

## Appendix 2



# **Contract Monitoring Report: Third Sector Commissioned Services 1 April 2023 to 31 March 2024**

## Introduction

This report provides contract monitoring information on third sector provider partners, for the period 1 April 2023 to 31 March 2024.

The previous contract monitoring exercise for third sector partner providers covered the period April 2022 to 31 March 2023.

## Overview of the monitoring process for the third sector commissioned services

A total of 46 contracts have been monitored. These are all commissioned non-registered third sector provider partners and registered day care and respite contracts, with a combined contract value of approximately £6.2m.

An online Self-Assessment Questionnaire (SAQ) was developed and set up on Microsoft Forms (MS) Survey. A copy of the SAQ and list of provider partners is provided as Appendix 1. SAQs submitted by provider partners, along with any supporting documentation, were compared against the contract requirements. Provider partners were contacted if further information, evidence or clarification was required. Commissioning Officers analyse the SAQ along with all submitted evidence and score the contract monitoring submission. Commissioning Officers also conduct individual Monitoring Meetings with provider partners, which are prioritised based their SAQ RAG scoring status. Once the review process is completed, a risk assessment and resultant risk score are determined. Any concerning risks identified and requiring action would be escalated to the Contracts Manager in the first instance with further escalation to the Commissioning Liaison Manager and onward escalation as required.

## Results from contract monitoring

All 46 SAQs were returned by a total of 31 provider partners as some are contracted to deliver more than one service. Findings from SAQs were collated and this report provides an overview of the key findings.

The results in this report relate to the period 1 April 2023 – 31 March 2024, reflecting the situation for that period only. Contract monitoring for third sector provider partners for the period 1 April 2024 to 31 March 2025 is scheduled to commence in April 2025.

- Compliance

85% (39 out of 46) of commissioned services reported that outcomes against the requirements of their contract and service specification were met during the reporting period. 7 services (15%) reported that they had not achieved the required outcomes. Of these, two services cited gaps in staffing issues impacting their ability to meet contractual outcome requirements; one service stated that most of the outcomes were met, but not fully recorded by staff; two services reported challenges due to out of date service specifications not aligning to service delivery and two services were not fully open during the period.

91% (42 out of 46) of commissioned services maintained communication with people who use their services to encourage feedback. This included the use of surveys, questionnaires, social media and verbal feedback. Of the 4 services (7%) who did not seeking feedback formally, two were not fully open throughout the period; one service obtained feedback but it was out with the reporting period; and one service reported that although they had distributed communications to people who use their services, feedback was not actively sought during the reporting period.

Commissioning Officer review of responses found that for 91% (42 out of 46) of commissioned services, training of staff and volunteers continued to take place during this reporting period. This included courses in Moving and Handling, Equality and Diversity, Health and Safety, First Aid, Hygiene, Adult Support and Protection, Dementia, Mental Health Awareness, Safeguarding Vulnerable Adults, Infection Control, Cyber Security and Data Protection among others.

- Intelligence

10 of the 46 commissioned services (22%) reported there had been changes to senior or local management personnel during the reporting period. In addition, 19 out of 46 (41%) of the services further reported changes in organisational structure.

9% (4 out of 46) of commissioned services reported that they had significant staffing challenges which affected the service, mainly due to recruitment challenges and sickness absence issues. 37% (17 out of 46) reported experiencing minor staffing challenges not affecting service provision whereas 54% (25 out of 46) reported no staffing challenges:

Provider partners were also asked to provide the reasons for staff leaving their service and of the total approximate leavers over the period. Of the total number of staff reported as having left during the reporting period (41), 10% of staff (5 out of 41) left for a new job out with the Health and Social Care sector. Other reasons included new job in the statutory sector (15%); new job in the independent care sector (23%); retirement (15%) and ill health (4%) and other/not known (33%).

