Cllr Vic Pritchard, Cabinet Member for Adult Social Care & Health
Key Issues Briefing Note

Health & Wellbeing Select Committee November 2018

1. Virgin Care Performance Update

Executive Summary

This report provides an overview of the first half of the second year (2018/19) of the Virgin Care Services Ltd (VCSL) community services contract, including:

- Delivery of transformation priorities; and
- Quality and performance of service delivery.

Transformation programme update

The Service Delivery and Improvement Plan (SDIP) is agreed between Commissioners and Virgin at the beginning of the financial year. In it, both parties outline: key transformation milestones for the year ahead, based on the Virgin transformation roadmap; unmet or unfinished milestones from the previous year; and commissioners' expectations of the provider. Every milestone has an agreed set of measures, and every three months Virgin Care must provide commissioners with evidence to show that they have met the milestones agreed, which commissioners formally review.

On October 17th, the Head of Transformation Programme and commissioning leads met with Virgin Care to review the Q2 milestones of the SDIP. This face to face meeting is a quarterly opportunity for Virgin Care to evidence achievement or otherwise of transformation milestones, and for commissioners to ask questions, probe and hold Virgin Care to account.

Every milestone is then 'RAG rated', giving it a rating of Green (milestone achieved), Amber (milestone partially achieved) and Red (milestone not achieved/ not started).

Table 1

	Red	Amber	Green
Quarter 1	3	4	8
Quarter 2	3	0	10
Total	6	4	18

In quarters 1 and 2, out of 28 transformation milestones, 6 are Red, 4 are Amber and 18 are Green.

Of the 6 Red milestones, 5 relate to Virgin's Integrated Care Record (ICR). The integrated care record platform aims to provide secure access to joined up, timely

information from multiple health and social care providers enabling improved outcomes and experience for people whilst driving efficiencies across the local health and care economy as part of the wider transformation programme.

To date, Virgin Care has not met the majority of their delivery timescales for ICR. In September, Virgin Care was made aware that their provider Lumira would no longer be developing their product for an integrated care record purpose and this could therefore no longer be used as the platform for the B&NES system. The need to re-procure a system will now further delay progress against the milestones. Virgin Care currently estimates that they will identify a provider by the end of 2018, with the aim to start developing the system locally from April 2019 onwards.

It is important to note that the delays in achieving milestones for ICR in quarters 1 and 2 are not related to the Lumira provider failure, which only materialised in September. However it is apparent that Virgin Care will not be able to meet future quarter 3 and 4 milestones agreed for ICR as they currently have no platform to develop. New milestones will need to be agreed once a provider has been selected.

The 18 Green milestones relate to a number of different work streams where Virgin have made significant progress, namely in relation to developing a performance management tool, embedding a strengths based approach across their Adult Social Care teams and working with key stakeholders to develop a care coordination approach to health and social care service delivery.

In addition to the SDIP, there are a number of system-wide transformation work streams that are underway, which involve multiple providers, including Virgin Care. These work streams include the reablement review, the mental health pathway review and the 3 Conversations model pilot. These programmes of work are looking to improve the offer for people in B&NES while delivering efficiencies, and making the service sustainable for future years.

Performance and Quality overview

During the second year of the community services contract, Virgin Care and subcontractors' performance reporting arrangements remain largely in line with the arrangements in place for 2017/18, with a strengthened Contract Quality and Performance Meeting (CQPM) structure now in place.

Detailed performance and quality information is reviewed monthly as part of formal Contract Quality and Performance Meetings (CQPM) and at specific quality sub-group and service-level performance meetings, as is the case for other key providers of health and social care services. Actions to address areas of poor performance are undertaken in line with contractual provisions, which can include the issue of a Contract Performance Notice. The Quality sub-group and service level performance meetings provide reports to the formal, CQPM meeting, with Director level Chairing

and attendance of key quality and performance leads from the commissioner and provider.

Monitoring of quality is underpinned by the requirements of the quality schedule which is a mixture of quantitative and qualitative reporting. Through working with Virgin Care to monitor the requirements of the quality schedule, a Contract Performance Notice (CPN) was formally issued to Virgin Care on 21st December 2017 to strengthen their assurance reporting and compliance with the Serious Incidents Framework. A remedial action plan was implemented and, overall, reporting compliance has significantly improved so the CPN was lifted in October 2018.

All Quarter 1 assurances have been received along with other monthly and ad hoc reports, as requested by commissioners. The content and quality of information in all reports has improved, notably the children's and adult's safeguarding reports which highlight improvements in training and the numbers of staff who have undertaken the following training:

- Safeguarding Adults Level 1 and Level 2
- PREVENT training
- Safeguarding Children Level 2 and 3.

The latest Engagement Report and Strategy highlighted significant examples of positive engagement. Further, Virgin Care has implemented a new Human Resources system and shared the latest data with commissioners. While the full data set is still being populated, there is more information than in previous reports and the accuracy is higher as well.

Commissioners' reviews of quality information have led to additional checks being carried out to facilitate a greater understanding of underlying issues. For example Virgin Care is now reviewing the audit results for venous thromboembolism (VTE) assessment to understand why performance has varied and an additional audit is now underway. The contract governance also allows for potential anomalies in the data to be investigated. Commissioners queried the number of safeguarding concerns and incidents at the quarterly Quality Sub-Group meeting and this had led to the identification of possible under-reporting. This is now being addressed so that the reporting of concerns and incidents improves.

In addition to reviewing assurance reports, commissioners triangulate intelligence by undertaking a programme of quality visits, reviewing CQC and Healthwatch reports and ensuring NICE guidance compliance.

Complaints are monitored frequently. There were 11 complaints in Q1: 4 in health, 6 in social care and 1 was corporate. Two were upheld, three were not upheld, and six are ongoing. Themes are monitored to identify any trends. In Q1, the themes included: communication, unwelcome decisions and delays in access. Relative to the

number of people who are in contact with Virgin Care services, the number of complaints is low.

Table 2 below shows the quality indicators being monitored for Virgin Care.

Table 2

	2018/19						2018/19 YTD
Indicator	**Apr**	**May**	**June**	**July**	**Aug**	**Sep**	
Healthcare acquired infection (HCAI) measure - MRSA, C.difficile, MSSA	0	0	0	0	0	0	0
Number of Never Events	0	0	0	0	0	0	0
Number of Serious Incidents	2	2	1	2	2	0	9
VTE Assessment - Percentage who have had an assessment on admission	98%	98%	98%	100%	93%	100%	97.83%
VTE Assessment - Percentage at risk of VTE receiving chemical / physical thromboprophylaxis	84%	98%	83%	91%	80%	88%	87%
Mixed sex accommodation (MSA) Breaches	0	0	0	0	no data	no data	0
Number of Complaints (Health & Social Care)	1	5	5	3	3	4	21
Number of Concerns (Health & Social Care)	6	5	6	3	1	3	24
Staff Turnover rate % (Virgin)	1.59%	1.45%	0.78%	0.87%	1.60%	1.81%	1.35%
Sickness rate % (Virgin)	2.83%	2.53%	3.20%	3.30%	3.19%	3.74%	3.13%
Vacancy rate % (Virgin)	no data	no data	7.50%	12.50%	18%	lag	12.67%
Agency staff % (Virgin)	4.99%	3.81%	11.04%	9.49%	6.64%	5.83%	6.97%

Table 3 below shows how the services Virgin Care provide have performed against National NHS Constitution standards for access to care in 2018/19 to September2018. Virgin Care provides Consultant led services which are subject to the 18 week referral to treatment target: Orthopaedic Interface Service, Falls and Movement services (Clara Cross), Community Paediatrics and Paediatric Audiology. Virgin Care provides adult audiology and echocardiograms in the community that are subject to the 6 week diagnostic standard. Paulton MIU is subject to the 4 hour A&E standard.

Performance against the Diagnostics standard has deteriorated since July 2018 because of problems with timeliness of carrying out echocardiograms in the Heart Failure service. A combination of increasing demand and failure to add referrals on the system in a timely manner led to a backlog growing. While the process errors have been corrected, the level of the backlog is significant relative to the service capacity, so commissioners asked Virgin Care to demonstrate how it will recover performance. Additional capacity has been sought and is due to be available this month, with breaches expected to be cleared by the end of December 2018. Commissioners provide assurance reporting to NHS England on a monthly basis

regarding all NHS Constitution standards including diagnostics performance, so this area of performance is also reported directly to, and scrutinised by, the regulator.

The CCG delegates the Continuing Health Care (CHC) Service to Virgin Care. The CHC service has national targets for access. At the start of the contract Virgin Care was asked to review and improve this service and the service is moving towards achieving the 28 day target. The provider is currently being monitored against a jointly-agreed recovery trajectory and performance is improving in line with the recovery plan. Performance for the number of CHC Decision Support Tools carried out in an acute hospital setting is exceptional and has been in the top quartile nationally throughout 2017/18 and 2018/19 to date.

Table 3

Virgin Care: performance against key NHS standards

Measure description	Direction to improve	Standard 2018/19	2018/19 actuals[1]	Latest period	England 2018/19[2]	BaNES CCG[3]
Referral to Treatment: percentage of patients on an incomplete pathway waiting less than 18 weeks at month end	▲	92%	98.8%	Sep-18	86.7%	89.90%
Referral to Treatment: total number of patients waiting over 52 weeks at month end	▼	0	0	Sep-18		4
Diagnostics: percentage of people waiting over 6 weeks for diagnostic tests at month end	▼	1%	17.9%	Sep-18	2.7%	5.30%
A&E: percentage of A&E attendances where total time in the department is 4 hours or less	▲	95%	100%	Sep-18	88.9%	85.50%
Continuing Healthcare: Proportion of Decision Support Tools completed in an acute hospital	▼	15%	0%	Q2	12.3%	
Continuing Healthcare: Proportion of referrals concluded in period carried out within 28 days	▲	80%	55.6%	Q2	71.1%	

Notes	1 RAG status is green where performance is above the national standard 2 RAG status is based on how B&NES performance compares to the national rate (green = B&NES is better than national performance) 3 A&E: the CCG figure quoted is RUH Trust level performance.

Table 4 below provides the published 2017/18 Adult Social Care Outcomes Framework (ASCOF) performance, the key national measures for Adult Social Care, which shows that overall the outcomes for people using Social Care services have continued at the expected levels during the changeover of contract. The final

2017/18 was published at the end of October and includes benchmarking against national performance.

Table 4

Ref	Measure description	Direction to improve	Target/ 2016/17 actual	2017/18[2]	England 2017/18[3]
ASCOF 1C(1a)	Proportion of people using social care receiving self-directed support	▲	91.4%	90.8%	89.7%
ASCOF 1C(2a)	Proportion of people using social care receiving direct payments	▲	**25%**	30.1%	28.5%
ASCOF 1E	Proportion of adults with learning disabilities in paid employment	▲	9.7%	10.4%	6.0%
ASCOF 1G	Proportion of adults with learning disabilities who live in their own home or with their family	▲	71.9%	73.9%	77.2%
ASCOF 2A(1)	Long-term support needs met by admission to residential and nursing care homes, per 100,000 population (18-64)	▼	20.5	16.2	13.5
ASCOF 2A(2)	Long-term support needs met by admission to residential and nursing care homes, per 100,000 population (65+)	▼	**640.8**	639.4	568.5
ASCOF 2B(1)	Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services (effectiveness of the service)	▲	91.3%	82.4%	82.9%
ASCOF 2C(1)	Delayed transfers of care from hospital (per 100,000 population)	▼	**11.6**	12.4	12.3
ASCOF 2C(2)	Delayed transfers of care from hospital which are attributable to adult social care (per 100,000 population)	▼	**7.4**	5.6	4.3
ASCOF 2C(3)	Delayed transfers of care from hospital which are attributable to both (per 100,000 population)	▼	**0.2**	0.4	0.9

Notes	1 Where targets are in bold, they are either contractual targets or targets from plans, such as the BCF plan. Other targets are set at last year's actuals. 2 RAG status is green where performance is above the national average or, if not, where it is either above the 2016/17 B&NES level. In the case of 2C(1), as 2016/17 is not measured on a like-for-like basis, as Virgin Care did not report nationally in the baseline year, 2017/18 performance represents a like-for-like improvement, so it is rated green. 3 RAG status is based on how B&NES performance compares to the national rate (green = B&NES is better than national performance).

