

London Borough of Enfield

Cabinet Meeting 15th September 2021

Subject: Parkview House Residential Care Home
Direct Contract Award

Cabinet Member: Cllr Alev Cazimoglu

Executive Director: of People Tony Theodoulou

Key Decision: 5331

Purpose of Report

- 1 Parkview House is a residential dementia care home situated in Edmonton and benefits from good shopping, open space and transport facilities. Care services are currently provided under a block contract between the Council and Sanctuary Housing Association (SHA). A subsidiary organisation, Sanctuary Care provides the day to day care to the residents living within the home. The Council currently holds nomination rights for 41 of the 45 beds within the home. Enfield Council owns the freehold land at the Parkview site whilst Sanctuary Housing Association has a 150-year lease on the residential care building, which was itself designed and built by Sanctuary Housing Association.
- 2 The main client group is "older adults" who are unable to live independently in the community due to their high care needs and/or dementia. The number of people who have dementia has been steadily increasing in the borough over the last few ten years and this increase is set to continue. Dementia care homes are a difficult market sector experiencing increased demand and continued upward cost pressure.
- 3 This report seeks to directly award a 2+2+2-year care and support contract for Residential Care Services to Sanctuary Housing Association. The award will provide vulnerable residents continued access to vital care services at a good value price per bed.

Proposal

- 4 That a Cabinet endorses and agrees to the formal approval to directly award a 2+2+2-year care and support contract for Residential Care Services to Sanctuary Housing Association. Commencing on 1st October 2021 until 30th September 2023 (with the option to extend for 2 years to 30th September 2025 plus a further 2 years to 30th September 2027). The award will provide vulnerable residents with continued access to vital care services at a good value price per bed as detailed in the Part 2 Appendix.

- 5 That Cabinet agrees to delegate the formal approval of the 2+2-year extensions periods of the contract, subject to satisfactory performance, to the statutory Director of Health & Adult Social Care in consultation with the Cabinet member for Health and Adult Social Care.
- 6 That Cabinet agree a waiver of Contract Procedure Rules to enable the direct award of contract to Sanctuary Housing Association.
- 7 That Cabinet agrees to delegate to the Director of Adult Social Care (ASC) to finalise and agree the terms of the contract with Sanctuary Housing Association in consultation with the Director of Law and Governance.

Reason for Proposal

- 8 The existing contractual arrangement is due to expire 30th September 2021 with a one-year extension clause ending 30th September 2022. As there has been a number of changes brought about by pandemic it was agreed not to implement the one-year extension and to include the negotiated changes within a new contractual arrangement
- 9 Many of the residents have lived at Parkview House Residential Care Home for more than 10 years and see Parkview House as their home. They have high care and support needs and Sanctuary Care have meet their care needs to a consistently high-quality standard.
- 10 Parkview care home is regulated by the Care Quality Commission and has a current rating of “Good Overall”.
- 11 In the provision of care and support services at the home Sanctuary Care have achieved the following outcomes for residents,
 - **Feeling Safe & Secure:** Sanctuary Care delivers a hands-on approach of care and support by having the right number of staff on duty ensuring there is always staff available day and night regardless of the assessed care needs of residents. Their rota includes night staff that are shared across all residents and day staff that provide and meet all planned and unplanned care needs. The staff team also answer emergency call alarms within the home and ensures a timely and professional response.
 - **Being Healthy, Clean & Comfortable:** Sanctuary Care have supported residents to be as healthy and well as they can, and be clean and comfortable in the delivery of their care at all times;
 - **Treated with Dignity & Respect in a Person-Centred Way:** Monitoring information demonstrates that Sanctuary Care always treat residents with dignity in a way that respects their individual social, cultural, ethnic and religious needs and this has been at the centre of planning, choosing, managing and financing the care & support that’s right for individual residents;

- **Having Company & Contact and Feeling Engaged:** Residents are facilitated to have as much company & contact with others as they feel they need and are facilitated to take part in activities and interests that are important to them

Relevance to the Council’s Corporate Plan

IMPACT ON COUNCIL PRIORITIES

12 Good homes in well-connected neighbourhood.

Parkview House is situated in a central location in the borough. It has good transport links and is on the doorstep of a picturesque park and near several shops making it a good location for residents to feel part of their community

Sustain strong and Healthy Communities

The services provided protect those most in need by continuing to deliver care and support services and safeguarding vulnerable people.

