

DECISION-MAKER: Governance Committee

SUBJECT: Health and Social Care Contracts managed by the Integrated Commissioning Unit

DATE OF DECISION: 12th November 2018

REPORT OF: Director of Quality and Integration

CONTACT DETAILS

AUTHOR: **Name:** **Matthew Waters** Tel: 023 8083 4849
E-mail: **Matthew.Waters@southampton.gov.uk**

Director **Name:** Stephanie Ramsey Tel: 023 8029 6075
E-mail: [stephanie.ramsey1@nhs.net/](mailto:stephanie.ramsey1@nhs.net)
Stephanie.ramsey@southampton.gov.uk

STATEMENT OF CONFIDENTIALITY

None

BRIEF SUMMARY

This paper informs the Governance Committee of the major contracts managed by the Integrated Commissioning Unit (ICU) on behalf of Southampton City Council, and details current arrangements for monitoring these contracts, including mechanisms for assurance of quality, performance, and governance.

RECOMMENDATIONS:

- (i) That the Committee notes the report.

REASONS FOR REPORT RECOMMENDATIONS

1. This is for information and to provide assurance to the Committee that the ICU is managing contracts on behalf of the council in a robust manner.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. N/A

DETAIL (Including consultation carried out)

3. Background:

The Integrated Commissioning Unit (ICU) undertakes health and social care commissioning functions on behalf of Southampton City Council (SCC) and Southampton City Clinical Commissioning Group (SCCCG). This includes responsibility for the management of associated contractual arrangements for care and support services on behalf of both organisations. The team have high level of negotiation skills and a broad understanding of the health and care market, including benchmarking information. Each contract has an aligned commissioner with subject matter expertise and contract expert who work with a range of stakeholders, including service users, to review contracts.

4. The ICU currently manages 99 separate contracts including block service contracts, frameworks and partnership agreements. Of these, 89 are SCC contracts, and these have an annual value of £32m. The ICU manages 20 grant arrangements to the value of £0.1m (including Community Chest). It also manages 20 partnership agreements between the council and health agencies, and provides 10 contracts on behalf of SCCC, and works closely with the Commissioning Support Unit who provide procurement support to the CCG. Overall, this represents a significant reduction in the number of contracts managed since the ICU was formed, down from 169 in 2014/15 (a 41% reduction in the number of separate contracts). This has been as a result of reviewing and combining contracts or decommissioning. It also represents a 21% reduction in the available budget over the same period - from £43 million in 2014/15.
5. Framework agreements, including Home Care, are included in the total contract numbers, but the budget is managed separately as each individual package of care is commissioned to meet the individual needs of each client. Similarly, the ICU manages the terms under which the council accesses residential and nursing homes both within the city and across the country. The number of separate arrangements are not included in the figures above due to their number (over 200 at any one time) and because again, each individual package of care is commissioned separately so the budget is not included as being managed by the ICU. In addition, the ICU helps to provide the framework for services within which adult social care teams can micro-commission services for clients, including the individual packages of care. In addition, these services can provide support under direct payment arrangements.
6. Contract compliance

In order to ensure contract compliance and best value, the ICU Contracts Team supports the ICU Commissioners with the undertaking of contract-related functions to ensure that:

 - Contracts are appropriately and optimally designed, such that service expectations are clearly defined and the benefits of services delivered can be evidenced.
 - Suppliers are at all times compliant with contract terms, and that non-compliance with respect to performance, quality, safety, and risk is appropriately managed.
 - The contracting authority remains at all times compliant with its own obligations with respect to contracts (i.e. payments, communications, expiry).
 - Services purchased through contract represent value for money to the contracting authority and provide good outcomes in line with the contractual arrangements.

7. ICU management of contracts

The ICU manages council contracts delivering service to Adults and Children, and including Public Health requirements, and the community grants programme.

SCC Contract areas	Number of Contracts	Total Annual Value
Integrated Commissioning Unit	47	£15 million
Services to Adults	10	£10.4 million
Services to Children	20	£3.4 million
Public Health requirements	22	£3 million
Support for Communities (grants)	20	£0.1 million

8. 'Major' SCC Contracts

The ICU manages 51 block service contracts on behalf of SCC with a combined total value of £18m and an average value of £370k. Within this portfolio, there are six contracts which may be considered 'major' in financial terms in that their per annum value exceeds £1m:

