

STATEMENT TO OVERVIEW AND SCRUTINY COMMITTEE

Councillors, Good afternoon.

I am Keith Spencer, and am the CEO of UnitingCarePartnership.

I have been invited to make a short opening statement, and I am grateful to have that opportunity.

Before setting out the UnitingCare perspective, I would firstly like to make 3 observations:

1. **No-one wanted this contract to terminate.** UnitingCare, its partner trusts and the CCG have worked tirelessly over many months to find a resolution to the funding shortfall which ultimately caused the contract to be terminated. This was carried out with support from NHS England and Monitor.
2. **The UnitingCare service model, co-created with patients, carers, health and social care professionals enjoyed a high degree of support amongst clinicians and organisations in the local health and social care system** and it was beginning to have an impact for patients and the public. Emergency admissions to hospital for older people reduced by nearly 8% across C&P in November 2015 – our final month of operation.
3. In the light of this, **our priority and focus must be to ensure that the key elements of the UnitingCare service model and the significant advances in delivering integrated care that we have made are preserved for the benefit of the people that we serve.**

This leads me to the 3 questions you posed:

WHAT HAPPENED AND WHY?

- The CCG and UnitingCare signed a contract which recognised that the CCG had been unable to answer all UnitingCare's clarification questions during the procurement process particularly those relating to the costs of current services within the proposed contract. To illustrate this point, at the time of being awarded preferred bidder, there were 71 outstanding clarification questions from the procurement process. This had led to UnitingCare submitting a bid that was heavily caveated and based on many assumptions that would need resolution.
- Recognising that commencing the transformation of services was critical, the contract set out a mechanism and process for resolving these information shortfalls particularly in relation to 2015/16 contract value and costs and had clauses built in which gave protection to both sides including a rapid termination of the contract to prevent financial destabilisation to either party.
- With these protections, Trust Boards, the CCG and Monitor allowed the contract to be signed on the 11 November 2014 and the service to commence on 1 April 2015.
- Fundamentally the contract ended because as a result of following this agreed contractual validation and due diligence process, costs emerged (£9.3m) which the CCG said it could not fund and which therefore made the contract untenable.
- At UnitingCare's request, the CCG escalated the matter to NHS England at the end of November 2015 in order to explore whether financial support might be available to enable the contract to continue. It was confirmed by NHS England that no such funding was available.
- Given UnitingCare's status as an LLP and its legal obligation to remain solvent, the LLP Board therefore reluctantly took the decision to exercise its contractual rights and terminate the contract on the 2 December 2015.

WHAT NEXT?

Clearly UnitingCare's role has ceased and these matters are out of our hands, But I would just like to say this:

The Boards of CPFT and CUH entered this process nearly 3 years ago because they firmly believed that only by introducing radical changes, led by the NHS, would the local health economy under the CCG become viable for patients, staff and local Trusts. This remains true today. It's important therefore, that the many advances that we have made in delivering integrated care for patients in the last 8 months are preserved as far as possible and are used as the basis for building future services that are better for the people that we serve: