Appendix 2

Contract Monitoring Report:
Third Sector Commissioned Services
1 April 2025 to 31 March 2026

Introduction

This report provides contract monitoring information on third sector provider partners, for the period 1 April 2025 to 31 March 2026.

The previous contract monitoring exercise for third sector partner providers covered the period April 2024 to 31 March 2025.

Overview of the monitoring process for the third sector commissioned services

A total of 22 contracts have been monitored. These are commissioned non-registered third sector provider partners (8) and registered day care and support services (9) and respite contracts (5).

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.

The amount of third sector contracts monitored in this reporting period is significantly less than the previous monitoring period due to the introduction of a Public Social Partnership (PSP) model for service delivery. The HSCP has reviewed the current commissioning model for third sector supports and following formal agreement from IJB in December 2025, PSP development is moving at pace with the eventual move to establish a strategic alliance. This will support an outcomes-based model with shared planning, delivery and oversight with third sector partners and Third Sector Dumfries and Galloway. The PSP membership is made up of third sector commissioned services and it was agreed that

during this period of transition these provider partners would not be subject to contract monitoring exercises.

Results from contract monitoring

All 22 SAQs were returned by a total of 20 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 2025 – 31 March 2026, reflecting the situation for that period only. Contract monitoring for third sector provider partners for the period 1 April 2026 to 31 March 2027 is scheduled to commence in April 2027.

- Compliance

100% (22 out of 22) of commissioned services reported meeting outcomes against the requirements of their contract and service specification during the reporting period.

95% (21 out of 22) 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 these, 73% (16 out of 22) evidenced they had taken action from the feedback received. The remaining 23% (5 out of 22) reported that no improvements were identified for further action from the feedback received and 4% (1 out of 22) did not take action from feedback which was due to no formal feedback actually being received during the reporting period.

Commissioning Officer review of responses found that for 95% (21 out of 22) of commissioned services, mandatory training of staff and volunteers was up to date during this reporting period. This included courses in Moving and Handling, Safeguarding Vulnerable Adults, First Aid, Epilepsy Awareness, Self-Harm and Suicide Awareness and Prevention, Fire Safety, Cyber Security, Dementia Friendly Training, Disability Awareness, Equality and Diversity, Managing Challenging Behaviour and Food Hygiene among others. The remaining 5% (1 out of 22) reported that no training was undertaken during the reporting period as training is on a three-year cycle and was due to start in May 2026. This is being followed up by the Commissioning Officer as part of ongoing monitoring.

- Intelligence

27% (6 out of 22) of the commissioned services experienced changes to senior or local management personnel during the reporting period. Of these, 23% (5 out of 22) experienced management changes which had an impact on service delivery and 4% (1 out of 22) experienced management changes with no impact to the service.

In addition, 46% (10 out of 22) of the services further reported changes in organisational structure. Of these, 32% (7 out of 22) were planned organisational changes to the service and 14% (3 out of 22) were unplanned changes. The reasons for the unplanned changes included board members stepping down or retiring due to ill health and also the death of board members.
The Commissioning Officer scoring of these questions takes into account whether the changes had enhanced the service or whether they had an impact on service delivery and

also whether the changes were planned or unplanned. A red/amber/green score is then assigned accordingly.

36% (8 out of 22) of commissioned services reported that they experience staffing challenges. Of these, 4% (1 out of 22) experienced significant staffing challenges which affected the service, due to staff vacancies, recruitment issues and staff sickness absence. 32% (7 out of 22) reported experiencing minor staffing challenges not affecting service provision whereas 64% (14 out of 22) 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 (33), 9% of staff (3 out of 33) 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 (27%); retirement (18%) and ill health (3%) and other/not known (27%).

95% (21 out of 22) of commissioned services reported having sufficient funding and reserves to meet their contractual obligations. 1 service (5%) expressed concerns regarding sufficient funding to meet running costs of the service if no more grant applications were successful this year necessitating that they dip into their reserves. In addition, 77% of services reported actively seeking and receiving funding in addition to that received by DGHSCP during the reporting period, which included applying for grants, fundraising activities cost saving initiatives.

