

Contract Management Briefing Paper

This briefing paper provides an overview of the Supporting People (SP) Contract Management Framework. It has also been prepared to provide practical advice and guidance to providers of SP funded services.

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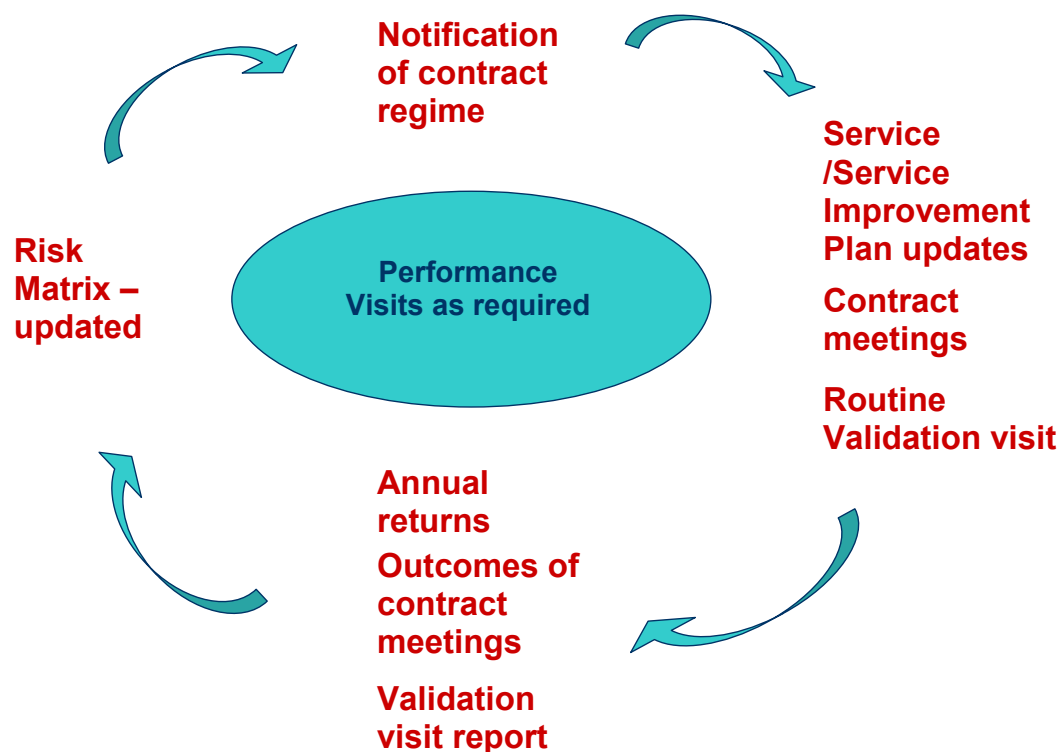
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Aims & Objectives of Contract Management

The overall aim of the contract management framework is to provide a supportive framework in which providers are enabled to deliver excellent services to vulnerable people in partnership with SP.

The objectives of the framework are to ensure that services are delivered as set out in the funding agreement by:

- Ensuring a good SP team / provider relationship with clarity on roles, responsibility and communications
- Ensuring the SP grant is spent effectively on eligible services which contribute to the aim of the SP strategy and that value for money is maintained
- Ensuring that services are delivering the required outcomes for service users through the support planning process
- Achieving continuous improvement in quality and performance over the life of the funding agreement
- Ensuring any risk to the funding agreement is reduced and managed effectively



The starting point of the process is the submission of annual returns from providers for groups of services.

Grouping Services for the Purposes of Contract Management

For the purposes of determining and implementing contract management activity, services of 1 provider are grouped (for single scheme providers this single service will represent the group). This grouping will be based on similar services in terms of operating area, client group they are delivered to and common management structure. An example of how groups of services of a typical provider may be grouped is shown below. In this example the provider receives funding for 9 services, but there are only 4 groups for contract management purposes:

Area	Scheme Name	Client Population	Service Type	Contract Management Group
Belfast	Service 1	Homeless	Supported Accommodation	1
Belfast	Service 2	Homeless	Supported Accommodation	1
Belfast	Service 3	Homeless	Floating Support	1
West	Service 4	Addictions	Supported Accommodation	2
West	Service 5	Addictions	Floating Support	2
West	Service 6	Older People	Sheltered Accommodation	3
West	Service 7	Older People	Peripatetic Service	3
West	Service 8	Older People	Sheltered Accommodation	3
North East	Service 9	Older People	Sheltered Accommodation	4
Totals	9 Services			4 groups

Steps in Contract Management

Step 1 – Annual Returns

The starting point of the contract management process is the submission of annual returns, for the group of services, for the following:

- Strategic relevance
- QAF self assessment
- Service Improvement Plan

The documentation to complete these returns is available on our website.