ASCOF Performance commentary

- Self-directed support and direct payments – ASCOF 1C: Performance has remained stable this year for the self-directed support measure and is better than the national average for 2017/18. For direct payments, this year's performance is better than the national average and above the contract target. Performance for 2018/19 will decline due to a provider of Direct Payments (DP) withdrawing services, which led to an urgent review of clients who were receiving DPs. This identified some service users as no longer eligible, so the number of people receiving DPs has fallen. The Council's focus remains on

making sure that DPs are offered to people in the cases where it is appropriate to do so.

- Learning Disabilities – ASCOF 1E and 1G: The rate of learning disability clients in employment continues to rise in line with the trend in recent years and it remained significantly above the national average in 2017/18. The Council has been in the top quartile for this measure for the past four years. The accommodation measure also improved compared to 2016/17 to continue the steady year-on-year improvement seen in recent years. While performance remains below the national average, the rate of improvement in B&NES this year is better than the rate of improvement nationally.
- Permanent care home admissions – ASCOF 2A: Fewer younger adults have been permanently placed in residential care during 2017/18 than in the past 5 years. While B&NES performance is above the national average, there has been significant improvement this year, particularly in Q4. In 2016/17, B&NES was in the bottom quartile nationally but 2017/18 performance has improved to the extent that this is no longer the case as placements reduced by 21%. The improvement seen in 2017/18 is being sustained into 2018/19 to date. Approximately 80% of the placements in this category are Virgin Care clients, with the remainder being AWP clients. For over 65s, the number of new permanent placements in 2017/18 reduced by 6% compared to last year and B&NES' performed better than the average for its peer group of demographically-similar councils. BCF schemes, such as Home First, have been successful in reducing ongoing care needs as earlier discharges avoid people deteriorating in hospital. Approximately 60% of the placements in this category are attributable to Virgin Care clients, with the remainder being AWP clients.
- Reablement – ASCOF 2B(1): Virgin Care identified that the method of calculation used in previous years had been over-reporting performance. 2017/18 performance is not directly comparable with previous years therefore. The revised methodology was first used in January and performance has been better than the regional average level. The reported drop in performance reflects a reporting change and is not reflective of a deterioration of outcomes for service users. The Council has been working with Virgin Care to improve the range of indicators reported locally for reablement which has provided a greater understanding of how the reablement service is performing.
- Delayed Transfers of Care – ASCOF 2C: DTOC performance was challenging at a national level during 2017/18 as pressure has been felt across the health and social care system. B&NES delivered its year-end BCF plan reduction in DTOCs and delays in Virgin Care settings were also better than planned, which should be considered in the context of significant winter pressure. Virgin Care has taken ownership of community hospital and reablement delays, which led to improvements in Q4. Virgin Care commenced submitting data nationally on

delays in community hospitals from January 2018, so the ASCOF measure this year does not wholly reflect their impact on DTOCs in B&NES. However, the inclusion of community hospital delays explains 2C(1) being higher than the 2016/17 result. On average, 37% of delayed days in B&NES are in community hospitals. For delays attributed to social care, there has been significant improvement in the latter half of 2017/18, so while B&NES is above the 2017/18 national average, the variance is much reduced and is significantly better than 2016/17 given that the 2016/17 value did not include Virgin Care data and included some under-reporting for other providers. A combination of greater scrutiny of DTOC coding and the effects of BCF schemes has helped to reduce delays, including those attributed to social care.

2. CAMHS Local Transformation Plan

The local **Children & Adolescent Mental Health Services (CAMHS) Local Transformation Plan** sets out how local commissioners and providers of mental health support are working together to meet a national priority, outlined in *Future in Mind,* to improve the emotional wellbeing and mental health of children and young people living in Bath and North East Somerset.

