

PROVIDER GUIDANCE

This is the Provider Guidance referred to in the Contract Variation (as referred to below).

Background

During April 2020, the Secretary of State for Housing, Communities and Local Government announced additional funding for local authorities to help them to continue to deliver frontline services and support those who need it most, as well as meeting new pressures. A proportion of this funding was allocated to Gloucestershire County Council (the Council).

In determining how to administer this short-term funding, the Council gave consideration to the difficulties providers were facing locally and also the context of our current payment rates and inflationary uplift mechanism.

A decision paper went through the Council's governance process and was signed-off by the Cabinet Member for Adult Social Care Commissioning which enabled the Council to:

1. pay community and bed-based care providers with whom the Council contracts a 10% per month uplift on their usual contract rates during the period 1st April 2020 to 31st May 2020 (two months) in order to provide them with short term financial support for the purpose of meeting additional costs due to COVID-19 and securing market capacity; and
2. in consultation with the Cabinet Member and Section 151 officer, to extend the terms of relief on a monthly basis during the COVID 19 pandemic up to a maximum of 6 months. Any extension would only occur after a review that the funds are being spent as proposed and that this remains the most appropriate way of allocating funds.

This arrangement was to allow each provider to receive financial relief swiftly and to use the funding flexibly according to their individual business circumstances.

On both 21st and 29th April 2020, Margaret Willcox, Executive Director for Adult Social Care, wrote to adult social care providers explaining how Gloucestershire County Council would pay relief funding in response to the COVID-19 pandemic. The letters state that:

- The 10% payment will be calculated from a snapshot of current fees including the inflationary uplift for 2020/21 and the temporary relief funding would be paid to providers as a lump sum in April 2020 and May 2020 for those months.
- The funding is temporary relief specifically for additional short-term COVID-19 related staffing costs incurred after 1st April 2020.
- Providers may be expected to share open book accounts with the Council in order to ensure that the additional funding has been used to increase staff wages, boost the capacity of the service and other staff related expenditure such as PPE and recruitment costs.
- These temporary funding arrangements will be reviewed by the Council and NHS Gloucestershire Clinical Commissioning Group in May 2020 in order to ensure that the funding is being spent appropriately.
- Based on this review, a decision will be made as to whether to extend the relief payments after May 2020 and providers may be expected to supply evidence through an open book accounting process in order to continue to receive them.
- Any provider who wishes to be eligible for any further temporary relief funding approved by both organisations for the period after 31st May 2020 will have to have

signed and returned a Contract Variation in relation to their contract(s) with the Council.

- Please note that as at the date this guidance is issued, no decision has been made by NHS Gloucestershire Clinical Commissioning Group to extend the relief payments beyond May 2020 for either those care packages commissioned on its behalf by the Council or those which it commissions itself. A decision is expected to be made in the next week.

Contract Variation

The Contract Variation is the document which sets out the contractual terms of the temporary COVID-19 relief that the Council is providing. It sets out what the Council is proposing and what the requirements are of the provider and is based on the standard government contract variation issued by the Cabinet Office with PPN 02/20.

Some of the terminology used is therefore common across all contracts provided by the Cabinet Office to local authorities for this purpose, not just for health and social care related contracts. In particular, we would draw your attention to the following points in the Contract Variation:

- the definition of “Open Book Interim Data” is drafted widely so as to include all information and data that the Council may need as evidence to verify how any relief funding has been used but not all may necessarily be requested by the Council as part of this process; and
- Clause 6.4.2 contains a provision not requiring the Council to pay relief funding to providers if there is no volume commitment. In this instance, a volume commitment will be deemed to exist in respect of any care and support services that have been commissioned by the Council pursuant to an Individual Service Agreement/Contract (ISAs/ISCs) which sits beneath the Council’s overarching contracts or framework agreements.

As detailed above, the intention is for providers to continue to work with the Council to deliver services and this temporary relief funding should be spent solely on staffing-related expenditure. The Contract Variation is drafted to reflect this.

