APPENDIX 1

Report title: NEE CCG contract oversight

Report to: Essex Health Overview Policy and Scrutiny Committee (HOSC)

Report by: North East Essex CCG

Date: 9th October 2019

Background:

North East Essex CCG (NEECCG) has been asked to share an update on its contract oversight processes in light of the early cessation of three contracts. This paper sets out the contract assurance processes used by North East Essex CCG.

Key lines of enquiry:

1. What governance processes are in place for contract oversight?

At the outset of any commissioning exercise the CCG establishes the initial governance processes ahead of the formal contracting phase to ensure that the services commissioned are fit for purpose. This includes conducting a rigorous due diligence process as part of any procurement to ensure that providers meet sufficient quality, performance and finance standards before any contract is awarded. The CCG has also put in place additional assurance measures as a prerequisite for contract awards to protect public funds wherever possible; this includes agreeing parent company guarantees. Once a contract is awarded this is then subject to the contract oversight governance processes as set out below.

2. How is contract performance monitored to ensure quality and consistency of service? (e.g. Contractual provisions, commissioner/provider meetings, patient feedback and responding to issues raised etc).

The NHS Standard Contract is mandated by NHS England for use by commissioners for all contracts for healthcare services other than primary care services. As part of the governance framework this contract provides, the CCG has in place contract and quality review meetings with its providers to ensure that contract performance is regularly monitored. The meetings discuss a range of performance measures including key performance indicators, patient experience and feedback, patient safety issues and finance and activity trends. The contract meetings are managed by a matrix team of subject matter experts who attend and or inform the key lines of enquires for those meetings to ensure that any performance matters are challenged and addressed.

In addition to contract review meetings the contracts provide additional mechanisms to allow the commissioner to hold the provider to account, including Contract Performance Notices. Such notices provide an additional legal framework for compelling performance to be remedied and may result in financial sanctions where this is not achieved within an agreed timeframe.

The primary care contracts for the delivery of GP services have a different contract structure. However still provide the ability to manage the contracts via contract review meetings and using performance metrics. This ability is more overt within the APMS contracts (Alternative Provider Medical Services) than the General and Personal Medical Services (GMS and PMS),

which have less scope for local measures and do not compel reporting to the commissioner in the way an APMS contract does. The majority of GP contracts in North East Essex are GMS contracts.

3. Using them as Case studies – what Lessons have been learnt from particular contracts (e.g. ACE, One to One Midwives, Care Closer to Home contracts)?

ACE- Anglian Community Enterprise was awarded an APMS contract for Caradoc Surgery in 2016 by NHS England following a competitive procurement process. This was prior to NEECCG taking on delegated commissioning responsibility. In terms of learning therefore this is more focussed on the contract management post April 2017 when the CCG took on its delegated commissioner role.

Formal monthly contract meetings were held with the aim of detecting and managing any performance concerns. The NHS England contract had no specific KPIs which made the contract monitoring more challenging as there were no local performance metrics and limited reporting. As a result all future contracts have included performance metrics to provide early warning signals that performance may not be up to standard.

Most issues raised by patients related to the GP access Hub, which was the central appointment booking function for both Caradoc and the three other GP practices operated by ACE under a different contract arrangement.

The appointment of a new Accountable Officer has changed the approach to the contract management. Once serious concerns were detected and evidenced the CCG took decisive action to terminate the contract. The access issues relating to the GP Hub were subject to an improvement plan which was regularly scrutinised and monitored at Executive level. However ACE also faced considerable workforce challenges in recruiting to the practice, despite the use of different incentives. This recruitment deficit has been resolved by the Caretaker provider.

The CCG are aware via its recent due diligence process to appoint a caretaker provider for Caradoc Surgery that the primary care landscape has changed and there is now a more active market of interested providers amongst existing primary care providers and the emerging Primary Care Networks (PCNs). This is in vast contrast to market two to three years ago where there was limited interest in the GP contracts in North East Essex.

The CCG is currently working with ACE and local Clacton practices to agree by December the future leadership arrangements for the other three practices currently run by ACE.

One to One Midwives – NEECCG had a non-contract activity arrangement with One to One Midwives. Non-contract- activity or NCA is the term used to describe NHS-funded services delivered to a patient by a provider which does not hold a direct contract with that CCG but does with another CCG.