Contract Title	Service Provider	Contract Start Date	Current Expiry Date	Maximum Expiry Date	Total Annual value 2018/19
Nursing home for older people (Northlands)	BUPA	24/06/05	23/06/30	23/06/30	£2.2 million
Sexual Health services	Solent NHS Trust	01/04/17	31/03/22	31/03/24	£2.2 million
Southampton Drug and Alcohol Recovery Partnership	Change Grow Live	01/12/14	30/06/19	30/06/19	£1.7 million
Housing Related Support Service for Adults – Flexible Support	Home Group Ltd	01/07/17	30/06/20	30/06/22	£1.5 million
Nursing home for people with dementia (Oak Lodge)	BUPA	08/02/10	07/02/35	07/02/35	£1.5 million
Health and Care related equipment service	Millbrook Healthcare	01/07/13	30/06/18	30/06/20	£1.5 million

9. Residential Home for Older People (Northlands House) & Nursing Home for People with Dementia (Oak Lodge) – BUPA

These two contracts were commissioned as part of long-term arrangements under what are effectively Private Finance Initiatives. With both arrangements the Council provided the land, BUPA built the nursing homes at their cost, and a long-term arrangement for providing care was established. This guarantees access to a specified volume of nursing care beds each week at a set price – 62 bedspaces at Northlands; 40 bedspaces at Oak Lodge. Both contracts contain provision for respite care. Both agreements last for 25 years, which secures a minimum level of supply in the local nursing care market. There is an associated Section 75 partnership agreement in place, through which SCCCG pays SCC for the funded nursing care element of the service. There are break clauses within both contracts, but unless the termination is the result of substantial default by BUPA there are significant financial penalties that would fall to the Council to cover BUPA’s loss of operating profit. In the current financial year, the penalties are £7.9 million in respect of Northlands House and £6.2 million in respect of Oak Lodge – confirmed by both Legal and Capita.

10. The total weekly rates paid for each client in the BUPA homes, including the Funded Nursing Care (FNC) element (£158.16 per person per week (pppw)) – payment specifically for nursing staff, are:

Home	Per Week - 2018/19
Northlands (long stay)	£701.26
Northlands (respite 1 bed)	£817.74
Oak Lodge (long stay)	£699.58
Oak Lodge (respite 2 beds)	£787.15

These rates compare favourably with those achievable in other nursing homes, where the average weekly fee is approximately £730pppw, not including the FNC element.

The performance of these contracts is managed by the ICU through the monitoring of a series of key performance indicators (KPIs) including:

- Occupancy and access levels
- Individual care plans in place and reviews undertaken
- Client and quality indicators
- GP reviews undertaken on time
- Access to activities.

These indicators focus on the key activity levels achieved within the homes and provide the initial cut of management information. In addition, the services are monitored against a range of quality indicators including hygiene inspection scores, medication errors, mortality rates, weight loss, acquired pressure ulcers, infections, accidents and incidents, as well as productivity measures (i.e. staffing numbers and turnover). The services are meeting objectives and responding positively to incidents.

11. In order to maximise the utilisation of block-contracted capacity, access to both services is managed through the ICU's Placement Service. The Placement Service manages access for adults to a range of services including residential and nursing homes, home care and respite support. This arrangement is enabling quicker access to available beds ensuring the block contracts are managed effectively. There were recently vacancies in the contracted beds at Northlands House. The placement service have worked to extend access and negotiated with BUPA to broaden the criteria of need for access on a case-by-case, resulting in greater use of these beds, including providing more respite care in the home. In the longer term, the ICU is negotiating with BUPA to re-define these access arrangements and need criteria so that vacancies are able to be managed more appropriately.

12. Sexual Health Services - Solent NHS Trust

The council has a mandate to commission confidential, open access sexual health service for its residents that provides testing, treatment and counselling for a range of sexually transmitted diseases, and also gives access to a range of contraceptive options. The service is commissioned through close working between the Public Health team and the ICU, which allows the service to deliver a fully Integrated Sexual Health service that also includes CCG commissioned services (vasectomies and terminations of pregnancy). This integrated model helps the city ensure that local residents have timely access to the high quality services to improve and manage their sexual and reproductive health. This service is currently delivered by Solent NHS Trust, to a specification which is similar across Southampton, Portsmouth and Hampshire. Funded primary care services support this offer.

13. It provides the following Local Authority commissioned services: Advice and information on all sexual health issues, screening and treatment of sexually transmitted infections, all methods of contraception including Long Acting Reversible Contraception (LARC) methods, condoms, HIV testing and follow-up care, emergency contraception, pregnancy testing, help and advice on unplanned pregnancy, safer sex advice, psychosexual counselling, Hepatitis B screening and vaccination, and sexual health promotion and outreach to vulnerable groups.

