


REPORT TITLE: The Gloucestershire Care Partnership Contract –Estate Strategy

Cabinet Date	15 th May 2024
Cabinet Member	<p>CIlr Carole Allaway-Martin</p> <p>Cabinet Member for Adult Social Care Commissioning</p>
Key Decision	Yes
Purpose of Report	<p>To delegate authority to the Executive Director of Adult Social Care, Wellbeing and Communities in consultation with the Cabinet Member for Adult Social Care Commissioning to implement the preferred option, to ensure provisions for residential and nursing services can continue to be delivered in five homes, owned by Gloucestershire County Council:</p> <p style="padding-left: 40px;">The Coombs (Forest of Dean) Rodley House (Forest of Dean) Henlow Court (Stroud) Grevill House (Cheltenham) Paternoster (Cotswolds)</p>
Recommendations	<p>That Cabinet delegates authority to the Executive Director of Adult Social Care, Wellbeing and Communities in consultation with the Cabin Member for Adult Social Care Commissioning to:</p> <ol style="list-style-type: none"> 1. Exercise the break clause and end the care contract with Gloucestershire Care Partnership with respect to the provision of residential and nursing care at the following five homes owned by Gloucestershire County Council: <ol style="list-style-type: none"> a) The Coombs (Forest of Dean) b) Rodley House (Forest of Dean) c) Henlow Court (Stroud) d) Grevill House (Cheltenham) e) Paternoster (Cotswolds) 2. Conduct a competitive procurement process in respect of a 7-year framework agreement, with the option to call-off individual contracts for each care home for the supply of residential and nursing care provision 3. Award such Framework Agreement to the preferred tenderer; 4. Award call-off contracts under the framework for the supply of residential and nursing Provision to the five homes listed in recommendation (1) above, for a period of 5 years with

	<p>the option to extend for a further 2 years, whose combined aggregate value shall not exceed £53.9m (excluding contractual inflation, if applicable)</p> <p>5. The Framework Agreement shall make provision to call-off further contracts for the supply of residential and nursing care at additional homes (including new-build homes owned by Gloucestershire County Council and any that are returned to Gloucestershire Council Council) up to a total framework value of of £234 million (excluding contractual inflation, if applicable). Any such additional call-off contracts will be subject to a further Cabinet decision.</p> <p>6. Note that the effect of exercising the break clause with respect to these five homes will not end the contract with our current provider in regard to the provision of care in the remaining four homes:</p> <ul style="list-style-type: none"> a) Millbrook Lodge (Tewkesbury) b) Monkscroft Care Centre (Cheltenham) c) Jubilee Lodge (Cotswolds) d) Chestnut Court (Gloucester)
<p>Reasons for Recommendations</p>	<ul style="list-style-type: none"> a) To ensure the continued provision of residential and nursing care for older people in support of the Council’s duties under the Care Act 2014; b) To ensure that Gloucestershire County Council is actively working to shape the local care market to encourage value for money, high quality local care to meet the projected gaps in current provision, so it more closely fits longer term future need; c) To continue to use the Council’s Estate Strategy to stimulate market shaping in Gloucestershire’s adult health and social care provision.
<p>Resource Implications</p>	<ul style="list-style-type: none"> • The maximum contract value for the procurement of care for the five homes listed under recommendation 1 is estimated to be £7.7 million per annum, (at 23/24 prices) purchasing 163 beds under a block provision. Over the term of the 7-year contract this would be £53.9 million (plus contractual inflation, if applicable), Budget provision for future years inflation will be subject to the council’s annual MTFS process. • The costs associated with the care contracts for these 5 homes are accommodated within existing budgets. • The total anticipated value of the Framework has been calculated to include call-off contracts for any new build homes, or any homes that are returned to Gloucestershire