It incorporates the following key themes:

- Promoting resilience, prevention and early intervention
- Improving access to effective support
- Care for the most vulnerable
- Accountability and transparency
- Developing the workforce

The latest **CAMHS Local Transformation Plan,** dated October 2018, is currently in draft format and is available for review on the B&NES Council website: http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Children-and-Young-People/banes_transformation_plan_oct18_draft.docx

Any corrections, omissions and/or comments are welcome and should be emailed to Margaret_Fairbairn@bathnes.gov.uk by 7th December 2018. After this date the plan will be updated and finalised.

3. Sirona Care & Health Community Resource Centres and Extra Care Contracts

Introduction

Following the in camera/private meeting of the Select Committee with Sirona Care & Health and Unison representatives, this detailed briefing, as requested, sets out the current contractual arrangements for the Sirona provided Community Resource Centres and Extra Care service and background to how these arrangements were developed and agreed.

Background

Sirona Care and Health provides 105 residential care home beds within the three Community Resource Centres in Bath and North East Somerset. The CRCs are owned by the Council and leased to Sirona Care & Health. They were established as an important community asset by the Council in 2008 following extensive public consultation with service users, carers and staff and transferred under a block contract to Sirona Care and Health when it was established as a Community Interest Company in 2011.The block contract arrangement requires funding of all beds in the three care homes regardless of levels of occupancy. Two of the CRCs also have extra care housing attached. The care service is provided by Sirona Care and Health whilst the housing itself is managed by Curo Housing.

Your Care Your Way Community Services Review- 2016:

During 2016, the Your Care Your Way procurement process was underway for community health and care services that were primarily provided by Sirona Care and Health at the time. In January 2017, services in scope for the Prime Provider contract and sub-contracts were agreed. This model saw the development of a Prime Provider that would directly provide services and would sub-contract others on behalf of the Council and the Clinical Commissioning Group. Extra care sheltered housing (both housing contracts and care contracts) and community equipment (for example handrails, hoists, stair lifts, walking frames, specialist beds) were agreed to be in scope for the procurement to be sub-contracted by the Prime Provider. It was agreed that Residential Care/Care Home provision, including that provided from the CRCs and by a range of private and independent sector providers would remain outside the Your Care Your Way review and continue to be commissioned directly by the Local Authority. This means that the Council and, in some instances (for example the provision of Continuing Health Care) the CCG continue to plan, fund and monitor performance, quality and safety directly. The Care Quality Commission (CQC) also has an important role in monitoring the quality and safety of Residential, Nursing and Extra Care Services, which are all care services regulated by the CQC.

Designing a new model for the Community Resource Centres (CRCs):

Discussions also began with Sirona Care and Health in 2016 to redesign the CRCs model due to the high numbers of vacancies, particularly in the residential care beds. It was also becoming increasingly apparent that the residential care provided in the CRCs was not designed to meet the increasingly complex and acute needs of a changing older population, which was an important contributory factor to the number of vacancies in the CRCs.

It was identified that significant refurbishment and changes to the properties would need to be funded in order to meet the needs of a different cohort of residents with nursing needs and meet CQC (Care Quality Commission) regulations.

In the summer of 2016, a draft business case for the CRCs was produced by Sirona Care and Health Care and the Council identified £700k of capital funding from the remaining balance of the 2015-16 Social Care Capital Grant. Officers met regularly with Sirona Care and Health Care to develop the business case.

CRC Contract Discussions with Sirona Care and Health – Autumn 2016

In August 2016 the preferred provider for Your Care Your Way was confirmed to be Virgin Care Services Limited. As the preferred provider did not include Sirona Care and Health, this meant that the CRCs would need to be commissioned on a stand-alone basis as the current community contract including the CRCs would end in March 2017. The contract did not include provision for any further extensions.

