

North Yorkshire Council

Health and Adult Services

Executive Member Meeting

5th March 2026

REPORT TO Corporate Director of Health and Adult Services (HAS) in consultation with the Executive Member for Health and Adult Services

Intermediate Care Beds Procurement

1.0 Purpose Of Report

To obtain approval to undertake a procurement exercise for intermediate care bed services in North Yorkshire over the next four years.

Intermediate care beds provide short-term support, often in care homes, after being in hospital to enable a person to return home, or to prevent a hospital admission. Support is focussed on maximising recovery and rehabilitation and is provided by multi-disciplinary teams. These teams include health and social care professionals working within the care settings supported by physiotherapists, occupational therapists, therapy assistants, social care workers and other care professionals.

The procurement will establish a more robust pathway for people requiring bed-based intermediate care through a new longer-term contract and service specification with care home providers for delivery of these services in North Yorkshire. The procurement will ensure that settings have an environment appropriate for intermediate care, with an appropriately trained workforce and rehabilitation and recovery focus.

The services will be jointly funded by North Yorkshire Council and Humber & North Yorkshire Integrated Care Board (HNYICB) on a 50:50 basis.

2.0 Background

Improving the current Intermediate Care system in North Yorkshire is a corporate priority for the Council and a programme has been established under the direction of the North Yorkshire Health Collaborative to develop and deliver an improved service. Strengthening intermediate care is also a national priority as part of Neighbourhood Health and the NHS 10-year plan. Intermediate Care Bed Provision is a project within the Intermediate Care Programme. Its objective is to commission a new bed-based intermediate care offer from the care market at a range of locations across the county. This will use a new service specification and contracting framework that brings an end to spot-purchased care. Instead, it will provide people with a re-abling environment that supports as many individuals as possible to return to their own homes.

The aims of the procurement are to establish a new commissioned integrated bed-based intermediate care offer with a formalised wraparound health offer. Services will be accessible for all people eligible for bed-based intermediate care, including those with complex life circumstances and specialist care needs. This will help to ensure people receive the right support in the right place at the right time; enabling more people to return/remain at home for longer.

3.0 Detail of Substantive Issues

The Council currently commission intermediate care beds via block contract, on a 12-month contract variation to the Approved Provider List (APL) or via a service level agreement for

provision within in-house NYC care homes. Current contract variations cannot be extended beyond 12 months. The Council also spot-purchases placements for bed-based intermediate care from the APL where current block contracts cannot meet demand; either in terms of bed numbers or level of need.

The APL was established several years prior to the launch of the Intermediate Care programme and therefore the current service specification and contractual terms and conditions do not fully cater for and optimise the independent sector offer. Therefore the current approach does not achieve the best outcomes for people. For the block-commissioned beds, short-term contract variations (driven by short-term funding commitments) do not incentivise care providers to deliver enhanced models of care and have attracted little interest from the care market. This has driven up the cost of block-commissioned arrangements and resulted in limited options for people with specialist care needs. Delivery of intermediate care beds across dispersed provision also presents challenges with medical cover and therapy support arrangements.

The preferred procurement route is to establish a closed framework with locality-based lots with a block contract awarded to the highest ranked provider in each lot. This should optimise bed availability and facilitate timely discharge from hospital and/or admission avoidance. Locality lots will be aligned to locality Intermediate Care Hubs which undertake triage and assessment of people requiring intermediate care services; these Hubs in turn are aligned to acute hospitals.

The proposed contract will include robust key performance indicators.

4.0 Alternative Options considered

The Council will continue to optimise delivery within our in-house provision by continuing block arrangements where demand is being met. Due to environments/layout, in-house provision cannot meet the needs of people with more advanced rehab needs or people with specialist care needs. The Council has approved plans for up to five new Care & Support Hubs across the county to deliver specialist residential care and bed-based intermediate care, subject to individual business cases being brought forward. This is a major capital programme to be delivered over the next five years, and therefore there is a requirement to procure additional beds from the wider care market in the interim.

All available procurement and contracting options have been explored taking into account the nature of the service and market.

5.0 Financial Implications

This contract will be jointly funded by the Council and Humber & North Yorkshire ICB on a 50:50 basis. The Council's contribution will be diverted from existing spot-purchasing budgets. The procurement will contribute to the MTFs target for short-term beds. Additional financial benefit is expected through improved outcomes for people and reduced need for long-term residential care. Robust financial modelling has been undertaken to achieve a fair pricing model for the contract that optimises value for money.

6.0 Legal Implications

The procurement exercise will be undertaken in accordance with the Procurement Act 2023 and the Procurement Regulations 2024. The procurement will be led by the Council's Procurement and Contract Management Service. A Gateway report will be considered in accordance with the Council's Procurement and Contract Procedure Rules.

7.0 Consultation undertaken and responses (insert or delete)

Market engagement has been completed as part of the pre-procurement phase. A request for information was sent out via YORTender and a market engagement event was held. 21 formal responses were received in total.

The Service Development Team have worked closely with care home providers over the last year to develop the service specification and associated pathways and processes to support delivery, as well as the KPIs for the service. This has been undertaken via Provider Forums, Provider Surgeries and Service Reviews. The responses were positive towards the planned service delivery and approach to the procurement. Concerns were raised regarding workforce, complex care pathways and compliance with CQC standards, which have been taken into consideration in further development of the service specification. Market interest in this opportunity has been flagged as a risk on the project risk register.

8.0 Impact on other services/organisations

The service will be jointly funded with Humber & North Yorkshire Integrated Care Board on a 50:50 basis. It is expected that there will be reduced admissions and re-admissions to hospital which is a financial benefit to the health and social care system as a whole.

9.0 Contribution to Council priorities

The service supports the Council in delivering its statutory duties under the Care Act (2014). The intermediate care beds procurement will also support the Health and Adult Services Directorate's transformation plan which includes two strands of work aimed at reducing the use of short-term care home beds and the related cost to the Council. There is also a £5m savings target in the Council's MTFs related to short term beds. The North Yorkshire Health Collaborative's Intermediate Care Programme is being jointly delivered by the Council and HNYICB, and has been identified as a priority corporately.

10.0 Equalities Implications

EIA Screening Tool has been completed, showing no requirement to proceed to a full EIA.

11.0 Climate change implications

An Initial Climate Change Impact Assessment has been completed, showing no requirement to proceed to a full CCIA.

12.0 Reasons for recommendation/s

To establish a new commissioned integrated bed-based intermediate care offer with formalised wraparound health support, ensuring that people eligible for bed-based intermediate care, including those with complex life circumstances and specialist care needs, receive the right support in the right place at the right time; enabling more people to return/remain at home for longer

13.0 Recommendation/s

It is recommended that the Corporate Director of Health and Adult Services, in consultation with the Executive Member for Health and Adult Services, approves the procurement of the contract for the provision of intermediate care bed services in North Yorkshire.

Name and title of report author

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