	<p>County Council and may be for a period of up to 10 years. This figure is estimated to be £234 million (plus contractual inflation) depending on further decisions on the future capacity needed. The care costs will be accommodated within existing budgets and within the future MTFS process.</p> <ul style="list-style-type: none"> • For the avoidance of doubt, the approval sought within this current report is for the delegated authority to procure individual call off contracts for up to 7 years, for the care homes listed in recommendation 1. Whilst provision within the framework agreement can extend to potential future care homes, as per recommendation 5, the award of these call-off contracts will be the subject of future decisions and are not commitments at this stage.
<p>Background Documents</p>	<p>CabinetReportNov23Ninemonthcontractextension1.pdf (gloucestershire.gov.uk) Market Position Statement 2024</p>
<p>Statutory Authority</p>	<p>Care Act 2014</p>
<p>Divisional Councillor(s)</p>	<p>Cllr Rebecca Halifax & Cllr Joe Harris Paternoster House – Cirencester Park & Cirencester Beeches Cllr Carole Allaway-Martin - The Coombs – Coleford Cllr Alan Preest - Rodley House – Lydney Cllr Wendy Thomas - Henlow Court – Dursley Cllr Matt Babbage - Grevill House – Charlton Kings</p>
<p>Officer</p>	<p>Name: Chloe Barnes Tel. no: 01452 328218 Email: chloe.barnes@gloucestershire.gov.uk</p>
<p>Timeline</p>	<p>30th April 2024 Care contract varied – changing the break clause to the 31st of January 2026, instead of the 30th of April 2025, and extending the leases for the homes in line with this until the 31st of January 2026 for the homes:</p> <ul style="list-style-type: none"> • Rodley House • The Coombs • Paternoster • Grevill House • Henlow Court

	<p>15th May 2024 Cabinet Meeting</p> <p>1st June 2024 Issue formal notice to GCP to exercise the break clause and end the care contract with GCP for the homes on the 31st of January 2026:</p> <ul style="list-style-type: none">• Rodley House• The Coombs• Paternoster• Grevill House• Henlow Court <p>1st February 2026 New provider is in place to the five original homes</p> <ul style="list-style-type: none">• Rodley House• The Coombs• Paternoster• Grevill House• Henlow Court
--	---

Background

1. In 2005 Gloucestershire County Council (GCC) entered arrangements with the Gloucester Care Partnership (GCP) for the provision of care services at Council care homes throughout Gloucestershire. The governing document for these arrangements is the Commercial Agreement dated 29 April 2005. A Care Services Contract was entered into between the Council and GCP on the same date as were leases in relation to a number of care homes owned by the Council (the "Original Homes"). A key part of the arrangements was the development of new care homes ("Re-provided Homes"), such that GCP would fund and carry out the development of these Homes, the Council would acquire them, and the income from GCP providing care at the Re-provided Homes would be used to pay down the capital costs. A 40-year lease between the Council as landlord and GCP as care provider was entered into as each Re-provided Home came on stream (some four Homes in all: Millbrook Lodge, Jubilee Lodge, Chestnut Court, and the Monkscroft Care Centre).
2. Note that GCP comprises two partners, the funding partner being Bedfordshire Pilgrims Housing Association (BPHA) and the care provider being the Order of St John Care Trust (OSJCT). OSJ (Order of St John) is the 'senior partner' in the relationship in respect of care homes. GCP sub-contracts the provision of care on a day-to-day basis under the Care Contract to OSJ, while BPHA provided the funding to build the Re-provided Homes.
3. The Commercial Agreement and the Care Contract have been subsequently varied by settlement agreements made by the Council with GCP in April 2018 and December 2019. Under the later of the two settlement agreements, some of the Original Homes were removed from the scope of the arrangements, and the leases for the remaining Original Homes were varied such that the leases terminate on 30th April 2025. The Care Contract was also extended for all homes until 28th April 2040, to enable care to continue to be provided at the Re-provided Homes, consistent with the duration of their leases.
4. The Care Contract was also varied on 25 October 2022 to remove services at some of the Original Homes, leaving five Original Homes: Grevill House, Paternoster, Rodley House, The Coombs, and Henlow Court.
5. The Care Contract can be terminated before the 2040 end date, for one or both categories of Home(s), subject to giving notice and payment of any Unrecovered Capital Expenditure. Care provision to some or all the Original Homes can be terminated on giving twelve months' notice expiring on the twentieth anniversary of the Commencement Date i.e. by serving notice on 30 April 2024 to expire on 30 April 2025, while the notice period for terminating care to Re-provided Homes is twelve months expiring on the twentieth, twenty-fifth or thirtieth anniversary of the issue date of the Acceptance Certificate for that development.
6. Terminating either the Care Contract or the Commercial Agreement triggers termination of the GCP arrangements in their entirety as well as surrender of the associated leases to the Council.
7. The value of any Unrecovered Capital Expenditure in respect of any Home is being confirmed. It comprises any outstanding debt to GCP as at the termination date together with any outstanding monies in relation to minor refurbishments. Outstanding debt (principal plus interest) may be in relation to major refurbishment of a Home or construction costs.
8. To make any decisions on the future of the five original homes beyond the 30th of April 2025, we were required to undertake the work to review and analyse the current capacity of the independent Health & Social Care market and publish the Gloucestershire Market Position Statement, (MPS) 2024.