98% (45 out of 46) of commissioned services reported having sufficient funding and reserves to meet their contractual obligations. 1 service (2%) expressed concerns regarding sufficient funding to meet the rising cost of wages, utilities and improvements to vehicles and equipment:

52% (24 out of 46) of commissioned services had capacity/vacancies in their service at 31 March 2024.

- Risk Assessment

On receipt of a SAQ, the Contracts Team complete an initial review based on information from the provider partner and assign risk scores. Where needed, further information is requested and any additional support to aid completion provided by the Contracts Team. The SAQ was then reviewed again designated as ‘Completed’ and final SAQ risk scores assigned. The results of each Monitoring Meeting conducted were also reviewed and a Monitoring Meeting risk score assigned. The Commissioning Officer analysis of SAQ and Monitoring Meeting risk scores were combined and an overall final risk score determined.

Risk scores were based on provider partner responses to SAQ questions and Monitoring Meeting findings in relation to:

- Changes to management personnel
- Organisational changes
- Sustainability concerns
- Achievement of outcomes
- Communication/encouraging feedback
- Staffing challenges
- Staff/volunteer training
- Sufficient funding
- Policies and procedures
- Public/Employer Liability insurance

The higher the risk score percentage, the lower the risk.  
To summarise for the 46 completed CMRs, final risk scores:

Risk score achieved	Number of commissioned services
100%	10
99% - 75%	33
74% - 61%	1
60% and below	2
	<b>46</b>

Risk scores resulting from this contract monitoring exercise show that based on the information available there are no significant risks associated with 43 out of 46 (93%) of provider partners, 1 service showing moderate risks and 2 services identified as high risk.

- Moderate Risk – (74% - 61%)

For the one service for whom moderate risks have been identified, the areas of risk highlighted were in relation to sustainability concerns, staff training not up to date, policies and procedures not up to date to reflect current legislation.

A summary of the scale/scope of the risk in relation to the one service with a moderate risk score is provided in the following table, along with actions being taken to address issues identified. Additional information is also provided in the Issues Raised and Planned Actions section below.

	<b>Provider Partner 1</b>
Risk Score	70%
Reason for low % score	Sustainability concerns; staff training not up to date, policies and procedures not up to date
Annual Contract Value	£27,796
Service Type	Day Centre
Actions	<p>Sustainability concerns – provider reported that they currently have a small but manageable deficit but are projecting a potential deficit of £7k in the next financial year but are in the process of seeking external funding.</p> <p>Staff training not up to date – no training was undertaken during the monitoring period 2023-24, however this was remedied later in 2024 and evidence provided to Commissioning Officer that suitable core training has taken place in dementia awareness, safeguarding and mental first aid has now been completed.</p> <p>Polices and procedures not up to date – provider reported that policies and procedures are currently under review by the Chair of the Board. A follow up monitoring visit by the Commissioning Officer is scheduled for 5 November 2024 and the manager of the service and chair and trustees are attending. Evidence will be collected at the meeting.</p>

- High Risk (60% and below)

Services which received a risk score of below 60% were escalated to the Contracts Manager in the first instance and then to the Commissioning Liaison Manager and Commissioning Managers for further action in conjunction with operational Social Work

colleagues where applicable. Of the two services with high risks, one service had a score of 60% and one service scored 45%.

For the two services for whom high risks have been identified: one service experienced staffing issues which affected service delivery for most of the reporting period and as a result, contractual outcomes were not achieved and some community groups were temporarily paused. This also meant that communication with people who use their service to encourage feedback was not maintained. However, post monitoring period update saw progress with recruitment and resumption of community groups. The Commissioning Officer will continue to monitor progress and revisit the service.

The other service identified as high risk experienced declining service user numbers about which they had informed the Partnership and following discussions between Commissioning, Social Work and the Provider, the people using the service were reviewed and moved to alternative provision. The service ceased as from September 2023, funding has been discontinued and pro-rata monies that had been paid to the service of £21.6k have been recouped. This information was mentioned in the previous Third Sector Contract Monitoring Report for the period 2022-23 but included again in this report due to the overlap in the reporting periods.

