

Cabinet Meeting Resolution

Executive  
Forward Plan  
Reference

**E3324**

**Virgin Care Contract Extension - Options Appraisal**

<b>Date of Meeting</b>	11-Nov-21
<b>The Issue</b>	<p>Bath and North East Somerset, Swindon and Wiltshire Clinical Commissioning Group (BSWCCG) and B&amp;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&amp;NES Council to extend the contract term by three years, taking the contract term to 2026/2027. In line with the contract 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. Cabinet will consider the report on 11 November. The report will also be considered by BSW CCG Governing Body in public to also be held on 11 November.</p>
<b>The decision</b>	<p>It was <b>RESOLVED</b> (unanimously) that the Cabinet agreed to</p> <p>1.2 Approve Option 3 - Extend the contract term for the 3 year period (until 31<sup>st</sup> March 2027) but with identified services removed from block contract and/or improvement trajectories for identified services and delegate to Suzanne Westhead, Director Adult Social Care (DASS) in consultation with Cllr Born, Member for Adult Services authority to serve notice to extend the contract once assured that the total price for the contract as varied is agreed and affordable.</p> <p>1.3 Note that an extra-ordinary B&amp;NES, Swindon and Wiltshire Clinical Commissioning Group (BSWCCG) Governing Body meeting has been convened for a decision to be taken on 11<sup>th</sup> November 2021, to ensure a joint decision is taken in public on the same day, for the recommendation of Option 3 - Extend the contract term for the 3 year period (until 31<sup>st</sup> March 2027) but with identified services removed from block contract and/or improvement trajectories for identified services.</p> <p>1.4 Note the following risks:</p> <ul style="list-style-type: none"> <li>• Contractual deadline of 31<sup>st</sup> March 2022 to inform Virgin Care of the decision to extend the contract for the 3 year term or not – limited time for slippage in the decision making process.</li> <li>• Consideration of the current contractual interdependencies between health care and social care commissioning and service delivery. The Council and CCG have a long history of integrated commissioning arrangements with a number of services which have jointly agreed service</li> </ul>

	<p>specifications to deliver integrated services, for example reablement.</p> <ul style="list-style-type: none"> <li>As joint commissioners both B&amp;NES Council and BSWCCG must agree on the option that is decided upon – if an agreement cannot be reached this will cause further delay in the decision making process.</li> </ul>
<p><b>Rationale for decision</b></p>	<p>B&amp;NES, Swindon &amp; Wiltshire Clinical Commissioning Group (BSWCCG) Governing Body and B&amp;NES Council, as joint commissioners, have requested a report setting out an options appraisal to help decide whether it wishes to extend the Virgin Care contract.</p> <p>1.2 This is a seven year contract from 2017/18 to 2023/2024 with the option for BSWCCG and B&amp;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.</p> <p>1.3 The original contract expiration date is the end of contract year seven and this point is deemed to be an ordinary exit date with the option to extend for a further three years.</p> <p>1.4 If a decision were taken to exercise the option to extend the contract term the Co-ordinating Commissioner (B&amp;NES Council) must give written notice to Virgin Care no later than 24 months prior to the original expiry date (end of year 5 2021/2022 – March 2022 latest date). The option to extend the contract term by three years can only be taken once.</p> <p>1.5 There is no financial penalty to be incurred by commissioners if the decision is taken to not extend the contract term for the 3 year extension period. Initial dialogue with Virgin Care has identified their commitment to securing the 3 year extension term and their intention (at this stage) not to renegotiate the financial terms of the funding from BSWCCG and B&amp;NES Council for the 3 year term. Virgin Care have also signified a willingness to explore the option for the removal of some identified services from the contract if the extension is approved (option 3).</p>
<p><b>Other options considered</b></p>	<p>1.5 The full options appraisal with associated disbenefits and benefits is in section 13 of the main report. This sets out the 3 options that have been considered and a supporting rationale for the recommendation of option 3.</p> <p>1.6 The options appraised include:</p> <p>Option 1: Extend the contract term for the 3 year period (until</p>

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2026/27)

Option 2: Do not extend the contract for the 3 year extension period and recommission both 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 (i.e. CHC return to CCG and ASC safeguarding return to Council) and/or improvement trajectory for identified services.

**The Decision is subject to Call-In within 5 working days of publication of the decision**