

TITLE OF REPORT: Short Breaks for Complex Needs – St Oswald’s Hospice

**REPORT OF: Helen Fergusson, Strategic Director of Children’s Social Care and
Lifelong Learning**

Purpose of the Report

1. The purpose of this report is to provide an update on a new contractual framework for St Oswald’s Hospice from 1st January 2023 for the provision of short breaks for complex needs and to obtain authorisation to progress. The report provides information on market testing, tender exemption and arrangements for a new contract, developed and delivered in conjunction with regional partners.

Background

2. St Oswald’s Hospice, located in the Gosforth area of Newcastle, is a charity providing seven short term and respite beds for young people from 0-18 with life threatening or life shortening conditions, including end of life care.
3. The service is procured regionally by South Tyneside Council to meet the statutory responsibilities of local authorities under the Breaks for Carers of Disabled Children Regulations 2011. Gateshead Council are one of six regional Local Authorities and linked Health Partners included in the current contractual framework; the other signatories are South Tyneside, Newcastle City, North Tyneside, Northumberland and Sunderland City.
4. Each Local Authority has a standard individual contract with St Oswald’s, drafted and managed by South Tyneside Council.
5. The cost of the provision is £749.21 per night broken down as follows:
 - 33% payable by the Local Authority.
 - 33% payable by Health (under a s.256 Agreement).
 - 34% payable by the Provider.
6. The service provided by St Oswald’s Hospice is an important resource for the children and young people who benefit from their support but also the parents and families who receive a break from intense home care.
7. Several Gateshead parents of Children and Young People receiving short term care at St Oswald’s Hospice have expressed their support for the service. One of those parents whose child attends St Oswald’s Hospice for several nights every month stated that, *“St Oswald’s is an extraordinary place providing such a valuable service to us all. It allows us as parents to recharge our batteries in the knowledge that A is*

in a safe, caring environment with highly skilled staff who can provide the utmost care to cater to his complex needs.

A really loves coming to St Oswald's. He is well known, loved and cared for by all the staff who offer a wide variety of activities when he goes, making every day special and allowing A to experience activities we do not do and could not at home."

8. The Council is a regular user of the service. Data from the Children's with Disabilities Team for one year up to 31st March 2022 identifies 11 Gateshead young people aged from 2 to 14 who have been resident at St Oswald's as follows:

Age	Service Start Date (Approx)	Service End Date	Frequency
10	22/07/2103		4 nights per month (48 + 2 nights per year)
6	06/03/2018		3 nights per month (36 nights per year)
11	17/05/2014	17/07/2021	3 nights per month (36 + 2 contingency per year)
11	On waiting List		24 nights per year
13	25/06/2020		4 nights per month (48 nights per year)
14	13/01/2016		4 nights per month (48 + 2 nights per year + 2 contingency per year)
3	Not yet started		36 nights per year
3	01/07/2021	31/07/2021	36 nights per year
2	01/10/2021		24 nights per year
4	11/02/2020		36 nights per year (36 + 2 contingency)
12	10/02/2010		2 nights per month (36 nights per year)
			Approx 304 nights per year

9. The cost of this service is in the region of £227,759 per annum, although the actual cost would vary depending on how many families require the service in any year. This equates to 304 nights per year at a cost of £749.21, therefore the contract value is in the region of £227,759.84 per annum.
10. On 1st April 2022 a Soft Market Testing Exercise (SMTE) questionnaire was published on the NEPO portal. The exercise was led by South Tyneside and was designed to establish whether there was a market for this provision beyond the existing provider.
11. Only one response was received to the SMTE questionnaire, from St Oswald's. That outcome, coupled with earlier market research and intelligence clearly confirmed that this is specialist provision in a closed regional market.
12. In May the regional strategy group met to review the SMTE and consider the next steps in terms of the contractual framework; the current contract expired on 30th September 2022.

