

Virgin Care Contract Extension Paper – Options Appraisal

Executive Summary

**BaNES, Swindon and Wiltshire Clinical Commissioning
Group and Bath & North East Somerset Council**

11th November 2021

COVID-19 Immunisation in the community



Introduction

B&NES, Swindon & Wiltshire Clinical Commissioning Group (BSWCCG) Governing Body and B&NES Council, as joint commissioners of community services provided by Virgin Care, have requested a report setting out an options appraisal to help inform a decision on the future of the Virgin Care contract.

This is a seven-year contract from 2017/18 to 2023/2024 with the option for BSWCCG and B&NES Council to extend the contract term by three years, taking the contract term to 2026/2027. Virgin Care would need to be notified of the decision to extend or not to extend the contract by no later than end of March 2022.

This paper is part of a detailed options appraisal which is due to go to B&NES Council Cabinet and BSWCCG Governing Body on 11th November 2021 for a decision on whether to extend the contract for the three-year term with Virgin Care or not.

Context and Background

The Virgin Care contract is a seven-year contract which commenced from 1st April 2017 to 31st March 2024 with the option to extend the contract term by three years (2024/25, 2025/26 and 2026/27).

If a decision were taken to exercise the option to extend the contract term the Co-ordinating Commissioner must give written notice to Virgin Care no later than 24 months prior to the original expiry date (end of year 5 2021/22 – March 2022 latest date). The option to extend the contract term by three years can only be taken once.

There is no financial penalty to be incurred by commissioners if the decision is taken not to extend the contract term for the 3 year extension period. Virgin Care remains committed to this contract and are not seeking to renegotiate the financial terms of the contract from BSWCCG and B&NES Council for the three-year term. They have also confirmed their support for the transfer of two services to the CCG and council, namely Continuing Health Care and Adult Safeguarding respectively, if the extension is approved (option 3).

The overall value of the contract year 5 (2021/22) is £54,548m. The estimated total funding for years 1-7 is £383,778m and the estimated total funding for years 1-10 is £554,541m. The Council services in the contract are funded on a flat cash basis whereas the CCG services are subject to uplifts in line with annual inflation for NHS funded providers.

Services included in the Virgin Care Contract

CCG Health Services	Council and CCG Services	Council Services for Adult Social Care	Council Services for Children	Council Services for Public Health	Total Community Services
28	2	9	8	5	52

Services directly delivered by Virgin Care	Services delivered by Virgin Care and sub contractor	Services delivered by a sub contractor
36	6	10

The 52 services within the contract are grouped into the following areas:

- Children's
- Adults
- Wellbeing
- Adult Social Care
- Sub Contracted

Virgin Care operate as a prime provider and subcontract services to a number of smaller community providers within the B&NES locality of whom a number of them are in the voluntary sector.

Overall, the services provided by Virgin Care and their sub-contractors are well delivered against the agreed service specification. Over the term of the contract there have been a number of changes to service delivery that have sought to improve the offer to B&NES residents and to improve ways of working with other health and social care partners. The performance of B&NES Community services delivered by Virgin Care and their sub contracted partners against the agreed service specifications in the contract is reviewed regularly by the B&NES council and BSW commissioners and quality leads with the Virgin Care service leads and senior leadership team.

Virgin Care Services Ltd is registered with the Care Quality Commission (CQC) and are currently rated as Good with no conditions attached to their registration. This was based on an inspection in 2017. This is the overall rating for Virgin Care Services nationally. CQC have not as yet undertaken a full inspection of all the services Virgin Care provide in B&NES yet but have undertaken full reviews on some specific services that are within the contract in B&NES. These are as follows:

- Bath Supported Living Service (managed by Virgin Care) rated as good based on the inspection in 2018.
- NES Supported Living Service (Frome Road) rated as Good in July 2018

Options Appraisal

Three options are highlighted the in the tables below which outline disbenefits and benefits of each option.

- Option 1: Extend the contract term for the 3 year period (until 2026/27)

- Option 2: Do not extend the contract for the 3 year extension period and recommission community health care, social care and public health services
- Option 3: Extend the contract term for the 3 year period (until 2026/27) but with identified services removed from block contract and/or improvement trajectories for identified services

For option 3 the services identified for improvement include:

- NHS Constitution standards Referral to treatment (RTT)
- NHS Constitution standards Diagnostics
- Adult Social Care Assessment and Review Waiting Times
- Community Hospital Length of Stay
- District Nursing
- Reablement
- Continuing Health Care

It should be noted that BSWCCG has taken the decision to withdraw the Continuing Health Care (CHC) service as a statutory function from the contract either in option 2 or option 3. The Council has also confirmed its decision to remove strategic adult safeguarding from the contract either in option 2 or option 3.

Recommendation

The joint recommendation from the CCG and the Council is Option 3 - extend the contract term for the 3 year period (until 2026/27) but with the identified services set out above removed from block contract and/or improvement trajectories for identified services.