

**Open Report on behalf of Glen Garrod, Executive Director of Adult Care and Community Wellbeing**

Report to:	<b>Executive</b>
Date:	<b>6 June 2023</b>
Subject:	<b>Procurement of Active Recovery Beds 2023-2024</b>
Decision Reference:	<b>I029514</b>
Key decision?	<b>Yes</b>

**Summary:**

Active Recovery Beds (bridging service) is a joint initiative between Health and Social Care providing opportunities of a therapy-focused programme for patients who are medically fit for discharge from hospitals but are not yet ready to return to their own homes. The service is commissioned on behalf of the system by LCC and started in December 2022 as a pilot. It is proposed to continue with the Active Recovery Beds service for the duration of the 2023-24 financial year. Initial funding for the service ended on 31 March 2023; additional funding was provided by Lincolnshire Integrated Care Board (LICB) to cover a short-term direct award for a reduced number of Active Recovery Beds (40) to extend the service until 30 June 2023 and this is currently operational.

Further funding has now been finalised as set out in this report for the service to continue through to 31 March 2024. Due to the time-limited funding availability and need for continuity of the service to reduce healthcare system pressures, which are expected to increase again over the winter 2023-24 period, it is imperative to effect the procurement swiftly following the funding finalisation and seek to award new contracts as quickly as possible.

**Recommendation(s):**

That the Executive:

1. Approves the award of contracts to multiple providers for a county-wide Active Recovery Beds service for a period of nine months, commencing on 1 July 2023 and ending on 31 March 2024 in line with funding provision for the service.
2. Delegates to the Executive Director of Adult Care & Community Wellbeing in consultation with the Executive Councillor for Adult Care and Public Health the authority to determine the final form of the contracts and the entering into of the contracts and other legal documentation necessary to give effect to the above decision.

**Alternatives Considered:**

Not to continue with the Active Recovery Beds service beyond the expiry date of the current contract on 30 June 2023.

This option is not recommended due to:

- the loss of Active Recovery Beds leading to increased pressure on the hospital discharge flow in the wider healthcare system in Lincolnshire
- the current Active Recovery Beds service leading to positive outcomes for the majority of adults using it
- the loss of Active Recovery Beds leading to an increase in the LCC-funded care provision for those adults who otherwise benefit from reduced care needs following their stay in Active Recovery Beds

**Reasons for Recommendation:**

The existing Active Recovery Beds contract ends on 30 June 2023.

The time-limited funding availability and need for continuity of the service to reduce healthcare system pressures, which are expected to increase again over the winter 2023-24 period, requires a new procurement process to be swiftly followed and new contracts awarded as quickly as possible.

As set out in the report, the Active Recovery Bed services results in positive outcomes for users, reduces pressure on hospital discharge flows and results in reduced council care costs for adults leaving Active Recovery Beds.

**1. Background**

- 1.1 The Lincolnshire health and care system is working to embed a 'home first' culture and approach to discharge and patient flow, recognising that hospital-acquired functional decline results in less-than-optimal outcomes, and that people should be afforded the opportunity to return directly home from hospital for longer term needs to be identified and assessed in a more familiar setting.
- 1.2 In support of this, the Council has recently been operating an 'Active Recovery Beds' service, delivered through a small number of residential care home providers. These focus on the rehabilitation and enablement of eligible patients during their stay, with the aim of minimising future reliance on longer term funded care in their home environment following discharge.
- 1.3 Following an open market procurement in late 2022, the service commenced in December 2022 offering 60 beds across the county to initially assist in alleviating winter pressures in the NHS. From the outset, the service has been actively monitored and managed by the Council's Commercial and Hospital teams.

