INVITATION TO TENDER FOR THE PROVISION OF:

A review of the NHS-funded Nursing Care (NHS FNC) Rate in England

Deadline: Thursday 29th October 2015, 4pm

ITT Reference: ITT60040/5887

**PART B –** Tender Schedules

 (To be returned by Tenderers)

1. Specification
2. Executive Summary

**Purpose of this review**

The purpose of this review is to consider the cost of providing registered nursing care as part of a package of care in a nursing care home in England. This is known as NHS-funded nursing care (NHS FNC) and it is currently paid at a standard rate of £112 per week per person. For those individuals assessed as eligible it is funded by the state and paid directly to the nursing care home. The purpose of the review is also to identify an appropriate and robust mechanism for determining the rate on an annual basis.

**History of the policy since 2001**

In October 2001, the Government introduced NHS FNC so that the NHS would meet the costs of the provision of nursing care by a registered nurse. The Authority initially set three rates of NHS FNC to reflect three ‘bands’ of nursing care, low, medium and high and historically, the level of payment has been increased annually to track movements in the pay of NHS nurses.

In 2006, the Government consulted about the creation of a National Framework for NHS Continuing Healthcare and NHS-funded Nursing Care[[1]](#footnote-1) and, following that consultation, introduced a simplified system of payment rates for NHS FNC. The rate for 2015/16 is the standard rate of £112 per week (there is a higher rate of £154.14 per week also in place for any individual who was on the higher rate before the change to the single band and whose needs are assessed as remaining high).

Part 6 of the National Health Service Commissioning Board and Clinical Commissioning Groups (Responsibilities and Standing Rules) Regulations 2012[[2]](#footnote-2) (as amended), specifies the provision of NHS FNC.

The rate of NHS FNC has not been extensively reviewed since 2001.

**Welsh Review**

Local Health Boards in Wales commissioned a review of the rate of NHS FNC in Wales. The report was published 8 July 2013 *see link for details:* <http://www.wales.nhs.uk/sitesplus/866/opendoc/225186>

The rate of NHS FNC was increased in Wales following the review. The subsequent amendments to this rate have been legally challenged (see: R (Forge Care Homes Ltd and others) v Cardiff and Vale University Health Board and others [2015] WLR(D) 134, [2015] EWHC 601 (Admin), [2015] PTSR 945). The judgment is available at <http://www.bailii.org/ew/cases/EWHC/Admin/2015/601.html>.

1. The Requirement

The aim of this review is to determine the reasonable costs of providing the nursing element of care in a registered nursing home. An appropriate and explicit methodology should be proposed such that there is a clear basis for transparently updating it in future.

The reasonable costs should allow care homes to provide sufficient numbers of suitably qualified, competent, skilled and experienced persons to provide NHS FNC, as required by Part 6 of the National Health Service Commissioning Board and Clinical Commissioning Boards (Responsibilities and Standing Rules) Regulations 2012 (as amended)[[3]](#footnote-3).

It is envisaged by the Authority that this review will consider, but is not limited to considering, the following possible elements of that funding:

(a) The hourly rate of pay which should be attributed by the Authority to a nurse providing NHS FNC;

(b) The number of hours which a nurse providing NHS FNC could be regarded as providing, per patient per day on average;

(c) Any relevant regulatory requirements imposed by the Care Quality Commission (CQC) on relevant premises[[4]](#footnote-4); and

(d) The efficient allocation of and use of resources in providing NHS FNC to persons requiring it.

It is further envisaged by the Authority that in considering those elements of funding, the following factors will be material but that this review is not limited to considering these factors alone:

(a) Regional differences in the costs of providing NHS FNC.

(b) Any variation in costs caused by the size and specialism of a nursing home.

The review should therefore deliver the following outcomes:

• A calculation of the total cost of providing the nursing element of care to residents in a nursing home setting;

• Identify a single national weekly per-person rate that would cover the average costs of providing the service;

• Calculate any variation in costs (by considering the level of care needed, regional cost differences and the size and specialism of the nursing home); and

• An evaluation of whether the national rate currently in place is fit for purpose for future use and if not, provide proposal/s of alternative methods to determining the rate of NHS FNC.