As well as submitting the Strategic Relevance and QAF self-assessment (including the QAF evidence index form) returns, providers need to submit an annual service improvement plan for each group of services. This plan should include the actions necessary to either achieve minimum quality standards against each of the core objectives of the QAF, or if appropriate the higher grades of the QAF. The first annual service improvement plan should also reflect progress towards any recommendations from previous services reviews or where services have not been reviewed, other relevant service improvements agreed with SP. Subsequent annual service improvement plans, should reflect required service improvements identified through the contract management process. The plan will be reviewed and approved by the provider and SP at each contract meeting.

Providers will be notified in writing of the commencement of the contract management arrangements for each group of services with the request for the submission of the annual returns. Following this initiation of the contract management process, providers will have 20 working days to submit their annual returns.

The information from the annual returns will be used to review the current risk rating of the group of services through the completion of a risk matrix. It will also form the substantive issues to be discussed at regular contract meetings and should provide the evidence base for the validation of these services by SP.

Step 2 - Risk Assessment

The management of risk is fundamental to the contract management approach. It is recognised that not all services carry an equal amount of risk or the same level of requirement for SP oversight and monitoring. SP will seek to ensure that the contract management activity is proportionate by undertaking a risk assessment of groups of services of each provider.

A number of risk factors will be considered as part of this assessment, including financial, performance, quality and general service factors. Each risk item is weighted and scored and will be applied to groups of contracts (groups are defined as 1 or more similar services of 1 provider). The table below provides a summary of the factors included in the risk assessment, under each the categories are listed according to their weighting in the risk assessment, from low to high.

Risk Factor	Measure	Categories	
Financial	Annual Contract Value for Group	£0 - £99,999	
		£100,000 - £299,999	
		£300,000 - £574,999	
		£575,000 and over	
Organisational Viability	Accreditation Status	Full/Lite/Passported	
		Re-accreditation underway	
		Not currently accredited	
Complexity of Group	Number of schemes in group	5 schemes or fewer	
		6-10 schemes	
		11-15 schemes	
		16 or more schemes	
Strategic Relevance	Annual self assessment	Relevance fully demonstrated	
		Relevance mainly demonstrated	
		Relevance partly demonstrated	
		Relevance not demonstrated	
Performance	Progress against improvement plan targets	Targets achieved	
		More than 50% progress against targets	
		Less than 50% progress against targets	
		No progress	
	Service performance indicators (accommodation)		Meets or exceeds benchmarks
			Does not meet benchmarks for 1 or more quarters in last 12 months
Direct Support (Floating Support)		Meets or exceeds benchmark	
		Does not meet benchmark for 3 consecutive months in last 12 months	

Quality	Annual Self Assessment	Grades A & B for all core objectives
		Grades C or higher for all core objectives
		Grades do not exceed C for any core objective
		Grade D for 1 or more core objective
Discretionary Factors (can increase or decrease overall risk score)	Service specific factors	Discretionary weighting applied due to service specific factors, including complexity of client group, joint funding issues, innovation and good practice etc.
	Critical Incidents	Discretionary weighting applied as there is a report to SP which requires investigation

The risk score is not necessarily a reflection of quality or performance. A services may be performing well and be of high quality and may still be assessed as high risk, due to the complexity of the client group it provides for and the high value of the funding it receives from SP.

Providers will be notified in writing, within 20 working days of receipt of their annual returns, of the outcome of this risk assessment for each of their groups of services including the specific contract management regime to be implemented for the group, in the year.

Step 3 – Contract Management Activity

The risk assessment score will determine the intensity of the contract management activity with services being assessed as requiring a light, moderate or active contract management approach.

All services, regardless of their risk assessment, will be required to submit annual returns as detailed above. In additional, quarterly contract performance returns for accommodation services and monthly floating support monitoring returns will still be required for individual services.

Other activities which make up the contract management process are:

- Service updates
- Contract Meetings
- Validation Visits
- Performance Visits

A description of each is provided below, including the typical levels of these activities, based on whether a group has been assessed as requiring a light, moderate or active approach.

