

Bidders conference – 11 August 2010 – Tiverton Hotel

Questions from the floor.

Q1

Regarding the broader strategy of keeping people independent and in the community for longer, how does this affect future demand for residential care?

Answer In Devon, as in other local authorities, community based services are expanding and until last year we were seeing a reduction in the numbers of commissioned care home placements. However this trend obscures a significant detail in that the demand for DCC and NHS placements for those with highly complex needs including dementia and those requiring nursing care continues to rise. Care homes are a very important part of the whole continuum of social care provision, especially in supporting individuals with highly complex needs and the challenge is in working with care home providers to shape the market to meet those needs.

Q2

Earlier reports from meetings of the DCC cabinet suggested the possibility of block contracting – why has this disappeared?

Answer It has not disappeared but does not feature as part of this tender process. Further consideration is necessary to determine the authority's requirement for block contracted beds and to ensure that such block contracts if developed goes some way to deliver equity of commissioned provision across the county. Tying block contracts solely to our LA homes may not deliver that equity of provision.

Q3

The cabinet paper made reference to an In-house bid. Is this still on the table?

Answer No, it is not.

Q4

There are already plenty of people in care with complex needs/dementia but up until now DCC won't pay premiums. If DCC are only offering a fixed rate for existing clients are you expecting owners to take risk on new clients? How can one feel confident given current over-capacity and reluctance to meet differing costs? Are the future needs likely to be nursing or residential?

Answer Bidders must ask themselves - how long will transitional spot rates continue, what will be the return on my investment and what reliance should we place on DCC for future placements?

Bidders must balance risks and that assessment of risk will be reflected in their submission. There are no concrete answers about differentiating people with more complex needs and increasingly Local Authorities will try to find alternative ways to help people with lower level needs to stay independent and at home for longer.

Q5 What about building partnerships with a possible premium for complex needs?

Answer There is nothing in the current tendering process to cover this but in future when block contracts are considered this may be looked at again. Successful bidders will be in the same position as other providers in the market should block contracts be let at some point in the future.

Q6 If it transpires that homes are not fit for purpose then the challenge for bidders may become even more difficult.

Answer There is no answer to this – it is a business decision but we understand that the bids will reflect the perceived risks.

Q7 With the market value of homes dropping in value and the need for top end care increasing, have you had any upgrading work done already?

Answer There is a wide spectrum across the portfolio in respect of the state and condition of the homes on offer, it will be up to the bidders to visit and assess work that needs to be undertaken.

Q8 Does this take into account the fact that certain homes may never reach the standards expected?

Answer Our commitment is only to existing residents. In future block contracts will be looked at overall with no particular commitment to these homes over any others in the market. The Putting People First agenda is about giving people more choice and control and we would not want to restrict this in any way.

Q9 Do you have any evidence to support the fact that you will be commissioning these services in the future? Given the huge changes proposed in the NHS white paper.

Answer NHS Devon is a substantial commissioner in the nursing home market – NHS commissions approach 40% of the total ACS/NHS commissioned nursing care beds and that proportion is rising. The effects of GP commissioning are unclear as yet but there is no suggestion that we are aware of that GP commissioning will become responsible for commissioning care home provision on a substantial basis. We await the further white papers on the future of the NHS and of social care.

Q10 There are 19 homes up for tender, what would happen if you don't get bids for all of them?

Answer There are a number of options we could consider.

- We could continue to run them ourselves
- We could look at a social enterprise
- We could re-tender, possibly including those homes that are excluded from this package
- As a last resort we could close them

Q11 There are not as many people at this meeting as I would have expected, will the site visits be individual or undertaken as a group?

Answer Group visits only, the dates are included in the pack together with how to book a visit.

Q12 Political oversight – what form does this take? And will members be gagged?

Answer Members have been fully involved with the process to date and will be involved in the evaluation process too. This process is overseen by the Corporate Procurement Team, the quality submissions are anonymised before being provided to the evaluation panel. Members are not involved in this element of the evaluation. All members are aware of their responsibility with regard to the confidential nature of bids.

Q13 About the restrictive covenant. Do you envisage scope for negotiation in the longer term with this portfolio? Towards a more flexible approach on land swap arrangements for example.

Answer 125 years is a long time and things do change and DCC understands that however there is no provision for such land swaps at this stage.

Q14 This restrictive covenant will have an effect on the offers you receive.

Answer We recognise that.

Q15 Can you explain the paragraph at the bottom of page 7 of the tender pack about the Admissions Pension agreement and the Councils view about how long transferred staff will be considered to be working on the contract for the care of transferred residents. (.