9. In order to ensure that support remained in place for the residents of these five homes whilst this piece of work was undertaken, the Cabinet agreed in November 2023, to extend the care contract for 9-months, so that OSJCT could continue to provide the residential and nursing services within these Original Homes until a further Cabinet Decision could be made on the future of the homes.
10. Further work on the contract and agreements has highlighted that under the 2019 second settlement the care contract is in place until 2040 for all homes. However, it can be terminated early, under break clauses which are set out in the contract at specific times. One such break clause occurs on 30 April 2025, requiring notice to be served by 30 April 2024. In order to allow time for Cabinet to consider whether it wishes to break the contract, an officer decision was made in consultation with the Cabinet Member for Adult Social Care Commissioning and with the agreement of GCP, to vary the contract to defer that break clause until 31st January 2026 subject to GCC tendering for a new provider for the five homes. That effectively reaches the same outcome as the 9-month extension approved by Cabinet in November 2023.

Gloucestershire County Council’s Portfolio of Homes and Future Provision

11. The nine homes served by the Gloucestershire Care Partnership provide 508 care home beds across the portfolio and, of these, we block purchase 305 beds. This purchase is made in accordance with a district model, so that where there is more than one home in a district/locality, the number of beds purchased is split across the homes. In addition to block purchase of beds, we also purchase 29 intermediate care beds: 15 in one of the Original Homes (Grevill House) and 14 in a Re-provided Home (Jubilee Lodge). These beds are currently used as assessment beds to support hospital discharge.
12. Whilst some of the Original Homes are not able to deliver the more flexible types of accommodation needed to meet the requirements of those with multiple or complex care needs, they can supply more straightforward dementia and nursing provision, where individuals do not require additional staff or equipment. Some of the buildings also have units which could lend themselves to therapy-led care (reablement) in a more flexible way than is possible in the current intermediate care units.

Table 1. Care Home bed provision within the GCP Care Contract.

District	Home	Total Beds (R&N)	Assessment Beds	Number of Beds GCC (60%)
Cheltenham	Grevill	50	15	78
	Monkscroft	80	0	
Forest of Dean	Rodley House	42	0	25
	The Coombs	36	0	22
Cotswolds	Paternoster	40	0	60
	Jubilee Lodge	60	14	
Stroud	Henlow Court	40	0	24
Tewkesbury	Millbrook Lodge	80	0	48
Gloucester	Chestnut Court	80	0	48

13. In addition to the homes that form part of the GCP contract, Gloucestershire County Council also owns Great Western Court. This is currently run in-house and is currently being utilised as a facility for residential bed based reablement. Its future is unaffected by the recommendations within this report, and it is included for completeness only.