The following are not considered by the Authority to fall within the scope of the Review.

(a) Other NHS services provided in the social care setting (for example NHS Continuing Healthcare);

(b) The eligibility criteria used to determine whether a person receives NHS FNC;

(c) The suitability of the CQC requirements for registering as a Nursing Home; and

(d) Any other policies relating to Funded-Nursing Care or any other NHS or social care service.

In the initial stage of carrying out the review, the Authority envisages that the Tenderer should seek the insights of relevant organisations including Care England, NHS England and the Care Quality Commission on the design of the methodology and data collection exercise.

Within three weeks of signing the contract to carry out the review the contractor should publish on its website a method statement, explaining its approach to carrying out the study including a high-level approach to the costing, the indicative timetable for the review’s high-level phases of the work and how it will collect the relevant data.

The contractor will be required to publish a report of the conclusions of this review by Tuesday 16th February setting out their findings in respect of the requirements given above. This report should also include proposals for a detailed methodology of the approach to calculating the costs and setting the rate of NHS FNC on an annual basis in the future (as set out in the requirements above).

The contractor must fully explain the model for assessing the costs to the Authority and run training sessions for it to ensure that the Authority understands the work conducted.

The Tenderer will be required to demonstrate:

* The data they would need to make an assessment of the costs and how this would be obtained;
* How they would verify the reliability of the data to set the costs correctly;
* That their proposed sampling approach is robust; and
* Any conflicts of interest, and how they would need to be managed in order to ensure an impartial process.

The Tenderer will be required to have the following skills:

* A proven track record of the appropriate analytical and modelling skills;
* An ability to examine and challenge cost information and assess the economic and efficient delivery of nursing services;
* Strong skills in presenting information and findings, orally and in writing;
* An understanding of the social care system, and NHS-funded Nursing Care in particular; and
* An understanding of the delivery of nursing care, especially that provided in the nursing home setting.

Where a Tenderer identifies information as commercially sensitive, the Authority will take those views into account. Tenderers should note, however, that, even where information is identified as commercially sensitive, the Authority may require disclosure of such information in accordance with the Freedom of Information Act (FOIA) or the Environmental Information Regulations (EIR). It is the sole responsibility of the Authority to decide whether the information might be exempt from disclosure under the FOIA or the EIR and whether the public interest favours disclosure or not. Accordingly, the Authority cannot guarantee that any information marked ‘confidential’ or ’commercially sensitive’ will not be disclosed, but it will take steps to preserve confidentiality, where requested, so far as is compatible with its legal obligations.

This review should begin as soon as possible with the aim of completion by 16th February 2016 at the latest. The Authority would be interested in proposals that deliver the review before this date.

1. Authority Responsibilities

To ensure that the contract runs effectively and to agreed timescales, the Authority will appoint a Contract Manager and establish appropriate governance arrangements for oversight of this review. These will include, but are not limited to:

* fortnightly meetings with the Contractor; and
* the provision of weekly updates to the Contract Manager by the Contractor (and/or as required).

Meetings will be conducted by teleconference and in person and will address any areas of concern, the progress of the review, the findings, knowledge management and final reporting arrangements. The Contractor will be required to work closely with the Contract Manager to ensure clear accountability for achieving the requirements.

1. Contractor Responsibilities

The Contractor shall:

Appoint a Contract Manager to oversee the work and liaise with and report to, the Authority’s Contract Manager.

The Contract Manager will:

* provide written weekly updates, timely and ongoing evaluation and quality assurance information relating to the review, to the Authority and will meet with the Authority on a fortnightly basis to discuss progress and any issues;
* perform quality assurance on all aspects of the review; and
* provide updates on cost on a monthly basis.
1. Contract Management and Monitoring

The Authority should be given an opportunity to comment on a draft of the final report before it is completed.

The review should conclude and a draft report be prepared and presented to the Authority by 9th February 2016, prior to publication of the final report on 16th February 2016.

The Contractor will attend fortnightly meetings (either by teleconference or in person at a Department of Health site) to review progress.