Service Updates

Providers will be required to submit service updates, by email or by post to the SP Administration team, for each group of services, which will be reviewed at the contract meeting. These service updates should be made up of:

- Progress updates against targets within the agreed annual service improvement plan
- Performance information specified and agreed with SP at the first contract meeting, but which should reflect information already collected and reported within the provider organisation.

The list below provides examples of performance information which could form this element of the service updates. While the selection of this information will be at the discretion of the provider, SP will seek to confirm that it reflects the main aspects of service delivery, including operational delivery, staff management and development, financial performance and service user involvement/satisfaction.

Performance Area	Measure
Operations	No. of referrals & no. accepted to receive support
	No. of service users exited service
	Capacity/Available units
	Average time from referral to assessment
	Number of accidents
	Number of Incidents
	Number of Complaints
Financial	Budget Compliance
	Variance Analysis
	Budgeted housing support staff hours versus Actual housing support hours worked
Staff Management/Development	Staff turnover
	Staff sick leave
	Staff mandatory training
	Staff professional development
Service Users	Service user satisfaction
	Service user involvement

These service updates will be required for each group of services regardless of the outcome of the risk assessment. The content of the service updates will be agreed in advance of the first contract meeting and providers will be asked to consider the range of possible information to be included on receipt of the contract regime notification letter.

Contract Meetings

The contract management process seeks to formalise the current relationship with SP providers by clarifying roles and responsibilities and introducing a formal mechanism for bilateral discussion at the contract meeting. The contract meeting will be the primary forum to discuss all main issues relevant to the funding agreements of the services included in the group.

The frequency of contract meetings will be determined by the risk score. The meetings will be formally chaired, have a standard agenda and their outcome recorded. For particular services it may also be appropriate for relevant stakeholders to attend these meetings, for example if services are jointly funded.

The information required from providers for discussion at the contract meetings was outlined in earlier sections. However, if appropriate, providers may also wish to table additional documentary evidence for particular areas.

As previously stated these meetings will be held at the group level, so for example if 5 services of 1 provider form the group, the meeting will seek to discuss all 5 services. The set agenda for the meetings will be jointly agreed with the provider following the first meeting, however SP will seek for the following items to be reflected.

Updates to service information/improvement plans

- QAF assessment
- Performance
- Stakeholders feedback
- Service User involvement
- Value for Money
- Contract negotiations
- Complaints and concerns

Providers may also wish to see particular issues reflected which are relevant to them. SP will be responsible for notifying providers of when the contract meeting will take place and producing all necessary documentation including the agenda and agreed notes of the meeting. The meetings may be held at SP's offices or at particular service locations. Where a contract meeting is held at a scheme it gives the opportunity to verify data provided and combine the meeting with the validation visit, if appropriate.

The regularity of these meetings will be determined by the classification of the groups as requiring a light, moderate or active approach.

- Light Contract Management Approach – 1 meeting every other year
- Moderate Contract Management Approach – 1-2 meetings every year
- Active Contract Management Approach – 2-3 meetings every year

Providers will be notified of the schedule for contract meetings for their groups of services within the contract management regime notification letter.

Validation Visits

The purpose of the validation visit is to ensure that the quality of the service delivery is improving in line with the QAF, as well as ensuring that services continue to meet strategic objectives and remain eligible for SP funding.

Providers will be given at least 20 working days notice of a validation visit, which will be carried out at 1 of the services within the group and will typically require 1 working day to complete. The aim of the visit is to validate the provider's self assessment against strategic relevance, including eligibility and the QAF. It will follow a similar format to the validation visit carried out as part of the former service review process, including

- Meeting with the manager
- Service user consultation
- Staff consultation
- Sight of evidence to validate the strategic relevance & quality assessment self assessments and the implementation of the service improvement plan
- Provision of initial feedback to the manager

Following a visit, the SP will review the evidence collected and write up the findings in a report. The report will typically contain the following:

- A statement as to the strategic relevance of the service
- A general assessment of the quality and effectiveness of services for service users
- Any VFM, eligibility or contract compliance issues
- A validated QAF score
- An action plan and timetable for implementation of recommendations

The report will be issued, within 20 working days, to the provider for feedback/comments and if necessary a further meeting will be held to discuss the findings in order to:

- Identify actions that the provider needs to take to address the issues raised in the report and action plan, including making amendments to their existing service improvement plan
- Address any inaccuracies contained within the report
- Explain the next stages of the contract management process in order to manage any risks identified during the visit

Following this meeting it may be necessary to update and amend the report and service improvement plan.