Table 2. Care Home bed provision in-house

District	Home	Total Number of Beds
Gloucester	Great Western Court	30

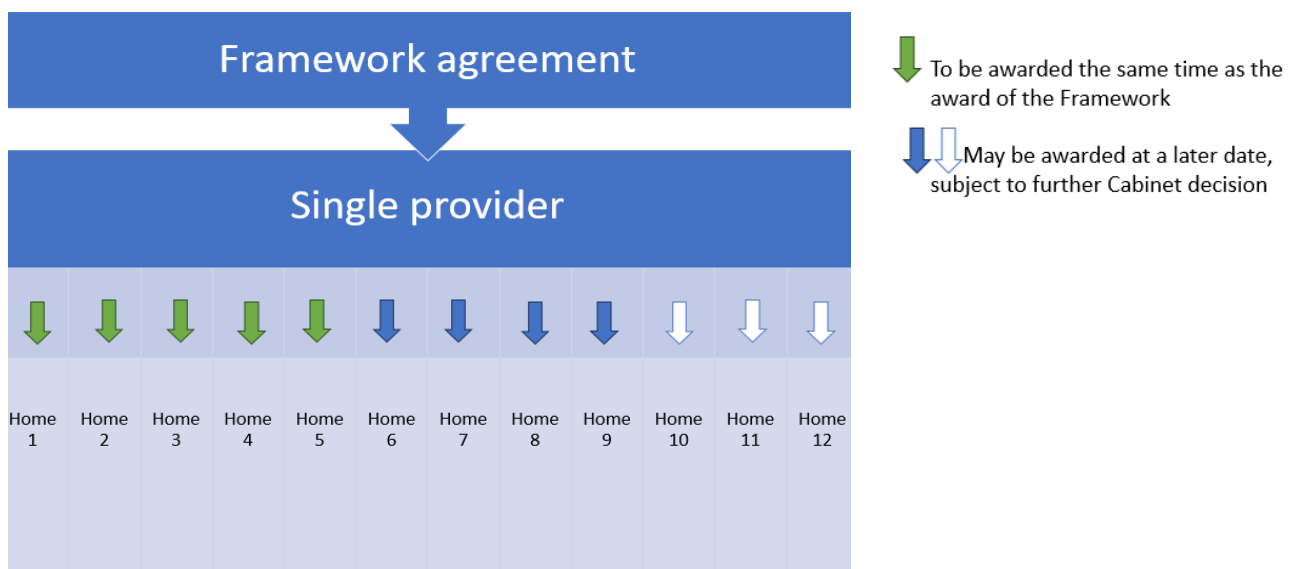
- 14. In addition to our current portfolio of homes outlined in the above tables, the council is committed to adopting an innovative approach to delivering care home beds with the aim of providing value for money, and high-quality local care to meet the projected gaps in current and future provision.
- 15. In June 2022 Cabinet agreed to the development of the business cases to redevelop two identified sites, for new care home facilities, as well as agreement to identify and develop a business case for a third site. These homes will join Gloucestershire's portfolio of homes in due course, subject to the development of the business cases and Cabinet approval.

Table 3. Future Care Home bed provision

District	Site	Total Number of Beds - <i>estimated</i>
New Build 1 - Forest of Dean	Former GIS Site	80
New Build 2 - Stroud	Former Elms Site	80
New Build 3 – To Be Confirmed	Not yet identified	80

- 16. Seeking a new strategic care partner, to work in collaboration with the Council in the delivery of residential and nursing service in properties owned by the Council, will help to enhance the services across Gloucestershire and support us to deliver our vision and desired outcomes as part of our Market Position Statement.
- 17. A single provider framework agreement, with an over-arching framework contract with the provider, would allow us to award a separate call off contract for the provision of care in each home. It would also allow us to award separate contracts for additional care homes in the future, subject to the appropriate decision making by Cabinet. This would allow any homes that are returned to the council or any new builds to join the portfolio of homes with the same care delivery partner if care that we are buying will be the same, such as residential and nursing care.

Table 4. Single provider framework



Market Analysis and Commissioning Trends

18. The Council currently supports 1,142 older people to meet their assessed care needs. Sourcing the right care home placement at a reasonable cost can be challenging and time consuming.
19. We currently purchase approximately 21% of care home placements using our block provider, GCP, and the remaining 79% from the wider market.
20. Gloucestershire has a surplus of basic residential care home beds, but our market analysis highlights a deficit in the number of beds required to meet the needs of individuals living with more complex conditions and advanced dementia. In certain districts there is also insufficient affordable care bed capacity. Despite the Council having a set rate card, independent business providers often ask for rates above those outlined on the rate card. This means the Council and the Integrated Care Board often find it necessary to place individuals in care facilities outside their local communities and frequently outside Gloucestershire.
21. This can result in delays in discharge from hospital, residents being placed out of county, and potential for fee disputes with care homes. Note that high numbers of residents who can afford to self-fund their care, combined with the need to make out of county placements are together driving up prices for the Gloucestershire market, as counties with low or no funded residential provision, such as Gloucestershire, pay higher rates.

