

JOINT STRATEGIC COMMISSIONING BOARD**22nd JUNE 2023**

REPORT TITLE:	INTERMEDIATE CARE BEDS – CLATTERBRIDGE SITE
REPORT OF:	ASSOCIATE DIRECTOR OF FINANCE AND PERFORMANCE (WIRRAL), NHS CHESHIRE AND MERSEYSIDE

REPORT SUMMARY

In June 2021, NHS Wirral Clinical Commissioning Group (CCG) agreed to commission a new Discharge to Assess (D2A) bed-based model for “people who are clinically optimised and do not require an acute bed but may still require care services provided with short term, funded support”. The main component of this model was to consolidate existing intermediate care beds provided across five existing sites into three wards comprising of 71 beds at the Clatterbridge Hospital site. The contract for the provision of these beds ceases on 1st September 2023.

The contract needs to be extended to ensure that this capacity is available for winter 2023/24. This will then enable a review of the existing service provision, delivery of expected outcomes and return on investment to be undertaken. This need to take place alongside a longer-term place-based capacity and demand modelling exercise is undertaken to inform future commitments to intermediate care provision in Wirral.

NHS Cheshire and Merseyside’s Scheme of Reservation and Delegation (SORD) means that a decision on this contract sits with the organisation’s Finance, Investment and Resources Committee (FIRC). This meeting is on 27th June 2023. As this is a jointly commissioned service, Wirral Council needs to influence this decision, the Joint Strategic Commissioning Board (JSCB) is the committee through which this needs to take place.

This matter affects all Wards within the Borough.

RECOMMENDATION/S

The JSCB is asked to consider the extract from the FIRC paper and make a recommendation as to the preferred period of extension for this service. The two options are:

- Option 1: Extend the contract for 12 months to 1st September 2024.
- Option 2: Extend the contract for 3 years, to 1st September 2026, with a break clause at 22 months (1st July 2025).

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The intermediate care beds on the Clatterbridge site are jointly commissioned by NHS Cheshire and Merseyside and Wirral Council. The resources for these beds are pooled within Better Care Fund arrangements.
- 1.2 The current contract for this service ends in September 2023. These beds are needed for winter 2023/24. Further work is required to review existing service provision, delivery of expected outcomes and return on investment. This review will take place alongside a longer-term place-based capacity and demand modelling exercise to inform future commitments to intermediate care provision in Wirral. An extension to the contract is required to allow for this work to be completed. The process that needs to be completed is therefore:
- Extension of the current contract.
 - Review of the existing service provision, delivery of expected outcomes, return on investment and future requirements.
 - Specification and procurement of future requirements.
 - Contract award.
- 1.3 NHS Cheshire and Merseyside's Scheme of Reservation and Delegation (SORD) means that a decision on this contract sits with the organisation's Finance, Investment and Resources Committee (FIRC). This meeting is on 27th June 2023. As this is a jointly commissioned service, Wirral Council needs to influence this decision, the Joint Strategic Commissioning Board (JSCB) is the committee through which this needs to take place.
- 1.4 An extract from the paper that is being submitted to the FIRC is attached in Appendix 1. The JSCB is asked to consider this and make a recommendation as to the preferred period of extension for this service to enable the process in 1.2 to be completed. The two options are:
- Option 1: Extend the contract for 12 months to 1st September 2024.
 - Option 2: Extend the contract for 3 years, to 1st September 2026, with a break clause at 22 months (1st July 2025).

2.0 OTHER OPTIONS CONSIDERED

- 2.1 There is an option to directly award a new contract to the incumbent provider. This has been discounted as a review of the service is needed, future system requirements need to be modelled, return on investment reviewed and specifications agreed. This will influence long term procurement and contracting options.

3.0 BACKGROUND INFORMATION

- 3.1 In June 2021, NHS Wirral Clinical Commissioning Group (CCG) agreed to commission a new Discharge to Assess (D2A) bed-based model for "people who are clinically optimised and do not require an acute bed but may still require care

services provided with short term, funded support”. The main component of this model was to consolidate existing intermediate care beds provided across five existing sites into three wards comprising of 71 beds at the Clatterbridge Hospital site. The contract award to Wirral Community Health and Care NHS Foundation Trust (WCHC) was for an initial period of two years with effect from 1st September 2021. The contract was awarded via a direct award arrangement without procurement after taking appropriate legal advice which concluded that the risk of challenge from alternative providers was low.

