

Report to: **SINGLE COMMISSIONING BOARD**

Date: 22 June 2017

Officer of Single Commissioning Board Clare Watson, Director of Commissioning

Subject: **SAVINGS ASSURANCE: CONTRACTS AND GRANTS REVIEW**

Report Summary: This report outlines the work that has been done to date by the project team established to review all the grants and contracts in the Single Commission.

Recommendations: The Single Commissioning Board is recommended to:

1. Note the savings already achieved through contract/grant renegotiations.
2. Note the range of actions that the project team have identified for further action in Section 2.
3. Note the impact that a 5% reduction on Voluntary and Community Sector grants would have on organisations' income in Section 3. In recognising the challenges that any reductions will have it is recommended that decisions on savings are not made until after the Integrated Care Foundation Trust tender for Social Prescribing and Asset Based Community Development (ABCD) concludes to ensure no duplication and that grant funding is extended at 2016/17 level for a further quarter in the interim.
4. That the work to achieve greater clarity of investment through aligning the total investment against both the Care Together and the Life Course themes is continued in order to enable a strategic appraisal of investment against priorities, identification of efficiencies, support value for money analysis and priority areas for redesign / recommissioning.
5. That the value of the Voluntary and Community sector is recognised and the Voluntary and Community Sector Compact, currently being revised, is developed as a whole system document to support a thriving sector providing core services.

Financial Implications:
(Authorised by the statutory Section 151 Officer & Chief Finance Officer)

Budget Allocation (if Investment Decision)	N/A
CCG or TMBC Budget Allocation	CCG/TMBC
Integrated Commissioning Fund Section – S75, Aligned, In-Collaboration	Mix – some contract in S75, others in wider aligned budget
Decision Body – SCB, Executive Cabinet, CCG Governing Body	SCB

Value For Money Implications – Savings Deliverable, Expenditure Avoidance, Benchmark Comparisons	Much of the quoted £1,072k savings are already included in other QIPP schemes and therefore cannot be views as additional savings. Further work will be done to validate savings and calculate the true value.
Additional Comments Question about involvement of providers to look at the wider consequences of the proposals made. If contracts data is the source of information, need to place a caveat that further work is currently underway to validate and correct values contained within. Support the approach about repatriation of activity into locally based organisations.	

**Legal Implications:
(Authorised by the Borough Solicitor)**

The Council and the Clinical Commissioning Group are obliged to follow their own constitutional requirements concerning procurement which includes provision to vary contracts where there are exceptional circumstances to justify such a course of action and it will not contravene any legal obligation. Any decision about new long term contracts or variations which render the contract / grant materially different must also be taken having considered the applicable procurement and legal requirements.

How do proposals align with Health & Wellbeing Strategy?

The proposal to align the total of the Single Commission investment against the Life Course will support the Health and Well-being Strategy.

How do proposals align with Locality Plan?

The proposal align the total of the Single Commission investment against the Care Together Themes will support the Locality Plan. Any reductions in investment within the VCS will need to be considered in light of the Locality Plan to promote community, peer support and self-care and alternatives to statutory provision.

How do proposals align with the Commissioning Strategy?

The proposal contributes to the Commissioning Strategy by providing clarity on investment in line with the priorities.

Recommendations / views of the Professional Reference Group:

The Professional Reference Group recommended that the Single Commissioning Board:

1. Note the savings already achieved through contract/grant renegotiations.
2. Note the range of actions that the project team have identified for further action in Section 2.
3. Note the impact that a 5% reduction on Voluntary and Community Sector grants would have on organisations' income in Section 3. The Professional Reference Group recognised the challenges that any reductions will have and therefore recommend that decisions on savings are not made until after the Integrated Care Foundation Trust tender for Social Prescribing and Asset Based Community Development (ABCD) concludes to ensure no duplication. The Professional Reference Group recommends that the Single Commissioning Board agrees that grant funding is extended at 2016/7 level for a further quarter in the interim.

4. Professional Reference Group also recommended that the work to achieve greater clarity of investment through aligning the total investment against both the Care Together and the Life Course themes is continued in order to enable a strategic appraisal of investment against priorities, identification of efficiencies, support value for money analysis and priority areas for redesign/recommissioning.
5. That the value of the Voluntary and Community sector be recognised and recommends that the Voluntary and Community Sector Compact, currently being revised, is developed as a whole system document to support a thriving sector providing core services.