It was agreed with Sirona Care and Health that the Council would award Sirona Care & Health a 1-year contract to give time to agree a new specification and contract terms. In light of procurement regulations, it was not possible for the Council to award a lengthy contract directly to Sirona Care and Health. Sirona Care and Health were, however, clear that in order to continue to be a viable provider of these services and implement a new model of care, it was essential that they did have the security of a long contract (to align with the Prime Provider contract). Following an appraisal of the procurement and contracting options with legal and procurement advice, it was decided that the preferred option was to vary the scope of the Prime Provider contract and establish the CRCs as a sub-contract between Virgin Care and Sirona Care and Health from April 2018 This arrangement also enabled Sirona Care and Health to retain the provision of all the care services provided from the CRCs, including the Extra Care service, which was already sub-contracted by Virgin Care. This decision and arrangements were made within procurement and contract law.

Finalising the CRCs Model – Autumn 2016 – early 2017

In Autumn 2016, costings were agreed with Sirona Care and Health for an uplift of 6.6% which would see the model change from:

Home	Current	Proposed
Cleeve Court	20 General Residential 25 Complex Dementia residential	20 Dementia Residential 25 Complex Dementia Residential
Charlton House	15 Complex Dementia Residential 15 General Residential	30 General Nursing
Combe Lea	15 Complex Dementia Residential 15 General Residential	15 Dementia Nursing 15 Dementia Residential

Service Specification and Contract for the CRCs

In January 2017, a new type of residential care referred to as “high dependency residential care” began to be developed and the Council worked with Sirona Care and Health to test this new option. A request was made to Sirona Care and Health to adapt the model at Charlton House to include this new type of residential care for people who had intensive personal care needs such as needing 2 carers to transfer. The cost of this model would not change as the same number of carers would be needed and the number of nurses was the same for 20 beds as for 30 beds. In January 2017, the full business case for the CRCs was signed off with the following bed mix below. This formed the basis for the service specification.

Home	Current	Proposed
Cleeve Court	20 General Residential 25 Complex Dementia residential	20 Dementia Residential 25 Complex Dementia Residential
Charlton House	15 Complex Dementia Residential 15 General Residential	20 General Nursing 10 High Dependency Residential

Home	Current	Proposed
Combe Lea	15 Complex Dementia Residential 15 General Residential	15 Dementia Nursing 15 ementia Residential

A capital grant business case to release the £700k social care capital grant from 2015-16 was also approved in January 2017.

The Council began working with Sirona Care and Health on an implementation plan and a Project Manager from the Council's Property Services Team was appointed to oversee the changes to the buildings.

Extra Care and Community Equipment – Your Care Your Way – March 2017

During the early part of 2017, Sirona Care and Health provided financial and budgetary information to Commissioners to comply with the due diligence process for the new community health and care contract. This information was to inform Commissioners of the financial split between services transferring to Virgin Care and those remaining with Sirona Care and Health. Because Extra Care and Community Equipment formed part of the Your Care Your Way contract, no reference was made to any specific concerns as to the funding of these services other than as part of the whole. These figures were therefore used only as part of the safe transfer exercise underway for the new Community Services contract – no understanding was given that this would determine the final value of individual contracts.

Just before the community contract was agreed with Virgin Care, concerns were raised about Extra Care. At this point it was agreed to remove the Extra Care service from the subcontracts being transferred to Virgin Care in order to understand the issues and agree a solution or mitigating actions without delay to the main contract signature.

The most significant issue identified was a cost pressure, which Sirona reported amounted to 15.6% of the contract value for Extra Care. This issue had not been raised previously with Commissioners in contract meetings.

Community equipment was also taken out of the community contract, in part due to the complexity of multiple providers of community equipment services.

April 2017 onwards

Urgent meetings then began on 27th April 2017 with Sirona Care and Health to agree a combined contract for the CRCs, Extra Care and a separate contract for Community Equipment services which was intended to continue to sit outside of the Your Care Your Way portfolio of sub-contracts.

During fortnightly meetings, the CRCs contract value remained confirmed as unchanged with an uplift of 6.6% as previously agreed with Sirona Care and Health. The Community Equipment service received a 12.1% uplift, agreed with Sirona Care and Health.

