



**Open Report on behalf of Martin Samuels,
Executive Director - Adult Care and Community Wellbeing**

Report to:	Adults and Community Wellbeing Scrutiny Committee
Date:	17 January 2024
Subject:	Overview of Care Provider Contract Management

Summary:

This report is to provide an update to the Adults and Community Wellbeing Scrutiny Committee on the contract management arrangements covering all Adult Care and Public Health commissioned activity.

Actions Required:

The Adults and Community Wellbeing Scrutiny Committee are asked to note the contents of this report.

1. Background

- 1.1 The Commercial Team – People Services are responsible for the procurement and contract management of all commissioned services on behalf of Adult Care and Community Wellbeing, establishing robust commercial arrangements that deliver good quality services and that represent value for money and positive outcomes for the people of Lincolnshire.
- 1.2 We have circa 600 individual contracts, that cover services across more than 1,000 individual settings/service delivery locations. It is these 1,000 settings that we contract manage. Appendix A contains a copy of our Service Map that provides a high-level view of the range of services covered.

2. The Team

- 2.1 The contract management function is undertaken by a dedicated Contract Management Team, consisting of three sub teams to provide expertise and focus on the following areas; residential services, community-based provision (e.g. day care services, homecare for older age adults and community support living for working age adults) and strategic countywide services including those with a clinical component (e.g. Carers Service, Wellbeing Service, Sexual Health Services).



Image 1 – Contract Management Team Structure

3. Contract Management Approach

- 3.1 Our approach to contract management is centred around supporting commissioned providers to deliver effective services. To develop and sustain a diverse, vibrant, and effective provider market that delivers on its contractual obligations, collaborates, innovates, and prioritises the delivery of high-quality care and support to the people of Lincolnshire.
- 3.2 The role of Contract Officers within the team requires a high level of experience and expertise to effectively manage a broad portfolio of complex and risk prone services, with staff taking personal responsibility for supporting and holding providers to account to ensure that effective services are delivered to the people of Lincolnshire.
- 3.3 Each contract has a named Contract Officer who is the main point of contact for day-to-day enquiries, issues and escalation. Supported by a contract management framework that determines the minimum standards in relation to contract management visits and ensures consistency of approach between officers. The core approach includes annual visits, visits determined by the level of presenting risk and themed audits. Officers utilise a range of tools, data and intelligence to inform activity and to determine when additional intervention is required.
- 3.4 In the 12 months to October 2023, the team had undertaken over 1,200 individual visits.

4. Management of Risk

- 4.1 Since 2015 the team have utilised and continued to develop a risk-based approach which is supported by service specific risk matrices. This established and tested approach adopts a methodology that utilises a range of data and intelligence to determine a risk rating for each service (high, medium or low).

4.2 Our risk matrices are dynamic ‘live’ tools which apply scoring against a range of factors across a range of criteria that enables us to separate out risks relating to the quality of provision to risks relating to the contract itself.

Service Utilisation	Financial Viability & Commercial Risk	Staffing & Workforce <ul style="list-style-type: none"> • Staff numbers & turnover • Staff capability • Training, development & support
Policies & Procedures	Insurances	Regulatory Compliance <ul style="list-style-type: none"> • Care Act • CQC
Safe & Effective Service Delivery <ul style="list-style-type: none"> • Local emergency & business continuity planning • Care planning 	Management Effectiveness <ul style="list-style-type: none"> • Local audits • Quality Assurance practices • Changes in management 	KPI Performance
Environmental & Clinical Risk <ul style="list-style-type: none"> • Equipment • IPC • Medication management 	Incidents & Concerns <ul style="list-style-type: none"> • Poor Practice Concerns / Safeguarding • Serious Incidents • Notifiable Incidents 	Business Intelligence & Feedback

Image 2 – Risk factors

4.3 These tools facilitate effective oversight, activity planning and timely interventions, providing a critical tool that is instrumental in prioritising engagement, holding providers accountable and identifying opportunities to support the sector.

5. Care Quality Commission (CQC)

5.1 The CQC is the independent regulator of health and adult social care in England, with the aim of ensuring that these services meet fundamental standards of quality and safety within the framework of the Health and Social Care Act 2008. The purpose of CQC is thus to ensure health and social care services provide people with safe, effective, compassionate, high-quality care.

5.2 Regulatory compliance forms an integral part of our contract management frameworks, with CQC inspection ratings feeding directly into our Risk Matrices and wider reporting.

