

LONDON BOROUGH OF CAMDEN	WARDS: ALL
REPORT TITLE Nursing Block Contract; Ash Court Care Centre (AH/2025/05)	
REPORT OF Cabinet Member for Health, Wellbeing and Adult Social Care	
FOR SUBMISSION TO Cabinet	DATE 4 th June 2025
STRATEGIC CONTEXT <p>The Council has a duty to deliver a range of care services which ensure the wellbeing of its residents under the Care Act (2014) and Health and Care Act (2022) amendments.</p> <p>Nursing Block provision secures much needed stability in access to affordable nursing care for Camden residents, which is a critical component of the Council's Accommodation Strategy and Market Sustainability Plan. There is an ongoing and increasing need for nursing placements for older people.</p> <p>In response to ongoing engagement with residents and a range of health and care professionals, commissioning strategies are focused on maximising access to affordable, high-quality nursing care which enables Camden residents to remain in Camden.</p> <p>This report outlines the challenges faced around increasing fee rates and decreasing nursing capacity across North Central London. This has created a pressured local care market and an ever-stronger case for building partnerships with providers within the security of mutually beneficial block contract arrangements.</p> <p>This contract supports three key ambitions of We Make Camden:</p> <ul style="list-style-type: none"> ○ Camden communities support good health, wellbeing and connection for everyone so that they can start well, live well, and age well ○ Everyone in Camden should have a place they call home ○ Camden actively tackles injustice and inequality, creating safe, strong and open communities where everyone can contribute <p>A new contract with Forest Healthcare will provide continuity of care for Camden residents for whom Ash Court is their home. The increase in block beds will also enable more older people with an eligible nursing need to remain close to home, connected to their communities.</p> <p>Further opportunities to grow and further diversify the Council's residential and nursing care offer may be considered in future.</p>	

SUMMARY OF REPORT

This report sets out the procurement approach and seeks approval for direct award of a 6-year contract to Forest Healthcare for the provision of nursing block beds at Ash Court under the Provider Selection Regime (PSR) Route C. The strategy outlined will safeguard the Council's access to high-quality, affordable nursing provision in-borough, now and into the future.

The ambition is for Camden residents to be placed through Nursing Block Contracts wherever possible, which are underpinned by strong partnership arrangements with providers and built on collaborative quality assurance relationships. Forest Healthcare, which operates Ash Court, has consistently demonstrated their commitment to Camden values and strives for a strengths-based, resident-led care community.

The current Nursing Block contract commenced on 23rd July 2018 for an initial four-year period with three one-year extension options which were taken up in recognition of the high-quality care and support offer for Camden residents and joint working embraced by the provider.

The Provider Selection Regime (PSR) allows a relevant authority to award a new contract to an existing provider "when the existing contract is due to expire, where the existing provider is satisfying the existing contract and is likely to satisfy the new contract." Regulations stipulate that the proposed contracting arrangements must not be changing "considerably" from the existing contract.

A three-stage assessment process has been completed under PSR, along with a review of the service specification to ensure that expectations of nursing care remain fit for purpose and reflect Adult Social Care priorities, including trauma-informed practice and the zero tolerance of abuse policy.

The report is being submitted to Cabinet for approval as required by Contract Standing Orders for contracts with an estimated value of over £5 million.

Local Government Act 1972 – Access to Information

No documents that require listing were used in the preparation of this report.

Contact Officers:

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RECOMMENDATIONS

That, having considered the results of the equalities impact assessment (Appendix 1) and having due regard to the obligations set out in section 149 of the Equality Action 2010, the Cabinet is asked:

1. To approve the strategy for a Nursing Block provision at Ash Court Care Centre by way of a new contract with Forest Healthcare for a period of 6 years from 23rd July 2025 plus one extension of 24 months, at the sole discretion of the Council, for an estimated aggregate value (including the extension) of £9,858,514
2. To delegate authority to the Executive Director Adults and Health to extend the contract.
3. To approve that the new contract is made via Direct Award (Process C) under the Health Care Services Regulations (Provider Selection Regime) which came into force on 1st January 2024
4. To delegate authority to the Executive Director Adults and Health to request the sealing of the contract.