Public and Patient Implications:

The risks to public and patients where grants are reduced are highlighted within the paper.

Quality Implications:

There are potential risks to quality where grants are reduced.

How do the proposals help to reduce health inequalities?

The work to align the total of the Single Commission investment against themes will provide clarity on investment against healthy inequalities.

What are the Equality and Diversity implications?

Depending on the decision regarding grant investment there may be an effect on services for protected characteristic group(s) within the Equality Act and an Equality Impact Assessment/s will be required before any reductions can be enacted.

What are the safeguarding implications?

None

What are the Information Governance implications?

None

Has a privacy impact assessment been conducted?

No

Risk Management:

The risks of grant reductions to Voluntary and Community Sector organisations are highlighted in the paper however further work will be required to ensure that the risks associated with any reductions are mitigated.

Access to Information :

The background papers relating to this report can be inspected by contacting Pat McKelvey, by:



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1. BACKGROUND

- 1.1 As part of the Savings Assurance Process a small project team was established to review all NHS and Local Authority investment and contracts, with a view to identifying any additional opportunities to make a contribution towards the gap in 2017/8 and ensure effective investment going forward. The project team assigned financial values for 2017/18 against all contracts within the combined contracts database and scrutinised these to identify any opportunities for further savings through demand management, redesign, or contract renegotiation.
- 1.2 The project team will also work towards greater clarity of investment through aligning the total investment against both the Care Together and the Life Course themes. This will enable a strategic appraisal of investment against priorities, identification of efficiencies, support value for money analysis and priority areas for redesign/recommissioning.

2. SINGLE COMMISSION FUNCTION CONTRACTS REVIEW

- 2.1 **Opportunities to make efficiencies in 2017/8** – Commissioning leads have undertaken contract renegotiation for 2017-18 which in a number of areas has already identified some savings for 2017-18 compared with 2016-17 budgets.

The detailed analysis of the Single Commission Function contracts and grants has identified the following areas for action:

- 2.2 **Out of locality NHS cost and volume contracts** – although savings have been identified in the 2017/8 contracts the project team identified that an integrated approach of commissioners working with finance on contracts over £5m would ensure that the activity forecasts are translated into actions and thereby meet the savings targets. This will also help identify additional savings in year and develop plans to achieve recurrent savings from 2018/9 onwards. This work will be guided by a review of the evidence of what works to continue to turn the curve on activity. The detailed analysis of activity against the themes described above will identify the priorities for attention in each provider. Commissioning and Finance leads will work together to take this forward, linking in with GPs through Commissioning Business Managers to help identify why activity is decreasing or increasing.
- 2.3 **Planned Care activity** – Strengthening the analysis and use of activity data at a practice and neighbourhood level will support the significant work that is already underway to identify opportunities to maximise the clinical and cost effective use of services. This will support the management of demand alongside neighbourhood development as well the effective delivery of the 2017-18 Commissioning Improvement Scheme. Commissioning Business Managers, Business Intelligence and Finance will continue to work together to support ongoing monitoring within each Neighbourhood.
- 2.4 **QIPP plan** – working with the Care Together Programme Management Office (currently PwC) commissioning and finance leads will lead a review of QIPP leads and governance to assure delivery of all schemes and avoid all potential 'double counting' of savings.
- 2.5 **Direct Access Diagnostics contracts** – The use of direct access diagnostics can provide support GPs in the development of cost effective treatment plans within Primary Care, however, the easy access can also encourage overuse. Further work to understand whether direct access diagnostics services are deflecting activity from treatment providers or resulting in duplication would be beneficial. In the longer term the development of integrated elective services will ensure pathways are effective and duplication minimised.