5.3 As a key partner, we hold regularly CQC Liaison meetings and have developed strong working relationships with inspectors and their Operations Managers, working collaboratively to improve quality.

6. Working with Partners & Service Users

6.1 Working with partners and sharing intelligence forms a core part of our approach, feeding into our risk assessments and driving improvement in quality of services.

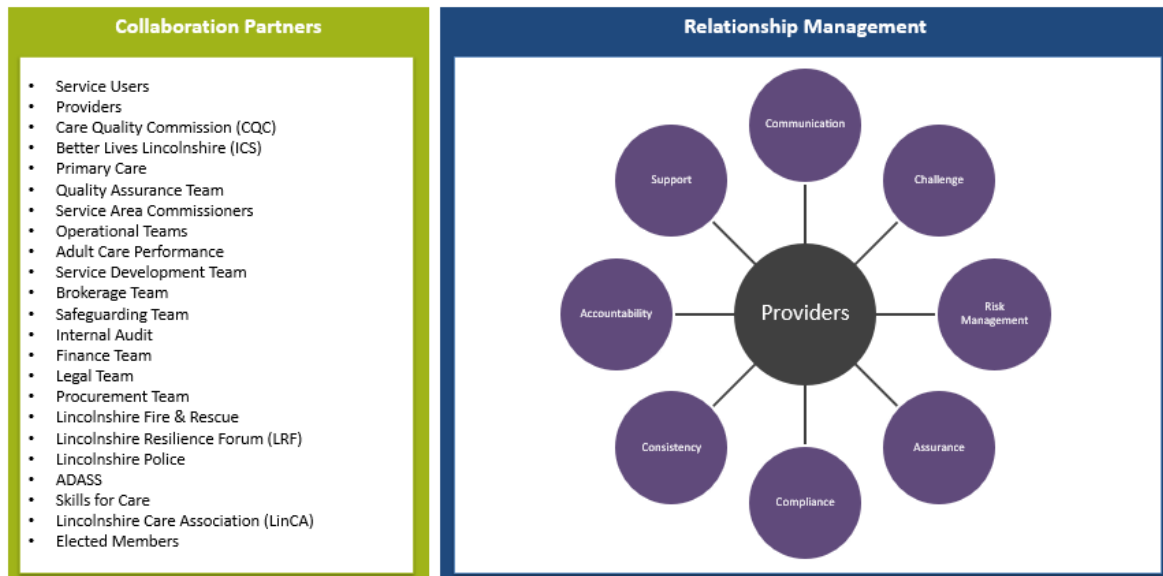


Image 3 – Partners and provider relationship management in contract management



- 6.2 We work closely with our colleagues in Safeguarding at both an operational level, through contract management, risk management and joint provider visits, and strategic level through divisional leadership meetings, Service Quality Review and the Quality and Safeguarding Board.
- 6.3 The Contract Officers will regularly undertake joint visits with our Health Protection colleagues to address concerns and drive improvement relating to infection prevention control measures and other health related concerns.
- 6.4 The Service User voice is heard through;
- partner organisations
 - the review of complaints and feedback
 - information capture via the provider
 - direct engagement as part of contract management visits.
- 6.5 Poor Practice Concerns (PPCs) serve as a crucial feedback route for service users, their families/representatives, and practitioners to provide input on the performance of services. Our well-established and rigorous process for capturing such concerns informs our contract management approach and enhances our assessment of provider risk. This enables us to identify trends, key risks and concerns (including potential safeguarding issues) effectively, allowing us to prioritise our activity.
- 6.6 The process for responding to individual concerns, identifying trends relating to specific providers, tracking and reporting of PPC's is well established and comprehensive. We are continually looking at ways to improve the way in which we use this intelligence. An example of targeted development is improving the way in which we link into our Strategic Market Support Provider for targeted market support; for example, if we identify that concerns relating to medication are

increasing, we can pass this intelligence to our Strategic Market Support Provider and work with them to implement targeted training in medication management.

7. Managing Escalating Concerns

7.1 A robust approach to contract escalation ensures that officers have a range of tools at their disposal, including proactive measures such as peer support, improvement planning, formal provider strategy meetings and reactive contract mechanisms such as contract defaults, service suspensions and in extreme cases, the loss of provider process.