- 1.4 A brief summary of the most recent outcomes data at the time of writing shows that since the outset, over 60% of users returning home after an Active Recovery Bed stay have done so to a reduced council-funded care need (the average reduction in care hours funded being 33%). Coupled with the strong occupancy levels of Active Recovery Beds set out elsewhere in this report, the service is considered to be delivering successfully in line with expectations.
- 1.5 The service is proposed to continue for the duration of the 2023-24 financial year. Initial funding for the service ended on 31 March 2023. Funding for the 2023-24 financial year has been agreed between LCC and Lincolnshire Integrated Care Board as set out in this report. A short-term direct award for a reduced number of Active Recovery Beds (40) to extend the service until 30 June 2023 was agreed to ensure continuity of the service. This is currently operational, with the new procurement which is the subject of this report to apply for the remaining majority of the 2023-24 financial year.

## **2. Current Service Summary and Benefits**

### **A. Service Summary**

- 2.1 Active Recovery Beds offer a facility for people medically fit to be discharged from hospital who are not ready to return to their former home or level of independence.
- 2.2 Active Recovery Beds support a person's transfer to the most appropriate setting; they include for a short period of time an element of reablement (such as time, support, care and potentially therapies) to enable them to return home. The core principle of the service is to maximise independence and enable people to resume living at home safely in a time-efficient manner and where possible with a reduced package of care. The Providers work in partnership with members of the Multi-Disciplinary Team (MDT), to promote the "Home first" principle via care led reablement' where the reablement approach focusses on 'doing with' and not 'doing to'. The Provider's staff work closely with external therapists and other professionals to follow specific care plans for each individual which aims to enable the person to develop their independence with a view to returning home. Providers are also required to provide an environment which enables the person to become more independent with practicing daily living skills such as making a cup of tea, making simple meals, heating food in a microwave, carrying out laundry tasks and self-medicating.
- 2.3 Active Recovery Beds are pro-actively managed by LCC to ensure that outcomes are achieved. Each provider setting has a designated contract officer who offers regular support including facilitation of information flow to support smooth discharges both from hospital and from the Active Recovery beds. Each setting also has an MDT meeting each week, consisting of the relevant professionals needed to support full assessments of the person's needs. The MDT includes an Adult Care representative, Occupational therapist, the provider and any other relevant professionals, and has quick access to related services which could support the person's discharge from the

ARB via the Integrated Community Services Team. Each individual in the service has a personalised care plan, which includes a therapeutic plan, with goals, outcomes and review dates, to be monitored and reviewed weekly. The MDT agrees care plan milestones and therapeutic goals and the estimated date of discharge.

- 2.4 The Active Recovery Beds service is not for all hospital discharges. The focus of the service is to support those with complex needs requiring an integrated response, and who can improve to enable them to live at home with a reduced package of care.
- 2.5 The service is also accessible to those in the community where a short period of stay in a bed-based reablement setting would prevent an otherwise-unnecessary hospital admission. The service is accessible to community services such as the Falls Response Service and EMAS.

## **B. Benefits**

- 2.6 Active Recovery Beds:
- facilitate timely discharges from hospital acute care, reducing the length of hospital stays by avoiding delays arising from a further period of assessment or action to be taken to enable a return home.
  - reduce unnecessary admissions (including readmissions) to hospital of people who could safely be looked after elsewhere (e.g., in an Active Recovery Bed) and supported to be re-abled at home.
  - offer alternative care options for residents across Lincolnshire instead of remaining in hospital when medically fit to be discharged.
  - help mitigate NHS winter and wider hospital access pressures.
  - support a “home first” culture and approach to hospital discharge and patient flow.
  - improve outcomes for those who would otherwise experience delays in discharge due to awaiting a community reablement service or homecare package, ensuring that people continue their recovery in a setting where reablement and support to return to a level of independence is the primary focus.
  - enhance and support partnership working with the NHS.
  - reduce pressures on NHS staff working with residents in the Active Recovery Beds due to volume of beds in one location.
- 2.7 These benefits represent positive outcomes for the wider system and support the case for the joint funding of the services with the LICB. Further, the outcomes achieved by the Active Recovery Beds services represent significant cost avoidance for LCC Adult Social Care, highlighted as follows:
- 206 people completed a period of support in the Active recovery beds service between December 2022 and 24 April 2023, of which:
    - 17.5% were discharged home with no ongoing care needs.