To Build our local economy to create a thriving place

Services will support resident to take more responsibility and play a greater role in developing services that are meaningful to them

Background:

- 13 Sanctuary Care became the care provider at Parkview House in August 2013 following a Cabinet decision KD3558. Sanctuary Care is a Subsidiary organisation of Sanctuary Housing Association. The contract is with Sanctuary Housing Association. It was subsequently proposed and agreed that Sanctuary Care continue to provide services under a new 3-year block contract from August 2016 to August 2019 (Key Decision 4312). In 2019 Sanctuary Housing Association was awarded a 2-year contract under Key decision 4869. This contract is due to expire in September 2021.
- 14 The main client group is “older adults” who are unable to live independently in the community. The number of people who have dementia have steadily been increasing over the last few two years. The home is situated in Edmonton and benefits from good shopping, open space and transport facilities.
- 15 Sanctuary Care performance is monitored on a quarterly basis by the Enfield’s Quality Assurance and Contracts Team and in the past year, there have been no concerns with the service provider and the last

quarterly monitoring visit also confirmed this. Residents and their families are generally pleased with their service and the support provided by Sanctuary Care. Sanctuary Care have worked in partnership with the authority for delivering the service and have been flexible in meeting the council's requirements. They have a current rating of Good with the Care Quality Commission

- 16 Within this difficult environment the Council continues to work with Sanctuary Care to establish efficiencies whilst maintaining quality care provision.
- 17 Enfield Council owns the freehold of the Parkview House site under which Sanctuary Care's parent organisation SHA pay a yearly ground rent of £4,000 on a 150-year lease, which commenced 13th March 1992. SHA have full responsibility for repairs and maintenance of the building and grounds.

Main Considerations for the Council

- 18 The current care homes market

Latest Local Government Association figures are projecting a funding gap in social care of £5.8bn by 2025 and trading conditions in the care homes sector continue to be particularly difficult.
- 19 Upward cost pressures are evident through utility costs, minimum & living wage tariffs, rising demographics, increasingly complex needs and judicial review findings. Diminishing local authority budgets overall drive financial efficiency strategies which reduce the overall funds available to purchase care at present and predicted future levels.
- 20 There is generally a lack of dementia care beds in the borough, this is also reflected nationally with local authorities competing for affordable bed placements. Retaining this local resource is paramount for Enfield's increasing number of dementia care cases.
- 21 The contract will include scope for the parties to agree variations to the contract in respect of the operating model. At the appropriate time, further variations may be considered. Currently the Council is moving to increase its block bed number purchased from 41 to 45 in the new contract. Any variations will be informed by an analysis of broader care home market trends and dynamics to ensure they demonstrate best value to the Council.
- 22 A continued contract with Sanctuary Housing Association will maintain consistency of service quality and provision at Parkview House and sustain current services to vulnerable residents who live there.
- 23 The home will continue to be monitored for quality on a quarterly basis; this ongoing monitoring is supported by visits from Social Workers undertaking annual reviews.

Safeguarding Implications

- 24 With onsite 24-hour care Parkview House supports vulnerable people to live safely in the community and by doing so enable them to live healthy and fulfilling lives and achieve their full potential

Public Health Implications

- 25 Familiarity and routine are extremely important for people with dementia. Avoiding the need to move this vulnerable group of residents or to change staffing arrangements were a new provider to be appointed is recommended where at all possible, particularly given the risks associated with the pandemic.

