

Report to Keith Hinkley, Director of Adults and Health

March 2022

Seasonal Commissioning of Care Provision April 2022 to June 2022

Report by Catherine Galvin, Head of Commissioning

Electoral divisions: all

Summary

West Sussex County Council and system partners developed an 18-month plan prior to Winter 21/22 to support the health and social care system to manage additional demand during pressured periods. As set out in key decision report [AS02 21/22](#) the Council commissioned services to support hospital discharge and additional pressures in health and social care commencing with an initial term up to the 31 Mar 22. Initiatives included a mixture of care to be provided within a person's own home as well as short stay beds within residential, nursing, and extra care services. As set out in key decision report [OKD27 \(21/22\)](#) the contracts which were awarded through tender processes have the potential to extend beyond their current end date of 31 Mar 22 and the ability to flex the scale and volume of provision up and down as the demand across the system requires.

Following the initial decision and as a result of the Omicron outbreak, it was clear that a greater volume of service provision would be required and therefore as part of emergency planning additional contracts were directly awarded and further processes were undertaken to enable additional service. However, not all of these contracts have the ability to be extended and come to an end on 31 Mar 2022.

Over winter 21/22 funding for the commissioning provision came from a mixture of Council winter pressure funding and Hospital Discharge Payments (HDP). HDP comes to an end on 31 March 2022 and in response to continued pressures and impending changes to the funding arrangements within the NHS, recommendations are based on funding for 3 months from funds committed by West Sussex Clinical Commissioning Group.

Recommendations

The Director of Adults and Health is asked to approve;

- (1) the extension of 7 domiciliary care block round contracts, 11 home first contracts and 34 block residential beds which have the means to extend from 1 April 2022 until 30 June 2022 for a projected cumulative cost of circa £826k;
- (2) the direct award of block contracts for 37 residential beds and 4 domiciliary care block rounds to commence from 1 April 2022 until 30 June 2022 with a cumulative value of circa £677k; and

- (3) the extension of core hospital discharge domiciliary care contracts under the home first pathway for a cost of £68k. These will be at the increased weekly block hours commissioned by way of previous variation on 30 June 2021.
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Proposal

1 Background and context

- 1.1 The health and social care system historically experiences increased pressures during winter months as extreme weather and the prevalence of illnesses such as flu increase. The impact and continued prevalence of Covid-19 created an additional pressure again this year, particularly exacerbated with a significant peak in cases with the Omicron variant.
- 1.2 Health and social care partners in West Sussex developed 18 month plans to support the commissioning and provision of services that will meet anticipated levels of demand during that time. Initial funding was confirmed until the 31 March 2022. Changes in the hospital discharge payment funding and the forthcoming changes in the establishment of the Integrated Care System means that funding is not able to be committed for the remainder of the 18 month plan timeframe at this stage. However system partners have agreed that to avoid a significant reduction in provision whilst pressures are still being felt, and whilst a review of the discharge arrangements is undertaken, that three months funding will be committed to enable the continuation of services until the 30 June 2022.
- 1.3 The care provider market has been facing challenges delivering services over recent months including homes having to close to referrals due to COVID-19 outbreaks and staffing pressures caused by individuals needing to isolate as well as recruitment challenges.
- 1.4 It is projected both the increase in demand and the market challenges will persist beyond the Easter 2022 period and hence the proposals provide plans for enabling service provision to continue for the next three months in line with the funding commitment from system leaders.

2 Proposal details

- 2.1 Extension of Contracts:
- 2.2 It is proposed that the majority of block contracts which were awarded under the procurement exercise in November 2021 be extended for a further three months until 30 June 2022. This will consist of:
 - 2.2.1 34 block contract residential care and nursing care beds across the county, with a projected value of £438k for the period,
 - 2.2.2 7 domiciliary care rounds with a projected value of £142k for the period, and
 - 2.2.3 11 block hospital discharge domiciliary care contracts with a projected value of £246k for the period.
- 2.3 Services will be extended where they represent good value for money, are in areas which have shown demand for the type of service commissioned, and

where the Service Provider agrees to continue with the arrangements. Extensions will be at the discretion of the Council, dependent on funding confirmation from the CCG and with agreement with the Service Provider.