Proposal

13. The regional group has proposed to extend the existing contract from 1st October 2022 to 31st December 2022 and then direct award a new 3-year contract to St Oswald's from 1st January 2023. The extension from October to December 2022 has been approved under delegated authority.
14. For the new contract a regional approach has been taken to agree the terms, so all six local authorities are contracting on the same terms, but with individual agreements in place.
15. The new contract, which includes an annual window to negotiate fees, should remove the instability of the current 12 rolling contract extensions arrangement and provide certainty for the provider.
16. The stability of a new contract will also help facilitate discussions with the provider about expanding the provision, e.g., community support and potentially realising future cost savings.
17. The new contract also includes arrangements for regular quality assurance checks, including inspections and meetings with the provider.
18. In order to progress a direct award in Gateshead a tender exemption request has been considered and agreed by the Service Director for Corporate Commissioning and Procurement.
19. As the overall contract value exceeds £250,000 final authorisation for the new three year contract from 1st January 2023 is required from Cabinet.
20. Officers will work with the provider to include them on the Council's Dynamic Purchasing System for accommodation and support to ensure an improved route to market in the future.

Recommendations

21. Cabinet is requested to:
 - (i) Note the market testing, contractual development, and tender exemption context.
 - (ii) Approve the direct award of a 3-year contract to St Oswald's Hospice for the provision of Short Breaks for Complex Needs from 1st January 2023.

For the following reasons:

- The supplier is providing a much needed regulated activity under the provisions of the Health and Social Care Act 2008, and the Regulations, for a particularly vulnerable client group.
- Soft Market Testing and regional intelligence clearly confirms that there is no competitive market for this service in the region. St Oswald's Hospice is therefore the only option to provide this provision for children and their families.

CONTACT: **Helen Fergusson** **Ext: 2700**

Policy Context

1. The Thrive Policy Framework, Gateshead Local Offer, Early Help Strategy, and the Short Breaks Policy Statement are driving our decisions around how we work with the most vulnerable children and their families.
2. The Council's vision is *for all families with disabled children in Gateshead to be supported to live ordinary family lives as a matter of course. Every family is different, but every family has the right to a decent quality of life. Central to achieving this is the transformation of short break services; developing a menu of provision in partnership with families and other stakeholders to meet the needs of all disabled children and young people, including those whom "traditional" short break services may struggle to accommodate.*
3. The regional strategy group includes input from and consultation with health partners in the North East and North Cumbria Integrated Care Board.

Consultation

4. The Cabinet Members for Children and Young People, the Gateshead System and Regional Partners in the Framework arrangement support the proposals.

Alternative Options

5. The Council could decide not to approve the new contractual framework for St Oswald's Hospice, however, it is clear from regional market testing that there is no alternative provision in the local area. This is due to the specialist nature of the service provided at the Hospice and the clinical led, 24-hour medical care on offer.

Locally, Grove House and Grace House offer specialist short break services for children and young people with complex needs but neither service is clinically led to offer the specialist palliative care required.

Implications of Recommended Option

6. **Resources:**
 - a) **Financial Implications** – The Strategic Director, Resources and Digital, confirms that bed space will continue to be paid for based on usage and within existing resources.
 - b) **Human Resources Implications** – None
 - c) **Property Implications** - There are no property implications for the Council from the proposals.
7. **Risk Management Implication** - There are no risk management implications for the Council from the proposals.
8. **Equality and Diversity Implications** – Health inequalities for children and young people with life limiting conditions will be addressed by the service.

9. **Crime and Disorder Implications** – There are no crime and disorder implications for the Council from the proposals.
10. **Health Implications** – This provision will continue to offer some of our most vulnerable children and young people with life limiting conditions, high quality, clinical led end of life care and support in a specialist short break service. Families of the children and young people who receive respite and short-term care at the service also benefit from improved health and wellbeing outcomes.
11. **Climate Emergency and Sustainability Implications** – There are no climate emergency and sustainability implications.
12. **Human Rights Implications** - There are no Human Rights implications for the Council from the proposals.
13. **Ward Implications** – These services will be offered Borough wide.