- 35% went on to a Reablement or Homecare service, and of these people 61% had a reduced package of support than was anticipated at the start of their Active Recovery Bed stay.
- The average package was reduced by 33% from 15.06 hours to an average of 10.45 hours after their Active Recovery Bed stay.

### **3. Proposed Changes to Current Arrangements**

- 3.1 The current contracts provide for 15 Beds in each of the East and South health geographic areas, and 10 in the West, providing a total of 40 Active Recovery Beds.
- 3.2 This total is intended to continue for the initial period of the new contracts, ie from July – December 2023 inclusive, in line with projected demand from the health service.
- 3.3 During the initial Active Recovery Beds contract in the winter of 2022, a need for 60 Active Recovery Beds was identified for that period, and funding has been offered for a total of 60 beds to be available during the winter 2023-24 period (ie January – March 2024 inclusive).

### **4. Demand and Financial Modelling**

- 4.1 It is proposed that the Council will commission 40 Active Recovery Beds for the period 1 July 2023 – 31 December 2023, increasing to a total of 60 Active Recovery Beds during the period 1 January 2024 – 31 March 2024. All will be contained within registered residential care homes across the county, balanced across each of the health geographic areas East, South and West.
- 4.2 As with the existing service, Active Recovery Beds will be purchased on a block payment basis for the contract duration (i.e. the provider is paid the set fee per bed per week whether the bed is occupied or not) to ensure security of supply.
- 4.3 The latest evidence obtained for the current service shows occupancy levels tend to run at a fairly high level of around 80%, ensuring there is regular availability for new occupants when required by hospitals.

### **5. Budget and Cost Implications**

- 5.1 The weekly bed price has been calculated by the Council's finance team utilising the standard residential price model and amending it to reflect the specific requirements of the Active Recovery Beds.
- 5.2 The Active Recovery Beds would be purchased on a block payment basis at a weekly fee per bed of £929.14. This figure is based on the weekly bed rate calculated and used for the winter 2022 period, uplifted to allow for inflation.

- 5.3 The total 2023-24 financial year forecast cost for Active Recovery Beds is £2,503,496. This is based on 40 bed capacity throughout the year with an assumed increase of a further 20 beds during the winter peak demand period. The total forecast costs also take account of the additional cost to LCC of running the service.
- 5.4 As noted in this report, the current contracts have been created for the period from 1 April 2023 to 30 June 2023, at a cost of £565,480 for 40 beds.
- 5.5 The total costs for the remaining 9 months of financial year 2023-24 are forecast to be £1,938,016.
- 5.6 The 2023-24 total forecast cost is proposed to be funded jointly by Lincolnshire County Council and Lincolnshire ICB. This is a contribution of £1,251,748 by each organisation.
- 5.6 Both organisations are utilising grant funding to support these costs with Lincolnshire County Council proposing to utilise £800,000 carry forward from the 2022-23 Discharge Fund, topped up by £451,748 of the 2023-24 Discharge Fund (2023-24 full discharge grant into LCC is £4,802,544).

## **6. Risks and Dependencies**

### Risks/mitigations

- Potential that the market cannot provide the service requirements at fairly short notice. This has not proved to be the case in relation to the procurement and operation of the existing Active Recovery Beds service and should be further mitigated by the financial certainty the contract provides. The financial model has been costed and represents a fair fee for the service to be provided.
- Occupancy of an Active Recovery Bed beyond the maximum of 28 days. There is a risk of bed-blocking causing pressure on hospital discharges. This has not proved to be the case during the operation of the existing Active Recovery Beds service due to effective contract management/monitoring by the Council. Any new contract will continue to state that the Council has the final decision on extending any occupancy beyond 28 days – this would only be used in cases of extreme urgency and has not been required so far in any of the 255 placements supported through ARBs to the end of April 2023.