A summary of the scale/scope of the risk in relation to the two services with low percentage scores is provided below:

	<b>Provider Partner 2</b>	<b>Provider Partner 3</b>
Risk Score	60%	45%
Reason for low % score	management changes; organisational changes; Staffing/recruitment challenges; Not achieving contract outcomes; not maintaining communication	Not achieving contract outcomes; not providing a service
Annual Contract Value	£77k	£100k
Service Type	Support Service – Service office	Non registered community support Learning Disabilities/Mental Health
Actions	<p><b>Management and Organisational Changes / Staffing challenges –</b>                      Service manager left the previous year and position remained vacant during reporting period. Successful recruitment to new post of Day Opportunities Leader in May 2024 and 3 x Community Activity Organisers recruited in August 2024.</p> <p>Commissioning Officer follow up with provider confirmed organisational changes were at a national level with no impact on local service delivery.</p>	<p><b>Not achieving contract outcomes; not providing a service -</b> Contract was terminated September 2023 and funding discontinued. Funding of £21.6k recouped from the service. People using the service moved to alternative provision.</p>

	<p><b>Not achieving contract outcomes –</b>                  provider reported that some community groups were paused during the reporting period due to staffing issues. Provider conducted recruitment drive Jan-Mar 2024 and recruited 4 new staff; supporting evidence provided to Commissioning Officer showed progress made in relation to resumption of community groups in August 2024 and evidence of outcomes being achieved for service users. Commissioning Officer also collected feedback from service users of community groups which was positive.</p> <p><b>Not maintaining communication with people who use the service –</b>                  Due to pausing of community groups as mentioned above, no request was made for feedback from service users. Commissioning Officer follow up determined that feedback now being regularly gathered.</p> <p>Commissioning Officer has scheduled follow up contract monitoring meeting scheduled for 8 November 2024</p>	
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Comparison to previous contract monitoring

The contract monitoring overall risk scores of third sector commissioned services, for the 2021-2022 and 2022–2023 monitoring periods compared to 2023–2024 are as follows:

		1 Apr 2021-31 Mar 2022	1 Apr 2022-31 Mar 2023	1 Apr 2023-31 Mar 2024
Risk score achieved	Risk Level	Number of provider partners	Number of provider partners	Number of provider partners
100%	Very Low	3	5	10
99% - 75%	Low	39	41	33
74% - 61%	Moderate	5	0	1
60% and below	High	3	3	2
		<b>50</b>	<b>49</b>	<b>46</b>

By comparison with previous contract monitoring periods noted above, the results for the latest period of contract monitoring show an overall improvement in risk scores, which indicates a positive trend.

Of the three services in the high-risk category for the period 2022–2023, one has remained in the high-risk category (Provider 3 in the table above) for the 2023-2024 monitoring period, one has moved to the low-risk category and the other service closed in the previous monitoring period.

Provider 2 in the table above was in the low risk category for the period 2022-2023 but moved to the high risk category in 2023-24 due to the issues identified in the scale/scope of risk table above.

The service in the moderate risk category for the period 2023-24 was in the low risk category in 2022-23. The risk increase was due to their sustainability concerns and staff/volunteer training and policies and procedures not being fully up to date.

Issues Raised and Planned Actions

Assessment of risks identified some common issues raised by provider partners and a summary and planned action(s) is provided in the table below.