The Contractor will attend a post contract review meeting with the Department to review the objectives and whether these were met, to review the benefits achieved and to identify any lessons learned for future projects.

1. Timetable

### The review, including delivery of a draft report by 9th February 2016, will be completed by 16th February 2016. This will also be the date by which the final report must be delivered and presented to the Authority.

Payment will be made upon approval of the final report and thereafter following any training session requirements.

1. Skills and Knowledge Transfer

The Contractor must as part of the review, prepare to fully explain the model for assessing the costs of NHS FNC to the Authority. This will include the provision of training sessions to ensure knowledge transfer alongside supporting written material. This should be delivered near the end of the project and no later than 16th February 2016.

The tenderer should provide costings for providing training as part of their solution.

1. Further Information

As mentioned previously, the Local Health Boards in Wales recently commissioned a review of the rate of NHS-funded Nursing Care in Wales. The subsequent amendment to the rate payable in Wales was challenged. Stakeholders may draw parallels from the review in Wales to that being undertaken in England and the successful contractor will therefore wish to keep up to date on developments in Wales and highlight any emerging issues and risks.

At the Authority’s discretion, the contract may therefore be subject to variation to take account of developments in the Welsh case.

1. Tenderer Response
2. Organisation details
3. Tenderer name

Please confirm the name of the Tenderer\*:

|  |  |
| --- | --- |
| Tenderer Name: |       |

* Full name of organisation tendering (or of organisation acting as the lead contact where a consortium bid is being submitted)
1. Contact details\*

Tenderers must provide contact details for this tender.

|  |  |
| --- | --- |
| Contact Name\* |       |
| Telephone number |       |
| Email address: |       |
| Address: |       |

* Contact is the person responsible for any queries relating to this proposal
1. Organisational status

Please confirm whether (or not) the Tenderer is a Small & Medium Enterprise[[5]](#footnote-5) (**SME**).

|  |  |
| --- | --- |
| The Tenderer is an SME (Yes / No) |       |

1. Solution Proposal
2. Overview

Tenderers must provide a concise summary highlighting the key aspects of the proposal to address the requirement set out in the Part B Tender Schedules.

(This response is not evaluated and should be used to contextualise the Tenderer’s response.)

| Response (maximum 250 words) |
| --- |
|       |

1. Leadership

Provide details of the qualifications and experience of the individual whose responsibility will be to ensure that the requirement is delivered (to include appropriate analytical and modelling skills).

| Response |
| --- |
|       |

1. Method statement

Describe (with specific reference to the elements of the requirements and the outcomes expected) how it is intended to deliver the requirements of the specification to include:

* a calculation of the total cost of providing the nursing element of care to residents in a nursing home setting;
* identification of a single national weekly per-person rate of NHS-funded Nursing Care that would cover the average costs of providing the service;
* Calculate any variation in costs (by considering the level of care needed, regional cost differences and the size and specialism of the nursing home); and
* An evaluation of whether the national rate currently in place is fit for purpose for future use and if not, provide proposal/s of alternative methods to determining the rate of NHS FNC.

| Response |
| --- |
|       |

1. Resource Plan

Provide a complete resource plan for the delivery of the Specification including details of the team involved, what these individuals will be doing and why these individuals are suitable for this requirement (including how the skills required in ‘2. The Requirement’ will be met).

| Response |
| --- |
|       |

1. Exit Strategy & Skills Transfer

Describe the processes and deliverables of the exit phase of the service and how skills will be retained within the Authority (including provision to explain the proposed model for assessing the costs of NHS FNC and provision of training sessions).