59% (13 out of 22) expressed concerns about the sustainability of their service. This was predominantly due to rising energy/utility and fuel costs, increased staffing costs, cost of living increases as well as some concern regarding HSCP review of third sector contracts and the possible impact on future funding which is all creating uncertainty.

72% (16 out of 22) of commissioned services had capacity/vacancies in their service at 31 March 2026. One of the reasons cited was the lack of suitable transport affecting service users getting to the service due to rurality or physical/mental conditions,

- <u>Risk Assessment</u>

As detailed above, risk scores were based on provider partner responses to SAQ questions, Commissioning Officer analysis and Monitoring Meeting findings in relation to:

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

- Provision of evidence

The higher the risk score percentage, the lower the risk.
To summarise for the 22 completed CMRs, final risk scores:

Risk score achieved	Number of commissioned services
100%	2
99% - 75%	20
74% - 61%	0
60% and below	0
	22

Risk scores resulting from this contract monitoring exercise show that based on the information available there are no significant risks associated with any of the third sector commissioned services.

Comparison to previous contract monitoring

The table below provides a comparison of overall risk scores of third sector commissioned services over contract monitoring periods

		1 Apr 2021-31 Mar 2022	1 Apr 2022-31 Mar 2023	1 Apr 2023- 31 Mar 2024	1 Apr 2024-31 Mar 2025	1 Apr 2025-31 Mar 2026
Risk score achieved	**Risk Level**	**Number of provider partners**	**Number of provider partners**	**Number of provider partners**	**Number of provider partners**	**Number of provider partners**
100%	**Very Low**	3	5	10	2	2
99% - 75%	**Low**	39	41	33	41	20
74% - 61%	**Moderate**	5	0	1	0	0
60% and below	**High**	3	3	2	1	0
		50	**49**	**46**	**44**	**22**

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. However, the number of providers in the current contract monitoring period is significantly reduced due to provider partners working as part of the PSP, which has precluded them from contract monitoring in this period.

The one service in the high-risk category for the period 2024–2025 due to sustainability concerns and contractual outcomes not being achieved, is now participating in the PSP Collaborative.

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)**
72% (16 out of 22) of third sector commissioned services reported capacity issues and vacancies in the service 59% (13 out of 22) expressed concerns about the sustainability of their service 9% of reported leavers from third sector commissioned services left for new jobs out with the health and social care sector	The HSCP has reviewed the current commissioning model for third sector supports and following formal agreement from IJB in December 2025, PSP development is moving at pace with the eventual move to establish a strategic alliance. This will support an outcomes-based model with shared planning, delivery and oversight with third sector partners and Third Sector Dumfries and Galloway (TSDG). PSP meetings are ongoing between Commissioning, TSDG and provider partners to identify tests of change opportunities to support this new model and to inform the transition to a Strategic Alliance. The HSCP is involved in the Delivering Change Programme, which includes plans to move to community led, place-based supports through the PSP and Strategic Alliance. Delivering Change Marketplace events are being held across D&G in September. TSDG have also developed a funding tool which supports organisations to seek and secure funding and also provides support in relation to good governance and designing training to increase capacity of third sector organisations.
27% (6 out of 22) of third sector commissioned services have experienced changes to management 46% (10 out of 22) of third sector commissioned services experienced changes in organisational structure	Reflects wider national situation due to longstanding recruitment and retention issues in Health and social care in conjunction with sector pressures. Provider partners cite staff vacancies, recruitment issues and staff sickness as the key reason. Commissioning Team will continue to monitor and follow up with provider partners.

4% (1 out of 22) of third sector commissioned services experienced significant staffing challenges affecting the service 32% (7 out of 22) of third sector commissioned services have experienced minor staffing challenges	As mentioned above, the collaborative work of the PSP alongside the Delivering Change programme, in conjunction with TSDG is underway.