7.2 When services fail to show improvement within set timescales, we can refer the service 'intervention'. This is where a dedicated and highly experienced Senior Contract Officer will work with the provider for an intensive period to turn around the quality of service being delivered. Examples of improved outcomes as a direct result of intervention are below:

Care Provision	Activity	Outcome
<p>Roman Wharf Care Home</p>  <p>50-bedded care home in Lincoln. Part of the CareCall Group which owns two homes in the county</p>	<p>In May 2022, the CQC inspected Roman Wharf and rated the home as 'inadequate', and a subsequent inspection in February 2023 resulted in the issuing of a 'Notice of Proposal' to cancel the provider's registration.</p> <p>Our risk management approach saw the escalation of Roman Wharf Care Home, and via appropriate governance routes the home was put into "Intervention Support" and an improvement plan was put in place.</p> <p>The Intervention Officer undertook monthly visits between March and September 2023 targeted at supporting the home in their completion of the actions required under the Improvement Plan, followed by close monitoring to ensure the sustainability of improvements made.</p>	<p>From Inadequate to Good</p> <p>CQC revisited the service on 25 July 2023 and rated the home as Good.</p> <p>Without the input of the Commercial Team, it is highly likely that the home would have closed, resulting in the Council needing to find new accommodation for 21 residents.</p>
<p>Field House, Holbeach</p>  <p>Operated by Farrington Care Homes Ltd</p>	<p>Escalated to the Intervention Officer due to high-risk status and following concerns raised by CQC, which resulted in restrictions being imposed on the home.</p> <p>The support programme included the implementation of an 18 point improvement plan and 14 individual visits to the home by the Intervention Officer. By October 2023 the home had completed all actions and demonstrated sustained improvement.</p> <p>CQC revisited in June 2023 and published a revised rating of 'good' overall.</p>	<p>From Requires Improvement to Good</p> <p>CQC revisited the service on 22 June 2023 and rated the home as Good.</p>

7.3 A high-level summary of our contract management approach can be found in Appendix B.

8. Oversight and Governance

- 8.1 A robust oversight and governance structure is in place covering both internal oversight and multi-agency assurance.

INTERNAL Assurance / Contract Oversight		EXTERNAL / Multi-Agency	
Operational	Contract Management Governance Board	Divisional Meetings	Operational Service Quality Review
Themes / Clinical Incidents	Clinical Governance Board	Quality & Safeguarding Board	Regulator Care Quality Commission (CQC) Liaison Meetings
Provider Risk	Commercial Briefing to Portfolio Holder		Themes Quality Service Improvement Group

Image 4 – Summary of oversight and governance arrangements

- 8.2 The multi-agency Service Quality Review meeting chaired by the Commercial Team brings together a range of organisations and departments to provide a coordinated approach and joint response to services presenting high-quality risk. Organisations represented at this meeting include CQC, LCHS and the ICB, with LCC teams including Safeguarding, Health Protection and Quality Assurance also in attendance.

9. Thematic Learning and Continuous Improvement

- 9.1 We continuously gather knowledge from various sources and datasets, enabling us to identify service improvements, best practices, adapt to challenges, refine relationships with partners, and learn from incidents and feedback on a daily basis.
- 9.2 To enhance this approach, we are implementing a Thematic Learning framework, formalising the sharing of insights and the identification of recurring themes and trends. This strategy aligns with the quality and 'I' statements outlined in the CQC Assessment Framework for Local Authority Assurance, aiming to reinforce existing good practices whilst re-framing the focus of the team's interventions through a 'learning lens' where the service user experience and outcomes are key drivers. Appendix C provides an illustrative overview.
- 9.3 An example of where this approach is already in use is within the Serious Incident process. Once recorded the causes and themes are analysed and themes are being discussed in specific and focussed meetings with the provider to identify areas of learning and changes in approach to minimise repeat occurrence.

10. Supporting the Market

- 10.1 We believe that supporting the market is critical in facilitating a diverse, sustainable, and high-quality market that offers the people of Lincolnshire a range

of services, promoting choice and ensuring positive experiences. We do this through a number of ways:

10.2 The **Market Sustainability Action Plan** is aligned to seven core pillars of activity, providing a solid foundation for achieving our market sustainability goals.

1	2	3	4	5	6	7
Market Oversight	Financial Support & Funding	Finance Processes	Commissioning Strategy	Market Shaping	Contract Management & Quality	Workforce

Image 5 – Seven core pillars of support with the Market Sustainability Action Plan

10.3 In early 2023 we supported the local care provider market through the creation of agreements and the payment of around £2m of government **Discharge Grant** funding to further recruitment and retention in the social care workforce within Lincolnshire, including effecting the early payment of the National Living Wage 2023/24 award to existing and new care staff during the period. Care providers appreciated the ability of the additional funds to help increase their ongoing staff recruitment and retention.

