

DECISION-MAKER:	Governance Committee
SUBJECT:	Annual Review of the Health and Social Care Contracts managed by the Integrated Commissioning Unit
DATE OF DECISION:	Tuesday 16 November 2021
REPORT OF:	Stephanie Ramsey, Director of Quality and Integration

<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY
N/A

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

RECOMMENDATIONS:	
(i)	To note the report's contents and the work of the Integrated Commissioning Unit (the ICU) to ensure contracts with external agencies for health and care services are properly managed, provide good quality and best value.

REASONS FOR REPORT RECOMMENDATIONS	
1.	The ICU manages a number of contracts on behalf of the council, including joint arrangements with the NHS at a Southampton place-based level for the Hampshire, Southampton and Isle of Wight Clinical Commissioning Group (CCG). The ICU is subject to internal and external audit processes which verify the management of contracts is undertaken in an appropriate manner and to a standard that provides assurance and limits risk to the council.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED
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2.	Not providing an annual update on the ICU contracts and grants was considered and rejected as it would not support transparency in public expenditure.

DETAIL (Including consultation carried out)

3.	The ICU undertakes health and social care commissioning functions on behalf of the Council and a significant proportion of the NHS commissioning functions at a Southampton place-based level for the Hampshire, Southampton and Isle of Wight Clinical Commissioning Group. This includes responsibility for the management of associated contractual arrangements for care and support services on behalf of both organisations. The ICU works closely with Children’s, Adults and Public Health colleagues and other stakeholders to ensure fit for purpose contract design and effective management of contract performance.
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4.	The ICU Procurement Team is responsible for health and care category procurements. ICU procurement business partners work closely with the commissioning and contract functions to ensure that the processes for tendering and award of contracts are compliant with council contract procedure rules and procurement regulations. The ICU procurement function was last audited by the council’s internal audit team in June 2021, the result of which was a finding of ‘Reasonable Assurance.’
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5.	The ICU currently manages a total of 156 contracts. The contracts include block service contracts, framework agreements and partnership agreements with the CCG and other health bodies. These are delivered for services to Adults and Children, including Public Health services. From 1 April 2021, the grant budget and the management of grants moved to the Stronger Communities Team, under the overall management of Executive Director Communities, Culture and Homes. The ICU retains a small number of grants directly associated with the core business.
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The 8 contracts which the ICU manages on behalf of the CCG represent a small portion of the wider joint undertaking between the two organisations. The majority of the integrated commissioning function between the council and the CCG is conducted through the delivery of both social care and health outcomes in the services commissioned through the ICU. The integration is further reflected in the embedding of health functions such as infection control into the social care settings, e.g. residential homes. The majority of other contracts commissioned by the CCG are managed by the Commissioning Support Unit (CSU) and not part of the ICU’s remit.

The ICU contracts and grants are listed in Appendix 1.

