

REPORT TITLE: Gloucestershire Care Partnership Contract Extension

Cabinet Date	Wednesday 22 nd November 2023
Cabinet Member	Cllr Carole Allaway-Martin Cabinet Member for Adult Social Care Commissioning
Key Decision	Yes
Purpose of Report	To seek Cabinet approval for a short-term extension to the term of the council's contract with Gloucestershire Care Partnership (GCP) for the provision of Residential & Nursing care at 5 of the care homes it operates
Recommendations	That Cabinet delegates authority to the Executive Director: Adult Social Care, Wellbeing and Communities, in consultation with the Cabinet Member for Adult Social Care Commissioning to extend the term of the council's contract with Gloucestershire Care Partnership (GCP) relating to the provision of residential and nursing care for a period of nine months at the following five care homes: <ul style="list-style-type: none"> 1) Grevill House (Cheltenham) 2) Paternoster House (Cotswolds) 3) Rodley House (Forest of Dean) 4) The Coombs (Forest of Dean) 5) Henlow Court (Stroud)
Reasons for Recommendations	The contract for the five older homes operating under the council's contract with GCP are due to expire and the homes are due to be returned to Gloucestershire County Council, (GCC) in April 2025. All homes are currently operating as 'Nursing' homes providing Residential, Residential Dementia, Nursing and Nursing Dementia placements. Gloucestershire County Council is not able to directly deliver nursing services. We therefore need to extend the term of the current contractual arrangements for a period of nine months starting from 1 st April 2025 whilst we undertake work to review and analyse the current capacity of the independent Health & Social Care market and publish the Gloucestershire Market Position Statement, (MPS), which is one of the Council's responsibilities under The Care Act 2014. Local Authorities with Social Care responsibility prepare an MPS aimed at existing and new providers of care services. The MPS sets out how we see our population changing and what their care needs may be into the future. Gloucestershire's current MPS was published in 2018, therefore an analysis of current provision is required to inform commissioning decisions.

	31 st January 2024 - Cabinet Meeting (Report on future and longer-term decisions)
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Background

1. The Gloucestershire Care Partnership (GCP) is a joint venture, which was formed in 2005 between The Orders of St John Care Trust (OSJCT) and housing association Bedfordshire Pilgrims Housing Association, (BPHA).
2. Through the GCP arrangement residential homes formerly run by Gloucestershire County Council are leased to the partnership for OSJCT to deliver Residential & Nursing care services across nine properties owned by Gloucestershire County Council
3. Four of these properties are newer homes developed as part of an Estate Strategy within the partnership. The Estates Strategy aimed to replace older building with newer, purpose-built care facilities in recognition of the changing shape of the care market. These homes are:
 - 3.1. Monkscroft Care Centre – Cheltenham
 - 3.2. Millbrook Lodge - Tewkesbury
 - 3.3. Jubilee Lodge- Cotswolds
 - 3.4. Chestnut Court – Gloucester
4. The other five properties are older homes which, contractually, are due to be returned to GCC in April 2025.
 - 4.1. Grevill House – Cheltenham
 - 4.2. Henlow Court - Stroud
 - 4.3. Paternoster House – Cirencester, Cotswolds
 - 4.4. Rodley House – Lydney, Forest of Dean
 - 4.5. The Coombs – Coleford, Forest of Dean

Gloucestershire Care Provision and GCP Homes

5. Cheltenham: There are currently 18 care homes (908 beds) in Cheltenham providing care for older people, 11 of these homes provide nursing care but only four can support a nursing dementia placement. Most of the beds currently vacant are residential. 89 (40%) of the care home beds in the Cheltenham district are for residential placements.