“We received in the region of £4.4K earlier this year and we used this to phase in the new national living wage and to provide help to staff to combat the cost-of-living challenge as a way of encouraging them to stay and work at the Care Home and not chase higher paid and less rewarding jobs in other industries who are paying higher wages to attract new recruits. This temporary enhancement pending the new NLW from April 2023 seems to have had a positive impact as the rate of attrition has slowed, our recruitment has picked up as the word has got out about the positive initiatives we have taken...”

10.4 The **Market Sustainability & Improvement Fund (MSIF)** was announced in the autumn statement in November 2022. Its primary purpose to support local authorities to make tangible improvements to adult social care services, to build capacity and improve market sustainability. Round 1 facilitated the uplift of residential fees for all in and out of county commissioned providers and Round 2 has been utilised on a number of initiatives including; an innovation fund to support Community Supported Living providers with recruitment and retention to reduce their over reliance on agency staff; the expansion of the Homecare Trusted Assessor pilot; and an independent review of the costs associated with Mental Health Residential Care.

10.5 In 2022/23 a **hardship fund** was established to support providers with increased costs associated with significant increases relating to fuel, energy and insurance.

10.6 Our providers welcome both the support and challenge presented by our Contract Officers and recently provided a range of feedback that was shared with the CQC as part of their recent assurance of Adult Care Services, see Appendix D for details.

11. CQC State of Care

11.1 The State of Care report is the CQC annual assessment of health care and social care in England. The report looks at the trends, shares examples of good and outstanding care, and highlights where care needs to improve. The most recent report was published in October 2023.

11.2 In relation to Adult Social Care the report highlighted the following areas:

National View from State of Care Report	Lincolnshire Perspective																								
<p>CQC Overall Ratings</p> <p>Nationally, the percentage of Adult Social Care services rated 'Good' or above:</p> <ul style="list-style-type: none"> • 83% of Residential Homes (no change since 2022) • 79% of Nursing Homes (up 2% from 2022) • 85% of Domiciliary Care Agencies (down 2% from 2022) 	<ul style="list-style-type: none"> • In October, the CQC presented to the scrutiny committee on how Lincolnshire care quality ratings compared against the England average. • Current Lincolnshire ratings remain 3% below the England average, however, have shown improvement in the last 12 months: <div data-bbox="708 831 1382 1406"> <p>Percentage of Social Care Organisations Rated 'Good' or above (Corporate Business Plan Measure)</p> <table border="1"> <tr> <td>All Locations: <i>Residential and Community Based Provision</i></td> <td>80%</td> </tr> <tr> <td>Residential Services: <i>Includes both residential and nursing care provision</i></td> <td>78%</td> </tr> <tr> <td>Community Based Services: <i>Includes home care agencies, supported living/housing, and shared lives</i></td> <td>83%</td> </tr> </table> <p>Lincolnshire Trends vs. England</p> <table border="1"> <caption>Lincolnshire Trends vs. England Data</caption> <thead> <tr> <th>Quarter End Date</th> <th>Lincolnshire (all services)</th> <th>England (all services)</th> </tr> </thead> <tbody> <tr> <td>Jan 2023</td> <td>83%</td> <td>79%</td> </tr> <tr> <td>Mar 2023</td> <td>83%</td> <td>79%</td> </tr> <tr> <td>May 2023</td> <td>83%</td> <td>80%</td> </tr> <tr> <td>Jul 2023</td> <td>83%</td> <td>80%</td> </tr> <tr> <td>Sep 2023</td> <td>83%</td> <td>80%</td> </tr> </tbody> </table> </div> <ul style="list-style-type: none"> • Raising the quality standards of the market is a key priority for the Commercial Team in the coming months. 	All Locations: <i>Residential and Community Based Provision</i>	80%	Residential Services: <i>Includes both residential and nursing care provision</i>	78%	Community Based Services: <i>Includes home care agencies, supported living/housing, and shared lives</i>	83%	Quarter End Date	Lincolnshire (all services)	England (all services)	Jan 2023	83%	79%	Mar 2023	83%	79%	May 2023	83%	80%	Jul 2023	83%	80%	Sep 2023	83%	80%
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National View from State of Care Report	Lincolnshire Perspective
<p>Workforce</p> <p><i>Care providers are facing significant workforce challenges on a national scale. Many providers are struggling to recruit new and retain existing staff which, coupled with increasing running costs, is having a subsequent impact on their ability to accept new clients and provide adequate care and support.</i></p>	<ul style="list-style-type: none"> • Based on data collated by the National Capacity Tracker the number of staff working in care homes and across community provision in Lincolnshire has steadily increased since January 2021, and there have been significant improvements in staff absence rates. • Staff vacancies in Care Homes have reduced from 19% in Q1 2022/23 to 12% in Q1 2023/24; The most recent data highlights further improvement, with 11% of staff posts vacant as of November 2023. • Whilst data evidences a positive trend, workforce challenges and the impact of staff recruitment and retention continues to be a widespread issue in Lincolnshire. Section 10 above references the various support initiatives implemented and ongoing being driven forward by LCC.
<p>Sustainability</p> <ul style="list-style-type: none"> • <i>Adult social care providers are facing increased running costs, including food and electricity, with some struggling to pay their staff a wage in line with inflation, which affects recruitment and retention.</i> • <i>Providers are worried about the financial sustainability of their service with over a quarter saying that they have considered leaving the sector in the last 12 months.</i> • <i>Smaller providers are experiencing additional sustainability issues.</i> 	<p>Since December 2022:</p> <ul style="list-style-type: none"> • The number of registered residential care homes has decreased from 291 to 287; <ul style="list-style-type: none"> ○ However, within the above we have seen four new homes registering within Lincolnshire in the past year, three of which are large homes of over 55 beds. ○ Of those homes that have deregistered, the majority have been smaller sized homes of less than 30 beds. • The number of registered domiciliary care agencies has increased from 117 to 122. <p>Section 10 above references the various support initiatives implemented and ongoing being driven forward by LCC to ensure we retain a sustainable market.</p>
<p>Care Home Bed Availability</p> <ul style="list-style-type: none"> • <i>84% of care home beds were occupied as of July 2023.</i> • <i>Nationally, there has been a 0.6% reduction in the number of registered beds (July 2022 vs. July 2023)</i> • <i>The number of people living in a care home has increased 3% between March 2022 and February 2023.</i> 	<ul style="list-style-type: none"> • Despite the challenges being faced, Lincolnshire is in a strong position when it comes to the availability of care home provision. • The number of registered beds in Lincolnshire has increased by 1.6% (July 2022 vs. July 2023) which is against the national trend. • In line with national statistics, the number of people living in a care home in Lincolnshire has also increased; since April 2022, the number of residents in commissioned care homes has increased by 7% and there has been a 10% increase in the number of self-funded residents. • Despite the increase in residents, care home occupancy is on par with the national picture; the percentage of vacant beds across the County is currently at 15.6%.