### Dependencies

- Working with NHS hospital discharge teams to ensure appropriate referrals are made to the Active Recovery Beds service. The Council already has a good working relationship with NHS hospital discharge teams and will continue to work with them to ensure the Active Recovery Bed service remains available to suitable occupants.
- Working with service providers to successfully discharge occupants from Active Recovery Beds at the end of their stay. The priority will continue to be for

occupants to return home after using the Active Recovery Bed service. This has been effective under the existing service. Where this is not possible or appropriate, there exist residential homes, homecare and reablement providers from whom future care arrangements can be sourced.

## **7. Commercial Model**

- 7.1 The procurement takes the form of an open market tender, which commenced on 5 May 2023 and is expected to be completed within 6 weeks. The start date for new contracts would be 1 July 2023.
- 7.2 To avoid a gap in service, the procurement has been commenced at the same time as undertaking decision-making with the future contract award being made only after the decision is finalised. Twin tracking the decision making and procurement processes avoids the operational difficulties and disruption to residents if the service were to be interrupted and 're-started' after 1 July 2023.
- 7.3 Service delivery will be by multiple providers of a countywide service with a total initial provision of 40 Active Recovery Beds proposed across the county, followed by a total provision of 60 beds, all balanced across each of the East, South and West geographic areas. Providers are expected to offer a minimum of 10 beds in each care home to be used for the Active Recovery Bed service.

## **8. Payment and Performance**

- 8.1 As set out above, payment to providers will be made on the basis of a set fee per bed, per week.
- 8.2 Performance management and KPIs are detailed in the proposed new tender and contracts. As with the existing Active Recovery Beds service, these focus on occupation levels of beds in use, volumes and applicability of referrals received, timeliness of the service responding to referrals, percentage of people enabled to maintain or reduce existing support levels at the end of their stay and the outcomes of the completed Active Recovery Bed stays.
- 8.3 As undertaken during the existing Active Recovery Beds service, these will continue to be actively monitored and managed by the Council's Commercial Team through the current detailed reporting structures.

## **9. Contract Commencement and Duration**

- 9.1 The contract(s) with providers will commence on 1 July 2023 and will expire on 31 March 2024, aligning to funding availability for the financial year 2023-24.

## **10. Procurement Implications**

10.1 The procurement is being undertaken in accordance with the Public Contract Regulations 2015, utilising an Open Procedure method. A Contract Notice has been published in May 2023 and a Contract Award Notice will be issued on any award to a successful bidder.

## **11. Public Services Social Value Act**

11.1 In January 2013 the Public Services (Social Value) Act 2013 came into force. Under the Act the Council must before starting the process of procuring a contract for services consider two things. Firstly, how what is proposed to be procured might improve the economic social and environmental wellbeing of its area. Secondly, how in conducting the process of procurement it might act with a view to securing that improvement. The Council must only consider matters that are relevant to the services being procured and must consider the extent to which it is proportionate in all the circumstances to take those matters into account. In considering this issue the Council must be aware that it remains bound by EU procurement legislation which itself through its requirement for transparency, fairness and non-discrimination places limits on what can be done to achieve these outcomes through a procurement.

11.2 Social value was considered ahead of the procurement commencing. As set out in paragraph 2.6 of this report, the Active Recovery Bed service have the potential to deliver increased social and economic benefits to the area. Also the services are by their nature appropriate for delivery by local businesses; at least securing local employment

11.3 Under section 1(7) of the Public Services (Social Value) Act 2013 the Council must consider whether to undertake any consultation as to the matters referred to above. The service and the value it delivers is well understood. Best practice recently adopted elsewhere has been reviewed. This was considered but due to the urgency of the requirement, it is unlikely that any wider consultation would be proportionate to the scope of the procurement.