Table 1: Care home bed capacity for older people in Cheltenham

	Registered beds	Registered dementia beds	Bed vacancies	Dementia bed vacancies	Non dementia bed vacancies	Occupied
Residential care	695	287	156	67	89	539
Nursing care	213	58	58	12	46	155
	908	345	214	79	135	694

6. The site of Grevill House Care Home, in Charlton Kings Cheltenham, includes the Ashley Intermediate Care Unit. Although the Ashley Unit is a separate building adjacent to the main care home it shares utilities and kitchen and laundry facilities with Grevill house. The Ashley unit provides therapy and reablement support and is currently being utilised to support individuals who require further therapeutic input to determine their pathway when leaving hospital.
7. Forest of Dean: There are 13 Care Homes supplying care for older people across the district, offering 397 beds (including Rodley House and the Coombs are two). Only 5 of these homes offer nursing provision, (including the two Forest homes identified as part of this tender). Of the current 35 vacancies only 11 of these beds can support individuals requiring Nursing Care.

Table 2: Care home bed capacity for older people in Forest of Dean

	Registered beds	Registered dementia beds	Bed vacancies	Dementia bed vacancies	Non dementia bed vacancies	Occupied
Residential care	275	131	24	16	8	225
Nursing care	122	64	11	8	3	105
	397	195	35	24	11	330

8. Rodley House is in Lydney, an area previously identified as having a shortage of care home capacity. It is one of two care homes for older people in Lydney, offering 43 beds, 14 of which are for nursing placements, providing 11% of the nursing capacity for the district.
9. The Coombs is in Coleford, provides 36 beds, 18 of which are for nursing placements, which accounts for 15% of the district's nursing capacity. It is an older style home with several 'pods' attached to the property which also provide bedded capacity. Each pod has its own lounge, kitchen and dining room which gives the home the flexibility to deliver several types of care, such including short-term reablement.
10. There are currently 26 care homes in the Stroud district providing care for older people offering 983 beds.

Table 3: Care home bed capacity for older people in Stroud

	Registered beds	Registered dementia beds	Bed vacancies	Dementia bed vacancies	Non dementia bed vacancies	Occupied
Residential care	576	273	82	40	42	494
Nursing care	407	189	90	43	47	317
	983	462	172	83	89	811

11. Henlow Court is in Dursley, offering 40 care home beds, 20 of which are for nursing placements. The population of Stroud tend to choose a care home in the Stroud centre or Stonehouse. However, there is only one other care home in Dursley, which predominantly provides placements for the self-funding market.
12. Cotswolds has 12 care homes for older people but with 58% of the care home beds only able to offer residential placements, with a lack of nursing capacity.

Table 4: Care home bed capacity for older people in Cotswolds

	Registered beds	Registered dementia beds	Bed vacancies	Dementia bed vacancies	Non dementia bed vacancies	Occupied
Residential care	371	109	78	36	42	293
Nursing care	223	63	59	26	33	164
	594	172	137	62	75	457

13. Paternoster House is in a prime location in Cirencester and its location makes it a popular choice. It has 40 beds, 20 of which are for nursing placements, 9% of the district's nursing capacity.

Options

14. Options for care have changed rapidly over the intervening years with the rise in access to and options for:
- 14.1. purchasing or renting housing with care – retirement villages and extra care settings;
 - 14.2. daily living aids which support people to remain independent at home;
 - 14.3. smart technology for medication management and well-being monitoring.
15. Gloucestershire citizens are choosing to remain in their own homes to receive care and support, as opposed to taking up a care home placement. However, there is still a clear need for residential care for those, with advanced or complex needs, or who lack the capacity to make the right choices in relation to their health or safety. There is also a clear need for short stay placements where individuals can be supported to return home following a short stay in hospital.

Option 1: Do nothing

16. The option to do nothing would leave both Gloucestershire County Council and Gloucestershire Care Partnership at risk, leaving existing placements without a contract and would leave new placements vulnerable to individual negotiation.

