

SURREY COUNTY COUNCIL**CABINET****DATE: 4 FEBRUARY 2014****REPORT OF: MRS MARY ANGELL, CABINET MEMBER FOR CHILDREN AND FAMILIES****LEAD OFFICER: MR NICK WILSON, STRATEGIC DIRECTOR OF CHILDREN, SCHOOLS AND FAMILIES****SUBJECT: CONTRACT AWARD – PROVISION OF EMOTIONAL WELLBEING & MENTAL HEALTH SERVICES FOR CHILDREN AND ADOLESCENTS IN SURREY****SUMMARY OF ISSUE:**

Surrey County Council (SCC) and Surrey Clinical Commissioning Groups (CCGs), have a statutory responsibility to provide and ensure the residents of Surrey have access to, and receive the safest needs based Emotional Wellbeing & Mental Health Services.

The Cabinet is asked to approve the award of one year contracts from 1 April 2014 to 31 March 2015, to four existing providers for the provision of Children and Adolescent Mental Health Services (CAMHS) & HOPE (Integrated service including Education, Social Care & Health, working with children and young people with complex mental health needs).

Due to the commercial sensitivity involved in the contracts award process, the financial details are included as confidential information (Part 2 Annex 1 attached as agenda item 19) for Members to review how the proposed new contracts will contribute towards the development and delivery of a holistic social care and value driven Emotional Wellbeing & Mental Health Service for Surrey residents.

RECOMMENDATIONS:

It is recommended that Cabinet agrees:

1. The Council awards contracts for a period of one year, from 1 April 2014 to 31 March 2015 for the continued safe provision of CAMHS & HOPE.
2. That these contracts be awarded to the four existing Providers:
 - a) Surrey & Borders Partnership (SaBP) NHS Foundation Trust
 - b) Virgin Care Limited
 - c) CSH Surrey (formerly Central Surrey Health)
 - d) First Community Health

REASON FOR RECOMMENDATIONS:

The existing contracts will end on 31 March 2014. The Council is the host partner for the pooled budget used to commission these services. The Council is therefore

responsible for ensuring services are delivered in line with best practice and commissioned in compliance with procurement requirements to secure best value for Surrey residents. Awarding one year contracts to the four existing providers will ensure the Council:

- Adheres to statutory requirements regarding the safeguarding of children by securing the provision of Emotional Wellbeing and Mental Health Services by contractually bound providers.
- Facilitates the implementation of changes in legislation and recommendations from authorised bodies whilst maintaining continuity of service and minimising risk to service delivery.
- Enables the joint re-commissioning of a co-designed, outcomes focused, streamlined service model that engages service users in order to deliver improved service quality and a service that is fit for purpose.
- Promotes internal collaboration and builds synergy with partners and providers which will yield efficiency savings and value added benefits.

DETAILS:

Background and options considered

1. The Council and Surrey CCGs have a joint statutory responsibility for the provision of Emotional Wellbeing and Mental Health Services for children and young people in Surrey. In 2008 the Council and Surrey CCGs (then Surrey Primary Care Trust), under a Section 75 agreement, commissioned both targeted and specialist mental health services in parallel to ensure that children and young people had a seamless pathway through the tiered mental services.
2. In September 2013, Members approved the re-negotiation of a new Section 75 Agreement between the Council and Surrey CCGs in order to build on existing achievements, maximise value for money gained through economies of scale from pooling budgets and establish a framework for joint commissioning and/or integrated service provision thus ensuring alignment with Surrey's One Children and Young Peoples Strategy 2012-2017 and the children's priorities of the Health and Wellbeing Board - "Aims and outcomes for improving children's health and wellbeing 2013-18".
3. The new Section 75 Agreement, effective from 1 April 2014, will cover a three year period with the option to extend for a further two years. The award of one year contracts to the four existing providers for CAMHS & HOPE will form part of the new joint commissioning agreement and is the best overall approach for the full term of the partnership agreement.
4. "Health & Social Care Act" (2012): In order not to destabilise the current mental health system, CCG commissioners have informed all incumbent providers a steady state will be maintained for specialist mental health services, with the view to extending contracts previously held with NHS Surrey until March 2015. Under the Section 75 agreement the CCGs contribute 46% of the pooled budget which is used to commission the CAMHS

& HOPE services. (Please refer to Part 2 Annex 1 attached as agenda item 19)

5. There is a need to clarify and define existing care pathways between the four providers and Adult Mental Health services and other services outside of the mental health care system such as substance misuse, services for young people, children services, education, voluntary sector and criminal justice services. Only through a partnership approach between SCC & CCG commissioners, local agencies, children and young people, families and carers, the third sector and communities, can change happen to provide a holistic care service encompassing wellbeing, which will deliver the national strategy outlined in "No Health without Mental Health" (2011).
6. SCC & CCG commissioners are currently engaging all stakeholders to collaboratively review, design and re-model an improved Emotional Wellbeing and Mental Health Service with the intention of tendering for the new service in 2014 and having it operational from 1 April 2015. The most recent Joint Service Needs Assessment (JSNA) completed in January 2014 will inform the re-design of the new service.

