

<b>DECISION-MAKER:</b>	<b>Governance Committee</b>
<b>SUBJECT:</b>	<b>Annual Review of the Health and Social Care Contracts managed by the Integrated Commissioning Unit</b>
<b>DATE OF DECISION:</b>	<b>Monday 14 November 2022</b>
<b>REPORT OF:</b>	Terry Clark, Director of Commissioning, Integrated Health and Care

<b><u>CONTACT DETAILS</u></b>			
<b>Executive Director</b>	<b>Title</b>	Director of Commissioning, Integrated Health and Care	
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<b>STATEMENT OF CONFIDENTIALITY</b>	
N/A	
<b>BRIEF SUMMARY</b>	
<p>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 management of these contracts, including mechanisms for assurance of quality, performance, and governance.</p> <p>In addition, it gives a detailed overview of the ICU's strategic contracts and their performance over the last 12 months.</p>	
<b>RECOMMENDATIONS:</b>	
	<p>(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.</p>
<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
1.	The ICU manages contracts on behalf of the Council, including joint arrangements with the NHS at a Southampton place-based level for the Hampshire and Isle of Wight Integrated Commissioning Board (ICB). The ICU is subject to internal and external audit processes which verify that the management of contracts is undertaken in an appropriate manner and to a standard that provides assurance and limits risk to the Council.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	

2.	Not providing an annual update on the ICU contracts was considered and rejected as it would not support transparency in public expenditure.
<b>DETAIL (Including consultation carried out)</b>	
3.	<p>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 and Isle of Wight ICB. 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.</p> <p>The ICU's supplier management function was last audited in May 2022 and achieved assurance on core elements of ICU business processes. There was only one recommendation which required further action, resulting in an overall rating of 'Reasonable Assurance' for the audit. The recommendation and action taken to address it are set out in section 10 below.</p>
4.	<p>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.</p> <p>During 2021-22, the ICU undertook significant procurement activity, which resulted in a number of new contracts and a different contract landscape in 2022. This includes new contracts for domestic abuse services, home care bridging services and a new strategic framework for housing support services.</p>
5.	<p>The ICU currently manages a total of 160 contracts and 7 grants. The contracts include block service contracts, framework agreements, partnership agreements with the ICB and other health bodies, as well as in-house services delivered through service level agreements. The contracts are delivered for services to Adults and Children, including Public Health services. The 7 grants relate solely to ICU business and are separate from the wider council community grant programme.</p> <p>The current ICU contracts and grants are listed in Appendix 1.</p>
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).
7.	<p><b>Contract compliance and Governance</b></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"> <li>• Contracts are appropriately and optimally designed, such that service expectations are clearly defined and the benefits of services delivered can be evidenced.</li> <li>• Contracts are procured and awarded in accordance with the Council's Contract Procedure Rules and Financial Procedure Rules and Procurement Legislation.</li> </ul>

	<ul style="list-style-type: none"> <li>• Suppliers are at all times compliant with contract terms, and non-compliance with respect to performance, quality, safety, and risk is appropriately managed.</li> <li>• The contracting authority remains at all times compliant with its own obligations with respect to contracts (i.e. payments, communications, expiry).</li> <li>• Contracts are subject to review prior to expiry, to enable internal scrutiny of recommendations for extensions or re-commissioning.</li> <li>• 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.</li> </ul>												
8.	<p><b>Strategic ICU Contracts</b></p> <p>Within the contracts for which the ICU is responsible, there are currently 5 contracts which can be considered 'strategic'. Their annual expenditure exceeds £1m and have terms ranging from 5 to 25 years. These are as follows:</p> <table border="1" data-bbox="323 819 1493 1464"> <thead> <tr> <th data-bbox="323 819 904 972">Contract Title</th> <th data-bbox="904 819 1493 972">Service Provider</th> </tr> </thead> <tbody> <tr> <td data-bbox="323 972 904 1079">Nursing home for older people (Northlands House)</td> <td data-bbox="904 972 1493 1079">BUPA</td> </tr> <tr> <td data-bbox="323 1079 904 1187">Nursing home for people with dementia (Oak Lodge)</td> <td data-bbox="904 1079 1493 1187">BUPA</td> </tr> <tr> <td data-bbox="323 1187 904 1279">Level 3 Sexual Health services</td> <td data-bbox="904 1187 1493 1279">Solent NHS Trust</td> </tr> <tr> <td data-bbox="323 1279 904 1370">Substance Misuse Service for Adults 25+</td> <td data-bbox="904 1279 1493 1370">Change Grow Live</td> </tr> <tr> <td data-bbox="323 1370 904 1464">Health and Care related equipment service</td> <td data-bbox="904 1370 1493 1464">NRS Healthcare</td> </tr> </tbody> </table>	Contract Title	Service Provider	Nursing home for older people (Northlands House)	BUPA	Nursing home for people with dementia (Oak Lodge)	BUPA	Level 3 Sexual Health services	Solent NHS Trust	Substance Misuse Service for Adults 25+	Change Grow Live	Health and Care related equipment service	NRS Healthcare
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9.	<p>A detailed overview of each strategic contract and its performance over the past 12 months is provided in Appendix 2 (i – iv).</p>												
10.	<p><b>Performance Management and Monitoring</b></p> <p>The ICU is reviewing the existing performance monitoring system in 2022-23 as part of its annual business plan. This project will develop and implement an approach to ICU contract management which is better aligned with the current contract portfolio and post-pandemic recovery.</p> <p>The new monitoring framework will address and implement the recommendation from the 2022 supplier audit - to develop a set of monitoring requirements that are sufficiently flexible to accommodate contracts that are unforeseen, reactive (dealing with temporary pressures) or implemented in emergency periods (such as Covid-19 pandemic).</p>												

<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
11.	There are no specific resource implications relating to this paper.
<b><u>Property/Other</u></b>	
12.	There are no property issues arising from this paper.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
13.	Each contract is provided for and managed by its own reference to legal powers enabling the council to undertake such contracting.
14.	Contract changes, extensions and direct awards are made in line with the council's Contract Procedure Rules.
15.	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.
<b><u>Other Legal Implications:</u></b>	
16.	N/A
<b>RISK MANAGEMENT IMPLICATIONS</b>	
17.	The ICU manages the commissioning, procurement and contract functions through its internal governance processes and the council policy and provides assurance to the council.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
18.	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.

<b>KEY DECISION?</b>	<b>No</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	<b>All</b>
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	List of ICU contracts and grants managed on behalf of the Council and ICB
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

**Documents In Members' Rooms**

1.	N/A
2.	N/A

<b>Equality Impact Assessment</b>		
<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>		<b>No</b>
<b>Data Protection Impact Assessment</b>		
<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>		<b>No</b>
<b>Other Background Documents</b>		
<b>Other Background documents available for inspection at: N/A</b>		
<b>Title of Background Paper(s)</b>		<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>
1.	N/A	
2.	N/A	