The contract sets clear targets in a range of areas, including:

- Access to services and response times
- Availability and utilisation of contraception
- Availability and utilisation of support and services to manage sexually transmitted diseases, including screening
- Chlamydia screening and partner notification
- Sexual health promotion and outreach to young people, Men who have sex with men (MSM), BAME and people living with HIV
- Behaviour change and making every contact count
- Network and clinical leadership
- Development and management of broader access pathways to other services e.g. substance misuse, stop smoking, safeguarding agencies
- Service user feedback on the quality of the services.

14. With such a complicated and comprehensive range of services, monitoring is undertaken jointly via returns and quarterly contract review meetings with all three Local Authorities and Hampshire, Southampton and Portsmouth CCGs. The service is meeting the service criteria and it is considered a good service overall. There is on-going discussion with the provider over appropriate access arrangements within budget constraints, and to ensure consistency across the three areas, including payment terms where there is over-provision in one area. The contract can be terminated by providing a minimum of 12 months written notice, provided by either party. This is in addition to the default clauses regarding non-performance.

15. Southampton Drug and Alcohol Recovery Partnership: Contract 2 – Change Grow Live

This contract delivers care coordination and clinical interventions for people with substance use disorders. Through a process of system redesign, this contract has brought together these two, important, elements to engage, support and provide interventions for people with problematic drug and alcohol use in the city. Historically care coordination and clinical interventions were delivered separately. This contract now includes clinical services, previously provided by a separate agency who agreed to transfer clinical responsibility to Change Grow Live (CGL) following budget reductions in 2017. Change Grow Live now provide this combined service as part of a partnership of services to this client group. The service is a key element of public health work, in keeping people safe from other infections, including blood borne viruses. Change Grow Live are experienced in providing services for drug users and in providing allied support.

16. Payment is made on a block basis for the complete service, with a reconciliation process in place on an annual basis, should performance levels fall below those specified. The Key Performance Indicators for the service reflect the national framework for drug and alcohol treatment services and local priorities. They cover (this list is not exhaustive):

- Numbers receiving outreach and brief intervention support
- Time limits for initial assessment, and comprehensive assessment
- People completing a course of Hepatitis B vaccines
- Abstinence rates (different rates set for each main drug)
- Recovery Action Plans in place
- Reduction in people injecting
- Proportion of people entering education, employment and training
- Criminal Justice Service users starting and completing treatment
- Number of people completing treatments successfully

There is also a range of other management information gathered to ensure the service is operating effectively. This includes service utilisation; numbers on substitute and relapse prevention prescribing; access to pharmacies, and a range of other data that feeds into a full picture of the service and its effectiveness.

17. The contract can be terminated by providing a minimum of six months written notice, provided by either party. This is in addition to the default clauses regarding non-performance. The contract has been performing well after a period of uncertainty as the previous contract was ended early. They have brought together a range of service functions, and the open access arrangements are working well. Arrangements are already in place to review the service in preparation for the next re-commissioning programme for 2019.

18. Housing Related Support Service for Adults – Flexible Support

In 2017, all housing related support services in the city were reconfigured and let following a tendering process. The largest of these new services offers short-term, up to a maximum of two years, flexible support to individuals in the city who are vulnerable due to homelessness, mental health issues, learning disability issues and other reasons. The ICU secured substantial savings (over £500K per annum) through a tender process after combining a number of different services into this one city-wide contract. There have been a number of challenges following these changes and these difficulties have been managed by the provider appropriately over the past year.

19. The service offers person-centred support planning and links individuals, including those with very complex needs, with support networks in the community. These will enable them to sustain new lifestyles and positive patterns of behaviour for the future. This role includes prevention of homelessness through crisis intervention, mediation support to enable individuals to return home, and the sustainment of tenancies on a broader level. The service supports individuals being resettled from prison, hospital (including institutions), residential care and supported living. It underpins and supports the work of care agencies, drug and alcohol services, probation, police and other services in providing a comprehensive support system, and coordinates the housing related support pathway, acting as a gateway to other services.
20. Although not statutory services, this contract (and others supporting vulnerable people) underpin the statutory services the council has to provide. Without this service, accommodation support to homeless people would effectively cease, with the resulting significant rise in street homelessness. It is likely that the current accommodation provided by partner agencies would be lost to the city, as agencies reconfigure their services in response. This would mean that any future work with homeless people and other vulnerable groups, would no longer have the accommodation resource required to meet needs. In addition, some individuals – including those with learning disabilities and mental health issues – would require care assessments, and without the support services available the care response is likely to cost the council more than the current range of services available.
21. Payment is made on a block basis. The service provides 2,000 hours of support in the city each week. The Performance Indicators for the service include:
- Utilisation rates;
 - The rate of positive planned moves achieved;
 - Rates of individuals supported into training, employment and volunteering;
 - Rates of positive changed behaviours;
 - Feedback from stakeholders and users; and
 - Management reporting covering other key targets regarding performance and outcomes for individuals.

