



Report of: Executive Member for Health and Social Care

Meeting of:	Date:	Ward(s):
Executive	25 April 2019	All

Delete as appropriate	Exempt	Non-exempt
------------------------------	---------------	-------------------

SUBJECT: Contract Variation for the provision of care home services at St Anne's care home, 60 Durham Road with Blackberry Hill Limited

1. Synopsis

- 1.1 This report seeks approval for a formal variation in respect of the contract for the provision of care home services at St Anne's care home.
- 1.2 This contract commenced on 30 November 2014 for an initial period of 5 years and with the ability to extend by up to two further periods of 5 years each. The contract is for the provision of care home accommodation and support for those requiring either Residential or Nursing care.

The originally procured contract allowed for a possible increase in the capacity of the site and an increase in the level of service provision arising as a result of that. Since 2017, the Council has been working in partnership with Islington CCG to plan for the refurbishment of the ground floor of St Anne's care home to increase the number of beds under the contract from 50 to 65. This development is to allow for 15 beds dedicated to meeting the needs of people with mental health (psychiatric) needs. Whilst there is scope for this variation within the contract under Clause 14, the original award report did not explicitly allow for an increase in contract value beyond the current £2.15 million per annum for the provision of the 50 beds.

2. Recommendations

- 2.1 To approve the contract variation to increase to the service provision from 50 to 65 beds and the resulting increase in annual contract value from £2.15 million to £3.12 million per annum as outlined in this report.

3. Background

3.1 Nature of the service

- The current service provides Residential /Nursing accommodation and care to elderly people through a block contract arrangement for up to 50 beds.
- From May 2019, the planned new service will offer up to 15 people with mental health (psychiatric) needs accommodation on the ground floor of St Anne's care home. This is following a statutory consultation and decision regarding the closure of accommodation for up to 19 people at Stacey Street. There are currently 12 people living at Stacey Street.
- Care and support services for those with psychiatric mental health needs are in short supply across London and this new service will meet local demand for this type of placement for both the Council and the NHS.

3.2 Estimated Value

- The current contract value for the 50 bed contract in 2018-19 is £2.15 million per annum
- The business case presented in May 2018 demonstrates that the contract variation will lead to significant financial savings to both Islington Council and Islington CCG. From 2019-20 onwards, the annualised saving from the addition of 15 beds will be £195,000 to the Council and £780,000 to the CCG.
- However, the addition of the 15 beds to the current block contract will increase the annual value from £2.15 million to £3.12 million.
- The cost for these additional beds will be met from the Mental Health Commissioning for Older People pooled budget.

3.3 Timetable

- The proposed contract variation needs to commence from 1 May 2019 to allow staff from Stacey Street currently employed by Camden and Islington Foundation Trust to transfer under TUPE regulations to Blackberry Hill Limited as the new provider.
- The current contract expires on 30 November 2019 but there is scope to extend this for two further periods of up to 5 years each.
- Staff and residents of Stacey Street have both engaged in formal consultation procedures and a formal consultation report was published in September 2018.

4. Implications

4.1 Financial implications:

The cost of the 50 bed care home service at St Anne's is £2.15m per annum. The addition of 15 beds at a cost of £1,250 per week will increase the cost by £978k per annum to a total of £3.12 million per annum from 1 May 2019 onwards.

This will be funded through existing available budget and should not create a budget pressure for the Council.

Cashable savings of £805k per annum are expected to be realised as a result of this contract variation (£195k to the Council and £780k to Islington CCG).

Securing care placements in the borough through a block contract is essential in order to manage the bed base available to Islington and therefore ensuring costs are controlled.

Payment of London Living Wage is a requirement of the contract and will not result in any additional costs.

Any TUPE cost implications that may arise will have to be met by existing resources.

4.2 Legal Implications:

The originally procured contract allowed for a possible increase in the capacity of the site and an increase in the level of service provision arising as a result of that. The refurbishment works have now been completed enabling a variation to be made to the level of service provision. There is little risk of procurement challenge in approving the variation as proposed.

4.3 Environmental Implications:

A 65-bed nursing home has a significant environmental impact, due to the heating requirements for elderly residents, the use of kitchen facilities, and the amount of general and pharmaceutical waste generated. The provider will be required to take steps to minimise the impact of the home as far as practically possible, as well as being reminded of the need for compliance with environmental legislation, particularly those concerning waste and biodiversity.

4.4 Resident Impact Assessment:

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

An Equality Impact Assessment into the procurement of care home beds for older people was undertaken in June 2013 indicating that the tender did not need to take into account any specific equality issues.

The EIA identified that there would be no differential impacts. This decision was made because there will be no change to the way current services are provided to service users. The new service will have a continued requirement to demonstrate expertise, knowledge and sensitivity in its practical response to impairment, disability, ethnicity, religion, culture, equality issues, communication needs and other preferences. All providers are required to undertake appropriate equalities training. The procurement will deliver a new contract to the same contractual requirements.

5. Reason for recommendations

5.1 The addition of 15 beds to the existing contract for the provision of care home services at St Anne's care home from 1 May 2019 will allow for the smooth transfer of staff and residents from Stacey Street and for service continuity for vulnerable residents.

This variation to service provision will realise cashable savings to both the Council and Islington CCG who have been working in partnership to deliver these changes since October 2017.

Appendices

- Key Decision Report dated 05.11.14- St Anne's care home 60 Durham Road – contract award for the provision of care home services

Final report clearance:

Signed by:



27 March 2019

Councillor Janet Burgess
Executive Member for Health and Social Care

Date

Report Author: Ben Gladstone, Interim Head of Adult Social Care Commissioning
Tel: 0207 527 1869

Email: ben.gladstone@islington.gov.uk

Financial Implications Author: Shakeel Yasin, Head of Finance
Tel: 0207 527 8929

Email: shakeel.yasin@islington.gov.uk

Legal Implications Author: Ramani Chellani, Chief Contracts Officer,
Tel: 0207 527 3084

Email: ramani.chellani@islington.gov.uk