Table 5. Care home placements sourced in Gloucestershire for Older People within 2023

	GCP	Non GCP	Total	GCP	Non GCP
D2A	282	218	500	56%	44%
Nursing	109	384	493	22%	78%
Nursing dementia	62	371	433	14%	86%
Residential	91	509	600	15%	85%
Residential dementia	97	928	1,025	9%	91%
Total	641	2,410	3,051	21%	79%

22. The figures in Table 5 above demonstrate that despite some of the Original Homes not providing some of the facilities that we need for the more complex care needs that are emerging, we cannot afford to lose this capacity from the market. Over time, as the shape of the Gloucestershire demographic profile changes, these facilities can flex to meet the demands for care services other than nursing or dementia.
23. Some of the smaller Original Homes in the GCP arrangements would lend themselves to supporting shared care facilities for adults of working age or to supplying intermediate care services for reablement and rehabilitation. In the meantime, they continue to supply care for those that do not require additional staff or equipment in the delivery of their care.

Market Engagement

24. To understand the interest of potential new or alternative providers wishing to work as Gloucestershire’s strategic partner in delivering residential and nursing care services, we undertook soft market testing. Appendix 1 provides an overview of the questions providers were asked to complete.
25. We received initial expressions of interests and informal discussions were held with a number of these providers, to help us establish a wider understanding of the changing demographics of the county, the changing nature of care, and the level of complexity required in future residential provision.

26. These informal discussions were positive, and Appendix 2 provides an overview of the discussions and demonstrates the potential for an alternative strategic care partner for Gloucestershire.

Options

Option 1: Do nothing

27. If the council did not take any action the leases for the five original homes would end in April 2025, and the care contract would continue until 2040 in all nine homes and would not align.

Option 2: Exercise the break clause and give notice on the care contract for the five Original Homes in January 2026, and also give notice to terminate the care contract in the four re-provided homes, which would trigger surrender of the leases and deliver in-house care services such that GCC (Gloucestershire County Council) becomes the care delivery partner post January 2026 for all nine homes, while retaining BPHA as the funder partner for the four Re-provided Homes.

28. The four Re-provided Homes still have outstanding loans to BPHA under the Commercial Agreement. An estimated £7 million of capital costs are outstanding per Re-provided Home); if BPHA were retained as the funder and manager GCC could continue paying down the loans through the revenue generated by rate card charges. It would also mean that Unrecovered Capital Expenditure would not be payable to GCP, subject to this arrangement being acceptable to both partners of GCP (OSJCT & BPHA).
29. The timing of serving of notice to terminate the care contract is a critical issue for any of the options involving termination of the care contract. As noted above, termination of the care to the Original Homes involves serving notice to terminate on the 31st of January 2026. The timing of serving notice in respect of the Re-provided Homes depends on when the Acceptance Certificate for the home was issued, since the notice period is twelve months expiring on the twentieth, twenty-fifth or thirtieth anniversary of the issue date i.e. on or around April 2025 or 2030, depending on the Home.
30. Assuming the care contract can be terminated on notice for the majority of the nine homes effective on 30 April 2025, with GCP care provision at some of the Re-provided Homes terminating by April 2030, this does not give GCC sufficient time in which to procure and on-board a new provider. This option, whereby services are taken in house, avoids the procurement risk, but creates issues such as pension provision, recruitment, and mobilisation of staff.

Option 3: Exercise the break clause and give notice on the care contract for the five Original Homes in January 2026, and also give notice to terminate the care contract in the four re-provided homes, which would trigger surrender of the leases and run a tender exercise for a framework agreement to seek a new care delivery partner for all nine homes while retaining BPHA to provide Facilities Management for the four re-provided homes.

31. This option requires BPHA to work with a new care partner. BPHA and care provider OSJCT have other care partnerships with other local authorities. However, BPHA has no other interests in care homes apart from their arrangements with OSJCT. Further terminating the Care Contract triggers GCC's obligation to pay Unrecovered Capital Expenditure as discussed in option 2 above, should parties not agree for BPHA to remain at the funder for the re-provided homes.

32. A new care delivery partner has the potential in supporting GCC to upskill staff in the delivery of care within the homes. A new care specification with the expectation that a new provider would be delivering more nursing, and specialist care provision, would enhance the market, given that we currently struggle to procure such placements in a timely manner.
33. The leases for the five Original Homes terminate on the 30 April 2025, as will the care contract for these Homes provided twelve months' notice to terminate is served in accordance with the contract provisions. Similarly, the care contract for the Re-provided Homes can be terminated by serving the correct notice. To have sufficient time to procure a new provider, ideally the new provision would not start until January 2026.
34. Regarding the outstanding c. £28 million debt in respect of the four Re-provided Homes, this could either remain funded by BPHA (subject to its agreement), be transferred to the new provider (which would affect the marketability of the new contract), or be funded by GCC entering into an agreement with a third-party funder. There would be a cost in transferring the debt, so, subject to confirmation, it is likely that the best solution would be to retain GCP/BPHA as the funder. Whatever funding solution is adopted, GCC would continue funding repayments via the rate card charges.