Discussions continued to understand the issues facing the Extra Care service. Commissioners and Sirona discussed different ways to provide the service within the financial envelope and Commissioners asked Sirona to consider different models. Discussions focused on how Sirona might find efficiencies across the CRCs and Extra Care as they were often on the same site, or by considering options such as new technology. These discussions included whether elements of the service could be delivered by other providers (eg local home care agencies) to deliver a mixed model. Sirona Care and Health offered to deliver the service for 2017/18 with an 8% increase in value.

Commissioners agreed to this proposal which represented an ongoing uplift of 3.2% on the previous contract value for Extra Care. A 6-month transformation funding arrangement was also agreed which gave Sirona a 12.8% uplift for the first 6 months of 2017-18 covering their actual costs for this period.

Sirona Care and Health took their proposals to their Board on 22nd May 2017 for formal approval which was given. There was no indication from Sirona Care and Health that this approval was given reluctantly, in fact the regular communication with Sirona requested urgent contract signature in order to move on with the changes required. Sirona Care and Health did have sufficient time to undertake due diligence on the offer made and this was the responsibility of Sirona Care and Health before agreeing and signing the contract.

Sirona Care & Health sent commissioners the consultation document on changes to staff terms and conditions with the full details of the proposals the day before it was released to affected staff. There was therefore no opportunity to influence the tone or language of the document which inferred that Sirona was being required to make savings on their contract, a point which Commissioners and Sirona continue to see differently for the reasons on the contract value outlined above.

Discussions continued with Virgin Care during the autumn and early part of 2018 and final confirmation from Virgin Care that they would include CRCs in the subcontracts portfolio was received in March 2018. The contract would be for 6 years with the potential to extend another 3 years, in line with the other sub-contracts within the portfolio held by Virgin Care as Prime Provider.

Like the Prime Provider contract and all sub-contracts, providers were advised that contracts would be awarded on a "flat cash" basis and there would be no guaranteed uplifts during the life of the contracts. This is the basis on which many of the Council's contracts operate, with an expectation, as with Council directly provided services, that providers manage some level of cost pressure through internal efficiencies – particularly when benchmarking information shows that the cost of the service is relatively high. However, if providers under the Prime Provider/sub-contracting arrangements were to raise concerns about viability, Virgin Care would work through these concerns with the provider and in consultation with the Council and CCG.

Terms of the Contract for the CRCs -

The beds are funded on a block basis with the cost of the beds being significantly higher than the published fee rate which the Council expects to pay private providers. The Council gave an uplift to private and independent providers of 1% on beds at or below the published fee rate this year, following a large scale exercise in 2017 to calculate a fair price of care. The table below shows the difference in bed costs between the CRCs and the Council's published fee rates. This means that Sirona would not have received an uplift for these beds if included in the uplift exercise.

Bed Category	**Sirona Rate (£)**	**Published Fee Rate (£)**	**% difference**
Residential Dementia	773	578.73	+25%
Complex Residential Dementia	808	578.73	+28%
Nursing Dementia	971	737.85	+24%
General Nursing	945	719.67	+24%
High Dependency Residential	945	N/A	

For private providers, empty beds are not funded – the provider covers this cost and risk. For the CRCs, this risk and cost is funded by the Commissioner and effectively means that empty beds in the CRCs cost the Council twice as much because a bed then has to be purchased in the private sector. Empty beds in the CRCs can arise for a number of reasons, including service user or care choice of care home and/or location and, also, the increasing possibility that the provision of standard residential care does not meet the more complex or acute needs of people looking for a placement. Currently the Council covers the financial risk of vacancies in the CRCs under the block contract arrangement. Private and independent sector providers cover the vacancy risk themselves.

Private providers are also expected to cover the cost of their maintenance and building costs within their fees. This is not the case Sirona as the block contract includes overheads which contribute to the maintenance and minor repairs of assets used in the provision of service.

In terms of including privately-paying residents, the Extra Care Units and CRCs do take in some self-funders, however this income is received by the Council as the contract with Sirona Care and Health is on a block basis.