Total No Contracts	SCC	CCG	Partnership Agreements	Total No Grants
156	119	8	24	5

6.	The ICU additionally manages the terms under which the council accesses residential and nursing homes for adults both within the city and across the country. The number of individual arrangements is not included in the figures above due to their number (over 200 at any one time).
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7.	<p>Contract compliance and Governance</p> <p>In order to ensure contract compliance and best value, the ICU undertakes contract-related functions to ensure that:</p> <ul style="list-style-type: none"> • Contracts are appropriately and optimally designed, such that service expectations are clearly defined and the benefits of services delivered can be evidenced. • Contracts are procured and awarded in accordance with the Council’s Contract Procedure Rules and Financial Procedure Rules and Procurement Legislation. • Suppliers are at all times compliant with contract terms, and 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). • Contracts are subject to review prior to expiry, to enable internal scrutiny of recommendations for extensions or re-commissioning. • Any significant variations to contract or exemptions to Contract Procedure Rules are scrutinised and approved via internal governance processes and decisions are made and recorded in accordance with the council’s Officer Scheme of Delegation. 																																										
8.	<p>Major SCC Contracts</p> <p>Within the contracts for which the ICU is responsible, there are six contracts which can be considered ‘major’, in that their annual expenditure exceeds £1m. These are as follows:</p> <table border="1" data-bbox="323 1077 1520 1951"> <thead> <tr> <th>Contract Title</th> <th>Service Provider</th> <th>Contract Start Date</th> <th>Current Expiry Date</th> <th>Maximum Expiry Date</th> <th>Total Annual value 2021-22</th> </tr> </thead> <tbody> <tr> <td>Nursing home for older people (Northlands House)</td> <td>BUPA</td> <td>24/06/05</td> <td>23/06/30</td> <td>23/06/30</td> <td>£2.5 million</td> </tr> <tr> <td>Nursing home for people with dementia (Oak Lodge)</td> <td>BUPA</td> <td>08/02/10</td> <td>07/02/35</td> <td>07/02/35</td> <td>£1.6 million</td> </tr> <tr> <td>Level 3 Sexual Health services</td> <td>Solent NHS Trust</td> <td>01/04/17</td> <td>31/03/22</td> <td>31/03/24</td> <td>£2.3 million</td> </tr> <tr> <td>Substance Misuse Service for Adults 25+</td> <td>Change Grow Live</td> <td>01/07/19</td> <td>30/06/24</td> <td>30/06/26</td> <td>£2.2 million</td> </tr> <tr> <td>Health and Care related equipment service</td> <td>NRS Healthcare</td> <td>01/07/20</td> <td>30/06/25</td> <td>30/06/27</td> <td>£1.5 million</td> </tr> <tr> <td>Housing Related Support Service for Adults – Flexible Support</td> <td>Home Group Ltd</td> <td>01/07/17</td> <td>30/06/20</td> <td>30/06/22</td> <td>£1.5 million</td> </tr> </tbody> </table>	Contract Title	Service Provider	Contract Start Date	Current Expiry Date	Maximum Expiry Date	Total Annual value 2021-22	Nursing home for older people (Northlands House)	BUPA	24/06/05	23/06/30	23/06/30	£2.5 million	Nursing home for people with dementia (Oak Lodge)	BUPA	08/02/10	07/02/35	07/02/35	£1.6 million	Level 3 Sexual Health services	Solent NHS Trust	01/04/17	31/03/22	31/03/24	£2.3 million	Substance Misuse Service for Adults 25+	Change Grow Live	01/07/19	30/06/24	30/06/26	£2.2 million	Health and Care related equipment service	NRS Healthcare	01/07/20	30/06/25	30/06/27	£1.5 million	Housing Related Support Service for Adults – Flexible Support	Home Group Ltd	01/07/17	30/06/20	30/06/22	£1.5 million
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9.	A detailed overview of each major contract and its current status is provided in Appendix 2 (i – v).
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
10.	There are no specific resource implications relating to this paper.
<u>Property/Other</u>	
11.	There are no property issues arising from this paper.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
12.	Each contract is provided for and managed by its own reference to legal powers enabling the council to undertake such contracting.
13.	Contract changes, extensions and direct awards are made in line with the council's Contract Procedure Rules.
14.	Decisions related to commissioning, procurement and contract activity are made and documented in accordance with the council's Officer Scheme of Delegation and Financial Procedure Rules.
<u>Other Legal Implications:</u>	
15.	N/A
RISK MANAGEMENT IMPLICATIONS	
16.	The ICU manages the commissioning, procurement and contract functions through its internal governance processes and the council policy and provides assurance to the council.
POLICY FRAMEWORK IMPLICATIONS	
17.	The commissioning, procurement and contract functions are conducted in line with the council's policy framework plans and meet the council's Contract Procedure Rules and Financial Procedure Rules and Officer Scheme of Delegation.

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	List of ICU contracts and grants managed on behalf of the Council and CCG
2.	(i) Contracts for Northlands House and Oak Lodge (ii) Level 3 Sexual Health Service Contract (iii) Substance Misuse Contract for Adults 25+ (iv) Health and Care Related Equipment Service Contract (v) Housing Related Support Service Contract for Adults – Flexible Support

Documents In Members' Rooms

1.	N/A	
2.	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.	N/A	
2.	N/A	