

Cabinet Meeting on Wednesday 20 March 2024

Extension to the Dynamic Purchasing System Agreement for the supply of Residential and Nursing Care home placements



Councillor Mike Wilcox, Cabinet Member for Health and Care said,

“Ensuring timely access to care home placements, for people who can no longer be safely supported to live independently, is an essential part of ensuring the health and well-being of some of our most vulnerable citizens.

Having a care home market, which is contracted with the Council, ensures quality of care and capacity is available to meet the needs of the people we support.”

Report Summary:

Staffordshire County Council currently supports 3,392 adults to manage their assessed eligible social care needs in a care home. The Council procures these placements using a Dynamic Purchasing System (DPS).

The Council is developing a new commissioning model for care homes, including a new contract, new arrangements for procurement and a sustainable pricing strategy.

An extension of DPS to September 2025 will allow time for the new commissioning model to be finalised and implemented.

Recommendations

I recommend that Cabinet:

- a. Approve an extension to the Council’s Dynamic Purchasing System for adult care home placements.
- b. Note that a new commissioning model for care homes is in the final stages of development and ask that this be brought to Cabinet for consideration in summer 2024.

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Recommendations of the Cabinet Member for Health and Care

I recommend that Cabinet:

- a. Approve an extension to the Council's Dynamic Purchasing System for adult care home placements.
- b. Note that a new commissioning model for care homes is in the final stages of development and ask that this be brought to Cabinet for consideration in summer 2024.

Local Member Interest:

N/A

Report of the Director for Health and Care

Reasons for Recommendations:

1. The Council has a statutory duty to meet the needs of people who are assessed as eligible for care and support under the Care Act 2014. If an eligible person is identified as having care needs that require residential or nursing care, the Council will meet those needs by commissioning a care home placement, subject to the Council's charging policy.
2. The Council's strategic objectives for commissioning residential and nursing care are:
 - a. Improve the quality-of-care homes in Staffordshire.
 - b. Ensure timely access to care home placements when required.
 - c. Ensure a fair cost for care home placements that ensures the sustainability for the market, value for money for taxpayers, and a balanced budget.

Background

3. The Council currently supports 3,372 adults to manage their assessed eligible social care needs in a care home as shown in Table 1. There are 221 care homes on the DPS in Staffordshire, with a total of 8,149 beds.

The remaining beds in county are commissioned by the NHS, other local authorities, or occupied by self-funders.

Table 1: Council funded care home placements numbers (January 2024)

Location	In county	Out of county	Total
Older people	2291	441	2732
Physical disability	98	53	151
Learning disability	244	157	401
Adult mental health	61	27	88
Total	2694	678	3372

4. Care homes are regulated and rated by the Care Quality Commission (CQC). Currently 73% of nursing homes and 78% of residential homes in Staffordshire are rated by the CQC as 'outstanding' or 'good', compared to the England averages of 78% for nursing homes and 82% for residential homes.

