Bath & North East Somerset Adult Lead Member Report for Children and Adults Health and Wellbeing Policy Development and Scrutiny Panel

The main focus of activity since my last report has been on the future of the Community services contract.

Following the sale of Virgin care to Twenty 20 Capital and it's re-branding as HCRG, Cabinet and the CCG both had to decide whether to continue with the contract extension agreed in November '21, or to let the contract lapse at the end of the initial 7 year term.

A further detailed options appraisal was undertaken and the decision not to grant the extension was made unanimously at both the Special Cabinet and the CCG governing Body meetings on 26th May. The full text of my Cabinet speech, setting out the arguments underpinning that decision from the Cabinet perspective is included in Appendix 1.

Work is starting to establish a Transition Team to determine the future shape of services and to manage the transition over the next 21 months. Suzanne Westhead and I will keep this group updated on progress.

Update on system pressures and recruitment to Care posts

The number of Covid patients requiring hospital treatment has at last reduced significantly and the RUH has closed it's Covid 19 ward. As a consequence, the social care sector is opening up again and the number of patients delayed in hospital is also reducing. I hope to be able to report further improvements in my next report but we are aware of people still catching Covid so the situation remains uncertain. In addition in the last week all our care homes are back open to admission and for the first time in over two years have no new declared cases.

Good progress is being made on recruitment to the in-house home care service such that a soft start will be achieved on the 6th of June as new recruits begin their induction. The service is being named United Care B&NES (UCB) and we look forward to an official launch in a couple of week time. The recruitment has gone well and a formal agreement is being signed with RUH this week to consolidate the staffing secondments. This is developing a strong partnership with the RUH and offering people in B&NES an integrated approach to their health and care needs at home.

A new tender has also successfully secured additional homecare hours in the private sector and we hope the combination of UCB and this tender will offer some significant support to the care and health system

Staffing Update - Adult Social Care

I have provided information on a number of additions to the senior team in recent months and am pleased to report that Ann Smith has been appointed to the AD

Operations post and will be joining us shortly. Ann Smith was selected from a very strong field and is currently working in Cornwall.

In addition, Vicki Allan will be joining on 4th July as the permanent Senior Commissioning Manager for Specialist Commissioning. Vicki has strong commissioning experience in the areas of disability, autism and mental health in children's and adult social care and is also currently working in Cornwall.

Visits to Care Facilities

Suzanne and I have continued our programme of visits to the in-house care services. At the end of April we visited Greenacres and Combe Lea in Midsomer Norton and The Orchard in Combe Down. We were once again impressed by the staff we met and the quality of the services provided. We are scheduled to visit Carrswood day service and Avondown House later in June.

Englishcombe Lane Site

We are continuing to progress proposals relating to a limited supported housing development for this site and a paper will be presented to Cabinet this month.

Cllr Alison Born – Cabinet Lead, Adult Social Care, April 2022

Appendix 1

This special Cabinet meeting has been called to determine the future of the community health and care services contract. These services were provided by Sirona, a local Community Interest Company until 2017 when a 7 plus 3 year contract was jointly awarded to Virgin Care by B&NES CCG and Council. The first seven year period of the contract comes to an end in March '24 and Commissioners were required to decide whether or not to exercise the 3 year extension by March '22.

An options appraisal process took place during 2021 and in November, both the CCG and the Council took the decision to exercise the 3 year extension. This decision was based on the fact that services provided by Virgin Care were generally good, they were seen as a trusted partner and it was felt that the extension would offer certainty and continuity at a time of great stress and upheaval across the health and care system.

However, within 3 weeks of this decision being made, Commissioners were informed that Virgin Care had been sold to a private equity group Twenty:20 capital and was being re-branded as HCRG. This was totally unexpected as the Commissioners had been given no prior indication that Virgin Care was for sale. It brought the decision regarding the contract extension into question. HCRG were informed that the extension would be placed on hold whilst commissioners initiated a due diligence process and obtained legal advice. In February '22, HCRG agreed to an extension of the deadline for exercising the option until the end of June '22.