| Response |
| --- |
|       |

1. Pricing Schedule
2. General Instructions
	1. The rates contained within the Pricing Schedule are, unless otherwise expressly agreed between the parties, firm.
	2. The rates entered shall be deemed to include complete provision for full compliance with the requirements of the Contract.
	3. The rates exclude VAT.
	4. The rates entered in the Pricing Schedule shall include all travel and subsistence costs. Expenses will only be approved if supported by original receipts. The Authority will only pay for expenses claimed that are in line with the Department’s guidelines for expenses. Original receipts will need to be provided.
	5. The Authority will only make payment for overnight stays that have been authorised beforehand in writing by the Authority's Representative.
	6. Any extra expenses other than travel and subsistence must be priced separately in the Pricing Schedule. The Department will only pay for expenses claimed that are included in this pricing schedule and are deemed to be reasonable for delivery of the requirement.
	7. Tenderers must include in the pricing schedules any discounts or any reduced pricing they are proposing to offer to the Authority in delivery of this requirement.

|  |  |
| --- | --- |
| **DESCRIPTION OF SERVICE** | **CAPPED PRICE** |
| Management & staff and respective man-days: |
| Name & Position | Cost per day | No of days |  |
| (a)       | £       |       | £       |
| (b)       | £       |       | £       |
| (c)       | £       |       | £       |
| (d)       | £       |       | £       |
| (e)       | £       |       | £       |
| Sub-total/total consultancy cost | £       |
| Production of interim and final reports *(or any other output)* | £       |
| Cost of training (per session). | £       |
|       | £      |
| **Total Capped Contract Price (Evaluation Price)** | £  |

The rate card and expected number of days per position should be linked to the resource planning and although there is an anticipated need to be flexible around resourcing it is important the rate card and total cost (evaluation price) proposed is as accurate as possible and will be used to monitor actual against budget costs to ensure the project is delivered within budget.

Total cost of the project will be capped at the Evaluation Price. The Authority has a budget of up to £90k for this project. This is the very high end and the Authority does not expect bids in this region as this budget includes contingency for unexpected work streams.

1. Contract Monitoring
2. General Instructions
	1. Tenderers must provide all the information requested in the following section as part of their tender proposal. Supporting documents may be submitted but must be clearly referenced back to the appropriate section.
3. Representatives
	1. Name of Authority's Representative(s):

Paul Sherrell, Policy Analyst- Strategy and Finance

* 1. Name of Contractor's Representative(s): [Tenderer to complete]
1. Deliverables
	1. List of deliverables, outputs and reports Contractor is to supply:
* A calculation of the total cost of providing the nursing element of care to residents in a nursing home setting;
* Identification of a single national weekly per-person rate that would cover the average costs of providing the service;
* A calculation of the variation in costs (by considering the level of care needed, regional cost differences and the size and specialism of the nursing home);
* An evaluation of whether the national rate currently in place is fit for purpose and if not, provide proposal/s of alternative methods to determining the rate of NHS FNC;
* A final report presenting the above information; and
* Proposals for knowledge transfer at the end of the review period.
	1. Period(s) over which each deliverable, output and report is to be supplied: The Authority requires all deliverables to be completed by 16th February 2016.
	2. Information requirements: [Authority to complete]
	3. Milestones: [Authority/Tenderer to complete]
1. Meetings
	1. Frequency of contract management meetings:

Fortnightly from commencement of contract.

* 1. Location of contract management meetings:

Department of Health site (Leeds or London) and/or teleconference.

* 1. Checking performance against anticipated plan: Fortnightly
1. Remedies
	1. Remedies for below par performance: In line with the Terms and Conditions.
2. Confidential & Commercially Sensitive Information
3. General
	1. All the information that the Authority supplies as part of this Contract may be regarded as Confidential Information as defined in Condition 1 (Definitions) of Section Three – Conditions of Contract.
	2. The Contractor considers that the type of information listed in paragraph 2.1 below is Confidential Information.
	3. The Contractor considers that the type of information listed in paragraph 2.2 below is Commercially Sensitive Information.
4. Types of Information that the Contractor Considers to be Confidential
	1. Type 1: Confidential information:

|  |  |  |
| --- | --- | --- |
| Information considered confidential | Reason for FoIA exemption (Include paragraph reference) | Period exemption is sought (Months) |
|  |  |  |
|  |  |  |

* 1. Type 2: Commercially sensitive information:

|  |  |  |
| --- | --- | --- |
| Information considered commercially sensitive | Reason for FoIA exemption (Include paragraph reference) | Period exemption is sought (Months) |
|  |  |  |
|  |  |  |