The Interim Payment Plan (set out in Schedule 1 to the Contract Variation) explains the formula that the Council is using for calculating the 10% payment and also contains the form of Provider Financial Return which will need to be completed on a monthly basis as detailed below.

Provider Financial Return

The Provider Financial Return needs to be completed on a monthly basis and returned to the Council no later than the 10th day of the relevant month in order to provide the information the Council will need to make a decision on whether the temporary relief funding should continue to be paid to the provider. The provider may be contacted by an officer from the Council with clarification questions on how the Provider Financial Return has been completed or what is recorded. In addition, GCC will be carrying out, on a sample basis, a review of provider’s management accounts for the period to ensure the Provider Financial Return reflects what is stated in the provider’s accounts.

The Council reserves the right to request open book accounting data from any provider to verify that monies have been spent appropriately and that the provider isn’t also claiming other government relief for the same expenditure. Should it be found that this temporary

relief funding has been spent inappropriately or the provider has claimed more than one type of government relief funding for the same expenditure, the Council reserves the right to recover any payments.

Any decision not to make any further relief payment due to inappropriate use of the funding will be communicated to a provider in writing.

Process (see attached flowchart for summary)

1. The Council will send the Contract Variation, Provider Financial Return and associated guidance to providers at the end of May.
2. Providers will need to complete, sign and return the Contract Variation by:
 - completing the top section on the first page of the Contract Variation by filling in their company name and company number;
 - ensuring that the Contract Variation is signed by someone with the authority to do so; and
 - returning the Contract Variation to the Council by scanning a signed copy by email to CBOP@gloucestershire.gov.uk.
3. Providers will need to complete the Provider Financial Return which will include:
 - details of the expenditure that the April and May relief payments have been used for (it is anticipated that there may be some forecasted spend for May instead of actuals);
 - any expenditure that doesn't fall into the staff-related categories can be included under "Other". If this category is used, the provider should indicate what the funding has been spent on;
 - an explanation of expenditure relevant to support the summary in each category. Please note that large amounts not explained will be queried;
 - the percentage of the additional relief funding that has been spent in each category;
 - the Provider Financial Return will need to be signed off by a director or senior financial officer in the organisation; and
 - The Provider Financial Return Form should be sent to CBOP@gloucestershire.gov.uk by no later than **5pm on 10th June 2020**.
4. Council staff will review the Provider Financial Returns and consider any additional information provided from colleagues in the Integrated Brokerage and relevant Operational teams, for example any other specific pressures an individual provider might be facing or any local supply issues in a specific area.
5. Council staff will assess in relation to each provider whether the relief funding is:
 - supporting the recruitment and retention of staff;
 - meeting additional COVID-19 related cost pressures; and
 - facilitating increased payments to staff as expected.
6. Where a signed Contract Variation has been received by the Council and there are no queries with the Provider Financial Return, a provider will receive a further 10% payment in June 2020.

7. Where no signed Contract Variation has been received by the Council, any further payment will be delayed.
8. If there are queries with the Provider Financial Return, Council staff will liaise with the provider to resolve these as quickly as possible to avoid payment delays.
9. If there are any concerns about any expenditure, the provider will be asked to supply open book accounts to provide further evidence.
10. A random sample of providers will be asked to provide open book accounts which will be scrutinised by the Council's Audit team to ensure that the Council is observing sufficient due diligence around these relief payments. These providers relief payments will not be delayed in these instances but any expenditure of concern will be challenged.
11. If the provider has not been contacted by the Council with regard to any queries with the Provider Financial Return or any concerns about any expenditure by the end of the 25th day in each month, the provider can assume that it will receive the next scheduled relief payment when due.

This temporary relief funding currently extends to 30th June 2020. Should it be extended beyond this date, the Council will write to inform providers.

A separate funding grant from central government will shortly be made available by the Council in relation to infection control in care homes. This will be managed under a separate process but we would encourage all care homes to complete the NHS bed tracker on a daily basis if your organisation wishes to be eligible for this grant.