

Report to:	Cabinet	Date: 09 July 2025
Subject:	Residential and Nursing Provision Refreshed Contract Arrangements	
Report of	Deputy Leader and Cabinet Member for Health and Wellbeing	

Summary

- 1.1 This report seeks approval to the contract arrangements for the provision of older adult residential and nursing care services in Bury. New contracts are to be awarded to the 43 residential and nursing providers that the Council currently contracts with ensuring implementation of the new Quality Assurance and Contract Management Frameworks.
- 1.2 The new contract will be a 10-year contract, consisting of seven years plus three years and is designed to give the Council and Providers more certainty in planning going forward.

Recommendation(s)

Cabinet is requested to:

- 2.1 Approve the award of new contracts to the providers listed in Appendix 1 for the provision of residential and nursing care services. Such contracts to be for a maximum period of 10 years (7 plus 3 years) from 1st September 2025.
- 2.2 Acknowledge the implementation of the new Quality Assurance Framework and the Contract Management Framework.
- 2.3 Delegate to the Director of Adult Social care in consultation with Director of Legal and Democratic Services the finalisation and issue of the new contracts.
- 2.4 Delegate authority to make residential placements in care homes until August 31st, 2035 (7 plus 3-year contract) to the Director of Adult Social Care.

Reasons for recommendation(s)

- 3.1 Streamlining Process – the proposed recommendations will enable placements to be made at pace, avoiding unnecessary delays to resident's care whilst also minimising administration.
- 3.2 Making it easier to do business with the Council – the change would avoid unnecessary delays and enable payments for these services to be made more quickly. This is important when the current residential market demand exceeds supply in many areas.

- 3.3 Adhering to both statutory duties and contract rules – the proposed change allows the Council to deliver the duty to offer choice and control over where someone prefers to live.
- 3.4 A stronger contractual agreement between the Council and care homes. The change enables the Council to issue new contracts to all currently commissioned providers and make new individual placement arrangements for new residents being admitted into a care home. The new terms and conditions will offer greater clarity as to the outcomes the Council expects from the providers.

Alternative options considered and rejected

4.1 Option 1

- 4.2 Do nothing and continue with existing arrangements. The existing contracts that Bury Council have with providers do not have an end date. This means that the Council, if it so wished, need not take any action and could allow the current contracts to continue. However, there would be significant delays in placements being made that are required in emergency situations and potentially limit the Council's ability to offer choice to service users as required under the Care Act 2014, as a full, competitive tender exercise would have to take place for each care home placement.
- 4.3 This also means that the current contracts would not reflect the significant changes in legislation and guidance that have occurred over the past 10 years.

4.4 Option 1 was therefore discounted on this basis.

4.5 Option 2

- 4.6 Run a tender exercise for every care home placement. This was discounted as it would result in significant delays in making placements with full, competitive tender exercise having to take place for each care home placement. In 2024/25, the Council placed 251 customers into care homes. Placements are also often needed to be made in emergency situations and would conflict with the choice directions contained in the Care Act 2014.

4.7 Option 2 was therefore discounted on this basis.

4.8 Option 3 – Preferred Option

To regularise the contract arrangements for the provision of older adult residential and nursing care services in Bury. New contracts are to be awarded to the 43 residential and nursing providers that the Council currently contracts with.

- 4.9 Under the new arrangements, an overarching contract will be issued to all currently commissioned providers. Individual placements into the contracted care home will be approved by the Director of Adult Social Care. An individual placement arrangement will then be issued on behalf of the person in the form

of a fully costed support plan which will be issued to the provider by the social worker who has brokered the placement

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Background

5. Under the Care Act 2014, the Council is obliged to provide care to eligible residents of Bury, which includes the provision of Residential care.
- 5.1 The Council currently spot purchases and contracts with the majority of CQC registered care home providers in Bury. There are 43 CQC registered providers in Bury that the Council currently has open contracts with.
- 5.2 In borough, the annual value of services contracted through the current arrangements is **£33,384,000**, supporting over **700** people. This does not include any provision contracted by Bury in other boroughs or provision delivered by the Council's LATCO, Persona.
- 5.3 The current residential and nursing care contract is over 10 years old, and the Council have issued numerous contract variations over this time. Legislation pertaining to the contract has changed over the years and now seemed an ideal opportunity to revisit the current contract, incorporate all the previous variations and bring the legislative elements up to date.
- 5.4 The Council have also had several queries from providers asking for clarification on certain parts of the contract and have taken the opportunity to further clarify those elements, particularly around the notice periods for termination of individual placements.
- 5.5 Currently, when the Council funds and places people in care homes it is done so on a spot purchasing arrangement which requires an exemption from the Council's Contract Rules. This is time consuming, taking officers time away from the brokering and management of placements.
- 5.6 This report seeks Cabinet approval to implement a solution that authorises the Director of Adult Social Care to make placements in care homes thus removing the time constraints of a spot purchasing arrangement.
- 5.7 Currently a separate contract is issued whenever a placement is approved and because of the spot purchasing arrangements currently in place this can take weeks to resolve. The provider may not be receiving payment, and the family members and resident of the care home may face uncertainty about the future of their placement until the contract is signed.