- 2.6 **Community Cross Border Activity** – Payments by the Clinical Commissioning Group to neighbouring Foundation Trusts and to the Integrated Care Foundation Trust for ‘cross border activity’ relating to community services are based on historical payments rather than actual activity. The Integrated Care Foundation Trust will review the income and activity for other Clinical Commissioning Group patients and the Single Commission Function will review other provider’s community activity. Our findings will be used to further discussions with Greater Manchester Clinical Commissioning Group Directors of Commissioning, and if needed undertake a view to a review cross border charging across Greater Manchester.
- 2.7 **Mental Health** – Finance leads are working with Pennine Care to establish Service Line Reporting to provide the detailed information about investment within the block contract. This will enable all Mental Health investment to be themed too.
- 2.8 **Block Contracts** – Project team proposes that there is regular review of block contracts to ensure that funding is in line with activity could help identify savings - in 2017/18 this has enabled a reduction of £57,233 in weight management contract and £515,000 in the wheelchair contract. Named commissioning leads for each block contract will be allocated.
- 2.9 **Contracts held by individual member GP practices** – The Clinical Commissioning Group supports some contracts that are held by individual member GP practices and in some cases costs are incurred by the Clinical Commissioning Group. A potential £50K has been identified in the MJog contract and a further £87,000 in 2017/8 (£150,000 FYE) to be released from re-procurement from Alternative Provider Medical Services contracts. It is proposed that named commissioning leads are assigned to identify such contracts and explore opportunities for cost savings.
- 2.10 **Other contracts** – the project team excluded analysis of the following groups of commissioned services, including Homecare, Nursing and residential Homes, Continuing Healthcare and Locality Commissioned Services, as work is already underway.
- 2.11 **Total savings listed above** - £772,748 – it must be noted that many of these have already been accounted for within QIPP plans.

3. SINGLE COMMISSION FUNCTION GRANTS REVIEW

- 3.1 Commissioners have worked with providers to identify the opportunity for savings within Tameside MBC and Clinical Commissioning Group Grants, analysing the impact of reductions in funding of 5%, 10%, and 15% on service provision. This has been a challenging process; not least as it has the timing has coincided with the Integrated Care Foundation Trust Self Care Tender leading to a perception that the Single Commission Function is disinvesting with one hand while Greater Manchester Transformation funding is invested with the other.
- 3.2 Potential savings have been grouped into five categories and details can be found in **Appendix 1**.

Category	Potential Savings FYE	Potential savings in 2017/8
a. Identified savings	£299,649	£297,939
b. Potential reductions not directly affecting individuals’ care but will have impact on organisations capacity to deliver	£6,510	£4,883

Category	Potential Savings FYE	Potential savings in 2017/8
c. Potential reductions that will directly impact on individual's care	£52,616	£39,462
d. Potential reductions that are highly likely to result in costs in other health services as grant funds actual hours of care	£2,284	£1,713
e. Contracts/grants where savings have already been made	£0	£0

NB – some of these savings have already been accounted for.

4. RECOMMENDATIONS

4.1 As set out on the front of the report.

APPENDIX 1

Voluntary and Community Sector Savings Assurance Grants

	Theme	Providers	2016/17 Contract Value/ Ledger	% reduction	FYE Saving	Savings in 2017/8	Comments
Savings agreed	MH	42nd Street	£49,500		£32,500	£32,500	Provision now funded from ring-fenced CAMHS budget so saves £32,500 from CCG.
	Health & Wellbeing	Age UK Tameside	£34,400		£3,400	£3,400	This grant is in scope for the Falls service redesign - discussion with Age UK has reached agreement on a 10% saving for 2017/18
	Health & Wellbeing	B&E Consultants Ltd	£14,000	10%	£1,400	£1,050	This was a one off contract for 16/17 - reduction in 17/18 to account for academic year.
	EOL children	Francis House Family Trust	£18,000	15%	£2,700	£2,025	Provider support around 30 T&G families per year however have agreed 15% reduction
	Other	Greater Manchester Public Health Network	£106,680		£57,055	£57,055	Contract renegotiated for 17/18 to £49,625
	Drugs and Alcohol	Lifeline	£3,469,000		£100,000	£100,000	Savings profile agreed over a ten year period.
	MH	Richmond Fellowship	£762,419		£64,679	£64,679	10% savings agreed with Provider.
	Selfcare Education	Self Management	£27,403	10%	£2,740	£2,055	Redesign of selfcare education planned so aim to retain enough budget to support redesign