Option 2: Extend the Gloucestershire Care Partnership in the short-term (Preferred Option)

17. This option would give Gloucestershire County Council enough time to fully understand the care market post pandemic and consider longer-term options. Gloucestershire last published an MPS in 2018, prior to the 2020 Covid19 Pandemic. Since then, the independent Health & Social Care market has changed and, through use of technology the declared commissioning intentions of assisting people to stay in their own homes for longer has been strengthened.
18. The MPS is a requirement under the Care Act 2014 and is produced by a commissioning authority. It outlines (through analysis of demographics profiles): what support and care services people need and the support and services available; what may be needed in the future; what is not available and needs to be commissioned or developed.
19. The MPS will outline options to reflect the needs of our current and future demographic profiles of each district to ensure we have the right provision, in the right places. The short-term extension is required to allow the MPS to be published and inform the decision making for both the County Council and any future deliverers of care.
20. This option would also ensure consistency and continuity for the residents, and their families along with staff employed by the Orders of St Johns Care Trust. It would also allow Gloucestershire County Council time to undertake the work necessary to review the ongoing impact on the market of the Covid19 pandemic.

Option 3: Tender for a new care provider for these homes

21. Gloucestershire County Council is currently reviewing its Market Position Statement, (MPS) in order to understand the current shape of the Health & Social Care market post pandemic. The MPS will take into account the changed shaped of the demographic profiles of each locality to ensure we have or have planned for the appropriate levels and categories of care and support facilities to meet demand. It therefore is inappropriate to consider the long-term future of the older homes until this piece of work has been completed.

Risks

22. There is a risk in respect of any contract extension, that it may become the subject of a legal challenge under the Public Contract Regulations 2015 ("PCRs").
23. Running the procurement now to award the New Contract would cause significant inconvenience and could also result in duplication of costs for the Council considering the uncertainties in relation to the current health of the independent market care market following the 2020 Covid19 Pandemic. Gloucestershire County Council Commissioners are currently undertaking a review of the Market Position Statement which was last published in 2018. We are aware of a number of home closure and wider provider failures following the pandemic.
24. As such the Council is not able to finalise the specification for the New Contract yet and so it would likely have to make a series of amendments to the procurement and/or New Contract which, as highlighted above, could introduce additional procurement risks.

25. There is also a risk that the Council would not be able to mobilise the New Contract in time for the expiry of the Original Contract and must put in place an interim arrangement with Prospects that would run in parallel to the New Contract to ensure continued service provision.
26. The value of the extension would be £5m, which is less than 50% of the value of the original contract. Regulation 72(1)(b) provides that where several modifications are made, the 50% threshold applies to the value of each modification subject to the proviso that such successive modifications should not be aimed at circumventing the application of the procurement rules. The value of the original contract was circa £240 million and even if all the extensions beyond the initial period of 20 years were added together (including this proposal) it would remain below the 50% threshold.
27. The Council is entering into this further extension with the aim of seeking additional time due to the legitimate reasons outlined above and earlier in this report. It is also the intention to publish a modification notice in accordance with its transparency obligations and additionally a voluntary transparency notice in Find a Tender to reduce the risk of challenge under the Public Contracts Regulations (2015)."

Climate change implications

28. Though these older premises were not built with energy efficiency in mind there is much that can be done to make buildings more energy efficient. The Orders of St Johns Care trust work towards recruiting in a way that minimises the impact on the climate in recruiting locally to minimise travel time and fuel usage.

Financial Implications

29. There will be no negative financial implications, as a short-term extension will not change the current contractual arrangements, and so the approximate usual spend for the nine-month extension will not be impacted by additional costs.
30. Residents in these placements funded by the Local Authority would still require placements, and therefore even if they were to move the costs would be managed by Gloucestershire County Council.

Equality implications

31. An Equality Impact Assessment has been drafted and accompanies this report. Cabinet Members should read and consider the Equalities Impact Assessment to satisfy themselves as decision makers that due regard has been given.

Data Protection Impact Assessment (DPIA) implications

32. A DPIA has not been completed for this report as this is an extension of an existing contract and conditions relating to the handling and sharing of information exist in the current contract terms and conditions.

