

RESIDENTIAL CARE PLACEMENTS – CONTRACTUAL ARRANGEMENTS

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide an overview of the current national residential care commissioning and procurement arrangements available to the Council. This covers care groups supported by both Adult and Children and Families Services. Changes in the membership of CoSLA and indications by other members that they may wish to conduct direct contract negotiations with providers has prompted consideration of the future of national care contracts and joint care procurement arrangements in general. The paper considers these risks and indicates the options that may be pursued by the Council if these risks are realised.
- 1.2 The Report recommends that the Community Services Committee:
 - a) note the information contained in the report relating to the procurement of care services through national framework contracts
 - b) support retention of the National Care Home Contract (NCHC) model, as the preferred option, for future commissioning of older people's residential and nursing care.
 - c) If the option of the NCHC is not available, the Council should consider options for collaborative commissioning with other bodies.
 - d) agree the Council should continue to utilise existing Scotland Excel national agreements wherever possible.
 - e) agree the Council should continue to support the development of Scotland Excel's additional national framework agreements.

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2.0 INTRODUCTION

- 2.1 Social Work Services have a requirement to commission residential care services for a range of care groups, across both adults and children and families services. Given the specialist nature of some services, many are located out with the Council area and provided by the third and independent sectors.

The Procurement and Commissioning Team facilitate this commissioning through a range of formal, contractual arrangements. A number of the national level contracts are facilitated through joint contract negotiation by CoSLA on behalf of all local authorities or through Scotland Excel.

Changes in the membership of CoSLA and indications by other members that they may wish to conduct direct contract negotiations with providers has provided for a consideration on the future of national care contracts and joint care procurement arrangements in general.

3.0 RECOMMENDATIONS

It is recommended that the Community Services Committee:

- a) note the information contained in the report relating to the procurement of care services through national framework contracts
- b) support retention of the National Care Home Contract (NCHC) model, as the preferred option, for future commissioning of older peoples residential and nursing care.
- c) If the option of the NCHC is not available, the Council should consider options for collaborative commissioning with other bodies.
- d) agree the Council should continue to utilise existing Scotland Excel national agreements wherever possible.
- e) agree the Council should continue to support the development of Scotland Excel's additional national framework agreements.

4.0 DETAIL

- 4.1 With the exception of older people, Argyll and Bute, as a relatively small council, does not generate sufficient demand for residential care, from other client

groups, to attract service providers to the area. As a result, there are only a small number of residential care providers offering a service to other client groups. For the same reason there are no specialist residential care providers.

4.2 National Care Home Contract (NCHC)

There are currently 15 private older person's care homes in Argyll and Bute, run by 13 operators. Since 2006/07 Scottish Councils have used the National Care Home Contract (NCHC) to make placements in independent care homes. The contract was negotiated, jointly, between CoSLA and Scottish Care, the representative body for independent operators.

The NCHC has worked well, in Argyll and Bute, for both the Council and care home operators; promoting genuine partnership working and bringing greater stability to the sector. However, the present situation within Cosla means that there is a risk of the national framework folding and an alternative means of contracting may be required in advance of April 2015.

4.3 If the NCHC was to fold all Councils would be in the same position; as such we would have 2 options.

1. Go it alone
2. Collaborate with one or more authorities.

1. Go it alone:

If Argyll and Bute Council were to make our own arrangements, it would make sense to retain the NCHC template rather than start from scratch. Given the good relationship with the majority of our operators, it isn't expected that there would be resistance to this. However, there is always the possibility that one or more of them may exploit this opportunity to seek more beneficial terms. Another unknown factor is the response from Scottish Care. Scottish Care members might, individually or collectively support members' ambitions for radical change. Rejection, of a single negotiated agreement for all operators, would have significant resource implications for the Council's Commissioning Service in terms of conducting 13 separate negotiations. The major risk, in this situation, could be a period of instability within the local market.

Worst case scenario could entail an impasse, where one or more operators decline new placements or require relocation of existing residents, unless their demands are met. If only for purely financial reasons and self-preservation, it is unlikely that the providers in Argyll & Bute would take such a position.