- 3.2 An additional 30 Intermediate Care beds were retained with other non-NHS providers as a short-term measure to provide additional capacity during the winter period 2021/22, with a view to decommissioning these beds in March 2022. These beds remain in situ at a significant cost to the local health system. These beds will be within the scope of the review.
- 3.3 The service on the Clatterbridge site is an integral part of the capacity required to enable the Wirral health and care system to operate effectively. It is vital that these beds are secured ahead of the 2023/24 winter period. Nonetheless, work is required to ensure the service presents good value for money and meets the future needs of the system.
- 3.4 An extension to this contract would enable a review by NHS Cheshire and Merseyside and Wirral Council, with system partners, of the existing service. This would be an “open book” value for money review. Good value for money is the optimal use of resources to achieve the intended outcomes. Optimal means the most desirable possible given expressed or implied restrictions or constraints. Value for money is not about achieving the lowest initial price. The review will consider service performance to date against the agreed performance indicators, quality and safety issues and any changes in the service when compared to the original specification, for example in patient acuity. Where appropriate, comparisons will be sought with similar services. An assessment of value for money will therefore consider:
 - Economy: minimising the cost of resources used or required (inputs) – spending less.
 - Efficiency: the relationship between the output from goods or services and the resources to produce them – spending well.
 - Effectiveness: the relationship between the intended and actual results of public spending (outcomes) – spending wisely.
 - Equity: the extent to which services are available to and reach all people that they are intended to – spending fairly.
- 3.5 An extension to the contract would also support a review, by NHS Cheshire and Merseyside and Wirral Council with system partners, of the future requirements for intermediate care capacity and capability in Wirral. This would be undertaken in the context of a capacity and demand review of the Wirral unscheduled care system. The outcomes of this would inform the specification for and procurement of intermediate care services for Wirral for the future. If this process uncovers any potential contestability a competitive tendering exercise would be required.

3.6 The incumbent provider, Wirral Community Health and Care NHS Foundation Trust, believe a short-term extension of 12 months, as set out in Option 1, would introduce the following risks:

- To design and mobilise an alternative service would take much longer than 12 months and as a minimum 22 months, as per Option 2.
- Mobilising an alternative service would introduce additional cost pressures, for example set up costs.
- Demand has remained consistently high for the service amongst patients on Pathway 2. This reflects the age demographic of Wirral. There is no alternative provision other than the 30 Intermediate Care beds (see 2.3 above), whose length of stay remains much higher than that of the 71 beds in CICC.
- Recruitment and retention of a specialist skilled workforce would be challenging if the future of the service is in doubt.
- Significantly limit the opportunity to reduce the cost pressure in the service.
- Impact upon their ability to put sub-contracts in place for critical support services e.g. cleaning, maintenance, linen services and so on.

4.0 FINANCIAL IMPLICATIONS

4.1 The recurrent value of the contract for this service in 2023/24 is £6.449m based, based on inflationary uplifts to the original contract award from 2021/22. The provider, after the introduction of the service, identified additional cost pressures to support “safe staffing” arrangements within the wards following a review of patient acuity levels and from increased infrastructure costs.

4.2 The value of these cost pressures was estimated at £1.6m in 2022/23. NHS Cheshire and Merseyside has provided additional funding on a non-recurrent basis for 2023/24. An “open book” review of these cost pressures will be undertaken as part of the overall review of the service. This will seek to provide the system with assurance that value for money is being achieved within the definition described above.

5.0 LEGAL IMPLICATIONS

5.1 The procurement and contracting implications for this service will be identified as part of the service review. If it emerges that there is competition to provide this service a tendering process may be required, which may precipitate the need for a further extension to the existing contract until the process is completed.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 There are no resource implications as a result of this report.

7.0 RELEVANT RISKS

7.1 There is a risk that there will not be intermediate care capacity and capability in the Wirral system for winter 2023/24 if this service is not extended. There is also a risk that without completing the process described above, NHS Cheshire and Merseyside and Wirral Council may not commission the service that provides best value.

8.0 ENGAGEMENT/CONSULTATION

8.1 This paper and supporting documentation have been produced by NHS Cheshire and Merseyside through engagement with Wirral Council officers, Wirral Community Health and Care NHS Foundation Trust and Wirral University Teaching Hospitals NHS Foundation Trust.

9.0 EQUALITY IMPLICATIONS

9.1 Wirral Council and NHS Cheshire and Merseyside have a legal requirement to make sure their policies, and the way they carry out their work, do not discriminate against anyone. The business of these groups will be conducted with an awareness of the general duty requirements and place equality considerations. An Equality Impact Assessment (EIA) was completed to support the original commissioning decision in June 2021 and has been updated to reflect the current position. The EIA can be access here: <https://www.cheshireandmerseyside.nhs.uk/media/sd5pfyry/v-03-cheshire-and-merseyside-nhs-edi-strategy-2022-26.pdf>

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 Wirral Council and NHS Cheshire and Merseyside are committed to carrying out their work in an environmentally responsible manner. The consolidation of these services on a single site, with a single provider, supports this approach.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 Community Wealth Building in Wirral focusses on partnerships and collaboration. These partnerships are led by Wirral Council with external partners and stakeholders, including residents. NHS Cheshire and Merseyside will support the Council in community wealth building by ensuring health and care organisations in the borough have a focus on reducing health inequalities and contribute to the development of a resilient and inclusive economy for Wirral. This service support community wealth building through direct employment, procurement of support services and delivery of care for local people.

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APPENDICES

Appendix 1 Intermediate Care Beds – Clatterbridge Site, Paper for NHS Cheshire and Merseyside Finance, Investment and Resources Committee, 27th June 2023

BACKGROUND PAPERS

The background paper is attached in Appendix 1.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date