Signed:



Jess McGregor, Executive Director Adults and Health

Date: 22/05/2025

1. CONTEXT AND BACKGROUND

Nursing Care in Camden

- 1.1 Nursing block contracts secure much needed stability in access to affordable nursing placements for Camden residents, predominantly accommodating older people with a diverse range of complex health and care support needs. Activity is regulated by the Care Quality Commission (CQC) and differs from residential care services in the presence of Nursing staff on site 24/7.
- 1.2 Camden residents are offered a placement within local block provision wherever possible, however the market is limited and alternative options may be considered in exceptional circumstances e.g. due to capacity, a requirement for specialist provision or personal choice.

Camden Nursing Provision (March 2025)			
Provider	Total beds	Camden beds	Contract end
Ash Court	62	20 block + 24 spot	2025
Hampstead Court	24	0	n/a
Maitland Park	20	20 block	2041
Wellesley Road	20	20 block	2041
Lansdowne (Barnet)	99	37 block	2025

- 1.3 Under the proposed arrangement, the Council will block purchase 57% of all in-borough nursing beds with access to the remaining beds at Ash Court under a spot purchase arrangement as and when they are available.
- 1.4 Nursing block contracts offer greater security for the Council and positive outcomes for residents in the close partnership working with providers combined with greater clarity around fee rates. There is an associated financial risk through void liabilities, however this is carefully monitored and minimised wherever possible.
- 1.5 The demand for nursing services consistently exceeds the capacity available in Camden block provision, resulting in approximately 50% of residents residing in spot placements either in or outside North Central London (NCL). In March 2025, this equated to 101 residents out of borough.
- 1.6 Data suggests that this increase in demand is mirrored across NCL. When combined with a drop in capacity due to provider failure, the result is high competition for affordable placements locally and a volatile market.

Nursing Block Contract – Ash Court

- 1.7 There is extensive evidence that the provider Forest Healthcare, who run Ash Court, is performing well against the current contract. Ash Court has developed a strong reputation locally for supporting residents with a range of complex nursing, health and care needs who may otherwise be placed out of borough due to a shortage of suitable provision.
- 1.8 This report seeks approval to award a new 6-year contract to Forest Healthcare, to ensure continuity of care for Camden residents in the borough. Key aims and objectives of the contract are as follows:

- To provide 32 nursing care placements to older residents of Camden who have complex health and/ or care support needs
- To provide a stable supply of high-quality registered nursing care under a block contract arrangement for Camden residents
- To increase the number of nursing block beds available to enable a greater number of eligible residents to remain in Camden
- To provide individualised, strengths-based care and support for residents, which enables people to maintain independence wherever possible
- To provide holistic care and support which is delivered by a skilled workforce and operates within an integrated network of health and care professionals

Demand for services

- 1.9 There is an ongoing and increasing need for nursing placements for Camden residents. Population projects suggest that the Council can expect up to a 49% increase in demand for nursing care over the next 10 years if services continue to be delivered “as is”.
- 1.10 Affordable provision locally is in high demand, with the Council’s responsibilities for market sustainability becoming increasingly critical in the challenging financial climate.

North Central London New Nursing Placements			
	Placements	Percentage change	
2022-23	694	+ 60%	
2023-24	514	+ 26%	
2024-25	TBC	TBC	
Camden New Nursing Placements			
	Block	Spot	Total
2022-23	39	72	111
2023-24	30	76	106
2024-25 (Q1-3)	24	43	67

- 1.11 Capacity and demand modelling is ongoing across Adult Social Care, with the potential to consider a full tender to test the market and further increase capacity over the next 3-5 years if required.

Recommended increase in block provision

- 1.12 Whilst use of the spot market provides choice and flexibility in specialist provision, location and nature of service, there is a lack of stability in pricing and the Council is liable to large uplift requests which must be negotiated with unfamiliar providers. Therefore, this report seeks approval to increase from 20 to 32 block beds at Ash Court, providing greater security for both parties. This opportunity is provided for in the current terms and will be replicated in the new contract.
- 1.13 The Council has consistently purchased between 22 and 29 spot beds with Ash Court since 2021, therefore the additional 12 block beds will not constitute an additional cost pressure at this time. Instead, it will ensure greater stability for residents currently outside the block arrangement.