Allowing Sirona Care and Health to benefit from private funders could be an option and it is something that the Council has considered previously and is open to exploring in more detail with Sirona Care and Health alongside other options, such as increasing the number of nursing beds again at Charlton House (at no extra cost to Sirona Care and Health). Adapting the model to include private beds could mean that the Council would reduce the contract value to Sirona Care and Health and would expect them to bear the responsibility for filling the private beds and carrying the risk if they remain empty.

Pay and Conditions for Care Staff

In terms of paid breaks, it is rare for a provider to offer paid breaks. By continuing to retain staff with paid breaks, Sirona were an outlier as a care provider and this is likely to be a contributory factor to their costs in a very competitive market. This is one of the reasons that the Council decided, on balance, not to put the CRCs out to competitive tender in 2017 as there would have been a significant risk to Sirona that they would not be well placed to retain the contract in light of their overall high cost-base. Also, to undertake a full procurement process against a very short time scale presented a risk to service continuity and impact on the experience of residents and carers and uncertainty for care staff.

Whilst the CRCs in particular must retain a minimum level of staffing, there are many technological advances on the market now, in particular for extra care housing which allow providers to make the most of their staffing capacity. This could be explored for the Extra Care service.

Unison representatives are right to point to the Council's duties under the Care Act to support providers to develop the workforce. However this does not imply that the Council should continue to use public funding, particularly at a time when Council resources are under significant pressure, in order to fund a model of delivery which might secure beneficial terms and conditions for a relatively small number of staff working in the care sector but that would make it even more difficult than is currently the case for the provider continue to be viable and competitive in the wider care market. This would directly contradict another Council duty which is to ensure the market is viable, continues to develop and to protect against provider failure. Many care providers work in more areas than just B&NES – they could not offer particular benefits just to B&NES workers and remain competitive elsewhere. Contrary to the Unison statement, the Council does not have a duty to "ensure that front line care staff are not financially disadvantaged when a care organisation runs into financial difficulties." This would require the Council to be liable for any staff operating in any care organisation and whilst the Council does have a duty to develop the market and avoid market failure where possible, this is not at any cost as the Council must have due regard for all of its statutory duties as a public body.

Staffing Dispute Resolution

At the time of writing Sirona staff who are members of Unison have proceeded with further planned strike action.

In light of the continued concern, including as expressed by Select Committee members, about the potential impact of the ongoing dispute on the care services and staff the Cabinet Member will ensure that, within existing budgets and legal and regulatory constraints, Council officers will continue to work with Sirona Care & Health to support them in resolving the dispute and moving forwards.

It may be possible to provide a further verbal update at the Select Committee in relation to any progress made in achieving a resolution, including through mediation.

4. Mental Health Pathway Review

Since the last update we have been continuing to seek the views of a diverse range of groups across B&NES, including people who are seldom heard, and those who are vulnerable or have complex needs. The feedback we receive from people is being actively incorporated into our work to develop service specifications, ensuring that any new model will reflect the things that people have told us will improve the service for the community.

We have attended a GP Cluster meeting in order to keep GPs updated on review progress, and how we have picked up on and responded to the issues they raised at the start of the review about how mental health services are currently working.

Commissioners and colleagues in Virgin Care and Avon and Wiltshire Mental Health Partnership NHS Trust have begun work to look at all our existing service specifications, identifying where there are gaps between what is currently commissioned and what people have told us will be important in the new model.

The six workstreams have now been combined into one joint workstream group which is meeting on a monthly basis in a workshop format to look at specific issues. The first joint workstream group in October was well-attended and we worked with an expert on outcomes to develop an outcomes framework that will help us to ensure that the new service delivers tangible benefits. A separate opportunity was then provided for community champions to spend an additional period of time looking at the identified outcomes.

The most recent workshop being held in November focused on the development of a Collaborative Framework which sets out how those who work to provide mental health services either in the statutory or voluntary sector can work together to ensure that the experience for those who use our services is seamless, and there is ‘no wrong door’.

The review remains on track with emerging provider models expected to be drafted in December 2018 and formal consultation commencing January 2019 and contracts in place by 1st April 2018.

For further information about the review, please visit the CCG’s website, email banes.yourvoice@nhs.net or call 01225 831 800 and ask for the Communications and Engagement Team.