	Theme	Providers	2016/17 Contract Value/ Ledger	% reduction	FYE Saving	Savings in 2017/8	Comments
	MH	Turning Point	£558,800		£35,175	£35,175	Closure of part of the service (Lyne View) results in saving of £45k. £10k retained to mitigate increased costs associated with the National living Wage and revised sleep-in costs.
Sub-Total					£299,649	£297,939	
Grants supporting organisation infrastructure	Time Banking	Action Together	£16,000	5%	£800	£600	Time banking has had limited success so a redesign of the offer under a redesigned core offer will deliver the overall saving required.
	VCS Infrastructure	Action Together Tameside	£48,280	5%	£2,414	£1,811	Reductions will result in pressures for Infrastructure organisation, providing support to wide range of community schemes. Plan to merge funding with Place Directorate funding.
	VCS Infrastructure	High Peak CVS	£10,700	5%	£535	£401	Reductions will result in pressures for Infrastructure organisation, providing support to wide range of community schemes.
	Dementia	Tameside and Glossop Hospice Limited (Willow Wood)	£57,000		£2,761	£2,071	Post to be included with redesign of dementia services into neighbourhoods. Funding aligned to senior nurse post costs plus overheads. Reductions in MH investment will adversely affect our achievement of the MH Investment Standard.
Sub-Total					£6,510	£4,883	These savings will impact on organisations capacity to deliver the wider offer.
Grants supporting actual hours of care	Children's	Action Together Parent Carer respite	£100,000	5%	£5,000	£3,750	Reduction in grant will reduce the number of families supported and funding to peer support schemes including holiday clubs. Provision is being redesigned to reach more families and focus on parent carer respite
	MH	Age UK - SMI step down	£105,404	5%	£5,270	£3,953	Local Age UK is struggling financially and has had to close many services therefore ASC is providing NR £ to support. Reductions in investment will reduce the number of older people with serious

	Theme	Providers	2016/17 Contract Value/ Ledger	% reduction	FYE Saving	Savings in 2017/8	Comments
							mental illness supported and require closure to Saturday service. Reductions in MH investment will adversely affect our achievement of the MH Investment Standard.
	Children's	Home-Start Parent Infant Mental Health	£40,742	5%	£2,037	£1,528	Reduction in grant will reduce the numbers of parents with ante and post-natal mental health needs receiving volunteer support. Reductions in MH investment will adversely affect our achievement of the MH Investment Standard.
	MH	LGBT Foundation	£10,396	5%	£520	£390	Reduction in grant will have impact on organisation and the planned GM commissioning of this provider. Reductions in MH investment will adversely affect our achievement of the MH Investment Standard.
	Stroke	Stroke Association	£94,472	5%	£4,724	£3,543	Reduction in grant will reduce the amount of support for people following a stroke. The Stroke Association services form part of the local pathway and are integrated with local health & social care pathways.
	EOL plus	Tameside and Glossop Hospice Limited (Willow Wood)	£569,462	5%	£28,473	£21,355	Significant increase in demand and delivery of services is evident with no increase in investment over the past 5 years. Key partner in delivery of palliative and end of life care. Reduction in grant could result in financial and activity pressures elsewhere in the system.
	MH	Tameside Oldham and Glossop Mind – counselling and information	£131,850	5%	£6,593	£4,944	DCC has given notice on their contribution of £7k thereby reducing the number of people receiving a counselling service. Proposed redesign of primary care MH within neighbourhoods will include key role for VCS so likely that we will increase investment in near future. Reductions in MH investment will adversely affect our achievement of the MH Investment Standard.
	Transport	Action Together	£51,000	5%	£2,550	£1,913	Car schemes promote uptake of health support and reduce DNAs, whilst also connecting patients and volunteers. The Glossop transport scheme is particularly significant for Glossop residents due to the distance to hospitals.