Value for money

- 1.14 Ash Court demonstrates good value for money across North Central London (NCL) benchmarks as evidenced in the Part II Appendix 3 to this report.
- 1.15 The new contract is modelled on an £84.67 per week increase to fee rates to safeguard the sustainability of the service. Forest Healthcare has provided a detailed cost workbook in support of this, which outlines operating costs and accounts for key cost pressures in 2025-2026, including inflationary increases and national insurance.
- 1.16 Without this increase, weekly nursing fees at Ash Court would fall further below the “minimum sustainable” rates as determined by independent analysis of the local market under the North Central London (NCL) joint market management strategy. This annual exercise provides essential benchmarking information for services across Barnet, Camden, Enfield, Haringey and Islington.
- 1.17 The “Minimum sustainable” rate bandings are an essential tool for Commissioners in safely managing the care market and are balanced alongside financial considerations such as void liabilities for block provision.
- 1.18 Ash Court has consistently demonstrated value for money, both against existing Camden block arrangements and average rates for all new nursing spot purchase placements. Further detail is provided in the Part II Appendix 3.
- 1.19 Ash Court continues to explore opportunities to provide added value in the day-to-day life of residents. Recent projects include innovative initiatives such as the Veteran Friendly Framework and investment in technologies including Myley Life, Burns Gym and an OMi interactive sensory projector. The team will be trialling Painchek Artificial Intelligence (AI) technologies on behalf of the Camden Care Home Network from May 2025.

2. PROPOSAL AND REASONS

- 2.1 The Health and Care Act 2022 introduced a new set of rules for selecting providers of health care services in England: The Provider Selection Regime (PSR), which came into force in January 2024. The regime aims to introduce a flexible and proportionate process for selecting providers of health care services so that decisions are made in the best interest of the people who use them. Nursing Block Provision was identified to be within the scope of the new regime.
- 2.2 The arrangements under the PSR are intended to allow greater integration and enhanced collaboration across the system, while ensuring that all decisions about how health care is arranged are made transparently. The changes also aim to reduce the costs and bureaucracy associated with previous procurement regulations.
- 2.3 Direct Award Process C was agreed to be most appropriate route, offering continuity of care for residents and evidenced by a detailed assessment of (a) performance against the current contract and (b) likelihood of the provider meeting requirements of the future contract. Officers were in agreement that

Forest Healthcare (Ash Court) is performing to a high standard, meeting quality standards and demonstrating good value for money.

- 2.4 Further information on the assessment process and evidence of performance against the five key criteria is included in Appendix 2 and summarised as follows:

2.5 Quality and innovation

Ash Court has actively engaged in regular Quality Assurance processes. Site visit reports and data logs demonstrate a commitment to consistently high quality care and support for residents, in addition to clear examples of the implementation of learning from safeguarding alerts and feedback from residents.

- 2.6 The “Forest Fundamentals” provide a strong framework for Ash Court to work within, engaging in regular audits led by the team on site/ from Head Office and demonstrating continuous service improvement. This includes regular auditing of critical elements of care delivery such as care planning, medication management, infection control and health and safety. The leadership is reflective and responds to the changing needs of residents, including seeking opportunities to modernise/ increase efficiency e.g. through the implementation of electronic medication management. Where peer support is needed, Ash Court will seek support from neighbouring Forest Healthcare services or the wider Camden Care Home Network.

- 2.7 The provider has taken steps to highlight delays or issues arising in the integrated network of health and care professionals that work alongside the home, working in partnership to identify appropriate solutions e.g. reducing unsafe discharges. Ash Court has an excellent reputation locally for the management of core clinical responsibilities, such as pressure care.

2.8 Value

Ash Court has consistently operated within or below the North Central London “minimum sustainable” bandings for nursing care, despite increasing financial pressures on the sector. There is evidence that steps are taken to ensure the service runs efficiently without compromising the safety or wellbeing of residents, this includes an effort to minimise overhead costs. The home has a consistently low void position and beds are relisted at the earliest opportunity.