In addition the service provides full management information on use, outcomes against agreed measurement tools, prevention of issues with landlords and other indicators relating to the service aims.

22. The service has managed considerable change in accommodation and staffing from the previous arrangements that were in place. Although this has taken time to settle, the service has continued providing essential support to vulnerable individuals and is now part of the coordination of the wider set of services, enabling a more effective

through-flow of clients into the most appropriate accommodation, and supporting others who have moved into the community. The service is already performing well despite the significant changes in service design it has had to incorporate and manage – this includes several changes of accommodation available in the city, increasing quality and numbers. The contract can be terminated with three months' notice or through default clauses.

23. Health and Care Related Joint Equipment Service

This service has been in place since July 2013. It operates on a five-year contract, with a potential extension of a further two years, which are now being utilised. The contract is managed jointly with Portsmouth City Council and the CCGs in both cities, saving all organisations procurement resources, and ensuring a consistent service across both areas. This contract has provided for significant improvements in service delivery, including: a new equipment store; on-line ordering; set times and standards for delivery; significantly lower costs for items of equipment; re-use and recycling of equipment; and greater access for the public to enable them to meet their own needs. Equipment can range from small items to help someone be steady on their feet, to beds and chairs to keep an individual safe at home and to reduce the risk of falls or pressure sores etc.

24. The referral routes are many and varied including hospital teams, care managers and community nursing staff. The ICU maintains oversight of specific groups of referrals. This enables requests to be monitored and reviewed by a qualified Occupational Therapist to ensure the most appropriate equipment item is requested and supplied. The service is therefore monitored on a day-to-day basis, but also through a range of indicators to show performance, including:
- Equipment delivery and collection timescales
 - Service Users and prescribers reporting their experience of the service
 - Percentage of orders met from recycled Equipment
 - Recycling levels met.

In addition, the service provides a full range of management information on use; equipment provided to different teams in the city; recycling of equipment; financial impacts, which help to provide rich data on the service and its impact on other areas of the city. This enables commissioners to assess the service and to agree areas for further development and focus.

25. Millbrook Healthcare have developed the original service considerably, providing equipment at cheaper rates, delivering more quickly, and providing enhanced services when necessary. This included considerable work at the outset of the contract in checking that all long-term equipment in the community was safe and met legal standards. Payment includes fixed costs (for the building and warehouse from which the service is managed) and separate monthly costs associated directly with the equipment provided and delivery times met. The costs therefore, fluctuate each month in response to requirements. In addition, the recycling of equipment provides discounts for the Council. There is a Section 75 partnership arrangement in place, with the SCCC contributing 49% of the total cost, to cover health equipment. The service meets both statutory requirements for the provision of equipment to help meet needs, and underpins efforts to provide cost-effective alternative to direct, hands-on care provision and help people to remain independent. The complexity and numbers accessing the service means it requires close management, and the ICU has dedicated resources to ensure this is in place. The service overall is high-performing in terms of meeting demand, meeting timescale requirements, cost-

effectiveness and recycling of equipment. The contract can be terminated by utilising default clauses regarding non-performance.

26. Performance Management

ICU contracted services are specified as requiring quarterly performance monitoring as standard. A monitoring format has been agreed and is utilised for all new contracts issued to enable greater consistency.

27. Governance

All contracts managed by the ICU feed into the ICU's Performance Dashboard and associated KPI's, which are reported to the Joint Commissioning Board on a regular basis.

RESOURCE IMPLICATIONS

Capital/Revenue

28. N/A

Property/Other

29. N/A

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

30. The contracts identified above are currently monitored to ensure compliance with terms and conditions and to ensure service delivery against expectations. The contracts have defined financial values, and the contracts have all been drafted and agreed in cooperation with Legal Services.

Other Legal Implications:

31. N/A

RISK MANAGEMENT IMPLICATIONS

32. N/A

POLICY FRAMEWORK IMPLICATIONS

33. Contracts monitoring work carried out by the ICU ensures compliance of SCC's contracts on all levels.

KEY DECISION?	No	
WARDS/COMMUNITIES AFFECTED:	All wards	
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	Governance Committee – Contracts List – Sept 18	
Documents In Members' Rooms		
1.	N/A	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		No
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
1.	None	