Option 4: To extend the leases for the Original Homes for three years with GCP, with the option to extend for a further 2 years.

35. This would involve re-granting the Original Homes leases for a further three year term with the option to extend it by an additional two years. The care contract would need to be varied to allow GCC to terminate the provision of services at the Original Homes in line with the revised leases.
36. OSJ (Order of St John) has indicated to GCC that keeping GCP as the provider of care for the five Original Homes would require payment of an additional £819,000 per annum. This additional level of fees would be without the benefit of any change to the current care service specification.

Option 5: Exercise the break clause and give notice on the care contract for the five Original Homes in January 2026, and procure a new care partner to take over the care provision. Provision of care by GCP to the four Re-provided Homes would continue until the expiry of each lease or a break clause is exercised.

37. The care contract for the four re-provided homes with GCP would be varied to upskill the services to an enhanced Residential and Nursing Specification.
38. The care contract for GCP would need to be varied to also terminate in line with termination of the leases. In both instances GCP will need to agree to take the steps needed for GCC to re-provision care at all the Original Homes.
39. This option gives GCC the opportunity to change its offer within its block contract with a new provider offering innovative ideas, visions, and strategic direction. A new provider with improved recruitment and retention strategies providing Gloucestershire with a more sustainable care workforce. It also supports the GCC strategy for developing a sustainable care market, of providers through offering the security of longer-term block contracts.
40. A new care contract will be awarded under a single provider framework agreement, with an overarching framework contract with the provider. This will allow call-off contracts to be awarded

to the provider, for the five homes, and will enable the Council to procure care from the same provider for any homes that are owned by GCC and are returned to the council, and any new build homes that will join the portfolio of council owned care homes.

41. GCP is required to co-operate in the provision of information for re-tendering purposes of the five original homes, assist in service handover including assignment of relevant contracts and equipment and other leases, asset and TUPE transfer of staff as detailed in the care contract.

Risks

42. Under the Gloucestershire Care Partnership arrangement, GCP has the right to be paid any Unrecovered Capital Expenditure on termination of all or part of the Care Contract before its expiry, even if the Council exercises its right to terminate part of the Contract early.
43. Any option that requires BPHA to operate as a funder independent of GCP may not be viewed favourably by GCP/OSJ.
44. If GCP/OSJ does not agree to an option, particularly where the Re-provided Homes are within the scope of that option, there is a risk of relationship breakdown, recognising that GCC does still commission a percentage of beds across OSJ's three private homes in Gloucestershire and OSJ have indicated that they would wish to continue providing care in the re-provided homes.
45. With no change to service specifications in the original homes, there is a risk of low occupancy within the homes, increasing the risk of vacant beds in addition to needing to spot purchase other beds from the rest of the market.
46. There is also a risk, that if we do not transform the service specifications within the Original Homes, that there will a deficit of the types of care beds we require to support the demand.
47. The provider market could continue to feel there are no or few opportunities to work more closely with the Council in the longer-term delivery of services which is damaging to existing relationships and GCC's reputation.

Financial implications

48. The financial cost implications for the tender of the five homes will be accommodated from existing budgets – subject to annual inflationary uplifts through the MTFs process. The block provision in these homes for the residential and nursing services is already funded by the council, and the Integrated Care Board (ICB).
49. The contract value for the procurement of the five original homes, is estimated to be £7.7 million per annum. Therefore, over the term of the 7-year contracts would cost £53.9 million. If any other GCC owned care homes are returned to the council and should the associated care contracts be called off the framework agreement, this would add an additional £9.7 million per annum to the contract value which would be accommodated within existing budgets.
50. Subject to the successful approval of the business cases and the development of three new build care homes and should the associated care contracts be called off the framework agreement, this would add an additional £7.1 - £8.3 million per annum (depending on a final decision on the capacity needed) to the contract value. Such call-off contracts will be subject to further decisions by Cabinet, which will give full consideration to the financial implications at that time.
51. The total anticipated value of the Framework has been calculated to include call-off contracts for any new build homes, or any homes that are returned to Gloucestershire County Council, and

may be for a period of up to 10 years. This figure is estimated to be £234 million (plus contractual inflation) depending on further decisions on the future capacity needed. The care costs will be accommodated within existing budgets and within the future MTFS process.