The One to One model was designed to offer choice to women about how and where they give birth. The Suffolk and North East Essex Integrated Care System (ICS) has recently produced a strategic maternity plan across Suffolk and NEE, which has been developed with system partners and is designed to deliver the national strategy for better births and offer a continuity of midwife model. This national model of care replicates the One to One Midwives model but on a larger and more sustainable scale. On that basis the CCG had not formalised its commissioning arrangement with One to One Midwives as its longer term strategy was to develop an ICS level model. The commissioners in North West England had also developed

strategies with their local acute trusts to transform their maternity services and as such had made the decision to serve notice on the One to One Midwives contract at the end of its contract term and re-tender the service. It is believed that this decision may have been the major factor affecting the sustainability of the service as this contract was the provider's only guaranteed source of income. The arrangement with North East Essex was commissioned without the guarantee of any activity or income, in a similar way to the any qualified provider contracts. The CCG does not believe the service was sustainable in Essex without the guarantee of the activity in the North West and therefore there was little mitigation the CCG could undertake to prevent the liquidation of the company.

4. Are you currently reviewing any of your current contracts (e.g. Care Closer to home)

All contracts are reviewed on a regular basis as part of the contract monitoring and in some cases annual negotiation processes. NHS England updates its terms and conditions annually and as part of the agreement of these new terms with providers, the key local provisions are also reviewed and potentially re-negotiated. This applies most pertinently to the key performance indicators, reporting requirements and service specifications. This ensures contracts are still fit for purpose and delivering the expected outcomes for the local population. However such reviews are not usually with the intent of terminating a contract.

The CCG is currently taking a more detailed joint review of the Care Closer to Home contract with ACE at the mid-point of the 7 year contract term. This is one of the CCGs contracts with a longer duration and at the time was an innovative prime contractor model that had not been used widely in the NHS. On that basis it was felt to be important to undertake a view of the contract's successes and challenges from both the commissioner and provider perspective to obtain shared learning and ensure that the contract remains sustainable for both parties.

5. What system learning is there for lessons learnt from other CCGs and how share learning and info with them?

The lead commissioner for the One to One Midwives contract was the Wirral CCG who has acted on behalf of the associate commissioners and NEECCG as a commissioner under a non-contract-activity (NCA) arrangement. NEECCG has been in active contact with the North West commissioners as part of the shared root cause analysis and learning. The lessons learned which are still in progress, will then be shared with the other commissioners across the Suffolk and North East Essex system. The commissioners in the North West, as the lead commissioners, are also expected to share their findings more widely.

The CCG has also used the NHS England Integrated Support and Assurance Process (ISAP) guidance, which is designed to provide an assurance process for novel or complex contracts, to risk assess it commissioning approaches. This guidance was developed nationally to provide the learning gained from the collapse of NHS contracts, including the Circle contract held by Cambridgeshire & Peterborough CCG.

6. Are any changes planned to modelling of future services?

The CCG undertakes an option appraisal before each major commissioning exercise to determine the appropriate commissioning model. This balances the risks and benefits of each model before a final decision is made. The CCG has commissioned a number of outcomes based contracts based on its Care Closer to Home strategy. However it has evaluated this approach and has recently opted for different models depending on the type of service, the value of the contract and the market interest. This has allowed for more successful tailored commissioning solutions that are sustainable for both the commissioner and the provider. The

NHS Long Term Plan also indicates that a change in procurement approach is being considered in regards to health services which may limit the need to seek extensive competition. The CCG is already working with its procurement advisors to develop its Alliance commissioning principles which reflect this guidance with the aim of reducing unnecessary and fragmented pathways and providing more integrated care solutions with its system partners.

7. **As there are differences between Essex and Suffolk commissioning models (e.g. community services and the care closer to home contract) - which is better and is any alignment between the two planned for the future particularly as a result of ICS strategies/plans?**

Suffolk was a pioneer in developing guaranteed income contracts with their acute Trusts, to ensure financial matters were concluded at the start of the year and therefore enable energy to be focused on transformation of services. North East Essex has also adopted this contractual approach with their acute provider. Suffolk has also pioneered the development of Alliances, built around working with local NHS and local government providers. They have successfully transformed community services through an Alliance of the two acute Trusts, the County Council and the CCGs. They are currently focusing on Mental Health services. The North East Essex Alliance is developing very positively and a review is underway concerning the Community Services contract.