## **12 Legal Issues:**

### **Equality Act 2010**

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.

Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.



Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
- Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

Compliance with the duties in section 149 may involve treating some persons more favourably than others.

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision-making process.

The Active Recovery Beds service will impact positively on all individuals accessing the service who will benefit from quicker transition from hospital discharge to care or will prevent the requirement for that individual to receive care in an acute hospital. The purpose of the Active Recovery Beds service supports equality of opportunity for all eligible residents of Lincolnshire to benefit from the service.

#### Joint Strategic Needs Analysis (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision.

Adult Health and Wellbeing is a core theme of the JSNA, with a key priority being to improve health and reduce health inequalities for individuals. The Active Recovery Beds service will improve the health of residents through the provision of detailed specialist care whilst enabling them to leave hospital when medically fit to do so, to continue their reablement before going home or onto another care setting.

### Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

This service is unlikely to contribute to the furtherance of the section 17 matters.

### **13 Conclusion**

13.1 Through procurement of the Active Recovery Beds service as detailed above, the Council will improve the availability of specific reablement care for residents who require a further period of support prior to returning home. The Active Recovery Beds service will also support local hospitals throughout the year, with particular emphasis on the expected greater pressure period of winter 2023/2024.

### **14 Legal Comments:**

The Council has the power to enter into the contract proposed.

The decision is consistent with the Policy Framework and within the remit of the Council's Executive.

### **15 Resource Comments:**

The funding for the continuation of this service is sourced from the Discharge Funding received by both Lincolnshire County Council and Lincolnshire Integrated Care Board. Both organisations are to pool the Discharge Funding as part of the wider Better Care Fund and submit fortnightly activity reports highlighting progress throughout 2023-24.

### **16 Consultation**

#### **a) Has Local Member Been Consulted?**

N/A

#### **b) Has Executive Councillor Been Consulted?**

Yes

### **c) Scrutiny Comments**

On 24 May 2023 the Adults and Community Wellbeing Scrutiny Committee agreed to support the two recommendations on the procurement of active recovery beds, as this would represent one of several schemes to support the timely discharge of patients from acute hospitals.

The Committee was reassured that an average occupancy rate of 80% for active recovery beds was a good level of usage. The Committee understands that there is an aim for a slightly higher level of occupancy, whilst at the same time providing the health and care system with the capacity to manage any surges in demand across the whole county. Furthermore, there was flexibility to increase the number of beds, for example during the five-month period of winter pressures.

In November 2022, the Committee had previously considered a proposed decision on active recovery beds for the winter of 2022/23, which was approved by the Executive in December 2022. The Committee would again like to highlight the benefits of active recovery beds, which could be presented in simple terms as a comparison between the daily cost to the health and care system of an acute hospital bed, at around £465 per night, and the daily cost of an active recovery bed, at approximately £150 per night.

The Committee received confirmation that the funding for active recovery beds continued to be from a ring-fenced government grant, dedicated to supporting hospital discharge. This grant had been successfully applied for its intended use, unlike other integrated care systems, where much lower levels of the grant had been used. Looking to the future, the Committee stressed that it was important that the government committed to permanent funding, so that the service could continue as part of the core offer.

### **d) Risks and Impact Analysis**

As contained in the body of this report above.

## **17. Background Papers**

The following background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

Background Paper	Where it can be viewed
<b>Report to the Executive Councillor, Adult Care and Public Health dated 6 – 9 December 2022 titled Procurement of Active Recovery Beds – Winter 2022/2023</b>	<a href="https://lincolnshire.moderngov.co.uk/ieDecisionDetails.aspx?ID=848">https://lincolnshire.moderngov.co.uk/ieDecisionDetails.aspx?ID=848</a>

This report was written by Alina Hackney, Head of Commercial Services, who can be contacted on 07824 837027 or [alina.hackney@lincolnshire.gov.uk](mailto:alina.hackney@lincolnshire.gov.uk)