52. For the avoidance of doubt, the approval sought within this current report is for the delegated authority to procure individual call off contracts for up to 7 years, for the care homes listed in recommendation 1. Whilst provision within the framework agreement can extend to potential future care homes as per recommendation 5, the award of these call off contracts will be the subject of future decisions and are not commitments at this stage.
53. The leases for the five original homes extended for 9 months to take us to January 2026, and the deferral of the break clause means that care will continue to be delivered by GCP in the Original Homes until January 2026 and this is estimated to be £5 million as outlined in the November 2023 Cabinet Report and will be covered by existing budgets.

Climate Change and Ecological implications

54. The five original care home premises were not built with energy efficiency in mind, however there is much that can be done to make buildings more energy efficient and we would expect any new provider to work towards doing so.
55. We would expect any new provider to recruit staff in a way that minimises the impact on the climate and recruiting locally helps to minimise travel time and fuel usage.
56. We will be looking for providers whose ethos is to ensure health and social care uses resources in ways that doesn't prejudice future health and wellbeing.
57. Has the Climate Impact Assessment Tool (CIAT) been completed? No
58. Has an Ecological Impact Assessment (EclA) been produced, or will one be undertaken at a later stage? Yes – at a later stage.

Equality implications

59. An Equality Impact Assessment has been prepared and accompanies this report.
60. 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

61. A DPIA checklist has been completed and indicates that due to the large volume of personal data that will be required to be processed, a DPIA is a legal requirement.

Social value implications

62. A tender for a new provider for the original homes will allow us to design the specification and the procurement to ensure we seek a provider that offers the best social value for money, with effective measures to manage:
- I. An effective workforce, with considerations for physical, mental health and wellbeing
 - II. Deliver additional environmental benefits, including working towards zero greenhouse emissions.
 - III. collaboration and engagement with local communities, and users of the services.

63. Any procurement undertaken to deliver the programme will include social value as one of the criteria that will be considered when evaluating tender submissions and will be worth a minimum of 15% of the evaluation score. GCC is committed to a performance and evidence-based approach to Social Value. Based on the National TOMs (Themes, Outcomes and Measures) that the council uses to evaluate social value, tenderers will be required to propose credible targets against which their performance will be monitored in contract delivery.

Consultation feedback

64. There has not been any formal consultation at this stage, however we would engage with residents and their representatives to inform them of any decisions made and provide reassurances for the future of their care.

65. We would also work in collaboration with GCP, to engage with staff employed at the homes to again provide reassurances for the future of their employment.

Officer recommendations

66. **Option 5 is the recommended option**; it provides us with enough residential and nursing beds within the county to support the current demand. It provides the best value for money, mitigating the risk of having to pay an estimated £16 million in compensation to GCP to terminate the care contract for the four Re-provided Homes, leaving the contract to run with GCP with the options to terminate at the relevant break clauses.

67. It also mitigates the risk of us paying an increased price for beds within the Original Homes, without the upskilling of the services they can provide. It allows us time to work with GCP on the four Re-provided Homes to vary the contract to enable the delivery of a more enhanced service within these Homes to better meet the needs of more complex residents.

68. It supports us to focus on a tender for the five Original Homes to find a new care provider to change delivery in these Homes, pay a fair cost for the care, ensure capacity to meet the needs of Gloucestershire and reduce void costs. A new provider will bring new vision and ideas for the services.. As outlined in Appendix 2 soft market testing has identified alternative providers who are achieving the best outcomes for individuals whilst investing in the development of their workforce, ensuring staff retention and an upskilled employee base.

69. GCP continuing under the contract for the four Re-provided Homes and a new provider taking over the operational running of the five Original Homes will provide individuals the choice and diversity that different organisations bring when care is funded by the local authority, ICB or privately. It allows GCC and another care provider the opportunity to work together in collaboration, to explore the benefits of different care and business models across the county.

Performance management/follow-up

70. Performance mechanisms would be built into any contracts or variations of contracts, with specific reporting requirements for providers, and built in regular review meetings to ensure the contract utilisation is of optimum efficiency.