- 5.8 Under the new arrangements, an overarching contract will be issued to all currently commissioned providers. Individual placements into the contracted care home will be approved by the Director of Adult Social Care. An individual placement arrangement will then be issued on behalf of the person in the form of a fully costed support plan which will be issued to the provider by the social worker who has brokered the placement. Providers will be kept fully informed of all changes to the contract in advance of the new contract being sent out.
- 5.9 The new contract also better recognises the role of those staff that deliver front line care services, ensuring that they have appropriate pay, recognition and working conditions, It also takes into account Bury's ambitions in respect to ensuring all staff in contracted services are paid in accordance with the Real Living Wage which this now being a contractual requirement for those providers who have signed up to the Real Living Wage rather than a novation.
- 5.10 The contract is for 10 (7 plus 3 years) years to allow time for further review, development of the market, and meaningful engagement with the providers.
- 5.11 The residential and nursing care market is currently undergoing transformation as the Council seeks to expand provision of services for more complex customers whilst reducing the provision for generic residential services as more people are now choosing to remain at home for longer with our support.
- 5.12 The new contract has been developed in close collaboration with the Legal Services. A copy of the new contract can be found in Appendix 1
- 5.13 It is not possible to provide a wholly accurate value of the contract due to spend being led by demand for services and providers being subject to annual fee uplifts. However, with a current annual spend of £33,384,000 extrapolated over the 10-year contract length, it would be approximately **£333,840,000**.
- 5.14 Currently 93.7% of care home beds in Bury are CQC rated Good or Outstanding with there being no Inadequate rated care homes in the borough. Two care homes are awaiting a CQC inspection, but they have been subject to due diligence and quality assurance reviews by the Commissioning team, and we have asked the CQC to prioritise their inspections. There are currently 3 care homes rated as Outstanding and the Commissioning team is working alongside another provider to develop an Outstanding Provider Programme, supporting others to achieve the top rating.
- 5.15 To support adherence to the contract, the Commissioning team have also revised and updated the Quality Assurance Framework and the Contract Management Framework, both frameworks were implemented on 1st April 2025.

Links with the Corporate Priorities:

Please summarise how this links to the Let's Do It Strategy.

Local: Will support the sustainability and continued development of local independent care providers. Will support residents in care homes to have a good quality of life.

Enterprising: Support providers in Bury to deliver a quality service to Bury residents. Supporting their ongoing sustainability and ability to meet the needs of Bury residents living in care homes.

Together: Engaging with people where they live by including the customer and family voice in quality assurance approach. Listening and hearing customer and providers voices, listening to them and working together to remove barriers to collaboration. Valuing and developing the role and voices of people and providers to shape and deliver adult care services. Growing relationships between the council and providers and between providers to foster continual improvement.

Strengths: Promoting training and good practice and offering improvement opportunities that encourage strengths-based approaches to the delivery of person centred-care to vulnerable people in the Borough.

Doing things differently: By developing a new contract, contract management and quality assurance approach to get the best outcomes for residents of care homes and providers.

Equality Impact and Considerations:

*Please provide an explanation of the outcome(s) of an initial or full EIA and make **specific reference regarding the protected characteristic of Looked After Children**. Intranet link to EIA documents is [here](#).*

Screening has shown that there is no differential impact on people as a result of this activity therefore a full EIA is not required

Environmental Impact and Considerations:

*Please provide an explanation of the Environmental impact of this decision. Please include the impact on both **Carbon emissions** (contact climate@bury.gov.uk for advice) and **Biodiversity** (contact c.m.wilkinson@bury.gov.uk for advice)*

There is a positive impact on the Environment and on carbon emissions as we will not be issuing paper copies of the contract or other documentation. Individual providers have their own environmental impact policies as they are independent businesses.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
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<p>When the Council funds and places people in care homes currently it is done so on a spot purchasing arrangement which requires an exemption from the Council's Contract Rules.</p> <p>This is time consuming, taking officers time away from the brokering and management of placements.</p>	<p>This will be mitigated by issuing a new contract to all providers and seeking delegated powers for the Director of Adult Social Care to place individual residents into 24-hour provision</p>
<p>Currently commission individual placements with 43 care homes in Bury. A provider may not wish to sign the new contract.</p>	<p>The changes to the contract have brought legislation up to date and have clarified several issues brought to our notice by providers. There will be full communication regarding the changes with providers prior to them being asked to sign the new contract.</p>
<p>The current contract is over 10 years old and stored as paper copies. Some of the care homes have new owners so there is multiple copies of the contract in existence.</p>	<p>All the new contracts will be signed under seal and stored by legal. The commissioning team will keep electronic copies for reference in a secure folder.</p>
<p>Although quality assurance has continued to be undertaken the contract management function had not been fully implemented after Covid.</p>	<p>The quality assurance framework and contract management framework have been reviewed and updated in line with changes to the contract and both were implemented 1st April 2025.</p>

Legal Implications:

The new form of contract will reflect changes in law and create clarity. Existing providers will be asked to sign the new contracts and once signed by both parties they will replace the existing contracts.

Financial Implications:

There is provision within the 2025/26 budget and medium term financial strategy to meet the forecast cost of this contract, however older people residential and nursing care is subject to ongoing volatility with regard to the demand and cost of those services, and is therefore subject to regular detailed financial review and updated financial forecasts reported to Cabinet on a quarterly basis .

Appendices:

Appendix 1: List of currently contracted residential and nursing homes in Bury and fee rates

Background papers:

Please list any background documents to this report and include a hyperlink where possible.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
CQC	Care Quality Commission -is an executive non-departmental public body of the Department of Health and Social Care of the United Kingdom . It was established in 2009 to regulate and inspect health and social care providers in England.
Care Act 2014	The 2014 Care Act changed the way that adults in England who require care due to old age, illness or disability receive support. The Act replaced most existing legislation on this issue.
Real Living Wage	The real Living Wage remains the only UK Wage rate calculated on the real cost of living. It is voluntarily paid by over 15,000 UK businesses who have chosen to transform millions of people's lives and raise the bar for what decent work looks like in the UK. Currently set at £12.60.