The regularity of validation visits will be determined by the classification of the groups as requiring a light, moderate or active approach.

Light Contract Management Approach – 1 visit every other year

Moderate Contract Management Approach – 1 visit every other year

Active Contract Management Approach – 1 visit every year

Providers will be notified of the schedule for validation visits for their groups of services within the contract management regime notification letter.

Performance Visits

On occasions a non routine visit may be required where a serious concern has been noted (e.g. as a result of a complaint). In such cases a spot check may be carried out without prior notice.

A brief report will be written highlighting the findings of the visit and will contain an action plan. This will be issued to providers within 20 working days of the visit and will focus on the issue which prompted the visit and the findings on the day. The report will be final, however the provider will have the opportunity within the report to submit feedback or any disputes on the findings (within 20 working days from receipt of the report and action plan).

If necessary a further meeting will be held to discuss the findings in order to:

- Identify actions that the provider needs to take to address the issues raised in the report and action plan, including making amendments to their existing service improvement plan
- Explain the next stages of the contract management process in order to manage any risks identified during the visit.

These visits will be carried out on an “as required” basis and are therefore not linked to the annual risk assessment. However, the outcome of any such visits will be fed into the annual review of the risk assessment for the group of services, if appropriate.

Managing the Relationship

A fundamental objective of the contract management process is to ensure that there is an open and constructive relationship between the provider and SP, aiming to identify and resolve problems or issues early.

The intention is to create a relationship based on co-operation and partnership set within the context of commercial reality. Each party will nominate a lead officer to formally manage the funding agreement at the appropriate business level on their behalf. Changes to the funding agreement, monitoring of service delivery and most issues that arise will occur and be dealt with at this level.

SP Lead Officer

For each of the 5 NIHE Areas there is a Lead Officer for SP (two in Belfast), who is responsible for the implementation of the contract management arrangements in their respective areas. Each Lead Officer will also have designated support staff to assist in the implementation of the contract management process.

The SP Lead Officer will

- Manage and oversee groups of funding agreements with providers in their area
- Fulfil SP's role and responsibilities in relation to the delivery of the funding agreement
- Monitor performance and funding agreement compliance
- Attend & chair contract management meetings
- Carry out validation visits
- Carry out performance visits where necessary
- Escalate problems within SP where necessary

Provider Nominated Lead Officer

Each provider will be asked to nominate a corresponding Lead officer for each of their groups of services who will act as the main representative/ liaison with SP. However, individual service managers will be able to attend the contract meetings and visits, for their specific services, at the discretion of the provider.

The Provider Lead Officer will

- Monitor contract performance and reports to SP
- Represent the providers interests
- Attend contract meetings
- Negotiate and take remedial actions where necessary
- Escalate problems within their organisation as necessary.

Standard Documentation

All of the documentation associated with the contract management process is available from the SP section of the NIHE's website, under Contract Management.

This includes:

- Contract Management Briefing Paper
- Strategic Relevance Assessment Form
- Quality Assessment Framework
- Quality Assessment Summary Sheet
- Sample Service Improvement Plan
- Sample Contract Meeting Agenda
- Sample Validation Visit Agenda

Providers will receive letters confirming the initiation of the contract management process for specific groups of services and requesting the submission of their annual returns for these groups. This is the start of the process.

The SP Administration Team will co-ordinate the issuing of requests for and receipt of annual returns and quarterly service updates. Any information requested by SP should preferably be emailed (supportingpeople@nihe.gov.uk) but can also be posted to:

SP Administration Team

Supporting People
3rd Floor
Housing Centre
2 Adelaide Street
Belfast
BT2 8PB

Useful Contacts

The Area Lead officers for SP will be responsible for the implementation of the new arrangements in their respective areas and will be the main contacts for any specific queries once the framework becomes operational in their area.

Team	Contact	Email	Telephone
Belfast Area	Liam O’Hanlon Lead Officer	liam.ohanlon@nihe.gov.uk	(028) 90318381
Belfast Area	Julie Alexander Lead Officer	julie.alexander@nihe.gov.uk	(028) 90318819
North East Area	Pamela Stevenson Lead Officer	pamela.stevenson@nihe.gov.uk	(028) 90318568
South Area	Eamon Mullan Lead Officer	eamon.mullan@nihe.gov.uk	(028) 90318749
South East Area	Donal Brereton Lead Officer	donal.brereton@nihe.gov.uk	(028) 90318801
West Area	Louise Clarke Lead Officer	louise.clarke@nihe.gov.uk	(028) 90318790