71. Contract management processes will also be in place, to review the operational running of the homes, and the overall quality of service provisions.

Appendix 1.

Market Engagement- Strategic Partnerships Care Homes

As a local authority, with statutory responsibilities under the Care Act 2014, we are keen to understand the current Health and Social Care Market in Gloucestershire, as we work towards the publication of our Market Position Statement in 2024.

We also want to understand and gauge the interest of providers, who may wish to work more closely with Gloucestershire County Council, as a Strategic Partner in the delivery of Residential and Nursing care services for Older People.

Are you already a Care Home provider operating in Gloucestershire, supporting older people?

How many properties do you own, or operate from in Gloucestershire?

Which localities are these homes in?

- a. Cheltenham
- b. Cotswolds
- c. Gloucester
- d. Forest of Dean
- e. Stroud

Categories of Care these homes can support:

- Nursing
- Nursing Dementia
- Residential
- Residential Dementia
- Mental Health

Do you routinely accept the Gloucestershire County Council, and CHC (Continuing Healthcare) rate cards?

Yes/No

Do you operate Care Homes in areas other than Gloucestershire?

Yes/No

Would you be interested in working with Gloucestershire County Council, as a Strategic Partner to operate homes in Partnership?

If you would welcome an informal discussion, please enter your details below and one of our Project Management Team will contact you to arrange this.

Name:

Telephone Number:

Provider (optional):

Appendix 2.

Market Engagement Informal Discussions

1. Number of properties currently operating and in which area:

- All the providers which showed interest in the Market Engagement exercise were already operating in the south west region, and many already had homes that they were operating in Gloucestershire.
- The number of properties already operated by providers varied, with a range from 6 properties to 130.

2. What is your current model of care?

- Providers told us that they were operating a mix of Residential, Residential Dementia and Nursing care either across a dual registered home, or Residential only.
- Some were also operating other care facilities such as extra care, support living, and more specialist units including reablement units, ABI (Acquired Brain Injury) units and mental health units.
- There was a mixed response, with some providers stating that they had a fixed model of care across their organisations, where others mentioned that each model was tailored differently.

3. Gloucestershire is a large county with both rural and urban areas. How would you adapt your current model to meet the demographic profiles?

- The majority of providers told us that they were already operating homes in both rural and urban areas and explain how models are adapted to be best delivered in line with things such as the build of the homes, for example secure units which are best used for specialist dementia care or more peaceful locations are best used for more end of life and palliative care.
- Providers also told us that there was a mix of properties that they held within their portfolios which some being newer purpose-built facilities and others that were houses that have been converted into care homes.
- They also said it was crucial in the planning of locations of homes, to ensure that there is senior management structure and support that is efficient and viable across a portfolio of homes in a similar location.

4. Please can you outline your strategies for recruitment and retention?

- Providers told us that recruiting locally was important, and the links that they have with local schools, and colleges to raise the profile of jobs in health and social care.
- Most of the providers said that they had a HR department who are dedicated to manage the recruitment processes and the retention of staffing within the homes.
- Some told us that they had international recruitment programmes, and sponsorship licences for overseas staff with the offer of accommodation to support them.

- Providers also said that they recognise the need for career progression and supported internal promotion, and the offer of training courses and apprenticeship programmes to attract staff to the role and support them to gain the relevant skills to progress in the company.
- Pay for staff was something that providers told us is important in retention and tried to offer competitive rates which could vary across homes, and counties. As well as other benefits for staff that are based on rates of pay.

5. Understanding that organisations are often reliant on both local authority funded placements and private, can you outline your current business model?

- Most of the providers were operating a mixed model of both publicly funded care, and private. With the ratios being different across the different homes that they are operating.
- Some providers told us that they were operating a model where most of their placements were local authority funded with long-term block contracts, and others told us that they had homes they were solely for privately funded residents.

6. The number of homes you have expressed an interest in operating, is this a maximum/minimum number?

- The majority of providers were willing to consider a different number of homes to operate in partnership with the council, although many mentioned considering the economies of scale and enough homes may be needed to cover HR, and senior colleague resources required to be financially viable.
- Providers also mentioned that the length of the contracts would also be something they would need to consider. However, many mentioned that as organisations they are looking to grow their current portfolio of homes and enter strategic partnerships with local authorities.