Social value implications

33. Social value implications have not been considered in this extension. Any future contract or contract extension awarded will contain a requirement for the provider to demonstrate social value in line with Gloucestershire's procurement policies and processes with a focus on employment opportunities, engagement with the local community and improving the lives and outcomes of individuals.

34. Any future care provision commissioned will also need to demonstrate social value in relation to community engagement and employment opportunities in the short, medium and longer term. Having said this we are aware that care homes generally try to employ care workers from the local area and many care facilities employ activities co-ordinators who connect the residents of the home to the local community. The current care provider for these homes has an established record for both of employing locally and for managing focused in reach and outreach activities that make the home part of the community. This will continue under this extension.

Consultation feedback

35. Not applicable - This is a short-term contract extension to secure ongoing care provision, this extension is to allow time for the analysis of the market to be undertaken and a revised Gloucestershire Market Position Statement to be published.

Officer recommendations

The recommended option is:

Option 2: Extend the Gloucestershire Care Partnership in the short-term

36. This option would give Gloucestershire County Council sufficient time to undertake the research and analysis of the Health & Social Care Market in preparation for the refresh and publication of the Gloucestershire Market Position Statement.

37. The MPS will aid better understanding of the care market post pandemic and consider longer-term options. Options for these care homes will need to be considered as an integral part of current provision and their future usage taken into consideration in line with the predicted needs outlined by demographic profiles.

38. The short-term extension is required to ensure there is a contract in place in April 2025, ensuring that ongoing care is delivered to the residents of these homes and that there is a robust contract framework to manage this delivery. The contract will allow Gloucestershire County Council time to review the information gathered to inform the MPS which will be used to inform any potential longer-term contractual negotiations.

Performance management/follow-up

39. These homes and the contract they sit within represent the county's only residential, (care home), block provision, therefore this contract has a dedicated contract manager as well as

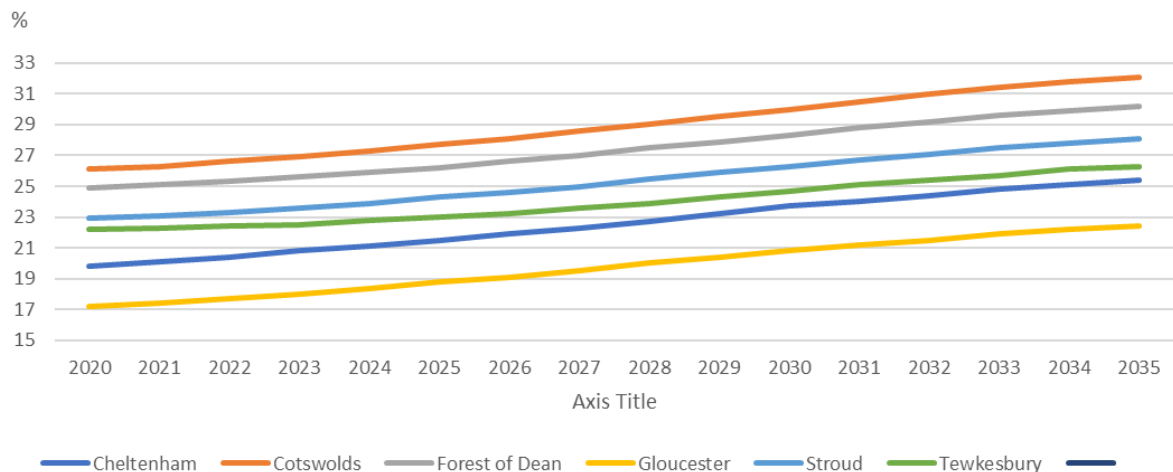
dedicated finance and data management time allocated within the Market Management section of the Integrated Brokerage Team.