Direct Awards:

- 2.4 The remaining capacity commissioned over the winter period which was directly awarded comes to an end on the 31 March 2022. Given the continuing demands and on the premise of supporting the system by continuing with existing capacity the proposal is to direct award further three month contracts with the same providers. These will be awarded where they represent good value for money, are in areas which have shown demand for the type of service commissioned and where the Service Provider agrees to continue with the arrangements. This will consist of:
- 2.4.1 37 block contract residential care and nursing care beds across the county, with a projected value of £478k.
- 2.4.2 4 domiciliary care rounds with a projected value of £199k for the period.
- 2.5 The provision proposed to be extended in 2.4.1 bid for block contracts over winter, passed due diligence but were not the highest scoring bidders and subsequently were directly awarded block contracts in light of the emergency pressures caused by the omicron variant and increasing demand. Three of the four contracts proposed to be extended in 2.4.2 responded to requests for quotes in December 2021 and were successful but the contracts have a 31 March end date without extension. The remaining contract was subsequently directly awarded following approval extending their provision into a further area and also has a 31 March end date.
- 2.6 It is proposed the variation to the core hospital discharge domiciliary care contracts to deliver 130 additional hours per week be extended for a further 3 months with a value of £68k for the period.

3 Other options considered (and reasons for not proposing)

- 3.1 The options to allow all of these contracts to cease and not seek to replace them, or to only extend those with extension clauses have not been proposed due to the increased demand for hospital discharge services being projected to continue as well as the pressures and challenges being faced by the market making it unlikely spot purchased services alone would suffice.
- 3.2 The option to extend and award contracts for longer than the three month funding period has been considered but not recommended as the system is unable to offer a financial commitment beyond this time which would present a financial risk to the Council as the contracting party.
- 3.3 In line with Public Contract Regulations and the Council's Standing Orders these services would normally be subject to a competitive tender process. However, in light of the limitations on funding, the urgency of the demand and the pressure of time required to undertake a competitive tender, authority has been secured confirming grounds to make a direct award.

4 Consultation, engagement and advice

- 4.1 Extensive consultation with the Clinical Commissioning Group (CCG) has been undertaken through established forums including the Joint Commissioning Strategy Group. An 18-month planning group was established with commissioners and providers across the sector to develop and agree the content of the plan. The plan was signed off at a Chief Executive Officer level across the health and social care partner organisations.
- 4.2 Plans have been approved by the Council's Commercial Panel prior to decision.

5 Finance

- 5.1 Revenue consequences
- 5.2 Contracts will only be entered into on a scale or volume equivalent to the available and committed funding from the CCG. The Council will look to extend the Section 75 variation for the funding which is committed to providers through this plan for any aspect which does not come from Council held funds.
- 5.5 The immediate decision is around the April to June 2022 period, for which the cost is estimated at £1.57m. A variation to the Section 75 agreement will be made to ensure that the Council is able to recover costs in full from the CCG.

	Current Year 2022/23
Cost of proposals for which approval is being sought	£1.57m
CCG funding	£1.57m
Cost to County Council	Nil

- 5.3 The effect of the proposal:

(a) **How the cost represents good value**

Where current contracts are in place and are continuing at the same cost the Council will work with these providers to ensure delivery of the additionality for the next 3 months.

(b) **Future savings/efficiencies being delivered**

The discharge to assess pathways associated with hospital discharge provide an assessment outside of the acute hospital environment. This enables more informed assessments to be undertaken and consideration of ability to return or remain at home. This presents a potential efficiency to social care in the potential reduction of longer-term services as well as money saved by more time-efficient discharges from hospitals.

(c) **Human Resources, IT and Assets Impact**

Not applicable

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Insufficient service provided for pressured periods	Extend block hours and beds to provide additional assurance. Spot purchase through Council frameworks for services beyond the block arrangements.
Funding is not forthcoming from partners	Commissioned provision to be reduced if funding is not available. Extension periods are dependent on funding available. Variation of section 75 to enable costs to be recovered from the CCG
Providers not wishing to extend their provision	Spot purchasing directly through the CCG where providers are unwilling to extend. Block provision will reduce accordingly.
Risk of challenge	Funding position was unforeseen and services cannot be tendered for such short duration. Tender processes were run in Nov and Dec 2021 for some of the services and others will be direct awarded after internal advice.

7 Policy alignment and compliance

- 7.2 The proposals have been approved and developed with advice from the Council's legal and procurement services. The Council will enter into a services contract using terms and conditions, approved by Legal Services and compliant with the Council's Standing Orders on Procurement and Contracts.

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Appendices None

Background papers None