Equalities Impact of the Proposal

- 26 Corporate advice has been previously sought in regard to equalities and an agreement has been reached that an equalities impact assessment is not essential at this stage to approve this report awarding a Contract for residential care services at Parkview House. Because it is a continuation of an existing service provided by the current provider, and there are no proposed changes to the way in which residents can access the services provided.
- 27 Future projects, work stream or changes to services deriving from this decision may be subject to a separate Equalities Impact Assessment. Therefore, any projects or work stream will be assessed independently on the need to undertake an EQIA to ensure that the council meets the Public Sector Duty of the Equality Act 2010

Environmental and Climate Change Considerations

- 28 With Enfield's ageing population and rising natural resource costs, it is essential that all residential care homes take an active role in resource efficiency and carbon reduction. This will be critical in safeguarding affordable care for vulnerable elderly people, maintaining dignity and social participation in old age and in achieving carbon, waste and energy targets.
- 29 As a residential Care provider Sanctuary Housing Association will be asked to demonstrate systems and processes to manage their impacts on the environment. They will be required to provide data to demonstrate their environmental improvements throughout the duration of the contract

Risks that may arise if the proposed decision and related work is not taken

- 30 Failure to implement effective contractual arrangements for services at Parkview House would increase the likelihood of risks to service continuity for vulnerable services users

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

- 31 There is a risk that Sanctuary's performance in terms of quality could decline however, this will be managed and monitored throughout the duration of the contract through regular meetings

Financial Implications

- 32 See Part 2 for detailed financial cost.

Legal Implications

- 33 The Council's Contract Procedure Rules require that where a contract is awarded with a value of £1 million or over (as is the case here), the provider must provide 'sufficient security' as defined in CPR Rule 7.3 (such as a performance bond or a parent company guarantee). Evidence of the form of security required, or why no security was required, must be stored and retained on the E-Tendering Portal for audit purposes. If this requirement is waived, then the Executive Director of Resources must approve the financial risk prior to any award, and the relevant Authority Report must set out the reasons and what measures are to be taken to manage the risk.
- 34 As the value of the contract is above £500k, the Key Decision procedure must be followed,
- 35 The form of contract must be approved by Legal Services on behalf of the Director of Law and Governance and must be sealed by Legal Services.

Workforce Implications

- 36 N/A

Property Implications

- 37 N/A

Procurement Implications

- 38 Any procurement must be undertaken in accordance with the Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015).
- 39 The award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the London Tenders Portal including future management of the contract.
- 40 All awarded projects must be promoted to Contracts Finder to comply with the Government's transparency requirements.

Options Considered

- 41 *Not seek a new contract:* Sanctuary Housing Association do not believe that the home is ready to entertain a 100% private fee structure and would welcome a further contract with Enfield Council and the chance to work with Council commissioners to evolve the home and its services to meet future requirements. If Enfield Council did not move towards this option, the Council would then lose access to much needed specialist provision.
- 42 As Sanctuary Group owns the care home under a long lease, officers conclude that other care providers would have little viable interest in operating from the Parkview House premises. Feedback from an earlier tender at this home as well as other tenders in this sector confirms this.
- 43 *Re-tender and seek better value by competitive procurement:* Following a previous unsuccessful tender for care services at Parkview House, providers consistently fed back that providing care services to the Council in a premise owned by another care provider would be neither welcomed nor sustainable. There would be little viable interest in a new tender.
- 44 *Sale of the Council's freehold:* Evidence suggests, without any negotiations with the tenant, the receipts that would be gained under current market conditions would not be sufficient to justify relinquishing the asset as the Council's reversion to the freehold is 123 years away creating all the value in the leasehold.
45. Extend the contract for one year under the terms of the current contract: Given the changes to the contractual arrangement in block contracting all of the 45 beds within the care home to secure much needed high quality and value for money dementia care capacity in the borough, the option to establish a new six year contract is preferred.

Conclusions

- 46 The proposal in this report is for Cabinet to endorse and agree to a direct award contract for Residential Care Services for a period of 2+2+2 years to Sanctuary Housing Association commencing on 1st October 2021 until 30th September 2023 (with the option to extend for 2 years to 30th September 2025 plus a further 2 years to 30th September 2027).
- 47 The direct contract award is recommended due to a number of factors. These include ownership of the building by Sanctuary, lack of interest in the market due to this arrangement from any other providers and the quality and value for money of the existing service. There has been historic consistent failure to secure a successful provider through the formal procurement and market testing processes. To renew the existing contractual arrangements with a willing partner is the most practical way of ensuring service continuity for vulnerable residents while also ensuring the Council has access to much-needed specialist care services for the contract period.

Report Author:

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Date of report 19th May 2021

Appendices

Background Papers