40. Appendix 1:

Population profile

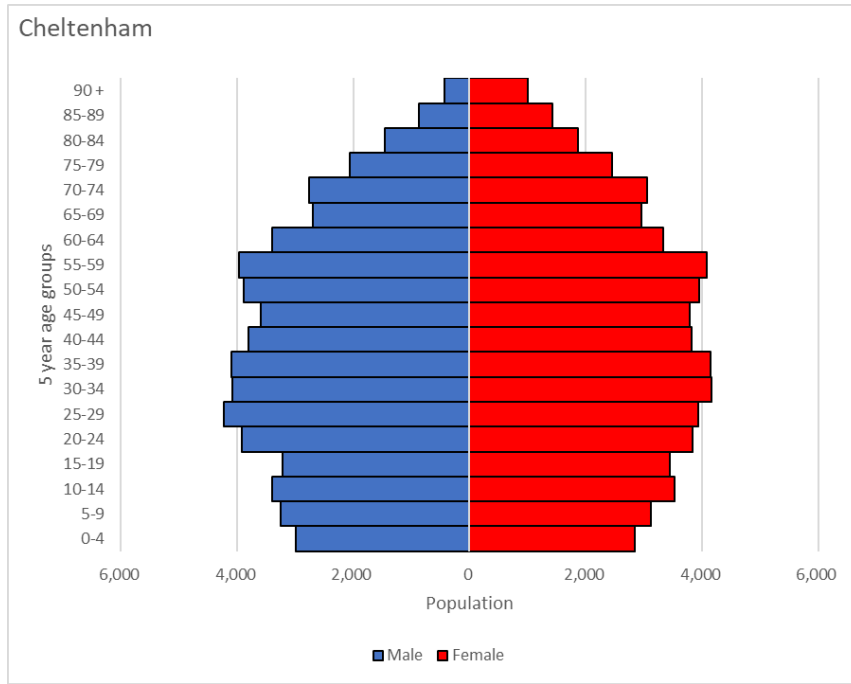
- 41. The number of older people in Gloucestershire aged 65 and over is estimated at c141k1 and is projected to increase over by 25% over the next ten years. An increase in our ageing population indicates an increased need for care provision across the county. However, as technology and aids to support daily living become more sophisticated much of this will be met in people's own homes.
- 42. As people remain independent in their own homes and communities for longer the need for residential provision that can deal with a level of complexity in relation to dementia or nursing needs will increase. Gloucestershire County Council is currently reviewing the Gloucestershire care market and will be presenting a refreshed Market Position Statement, (MPS), early in 2024. The MPS will provide an overview of our current care market and demographic profile and out approach to working with providers, residents and wider stakeholder to co-produce the future shape of the Gloucestershire Care Market.

Figure 1: Population projections for older people in Gloucestershire



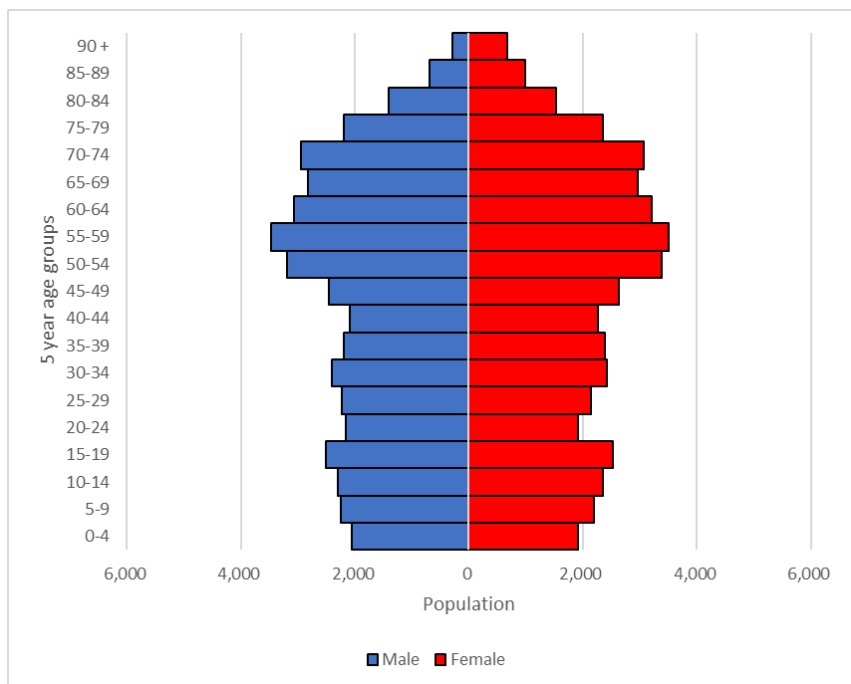
- 43. Gloucestershire's population is 640,650, 22% are aged 65 and over. This is expected to increase to 25.3% by 2030 and 27.9% by 2040.
- 44. 20% of Cheltenham's population is aged 65 and over. This is expected to increase to 23.7% by 2030 and 26.3% by 2040.