	Theme	Providers	2016/17 Contract Value/ Ledger	% reduction	FYE Saving	Savings in 2017/8	Comments
	Transport	Action Together	£13,000	5%	£650	£488	Reduction in provision may lead to increased activity within Patient Transport Services and pressures for the organisations as the income support infrastructure costs. Project team recommends grants are considered within a wider review of transport requirements to support Care Together to ensure an equitable approach to costs and charging.
	Transport	Glossop Volunteer Centre	£15,148	5%	£757	£568	
	Transport	Transport for Sick Children	£9,000	5%	£450	£338	
Sub-Total					£52,616	£39,462	These savings will reduce the amount of care on offer and increase pressure on organisations to deliver their offer and draw down match funding.
Direct Care	EOL	Marie Curie Cancer Care	£45,675	5%	£2,284	£1,713	This grant funds hours for night sits for palliative and end of life care patients and is integrated with the local community and hospital based specialist palliative care offer. It is match-funded by Marie Curie so in effect would be a reduction of 10%. Marie Curie are in the process of reviewing their investments and have confirmed that the T&G contract at this stage is not at risk, but they may need to reconsider if the CCG contribution is reduced. Any reduction would reduce the number of EOL patients supported and potentially increase demand on the urgent care system
Sub-Total					£2,284	£1,713	These are direct costs for EOL sitting service. Risk of increased pressure on A&E, District Nursing and NEL
Contra cts where	OP	Age UK (Tameside)	£83,160		£0	£0	20% reduction in core funding over last 3 years.

	Theme	Providers	2016/17 Contract Value/ Ledger	% reduction	FYE Saving	Savings in 2017/8	Comments
saving s have alread	OP	Age UK (Tameside)	£55,922		£0	£0	20% reduction in core funding over last 3 years.
	Sexual Health	Black Health Agency	£6,000		£0	£0	Recently commissioned across GM by all 10 local authorities as part of HIV prevention
	Sexual Health	George House Trust	£7,000		£0	£0	Recently commissioned across GM by all 10 local authorities as part of HIV prevention
	Domestic abuse	GMCRC – Womens Centre	£99,570		£0	£0	Extended to March 1st 2018
	Children's	HomeStart	£120,000		£0	£0	This has recently been recommissioned to include education funding around the 2 year old offer. Agreed by SCB in December 2016 with saving from combining the two contracts.
	Children's	HomeStart Breastfeeding	£116,250		£0	£0	Out to tender at the moment. New service jointly commissioned with Oldham MBC with 7% reduction to start 1st October 2017
	Children's	Home-Start PIMH Glossop	£20,000		£0	£0	Funded from CAMHS Local Transformation Plan so cannot be reduced
	Sexual Health	LGBT Foundation	£9,566		£0	£0	Recently commissioned across GM by all 10 local authorities as part of HIV prevention
	Domestic abuse	New Charter - Bridges Contract	£506,818		£0	£0	Main funding in Place Directorate not in S75,. Public health contribution is £158,115.

	Theme	Providers	2016/17 Contract Value/ Ledger	% reduction	FYE Saving	Savings in 2017/8	Comments
	Homelessness	New Charter Housing Trust	£45,000		£0	£0	LA Place Directorate Funding
	MH	Off the Record	£91,670		£0	£0	Service re-commissioned with 7% reduction in contract price and service expansion.
	Direct payments payroll	PayPartners	£85,000		£0	£0	Spot Purchase Framework for people accessing Direct Payments - framework approach has not worked as was planned and service will be retendered during 2017/18
	Care at home	Tameside Arts	£46,250		£0	£0	Payment made per daytime place at agreed rate (rate equates to 3x the DP rate- the rate has not increased over the past three years.
	Care at home	Tameside Link	£190,000		£0	£0	Individual Service fund where a group of people request the Council commission for their support needs from their preferred provider
	Daytime support	Tameside Oldham and Glossop Mind	£46,250		£0	£0	Payment made per daytime place at agreed rate (rate equates to 3x the DP rate- the rate has not increased over the past three years.
	Health & Wellbeing	Tameside Sports Trust	£46,250		£0	£0	Payment made per daytime place at agreed rate (rate equates to 3x the DP rate- the rate has not increased over the past three years.

	Theme	Providers	2016/17 Contract Value/ Ledger	% reduction	FYE Saving	Savings in 2017/8	Comments
	Children's	Teens and Toddlers	£6,000			£0	One off 12 month contract current under renegotiation.
	Advocacy	Together for Mental Wellbeing	£150,112		£0	£0	Service recently retendered with Oldham and Stockport
	MH	Turning Point	£157,342		£0	£0	Service retendered in 2016/17 with £80k reduction
	Care at home	Turning Point	£1,911,385		£0	£0	20% reduction and 0% inflationary uplifts in four of the five years) Contract is subject to increased cost for 2017/18