been possible to undertake consultation and engagement with members of the public. However, some communication has been undertaken with care home providers and with third sector colleagues including Carers Leeds and Age UK to ensure their views are reflected in the commissioning arrangements and the processes that will be put in place to support the discharge arrangements.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 This provision is being commissioned to meet the needs of older people with care and support needs. Securing additional 'step down' care home capacity will enable the Council to act swiftly in ensuring that older people are not delayed in hospital once they are deemed to be ready for discharge.

4.3 Council policies and the Best Council Plan

- 4.3.1 The proposals outlined in this report will help to deliver a number of crucial elements of the Adult Social Care 'Better Lives' strategy by helping local people with care and support needs to have their needs met in a safe and appropriate environment once they are ready to leave hospital. The 'step down' provision should also enable people to eventually return to live at home after a period of convalescence following a stay in hospital.

Climate Emergency

- 4.3.2 The recommendations in this report do not directly impact on the Climate Emergency however, in our overarching agreement with care homes, the providers are encouraged and supported to reduce their carbon footprint and to adopt greener working practices as and where possible.

4.4 Resources, procurement and value for money

- 4.4.1 The estimated cost of this provision will be approximately £468k, however, in reality it may not be possible to secure all of these beds and if so, the cost will be lower. In accordance with the guidance on COVID-19 Hospital Discharge Service Requirements issued by Central Government on 19 March 2020, it is envisaged that this provision is to be paid for from the NHS COVID-19 budget. Though initial discussions with the CCG have indicated this funding source, should there be any risk to accessing this funding there is an alternative funding source, specifically the monies the Council will receive to ease the burden caused by COVID-19.

4.5 Legal implications, access to information, and call-in

- 4.5.1 This is a significant operational decision as the maximum cost of the service is no greater than £500k and the report will not be subject to call in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 4.5.2
- 4.5.3 Regarding use of the negotiated procedure without the publication of a notice, it must be noted that there is the potential risk of challenge that there are no real technical reasons justifying the use of the negotiated procedure without publication of a notice under regulation 32 (2) (c) in accordance with the Public Contracts Regulations 2015, and that the Council is simply seeking to circumvent the application of the procurement rules. The reasons set out in Sections 2 and 3 of this report are the justifications that the Council would rely on to justify this decision.
- 4.5.4 Regulation 32 (2) (c) of the Public Contracts Regulations (2015) states:-
- 4.5.5 In the specific cases and circumstances laid down in this regulation, contracting authorities may award public contracts by a negotiated procedure without prior publication.

(2) The negotiated procedure without prior publication may be used for public works contracts, public supply contracts and public service contracts in any of the following cases:—

(c) insofar as is strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the contracting authority, the time limits for the open or restricted procedures or competitive procedures with negotiation cannot be complied with.

- 4.5.6 It is considered the above ground applies in this case as it is already clear that in these exceptional circumstances, Leeds City Council must procure this service with extreme urgency in responding to the current coronavirus, COVID-19 outbreak.
- 4.5.7 Central Government has placed a requirement on local authorities to ensure that there is increased care home capacity to enable prompt discharges from hospital during the COVID-19 outbreak.
- 4.5.8 The decision on the recommendations in this report will be taken by the Director of Adults and Health in line with the officer delegation scheme as detailed in Part 3 of the Council's Constitution.
- 4.5.9 These comments should be noted by the Director of Adults and Health and in making the final decision should be satisfied that doing so represents best value for the Council under these circumstances.

4.6 Risk management

- 4.6.1 Processes will be put in place to ensure that the services are provided in accordance with the specific requirements of supporting swift and prompt discharges from hospital. Commissioning officers will monitor the usage of the 'step down' beds to ensure that providers are able to deliver the service in accordance with the stipulated requirements and to ensure that voids are kept to a minimum. If any of the providers are unable to continue to deliver the provision, the block purchasing arrangements will cease following due notice in accordance with the term of the agreement.

5. Conclusions

- 5.1 It is critical that sufficient care home capacity is secured to meet the current and anticipated demand for short term care home placements to enable prompt hospital discharges. There is a need to provide financial incentives to care home providers, by way of block purchasing arrangements, at the Council's agreed fee rates, in order to secure the required capacity.

6. Recommendations

- 6.1 The Director of Adults and Health is recommended to:

grant authority for approximately 60 beds to be commissioned under block purchasing arrangements with immediate effect, for a period of three months at an estimated cost of £468k.

7. Background documents¹

7.1 None.

8. Appendices

8.1 None.

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.