1. Administrative Instructions
2. Authorisation
	1. The person shown below person shall act as the Authority's Representative on all matters relating to the Contract:

|  |  |
| --- | --- |
| Name  | **To be confirmed at Contract Award** |
| Contact Details  | **To be confirmed at Contract Award** |

* 1. The Authority's Representative may authorise other officers to act on their behalf.
1. Notices
	1. Any notice the Contractor wishes to send the Authority shall be sent in writing to the Authority's Representative at the address shown in paragraph 1.1 above.
	2. Any notice the Authority wishes to send the Contractor shall be sent in writing to the Contractor's Representative at the address shown in paragraph 4.2 below.
2. Address for Invoices
	1. It is preferred that invoices are sent electronically to:

MB-PaymentQueries@dh.gsi.gov.uk

* 1. Alternatively invoices can be sent to the Department addressed to:

Department of Health

 Accounts Payable

Room 530

Richmond House

79 Whitehall

London

 SW1A 2NS

* 1. Invoices must not be sent to the Authority's Representative.
1. Correspondence
	1. All correspondence to the Authority except that for or relating to invoices shall be sent to the following address:

Paul Sherrell

Policy Analyst- Strategy and Finance

Third Floor, Department of Health, 79 Whitehall, London, SW1A 2NS

E-mail: paul.sherrell@dh.gsi.gov.uk

Tel: 020 7972 6591

* 1. All correspondence to the Contractor shall be sent to the following address:

**Tenderer to provide Address**

[**INSERT ADDRESS**]

**Schedule Five: Appendix A: Variation to Contract**

**(FOR INFORMATION ONLY – NOT FOR COMPLETION AT TENDER STAGE)**

|  |  |
| --- | --- |
| Contract Title:  |  |

|  |  |
| --- | --- |
| For the Provision of:  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Contract Ref: |  | Variation No: |  | Date: |  |

BETWEEN:

The Secretary of State for Health (hereinafter called the Department) and [INSERT NAME OF CONTRACTOR] (hereinafter called the Contractor) having his main or registered office at [DN:INSERT ADDRESS]:

The Contract is varied as follows:

(DN:INSERT DETAILS OF VARIATION)

Words and expressions in this Variation shall have the meanings given to them in the Contract.

The Contract, including any previous Variations, shall remain effective and unaltered except as amended by this Variation.

SIGNED:

|  |  |  |  |
| --- | --- | --- | --- |
| For: The AUTHORITY |  | For the Contractor |  |
| By |  | By |  |
| Full name |  | Full name |  |
| Grade / Pay Band |  | Title |  |
| Date |  | Date |  |

**Schedule Five: Appendix B: Novation Agreement**

**(FOR INFORMATION ONLY – NOT FOR COMPLETION AT TENDER STAGE)**

THIS DEED (THIS AGREEMENT is made on the [dd] day of [month & year] BETWEEN

(1) THE SECRETARY OF STATE FOR HEALTH (the **Secretary of State**) whose principal place of business is at Richmond House, 79 Whitehall, London, SW1A 2NS,

(2) THE [CONTRACTOR] of [address]

(3) THE [NEW PARTY] of [address]

WHEREAS

(A) This Agreement is supplemental to an agreement dated [dd Month Year] between the Secretary of State and the Contractor (the **Contract**) under which the Contractor agreed to provide services to the Secretary of State.

(B) The Secretary of State has authorised the New Party to replace the Secretary of State as the contracting Department under the Contract on the terms of this Agreement and the Contractor is willing to accept the New Party in place of the Secretary of State on those terms.

IT IS HEREBY AGREED AS FOLLOWS:

1. Subject to the following Clauses of this Agreement –

a) The Contract shall continue in full force and effect as if the New Party were named as a party to the Contract in place of the Secretary of State for Health.

b) All rights, obligations and liabilities arising under the Contract from the date of this Agreement shall be rights, obligations and liabilities between the New Party and the Contractor.

c) Any existing rights, obligations or liabilities of the Secretary of State relating to the performance of the Contract up to the date of this Agreement shall pass to the New Party and shall be enforceable between the Contractor and the New Party in place of the Secretary of State.