National View from State of Care Report	Lincolnshire Perspective
<p>NHS Pressures and Hospital Flow</p> <ul style="list-style-type: none"> <i>The State of Care report highlighted national challenges in relation to patient flow, with people staying in hospital for longer than necessary (partly due to there not being enough care workers to support them).</i> 	<ul style="list-style-type: none"> Investment to support patient flow and joint working has yielded significant benefits. The percentage of individuals referred from hospital and accepted into home-based reablement service has improved over the past year. In November 2023 99.7% of referred individuals were accepted and the average acceptance rate for the past six months is 98.8%; prior to investment, less than 50% of referrals were being accepted. The implementation of Active Recovery Bed contracts has ensured additional bed-based reablement options upon hospital discharge, with those accessing these services evidencing positive outcomes and a clear reduction in ongoing care need. Improvements in capacity and flow have also had a positive impact on home care waiting lists, which have reduced significantly over the course of the last year; between October 2022 and October 2023, there was a 67% reduction in the number of individuals waiting in hospital for home care.

12. Conclusion

- 12.1 The Commercial Team have a robust approach to contract management with the aim to develop and sustain a diverse, vibrant, and effective provider market that delivers on its contractual obligations, collaborates, innovates, and prioritises the delivery of high-quality care and support to the people of Lincolnshire.
- 12.2 Our approach has been developed over time, based on experience and in conjunction with partners, including providers themselves. We are not complacent and will continue to drive improvement, strive to raise quality standards and support our provider market to deliver the best services for some of the most vulnerable residents of Lincolnshire.

13. Consultation

a) Risks and Impact Analysis

N/A

14. Appendices

These are listed below and attached at the back of the report	
Appendix A	Service Map
Appendix B	Contract Management Overview
Appendix C	Thematic Learning Summary
Appendix D	Provider Feedback

15. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Alina Hackney, who can be contacted on alina.hackney@lincolnshire.gov.uk.

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