2. Collaborate with one or more authorities.

The most favoured response, indicated by the Commissioning Teams nationally, will be for Councils to create new collaborative agreements; again, based on the NCHC. The Council's most obvious options, locally, would be Inverclyde, Highland and West Dunbartonshire Councils however, indications are that the vast majority of Councils would want something nearer a national framework organised via Scotland Excel.

- 4.4 The Council has, previously, supported the development of various other national framework agreements, including residential care for other client groups. This has brought benefits in terms of standardising contractual terms, conditions, management and monitoring for a wide range of providers, supporting a variety of client groups. Access to these national agreements augments the Council's own commissioning and contracting activity.

The CoSLA National Care Home Contract above is one example, with Scotland Excel's Children's Secure Care being another.

Details of the contractual arrangements for other externally commissioned residential care, by client group are provided in the Appendices to this report. Any decisions by local authorities to secede from these national framework arrangements would provide the same challenges for the Council as outlined for the NCHC.

5.0 CONCLUSION

- 5.1 At this time there is no clarity as to whether the NCHC framework contract negotiated via CoSLA will terminate. Service Access, to existing national frameworks, has been beneficial to the Council. Discussions at national forums would indicate there continues to be an appetite for local authorities working together on joint commissioning and procurement of services across most of the authority areas. The Council's Commissioning have indicated that local, regional or national arrangements can be introduced but each would have a differing level of risk and require a differing level of resource to administer.

6.0 IMPLICATIONS

- 6.1 Policy: continuation of the Council's previous position
- 6.2 Financial: Possibility of efficiencies from collaborative commissioning however there are financial risks associated with the termination of national level care contracts
- 6.3 Legal: All commissioning arrangements will be in compliance with relevant procurement legislation and regulation.
- 6.4 HR: None
- 6.5 Equalities: None
- 6.6 Risk: There are financial, legal and operational risks associated with the potential termination of national care contract arrangements.
- 6.7 Customer Service: None

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APPENDICES

Appendix 1: Breakdown of Social Work Services Residential Care Placements

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CLIENT GROUP	PLACEMENTS	FEES RANGE	CONTRACT
OLDER PEOPLE RESIDENTIAL/NURSING CARE (ABC)	263	£400 - £590 pw	NCHC/Individual Placement Contract (INDIVIDUAL PLACEMENT CONTRACT)
OLDER PEOPLE RESIDENTIAL/NURSING CARE (EXTERNAL)	74	£400 - £590 pw	NCHC/Individual Placement Contract (INDIVIDUAL PLACEMENT CONTRACT)
ADULT LEARNING DISABILITY (ABC)	1	£1575 pw	ABC Pre placement contract & (INDIVIDUAL PLACEMENT CONTRACT)
ADULT LEARNING DISABILITY (EXTERNAL)	33	£900 - £1400 pw	ABC Pre placement contract & (INDIVIDUAL PLACEMENT CONTRACT)
ADULT PHYSICAL DISABILITY (ABC)	0	N/A	N/A
ADULT PHYSICAL DISABILITY EXTERNAL	2	£900 - £1400 pw	ABC Pre placement contract & (INDIVIDUAL PLACEMENT CONTRACT)

CLIENT GROUP	PLACEMENTS	FEES RANGE	CONTRACT
ADULT MENTAL HEALTH (ABC)	1	£500 pw	ABC Pre placement contract & INDIVIDUAL PLACEMENT CONTRACT
ADULT MENTAL HEALTH (EXTERNAL)	1	£2300 pw	ABC Pre placement contract & INDIVIDUAL PLACEMENT CONTRACT
CHILDREN & FAMILIES SOCIAL, EMOTIONAL, BEHAVIOURAL, (ABC)	N/A	N/A	N/A
CHILDREN & FAMILIES SOCIAL, EMOTIONAL, BEHAVIOURAL, (EXTERNAL)	7	£2000 - £5000 pw	ABC Pre placement contract & (INDIVIDUAL PLACEMENT CONTRACT)
CHILDREN & FAMILIES CHILDREN AFFECTED BY DISABILITY, (ABC)	N/A	N/A	N/A
CHILDREN & FAMILIES CHILDREN AFFECTED BY DISABILITY, (EXTERNAL)	8	£1200 - £3500 pw	ABC Pre placement contract & INDIVIDUAL PLACEMENT CONTRACT