2.9 Integration, collaboration and service sustainability

Residents of Ash Court benefit from the support of the Enhanced Care Home Liaison Service, which is joint funded by the Integrated Care Board (ICB) and the Council through the Better Care Fund. In addition to a link GP with weekly rounds, the service includes a regular Multi-Disciplinary Team meeting on site for focused discussion around any residents that are experiencing a change in need or deteriorating condition. This ensures that integrated support plans and solutions are considered at the earliest opportunity.

2.10 Improving access, reducing health inequalities and facilitating choice

Case studies and quality assurance reporting demonstrate that consideration is given to the holistic needs of residents, exploring opportunities to celebrate their identities and maintain connections with their communities. Feedback is consistently positive from residents, their families and the wider community, however where complaints are received there is evidence that these are fully investigated and actions are put in place.

2.11 Social Value

Social value has been used as an opportunity to build on the community around the nursing home, focusing on partnerships with local business, intergenerational working and increasing volunteers to tackle social isolation. A steady offer of student nursing placements has been a key strength, which has been reflected in the stability of the workforce and is creating a pipeline of talent for the future. Ash Court has considered the importance of ensuring that wellbeing initiatives are beneficial to both staff and residents, and in doing so has created a strong and vibrant community ethos for the home.

- 2.12 Social value will continue to offer a key measure of success for the duration of the new contract, building on a foundation of community collaboration under the neighbourhood model.

3. OPTIONS APPRAISAL

	Recommended Option
<p>Option 1 – approve the strategy and award the contract to the provider under Direct Award Process C:</p> <p>This is the recommended option. Direct Award to Ash Court under PSR Process C provides much needed security in the provision of nursing care for Camden residents and avoids further use of spot purchase which can be unpredictable in price and location. It enables a successful local partnership to continue and develop to the benefit of residents.</p>	X
<p>Option 2 – do not approve the strategy and award of contract and re-tender the service:</p> <p>Although permitted under Procurement regulations, this is not recommended. The existing provider is performing well, delivering (a) value for money and (b) positive outcomes for residents with a range of complex health and support needs. The nursing market in Camden and across North Central London is extremely limited and experiencing high demand. Ensuring that more residents are able to remain in borough is a priority of the Accommodation Strategy.</p>	
<p>Option 3 – do nothing and allow the existing service to end:</p> <p>This option is not viable. The Council is required to ensure there is sufficient regulated nursing care for residents under Care Act duties. There</p>	

is a risk that existing residents of Ash Court would be required to move to alternative accommodation or be faced with the relative instability of a spot purchase arrangement.	
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4. WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?

Type	Impact	Mitigation
Procurement approach – Use of PSR process C is not approved	Significant delay to timeframes for new nursing block provision	<ul style="list-style-type: none"> Three stage assessment undertaken to assess viability of the procurement approach Engagement with legal and procurement colleagues Ongoing partnership working with block and spot market to manage risk around loss of capacity
Operational – Insufficient capacity in Ash Court block arrangement to meet demand for nursing placements	Increased use of volatile spot market	<ul style="list-style-type: none"> Ongoing engagement in North Central London (NCL) joint market management programme Recommended contractual clause allowing for annual increase/ decrease in block bed numbers as required – <i>already included in existing contract</i> Continued partnership with Ash Court regarding additional spot purchase as appropriate Ongoing development of wider commissioning strategy for residential and nursing care
Financial – Drop in demand for nursing provision	Increased impact of void liabilities	<ul style="list-style-type: none"> Ongoing capacity and demand monitoring with Adult Social Care colleagues as part of accommodation strategy/ business as usual Contractual clause enabling annual increase or decrease in block bed numbers Partnership working with the provider to ensure best use of available provision Opportunity to share void risk as part of NCL joint market management strategies

5. CONSULTATION/ENGAGEMENT

- 5.1 Direct Award Process C stipulates that no “considerable” changes can be made to the core service delivery therefore no formal consultation was required. Feedback from a range of sources was evaluated through the PSR assessment with consistently positive references to individualised, holistic support for residents with complex health and care needs.
- 5.2 Staff, relative and resident engagement is built into quality assurance processes for all care providers. There is evidence of strong partnership

working and transparency in responding to and learning from concerns such as whistleblowers and/ or complaints.