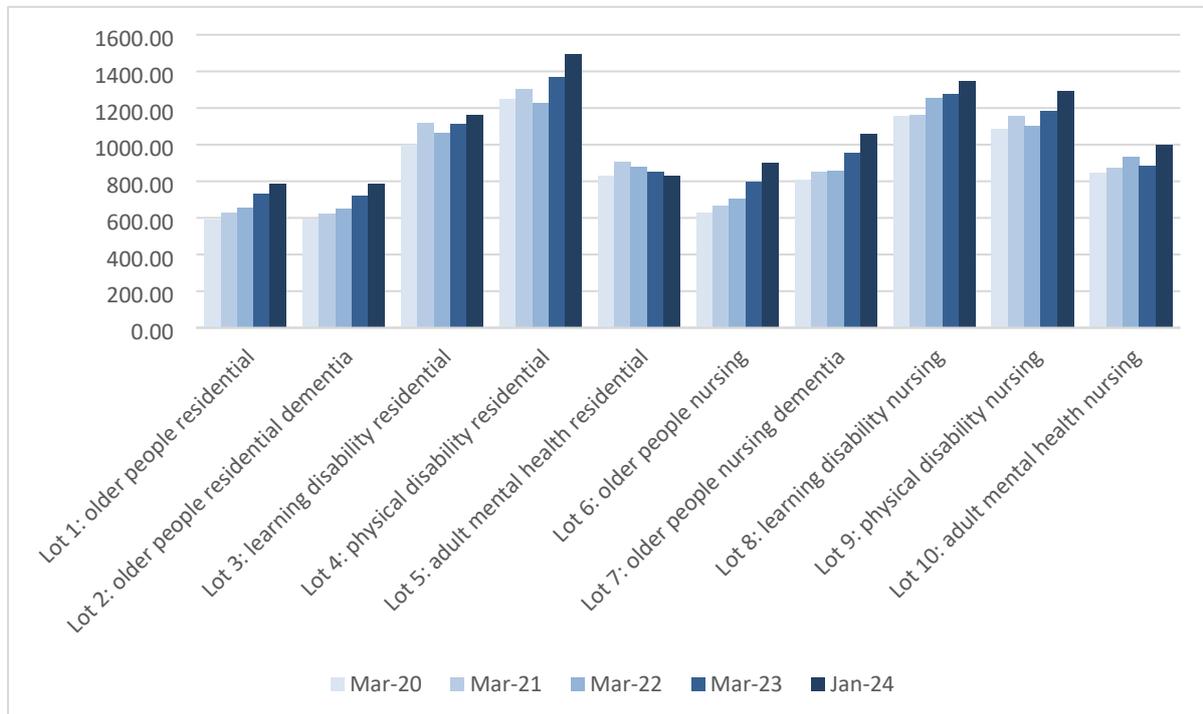
5. Timeliness of sourcing care home placements is currently good with most lots within the target of 75% sourced to timescales in recent months, as shown in Table 2.

Table 2: timeliness of sourcing Council funded care home placements (% within target timescales)

Sourced YYYY MM	Lot 1: older people residential	Lot 2: older people residential dementia	Lot 3: learning disability residential	Lot 4: physical disability residential	Lot 5: adult mental health residential	Lot 6: older people nursing	Lot 7: older people nursing dementia	Lot 8: learning disability nursing	Lot 9: physical disability nursing	Lot 10: adult mental health nursing	Total
2022 08	77.5%	75.2%	75.0%	33.3%	50.0%	48.1%	51.2%	100.0%	50.0%	100.0%	67.1%
2022 09	66.7%	66.7%	100.0%	58.3%	0.0%	56.5%	44.0%	0.0%	0.0%	0.0%	59.0%
2022 10	57.1%	76.1%	100.0%	28.6%	83.3%	71.9%	63.6%	0.0%	0.0%	28.6%	67.6%
2022 11	64.2%	71.7%	66.7%	83.3%	60.0%	72.2%	67.3%	66.7%	0.0%	33.3%	68.8%
2022 12	88.1%	77.0%	100.0%	75.0%	100.0%	89.3%	72.4%	71.4%		75.0%	80.6%
2023 01	81.8%	91.0%		87.5%	75.0%	96.8%	89.8%	0.0%		40.0%	88.0%
2023 02	97.6%	88.9%	100.0%	50.0%		76.7%	85.9%			50.0%	87.1%
2023 03	89.2%	84.3%	40.0%	90.9%	60.0%	89.6%	80.6%	80.0%		100.0%	84.3%
2023 04	96.8%	85.9%	50.0%	80.0%	66.7%	76.9%	79.2%	40.0%		60.0%	81.7%
2023 05	80.0%	86.9%	100.0%	75.0%	20.0%	59.0%	87.7%	100.0%	0.0%	57.1%	80.0%
2023 06	90.6%	87.5%	83.3%	84.6%	88.9%	81.3%	78.6%	100.0%		40.0%	84.6%
2023 07	82.4%	89.9%	100.0%	87.5%	71.4%	96.4%	77.0%	100.0%	100.0%	66.7%	85.5%
2023 08	95.9%	93.4%	60.0%	85.7%	85.7%	94.4%	83.3%	0.0%	100.0%	50.0%	89.7%
2023 09	89.5%	93.4%	60.0%	94.7%	57.1%	95.5%	86.4%	83.3%	0.0%	50.0%	88.8%
2023 10	93.6%	95.4%	100.0%	93.1%	66.7%	86.8%	88.6%	100.0%	0.0%	50.0%	91.1%
2023 11	95.6%	95.0%	100.0%	85.0%	90.0%	88.5%	98.4%	50.0%	100.0%	60.0%	93.4%
2023 12	97.6%	91.4%	100.0%	81.8%	83.3%	90.0%	87.0%	100.0%		75.0%	90.0%
2024 01	82.1%	90.7%	100.0%	76.9%	70.0%	95.2%	87.9%	100.0%	100.0%	83.3%	87.7%
Total	84.7%	85.6%	81.0%	80.0%	71.6%	81.4%	79.8%	63.3%	53.8%	57.1%	82.3%