Figure 2: Cheltenham population estimates by five-year age groups and gender, mid-2020



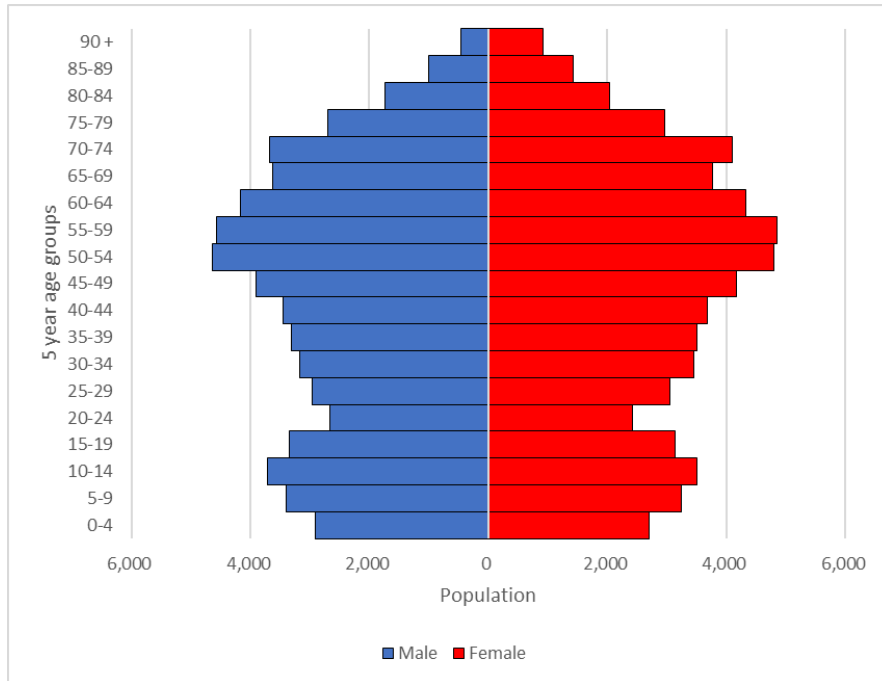
45. Forest of Dean: 25% of the people (c.21,927) living in the Forest of Dean are aged 65 and over, Gloucestershire demographic projections expects this to increase to over 30% in the next 10 years.

Figure 3: Forest of Dean population estimates by five-year age groups and gender, mid-2020



