

To: Procurement Sub Committee

On: 30th November 2016

Report by:

**Joint Report
by
The Chief Executive and the Chief Officer Renfrewshire Health & Social Care
Partnership**

Heading: Contract Authorisation Report

National Care Home Contract Extension: 11 04 16 to 09 04 2017

1. Summary

- 1.1 The purpose of this report is to seek the formal retrospective approval of the Procurement Sub-Committee to award 18 separate Contracts, for Extensions for the Period 11 April 2016 to 9 April 2017 with an Option to extend for a further 12 month period to 9 April 2018, to the existing National Care Home Contract (NCHC) Providers listed at Appendix A.
- 1.2 The form of the National Care Home Contract has been agreed at a national level previously between the Convention of Scottish Local Authorities (CoSLA), Scotland Excel and Scottish Care (representing the Care Home Providers) and was approved for use in Renfrewshire, until April 2016, at the Procurement Sub Committee Meeting held on 28 August 2013.
- 1.3 The services in Renfrewshire continued from 11 April 2016 under the extant National Care Home Contract, in accordance with revised rates agreed in national negotiations, pending agreement with Scotland Excel on future contract arrangements for Renfrewshire. Existing Providers have now been asked to formally confirm their agreement to an extension of the NCHC for the

period 11 April 2016 to 9 April 2017 in accordance with the agreed revised rates. The revised rates have been used in calculating the weekly charge payable and paid since 11 April.

- 1.4. The revised National Care Home Contract takes account of the Scottish Government's Living Wage initiative, from 1 October 2016.
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2. Recommendations

- 2.1 It is recommended that the Procurement Sub-Committee:

- 2.1.1 note that the Contract extension commenced on 11 April 2016 until 9 April 2017;
 - 2.1.2 note that, in line with the decision taken for the previous NCHC extensions for 15/16, the increases applied for the proposed NCHC extensions for the period 11 April 2016 to 9 April 2017 are in accordance with the rates as nationally agreed by CoSLA and Scotland Excel pending the agreement and introduction of a revised negotiating policy for Renfrewshire Council;
 - 2.1.3 approve the formal retrospective award of Contracts for Extensions to the NCHC for the Period 11 April 2016 to 9 April 2017, with an Option to extend for a further 12 month period to 9 April 2018, to the existing Providers listed at Appendix A;
 - 2.1.4 note that the anticipated total spend during the period of the extension, including the Option period, will be approximately £56 million excluding VAT.
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3. Background

- 3.1 A National Care Home Contract (NCHC) has existed in different versions since 2006 for the provision of residential and/or nursing care throughout Scotland.
- 3.2 Negotiations earlier this year between CoSLA, Scotland Excel and representatives of Providers concluded in March 2016 and resulted in an increase in fees of 2.5% from 11 April 2016 to 30 September 2016 and 3.9% from 1 October 2016 until 9 April 2017 – an overall annual increase of 6.4%. Renfrewshire Council were not represented in the original negotiations and issue of the formal Minute of Variation to support the agreement was subject to delay.

- 3.3 Under the terms of the NCHC, a Minute of Variation (MOV) is signed annually with partner providers to confirm acceptance of the nationally negotiated fee agreement and associated conditions. A copy of the Minute of Agreement was provided to Renfrewshire Council via the Social Work Scotland Contracts Group. The Council then entered into negotiations with providers to agree the terms of the MOV with each individual care home.
- 3.4 The negotiations for 2016 / 17 required to take cognisance of the two stage fee agreement. Part 1 from 11 April – 30 September 2016 was based on providers paying staff in accordance with HMRC requirements. Part 2 which took effect on 1st October 2016 and will end on 9 April 2017, requires all Providers on the NCHC to pay all care workers, regardless of age, experience or time in employment, a minimum of £8.25 from 1st of October 2016 for the period of the Contract.
- 3.5 All providers have now confirmed full compliance with the terms of the Minute of Variation.
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Implications of the Report

1. **Financial Implications** – the financial implications are noted at paragraph 2.1.4 of this Report and the costs for placements will be met from existing resources.
2. **HR and Organisational Development** – None.
3. **Community Planning** – initial contract was placed in 2013 and no details were separately identified at that time.
4. **Legal** – The extensions to the NCHC referred to in this report reflect the agreement between providers and local authority representatives reached at a national level.
5. **Property Assets** – None.
6. **Information Technology** – None.
7. **Equality & Human Rights** – The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety** – the Contract was assessed by Renfrewshire Council's Health and Safety Officers. The recommended Provider's Health and Safety policy and procedures is considered to meet the necessary requirements.
9. **Procurement** – As detailed in the report, the procurement procedures outlined within this report ensure that the Council meets its statutory requirements in respect of the EU regulatory requirements, the Council Standing Orders Relating to Contracts and the Council's Financial Regulations.
10. **Risk** – A number of Key Risks were identified in the Contract Strategy and appropriate actions have been and will be implemented to prevent these arising or to mitigate their impact.
11. **Privacy Impact** – Service Users' individual rights to privacy will be fully respected and the recommended providers have confirmed acceptance of all terms and responsibilities.

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Appendix 1

Care Homes in Renfrewshire

Provider Name(s)

BUPA Care Homes (Carrick) Ltd
 BUPA Care Homes (CFHCARE) Ltd
 Church of Scotland t/a Crossreach
 Erskine Hospital
 Erskine Hospital
 H & H Care Homes Ltd
 HC-One Ltd
 HC-One Ltd
 Lancefield Care Home Ltd
 Littleinch Ltd
 Littleinch Ltd
 McKenzie Care Homes Ltd
 Silverline Care Caledonia Ltd
 Silverline Care Caledonia Ltd
 Stanely Homes Ltd
 Sterling Care Homes Ltd
 Pacific Care Limited
 Tower Bridge Homes Care Lid

Care Home

Elderslie Care Home
 Braemount Nursing Home
 Adams House
 The Erskine Home
 The Erskine Park Care Home
 Westerfields Care Centre
 Hillside View Care Home
 Kyle Court Care Home
 Lancefield Care Home
 Erskine Care Centre
 Littleinch Care Home
 Ailsa Lodge Care Home
 Cochrane Care Home
 Ranfurly Care Home
 Stanely Park Care Home
 Nightingale House
 Mosswood Care Home
 Craigielea Care Centre