6. The average cost of care home placements is rising as a consequence of planned fee uplifts as well as unplanned fee uplifts for older people's placements as the cost of new placements exceeds the cost of placements ending, as shown in Table 3.

Table 3: Council funded care home placements mean gross weekly cost (£)



Dynamic Purchasing System

7. The vast majority of adult care home placements are made through the Dynamic Purchasing System (DPS). The DPS allows the Council to procure services from a list of pre-approved providers on pre-set contract terms. The DPS allows new providers to join at any point during its duration following the approval of a successful bid. This is important for care homes as it means that new and out of county care homes can join the DPS and bid as and when new placements are advertised. The DPS runs until 31 March 2024.

8. The DPS is used for:

- a. **Individual Placements.** These are made for each new person requiring care with bids from care homes evaluated competitively based on quality and cost. Most placements are made through this route.
- b. **Blocked Booked Beds.** These are contracts with a care home for a fixed number of beds at set rates, these placements are also made through the DPS. There are now 379 beds contracted across the Block Booked Beds agreements. Of these, 257 are live and in payment, with 248 of these filled.

9. The Council is developing a care home commissioning plan to meet the strategic objectives for commissioning residential and nursing care. It will include a new contract, new arrangements for procurement and a sustainable pricing strategy. The expectation is that this will be brought to Cabinet for consideration in summer 2024 and if approved would be implemented between 01 April and 01 October 2025. The recommendation therefore is that Cabinet approve an extension to the DPS until 30 September 2025.
10. During the extension period the Council would:
 - a. Continue to increase the number of Block Booked Beds and ensure that they are fully utilised to achieve the savings required in the Medium-Term Financial Strategy.
 - b. Review the IT platform used to advertise and bid for placements and make improvements where possible.
 - c. Implement an electronic system to track bed availability across commissioned providers.

Engagement

11. The Council commissioned Healthwatch Staffordshire in 2023 to complete an engagement exercise with the aim of establishing priorities and good practice for care home residents, their carers/families and staff to inform the care home commissioning plan. The exercise focused on long-term care home residents who were wholly or partially funded by the Council and covered a range of districts, ages, and disabilities/care needs. The exercise reached 406 people, of which 290 were residents and their carers/families and 116 were staff. Key themes identified included caring and friendly staff, high standards of personal care, good variety of food, welcoming environments, keeping in touch with family and friends, and access to health care.
12. The Council has recently completed a range of care home provider engagement events. The key themes identified will also support development of the care home commissioning plan.

Legal Implications

13. The recommendations within this report take account of the Council's internal Procurement Regulations and Financial Regulations and the Public Contract Regulations 2015.

Resource and Value for Money Implications

14. The expected gross expenditure on care home placements for 2023/24 is £201M. Extension of the DPS will allow ongoing competitive process

for making individual care home placements to support best value, as well as allowing the block booked bed base to be expanded.

Climate Change Implications

15. During the extension period, of the DPS, the Council will engage with providers to understand their current approaches to reducing carbon footprints and sustainability, and how the Council can support them to reduce the climate impact of their business activity.

List of Background Documents/Appendices:

Background Documents

- Strategic Review of the Care Home Market in Staffordshire 2021
[Cabinet Report Template \(Compliant\) \(staffordshire.gov.uk\)](https://staffordshire.gov.uk)
- Market sustainability and fair cost of care fund 2022 to 2023
Appendices
[Market sustainability and fair cost of care fund 2022 to 2023: guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk)
- Older People SC Commissioning Strategy 2024-2029
[Cabinet Report \(staffordshire.gov.uk\)](https://staffordshire.gov.uk)
- Development of Additional Nursing Home Capacity for Older People **Paper Exempt:** [Decision - Development of Additional Nursing Home Capacity for Older People - Staffordshire County Council](#)
- Community Impact Assessment

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