Answer This is quite a specialist area and prospective bidders should seek their own legal/pensions advice. The paragraph at the foot of page 7 reflects the advice DCC has received. In the event of further or more detailed advice on this topic being received this would be made available.

Q16 Must there be a written obligation (Underwritten by a bank) to cover the transfer of pensions?

Answer In instances where there is a TUPE transfer of public sector staff a new provider is required to either provide a comparable pension scheme or to seek an admission agreement into the Local Government Pension Scheme. In the pack there is a document asking you to give an indication of how you will meet the pension liability – whether to include a written undertaking from your bank is up to each bidder.

Q17 If homes are tendered for individually will these individual bids be looked at as freestanding and not as a package?

Answer Yes

Q18 In respect of Pension Liability and the provision of a pension bond, can you explain DCC's latest position?

Answer The current policy for admission into the Devon LGPS fund is that a bond is required as part of securing an admission agreement. The pensions committee at their next meeting in September will review this requirement.

Q19 If this cabinet decision is to be taken in September how do we deal with it now?

Answer We will not know the outcome of the review of the requirement for a bond in advance of the submission closing date (is this the correct terminology) It is for this reason that we have asked you to separately submit the costs clearly in your bids.

Q 20 On the lease terms – is Devon's intention to continue to hold the freehold?

Answer Yes

Q 21 Is there a quantification of redundancy exposure?

Answer: No, this is not contained in the pack of data. You have been provided with data on current staffing levels. The recent review of residential staffing levels has reduced staffing levels to be more competitive with the private sector. If you decide as part of your bid you believe you have a requirement for genuine ETO redundancies then you will need to take this into account in your submission.

Q22 How have staff reacted to the residential review?

Answer The review was undertaken by an independent body – the National Care Forum. It primarily focused on staffing levels and shift patterns. Trade unions and staff were involved with the process. The outcomes seek to align staffing levels, rotas and shift patterns more closely with those seen operating in the private sector.

Q23 Was this an easy process reconciling the aspirations of conscientious staff to provide quality care against the needs of efficiency savings?

Answer There was a lot of time and energy invested in engaging and consulting with staff. The induction of Managers, Deputy Team Managers and Team Leaders has taken place and this will follow through to other staff groups as the review is rolled out. Changing culture is always difficult but robust processes were put in place including assistance from the learning and development team.

It is a possibility that some staff will elect not to stay however it is likely that there will be more people than jobs remaining. Where there is competition we will obviously retain the best and most committed staff.

Q24 Are there issues with transferring CQC registration – the application will not be submitted until next week? Do you think you will meet all standards - some homes may not be allowed continued registration? CQC have stated that some homes, including those in the private sector will not meet the standards on environmental grounds.

Answer – We can't answer that, it will be for the CQC to determine when they undertake their individual inspections of units and services.

Q25 Are we going to be informed of any areas of non-compliance and conditions of registration?

Answer We will look into that area and report back.

Q26 We know there are differences around the quality of CQC monitoring. In Devon would you be monitoring too? CQC do not want Local Authorities to monitor separately.

Answer We are aware that regulatory processes are being reviewed. CQC and LAs are talking about monitoring arrangements. As commissioner we are concerned to ensure that quality is effectively monitored. We would not want to create duplication, particularly in this time of constraint. There is no intention therefore to introduce an additional layer of quality monitoring outside of the CQC process but we will continue to talk with the market about quality related concerns and what, if any, further role the commissioner might have that would add value.

Q27 The safeguarding review indicates a change of direction from protecting older people from abuse towards addressing institutional care. However stringent regulations become at DCC there may be gaps that will need to be filled – is there a contradiction here?

Answer We are straying away now from questions about the tendering exercise.

Q28 It is clear that some DCC homes are already below standard and bidders may need time and investment to turn them round. Has DCC made any arrangements with the CQC during this transition?

Answer No we haven't, CQC has always worked flexibly to encourage improvements but they would expect to see evidence that work plans are proceeding within reasonable timeframes. CQC are the only monitoring process as of now.

Q29 In Torbay, homes have been summarily closed by the LA without reference to the CQC. Could this happen in Devon too?

Answer Just the opposite, it is our aim to maintain the full range of homes and not close any.

Q 30 During the break a question was raised on the completion of the quality questions. Is there a limit to the number of words the system will accept?

Answer We will evaluate/score each question separately not look at a bidders overall submission so each question will be taken one at a time ie all question 1 then all question 2

etc so we have not put on a word limit. Submissions with the fullest answer without being excessive will score most highly.