A further Option Appraisal has been undertaken, taking into account the change of ownership and the circumstances for that change. Four options were considered and 2 have been discounted, the 2 that remain are:

Option 1 – To extend for a further 3 years

Option 3 – To allow the contract to end with no extension beyond 31 March '24

There are advantages and disadvantages to either of the options under consideration and it is a finely balanced decision. Officers have recommended Option 1 (that is extending the contract for a further 3 years) on the assumption that it contains the financial and operational risks, it minimises disruption to service provision and allows existing relationships to continue. However, they also recognise that the potential disadvantages of Option 1 include risks relating to the provider selling the business on again without the Commissioners' prior knowledge and reduced flexibility and control.

The remaining option still under consideration is Option 3 (that is allowing the contract to end with no extension beyond 31 March '24). Officers recognise that this offers the opportunity to align contracts with neighbouring providers; to bring in-house adult social care; to give commissioners greater flexibility to adapt community services to changing needs and priorities (including the potential for greater integration or re-commissioning these services at scale); to streamline IT services (enabling better access to data) and to increase workforce security at a time of significant skills and labour shortages.

Officers identify the potential disadvantages of Option 3 to include, concerns about the scale of activity required within the next 21 months to determine the new service model and to transfer staff and services; with the potential impacts on operational services, on key relationships and on the costs of service provision.

In the paper, the financial implications of the 2 options look markedly different but Option 1 only includes the estimated costs of the procurement process, necessary to determine provision at the end of the 10 year term of the contract. Any additional costs would be borne outside of the 10 year period so have not been quantified, but they would be significant.

By contrast, Option 3 provides the opportunity to explore bringing services in house with one off mobilisation costs, to determine the new service model and to manage the transition, which would be incurred over a 3 year period from '22 to '25. Plus the estimated costs (due to additional pay and pension liabilities) of bringing social care staff back in house; these operational costs would be incurred from 2024-2027 and are estimated to equate to less than one million pounds per year. There would be no procurement costs to the Council for option 3 as social care services would be taken in-house and the services would not be re-procured.

Additional staffing costs would undoubtedly apply at the end of the contract period in Option 1 but they would be bought forward by 3 years in Option 3. It's also worth noting that the Option 3 figures set out in the paper are estimates before any actions are taken to mitigate. Councillor Samuel will be providing more information on the resource implications when he speaks on this matter.

As the risks and benefits between the 2 options appear to be so finely balanced, it is important to determine which option is more likely to support the development of innovative community health and social care services that are both robust and agile and are capable of responding to the unprecedented post pandemic demand for services, the challenging workforce environment and the requirements and opportunities of the new Health and Care Act.

My sense is that the partnership needed to deliver this service transformation must be open and transparent with high levels of trust between all parties and providers must be able to respond quickly and flexibly to new ways of working.

I am concerned that a provider that is operating under a contract determined pre-pandemic and which we now know (from the totally unexpected sale of Virgin Care) is compelled to withhold commercially sensitive information and cannot be totally open and transparent, will have limitations. I am also concerned that there is nothing to stop the new owner of HCRG from selling the service on again, so the expectation of continuity afforded by Option 1 may well not be delivered and we could face more disruption in the near future, regardless of whether or not the contract is extended.

It is essential that local community health and care services are of high quality, that they meet the needs of our local communities, and that public money is safeguarded for the provision of front-line services. Disruption caused by changes to provider services is very difficult for both staff and service users and does not support effective service delivery. We are incredibly

grateful to our community health and care staff who have worked throughout the pandemic in the most challenging of circumstances.

While Option 1 appears attractive in the short term, I believe that the certainty provided by Option 3, with the opportunity to bring our social care staff in-house, will provide them with greater security and will support the development of services equipped to address the evolving needs of our residents. I also understand that the anticipated costs can be managed and that there may be advantages in starting the transition away from the current flat cash contract at an earlier stage. I recommend, therefore that Cabinet supports Option 3.