Issues raised	Planned Action(s)
<p>15% (7 out of 46) of third sector commissioned services reported not achieving outcomes against the requirements of their contract/service specification</p>	<p>A Contract Review of third sector commissions is currently underway, starting with Day Services, and is being led by Commissioning in conjunction with DGC Procurement and DGC and NHS Finance. As part of this Review, service specifications are being reviewed and updated to reflect the known changes in need/requirement. New contracts commencing 1 July 2024 have been awarded to Day Centres following procurement exercises.</p> <p>To consider how we better commission for outcomes and support partners to establish measures for outcomes.</p> <p>Following the announcement of the Review of Commissioned Third Sector Social Care Services in late November, Third Sector Dumfries and Galloway have heavily supported the procurement process and capacity of the day centres to ensure they were able to tender for this commission.</p> <p>To date, Third Sector Dumfries and Galloway (TSDG) have closely supported day centres to ensure they were able to complete the process by:</p>



	<ul style="list-style-type: none"> <li>• Providing training on the procurement process</li> <li>• Providing training on how to complete a tender bid</li> <li>• Providing procurement roadshow sessions with CEIS to develop the capacity and capabilities of the day centres in order to ensure satisfactory completion by deadline date</li> <li>• Securing each day centre 5 hours of 1:1 support from CEIS.</li> <li>• Negotiating more satisfactory timelines to enable day centres to upskill in order to tender</li> <li>• Engaging in tailored support for day centre volunteers and trustees</li> <li>• Coordinating sessions with procurement and commissioning teams to allow question and answer sessions</li> <li>• Providing dedicated, focussed support as required during tender live timescale</li> </ul> <p>Support to the day centres from TSDG is ongoing to increase their financial viability and sustainability through support around good governance and to identify funding opportunities.</p>
<p>22% (10 out of 46) of third sector commissioned services have experienced changes to management</p> <p>41% (19 out of 46) of third sector commissioned services have experienced changes in organisational structure</p> <p>9% (4 out of 46) of third sector commissioned services experienced significant staffing challenges affecting the service</p> <p>37% (17 out of 46) of third sector commissioned services have experienced minor staffing challenges</p> <p>10% of staff who left third sector commissioned services (5 staff out of 41 staff) left for new jobs out</p>	<p>Reflects wider national situation due to longstanding recruitment and retention issues in Health and social care in conjunction with sector pressures, including ongoing effects of COVID-19.</p> <p>Provider partners cite recruitment issues and staff sickness absence as key reasons. Commissioning Team will continue to monitor and follow up with provider partners.</p> <p>IJB has directed that recommissioning of third sector supports is contracted for 3-5 years to help ensure forward planning/ mitigating short-term staff contracts.</p> <p>TSDG provide capacity building support</p>



<p>with the health and social care sector</p>	<p>to commissioned services through both one to one bespoke support and training, including good governance, funding, volunteering, business development and employability.</p>
<p>52% (24 out of 46) of third sector commissioned services reported capacity issues and vacancies in the service</p> <p>26% (12 out of 46) expressed concerns about the sustainability of their service</p>	<p>Individual meetings between Commissioning and providers have been taking place to determine challenges faced by providers and linking of third sector provider partners with TSDG to identify other funding and training opportunities.</p> <p>Contract Review of third sector commissions to ensure services are operating at fuller capacity. Contracts Team to continue to monitor and follow up provider partners to help ensure this is rectified going forward. TSDG will work with other contracted services to provide support similar to that provided to the day centres.</p> <p>Community Directorate conducting ongoing work with Third Sector providers in relation to supporting wider system pressures/packages of care.</p>
<p>Carers Support Services highlighted experiencing an increase in complex referrals, requiring more complex support and resulting in increased challenges and pressures for Carers and for provider partner staff. These services also highlighted a lack of sufficient direct services available to support Carers in their day to day caring role, for instance home care and respite either in or out with the home.</p>	<p>Provider partners cite lack of early intervention due to pressures in the care and support at home sector, resulting in an escalation of pressures faced by Carers. Carers Programme Board will work with partners to consider options for supporting these pressures.</p> <p>A D&amp;G Carers Strategy and Delivery Plan is in development and the Carers Commissioned Services will be reviewed and re-tendered before end of March 2026. This provides opportunities for good conversations and potential redesign of how services are delivered.</p>