- 5.3 Rethink Advocacy will begin a care home project in 2025-2026 ensuring that the resident voice is fully embedded at the heart of performance monitoring going forward.
- 5.4 An Equalities Impact Assessment (EIA) has been completed and is attached to this report as Appendix 1. The EIA highlighted that no one in any protected characteristic would be adversely affected by the proposed new contract.
- 5.5 The EIA confirmed that the diversity of the sample population of Ash Court over 3 years is representative of the 65+ population in Camden and equivalent to all Camden residents accessing nursing care over the same period. However, measures are outlined to address the under-representation of Asian/ Asian British older people in access to nursing care.

6. LEGAL IMPLICATIONS

- 6.1 Relevant authorities now have to arrange relevant health care services, such as these, by following The Health Care Services (Provider Selection Regime) Regulations 2023 (PSR2023), which came into effect on 1 January 2024. Under the PSR 2023 relevant authorities must identify which provider selection process is applicable for the health care services they are arranging.
- 6.2 The processes are:
 - Direct award processes A, B and C;
 - Most suitable provider; and
 - Competitive process
- 6.3 The service will be procured through Direct Award Process C under the (PSR2023). The PSR2023 allows a relevant authority to award a new contract to an existing provider “when the existing contract is due to expire, where the existing provider is satisfying the existing contract and is likely to satisfy the new contract.” Regulations stipulate that the proposed contracting arrangements must not be changing “considerably” from the existing contract.
- 6.4 For these services, Officers are proposing to use Direct Award Process C. A relevant authority can follow Direct Award Process C when the relevant authority is not required to follow direct award processes A or B and there is an existing provider in place whose contract is coming to an end, the service is not changing considerably, and the relevant authority is of the view that the existing provider is satisfying the existing contract to a sufficient standard and is likely to be able to satisfy the new contract to a sufficient standard. Procurement consider that the existing provider is satisfying its existing contract, will likely satisfy the new contract to a sufficient standard, and the proposed contracting arrangements are not changing considerably.
- 6.5 In line with the Contract Standing Orders, Cabinet is being asked to approve the Direct Award of this contract to Forest Healthcare for the delivery of Nursing Care.

7. RESOURCE IMPLICATIONS

- 7.1 The proposed contract cost is calculated by increasing the unit cost to the Council by £84.67 per bed per week. In addition, the number of beds in the block contract will increase from 20 to 32 from the start of the new contract.
- 7.2 The 12 additional beds will be transferred from the Ash Court's spot purchase into the block contract from 23 July 2025. The proposed unit cost remains aligned with the 25-26 North Central London "minimum sustainable" rates for nursing care.
- 7.3 The total cost increase for 25-26 is estimated at £97,540, of which £60,962 relates to a fee increase and £36,577 to the increase in block beds. The £36,577 cost pressure would expect to be partially offset against the reduction in spot purchase from Ash Court.
- 7.4 The additional pressure will be funded from the departments inflationary budget allocation.
- 7.5 There are no Medium Term Financial Strategy savings attached to the nursing block budget.

8. ENVIRONMENTAL IMPLICATIONS

- 8.1 There are no environmental implications. All providers will be supported to engage with local environmental and sustainability projects through regular care home network meetings.

9. TIMETABLE FOR IMPLEMENTATION

Key milestones	Indicative Date
Report presented to Cabinet	04 June 2025
PSR Schedule 3 – Notice of Intention to Award	June 2025
8-day standstill period	
Contract signed and sealed	
PSR Schedule 4 – award notice	July 2025
Contract start date	On or around 23 July 2025

10. APPENDICES

Appendix 1 – Equality Impact Assessment

Appendix 2 – Provider Selection Regime (PSR) assessment outcome

Part II Appendix 3 (NOT FOR PUBLICATION)

REPORT ENDS