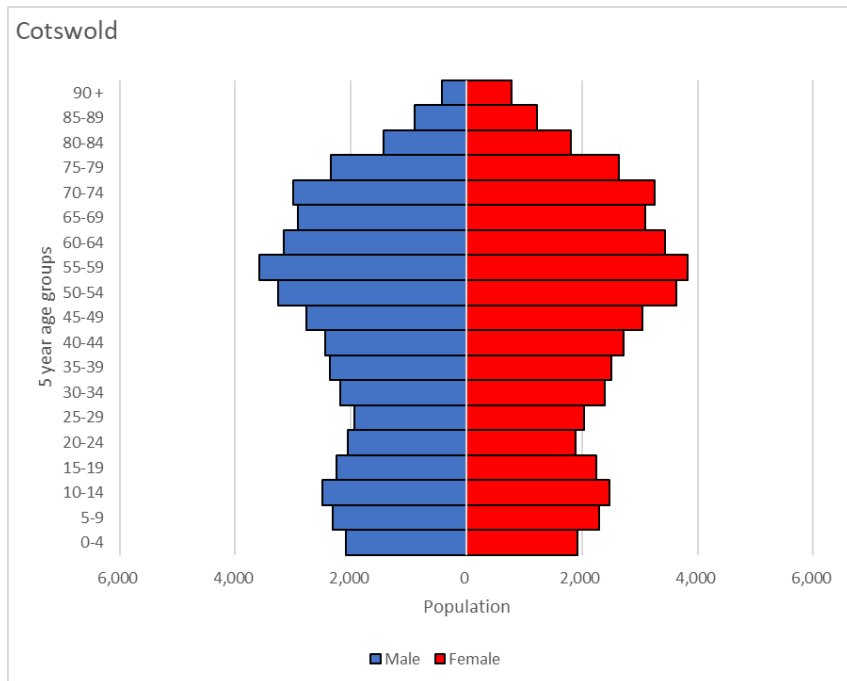
46. Stroud has the largest number of people aged over 65 in Gloucestershire with an estimated 28419 (c.23%) residents. This is expected to rise to 28% of residents by 2033.

Figure 4: Stroud population estimates by five-year age groups and gender, mid-2020



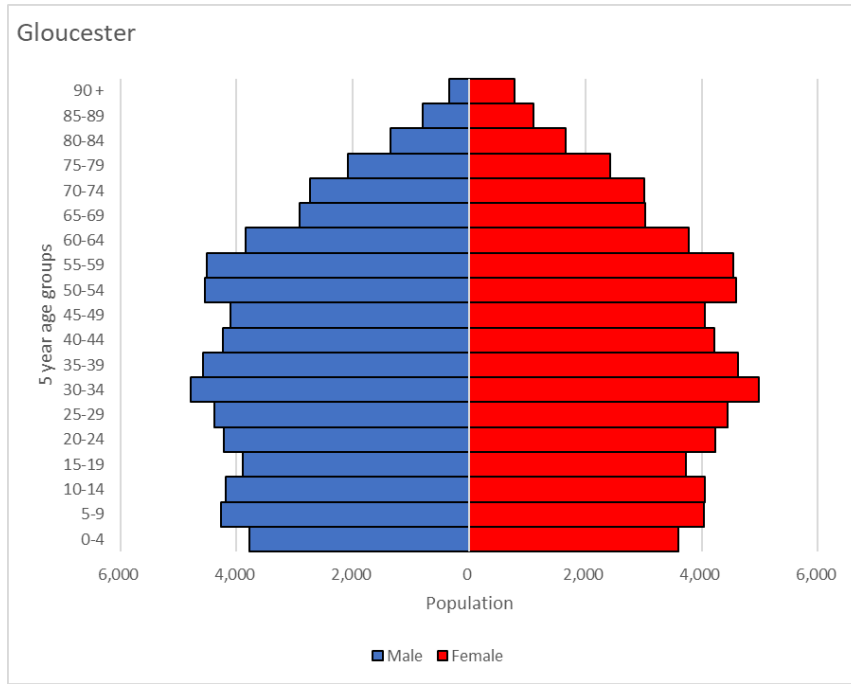
47. Cotswold has 26% of its population aged 65 and over.

Figure 5: Cotswold population estimates by five-year age groups and gender, mid-2020



48. Gloucester has a total population of 129,709, 17% of which is aged 65 and over.

Figure 6: Gloucester population estimates by five-year age groups and gender, mid-2020



49. Tewkesbury has a population of 96,624, with 22% aged 65 and over.

Figure 7: Tewkesbury population estimates by five-year age groups and gender, mid-2020

