

Appendix 2 (i)

<b>Contract title:</b>	Provision of Care for Older People at Northlands House  Provision of a Care Home with nursing for residents over the age of 65 with dementia and a day care centre at Oak Lodge
<b>Contract Number:</b>	EC09/01/0989  EC09/01/1101
<b>Service Provider(s):</b>	BUPA Care Homes (CFCHomes) Limited
<b>Commissioning Organisation:</b>	Southampton City Council
<b>Contract start date:</b>	Northlands House 24/06/2005  Oak Lodge 08/02/2010
<b>Current contract end date:</b>	Northlands House 23/06/2030  Oak Lodge 08/02/2035
<b>Maximum contract end date:</b>	Northlands House 23/06/2030  Oak Lodge 08/02/2035
<b>Current financial year value £:</b>	£4,161,083 combined, including Funded Nursing Care (FNC) payments

### Service Summary

The two contracts were commissioned as part of long-term arrangements under what are effectively Private Finance Initiatives. With both arrangements the Council provided the land, BUPA built the nursing homes at their cost, and a long-term arrangement for providing care was established. This guarantees access to a specified volume of nursing care beds each week at a set price – 62 bed spaces at Northlands; 40 bed spaces at Oak Lodge. Both contracts contain provision for respite care. Both agreements last for 25 years, which secures a minimum level of supply in the local nursing care market. Since the contracts began, the complexity need level of clients requiring nursing care has increased resulting in the contract not being reflective of current and future needs. This in turn means that BUPA are less well placed to support clients with higher needs. Negotiations with the provider are underway with a view to reshaping key elements of the contracts to re-establish both homes as prime routes for SCC to Southampton’s nursing care market.

There is an associated Section 75 partnership agreement in place, through which Hampshire, Southampton, and Isle of Wight CCG pays SCC for the Funded Nursing Care (FNC) element of the service. Currently, the CCG are also utilising and funding

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10 of the block-contracted beds as Discharge to Assess (D2A) beds (5 beds at each home). This is temporarily offsetting the impact of high contract void rates detailed below.

### Finance

SCC is purchasing a number of beds in each home on a block basis, which means that the payment is made for all beds regardless of occupancy:

- 62 beds at Northlands at £819.59pw each
- 40 beds at Oak Lodge at £817.77pw each

Three of these beds are utilised for respite and therefore incur a slightly higher cost.

The above rates include the FNC payments (which SCC reclaims from the CCG via a S75 agreement) so the net rate SCC pays is:

- Northlands: £631.99pw
- Oak Lodge: £630.17pw

These rates compare favourably with those achievable in other nursing homes, where the average weekly fee is approximately £860pw, not including the FNC element.

BUPA assert that the prices in the contracts are no longer sufficient to cover the costs of running either of the two homes, and as a result the provider is more stringently interpreting the terms of the contract such that certain types placements (e.g. those with complex needs not specified in the block contracts, capital depleters, and those ending a 'discharge to assess' placement) are currently being separately 'spot purchased' from the provider. This is being addressed alongside the other contractual issues in the current negotiations.

### Void Levels

Before the pandemic there were already issues with void levels mainly due to differing legal interpretations between SCC and BUPA of how the contracted beds could be utilised. These levels have deteriorated further during the pandemic. The 2x annual snapshot table below illustrates the extent to which activity level-related performance of these contracts has deteriorated over the last 2 years:

Date	Vacant Block Beds		
	Northlands	Oak Lodge	Total
Oct 2019	9	4	13
Mar 2020	18	3	21

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Oct 2020	33	12	35
Mar 2021	27	14	41
Sept 2021	28	13	41

The figures above exclude the 10 D2A beds funded by the CCG.

### **Other Aspect of Contract Performance**

Other performance measures in these contracts, given that the Oak Lodge and Northlands contracts were let 12 and 17 years ago respectively, are now substantially dated and no longer relevant within the context of contemporary standards of quality and performance in the provision of adult nursing care, and are therefore not currently subject to routine monitoring. However, the council is proposing to update both contract key performance indicators in line with current ADASS and CQC standards as part of the re-negotiations with BUPA that are currently underway.

Quarterly contract monitoring meetings are being held with BUPA which cover both service quality as well as contractual compliance (with up-to-date performance measures being put in place). Current quality monitoring includes tracking monthly performance against the number of infections (Covid or others), occurrence and treatment of pressure ulcers, nutrition & weight loss, medication errors and resident involvement in care planning.

Covid and flu vaccination data is also being collected with the expectation that there will be several staff members not fully vaccinated by the deadline for care homes of 11<sup>th</sup> November and therefore unable to continue their employment. However, this will not have an effect on the service performance as BUPA have contingency plans in place.

### **Case Studies**

There has been positive feedback about the homes' approach to D2A particularly at Oak Lodge. Practitioners involved in the D2A process have fed back that they are always very responsive to referrals and confirming if they are able to meet the needs of an individual. Use of the Trusted Assessor (a nurse based at the hospital who can complete assessments on behalf of a home) is mixed but has improved recently. Obtaining regular communication and updates from staff at Northlands has been a challenge but feedback is that this has improved recently. This type of feedback (both positive and negative) is being followed up through contract monitoring meetings, the next of which will be held on 27<sup>th</sup> October.

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