2. The rights, obligations and liabilities of the Contract shall be exercisable and enforceable as the rights of the New Party under this Agreement.

3. This Agreement shall be governed by and interpreted in accordance with English law and shall be subject to the jurisdiction of the courts of England.

Signed by ....................................for and on behalf of the

Secretary of State for Health in the presence of:

Signed by ....................................for and on behalf of the

Contractor in the presence of:

Signed by ....................................for and on behalf of the

New Party in the presence of:

**Schedule Five: Appendix C: Sub-Contractors**

All suppliers to the Department of Health are asked to provide details of all sub-contractors that will be used to perform the contract.

|  |  |  |  |
| --- | --- | --- | --- |
| Name & Address of Sub-Contractor | Service performed for Contractor | Provide details of staff numbers[[6]](#footnote-6) | Provide latest year’s turnover |
| Name:  |  |  |  |  |
| Address: |  |
| Name:  |  |  |  |  |
| Address: |  |
| Name:  |  |  |  |  |
| Address: |  |

1. Form of Tender

Declaration

**PROPOSAL FOR THE PROVISION OF A REVIEW OF THE NHS-FUNDED NURSING CARE RATE IN ENGLAND**

Having examined the proposed Contract comprising of:

1. Part A – Section Two, (Conditions of Contract);
2. Part B – Schedules One, One (a), Two and Six (mandatory); and
3. Part B – Schedules Three to Five inclusive (as amended).

As enclosed in the ITT response dated (**INSERT DATE**). We do hereby tender against the requirements, and terms and conditions of the proposed Contract.

We undertake to keep the tender open for acceptance by the Authority for a period of ninety (90) days from the deadline for receipt of tenders.

We declare that this is a bona fide tender, intended to be genuinely competitive, and that we have not fixed or adjusted the amount of the tender by, or under, or in accordance with, any agreement or arrangement with any other person. We further declare that we have not done, and we undertake that we will not do, any of the following acts prior to award of this Contract:

1. Collude with any third party to fix the price of any number of tenders for this Contract;
2. Offer, pay, or agree to pay any sum of money or consideration directly or indirectly to any person for doing, having done, or promising to be done, any act or thing of the sort described herein and above.

Unless and until the Tenderer and the Authority have executed a formal agreement, the Authority's acceptance of this tender with all its enclosures shall not constitute a binding contract between us. We understand that you are not bound to accept the lowest price, or any, tender.

Name of person duly authorised to sign tenders:

Date: ..........................................

Name: ..........................................

in the capacity of: ................................................................

duly authorised to sign tenders for and on behalf of:

............................................................................

By completing this Declaration and submitting your tender you have agreed that the statements in this Form of Tender are correct.

1. <https://www.gov.uk/government/publications/national-framework-for-nhs-continuing-healthcare-and>

 nhs-funded-nursing-care [↑](#footnote-ref-1)
2. http://www.legislation.gov.uk/uksi/2012/2996/contents/made [↑](#footnote-ref-2)
3. http://www.legislation.gov.uk/uksi/2012/2996/pdfs/uksi\_20122996\_en.pdf [↑](#footnote-ref-3)
4. The CQC has published sector specific handbooks which set out how it regulates providers. Handbooks describe what providers might expect from an inspection and how they may demonstrate that they are meeting the fundamental standards of care. Handbooks are available at: http://www.cqc.org.uk/content/adult-social-care-providers#handbooks [↑](#footnote-ref-4)
5. To be considered an SME, an organisation must have a headcount less than 250 Annual Work Units (anyone that has worked full-time within the enterprise, or on its behalf, during the reference year counts as one unit. Part-time staff, seasonal workers and those who did not work the full year are treated as fractions of one unit) **AND** a turnover less than €50 million **OR** annual balance sheet of €48 million. [↑](#footnote-ref-5)
6. This is the average annual numbers of both staff and managerial staff employed over the last trading year [↑](#footnote-ref-6)