Procurement Strategy

7. The primary consideration in developing and implementing the procurement strategy was to ensure minimal disruption to the CAMHS & HOPE service in terms of access and delivery for children and young people in Surrey.
8. The following options were explored in terms of benefits and risks to the Council when completing the procurement exercise to outline the best route to market for the period from 1 April 2014 to 31 March 2015:
 - Award new contracts to the four existing providers for one year and initiate tender process in 2014 for an improved emotional wellbeing and mental health service operational from 1 April 2015.
 - Award a three month extension to existing providers and initiate the tender process.
 - Dissolve the Section 75 agreement with Surrey CCGs and initiate tender process immediately.
9. A joint project team was set up to include representatives from Procurement, Commissioning, Finance and Legal. After engaging in detailed options / needs / gap analysis it is recommended that Members approve the award of one year contracts to the four existing providers for the delivery of CAMHS & HOPE services as this option provides minimal short-term risk and demonstrates best value (quality and price).
10. This will be demonstrated and delivered through a contractually bound agreement securing commitment from providers to collaborate on the following which are aligned with the Social Value Act (2012):
 - Innovative prevention and demand management
 - Improving Community Well-being
 - Engaging with the VCS to identify synergies
 - Developing a strong and competitive local economy

11. Ultimately this recommendation was made to ensure that the most vulnerable residents in Surrey are protected as the lives of many children and young people depend on the stability of this service. Awarding new contracts to the four existing providers for a period of one year will contractually secure stability to this service, comply with statutory requirements and yield value added benefits for the Council and Surrey residents.

Key Implications

12. These contracts deliver critical services that protect the children and young people in Surrey and contribute to enhancing the health and wellbeing of all Surrey residents through Early Intervention initiatives and Parent & Family Support.
13. Alignment between the Council & Surrey CCGs will strengthen the partnership and enable the implementation of the Joint Emotional Wellbeing and Mental Health Strategy 2013 – 2016.
14. Commissioners have an opportunity to work collaboratively to remodel an emotional wellbeing and mental health service using a process that actively engages all stakeholders.
15. Improved quality resulting from a jointly designed framework for performance management and reporting which will be monitored through a series of agreed Key Performance Indicators (KPI's) detailed in the contracts and reviewed at monthly operational meetings.

CONSULTATION:

16. SCC & CCG Commissioners and colleagues from Procurement, Finance and Legal have been involved in the project.
17. Service users have informed the commissioning intentions of these services through representative groups, surveys and feedback.
18. Extensive engagement is taking place with the Voluntary and Community Sector to encourage participation in the intended re-commissioning of emotional wellbeing and mental health services for April 2015.

RISK MANAGEMENT AND IMPLICATIONS:

19. The contracts will include a termination provision which protects Surrey County Council in the case of an unsatisfactory performance of service and/or any significant changes in legislation or Council Policy which will impact on the existing services. These provisions allow the Council to amend the contract with three months notice or if termination is required, six months notice will be given to the provider.
20. The following key risks associated with the contracts and contracts award have been identified, along with mitigation activities:

Category	Risk Description	Mitigation Activity
Financial	a) An increase in demand for services could result in an increased cost for the Council to deliver these services.	<ul style="list-style-type: none"> The service specification will be informed by the January 2014 JSNA and reliable national data which captures numbers of people accessing services Monthly operational and quarterly contract review meetings will be held to monitor the performance of the service and the numbers of people accessing the service in order to predict and manage future demand.
Service	a) Potential risk that the current levels of service quality may decline and the service does not deliver National and/or Local Objectives.	<ul style="list-style-type: none"> Effective contract management and review meetings will mitigate the risk of a decline in service quality. Engagement with the voluntary, community and faith sector and service users and their families will inform the continuous improvement of this service. The contracts terms and conditions enable early termination from the contracts if providers fail to deliver a satisfactory service.

Financial and Value for Money Implications

21. Full details of the contract breakdown and financial implications are set out in Part 2 Annex 1 (attached for Members as agenda item 19).
22. The awarding of one year contracts to the four existing providers will work towards delivering efficiency savings, an improvement in quality, one fully funded apprenticeship for one year and a performance reporting framework that meets the requirements of both SCC and CCG commissioners.
23. The value of contracts to be awarded from 1 April 2014 to 31 March 2015 will be £2,659,000.

Section 151 Officer Commentary

24. The Section 151 Officer acknowledges that these contracts are requesting a one year extension to ensure continuity of service provision whilst a full review of these services is undertaken. The figures quoted in annex 1 are an accurate reflection of the current contract costs.

Legal Implications – Monitoring Officer

25. Legal Services confirms that the new contracts for the proposed one year period will support the Council's statutory responsibility to provide and ensure the Children and Adolescents of Surrey with mental and emotional problems have access to, and receive Emotional Wellbeing & Mental Health Services in accordance with the Procurement Strategy (paragraphs 7 – 11) and the Key Implications (paragraphs 12 – 15).

Equalities and Diversity

26. The use of the pooled budget to commission services will comply with the general duty imposed upon public authorities by the Equality Act 2010. Any case for change to services as identified through the relevant chapters of Surrey's JSNA will require consideration to be given to the potential impact of any proposals on the protected groups.
27. An Equalities Impact Assessment has been completed for the delivery of Targeted Child & Adolescent Mental Health Services 2014 – 2015. A copy is attached to this report as Annex 2 and a summary of key impacts is included below.

Key impacts (positive and/or negative) on people with protected characteristics	The proposal is for the four incumbent providers to continue to deliver the targeted CAMHS for a further 12 months and will not impact negatively on children, young people and their families currently receiving these services.
Changes you have made to the proposal as a result of the EIA	Changes to current specifications and key performance indicators. Update to terms and conditions of contract
Key mitigating actions planned to address any outstanding negative impacts	N/A
Potential negative impacts that cannot be mitigated	N/A

Other Implications:

28. Procurement & Commissioning have endeavoured to ensure the chosen strategy is aligned internally with:
- The Children's and Young People's Strategy 2012 – 2017
 - SCC Procurement Strategy 2012 – 2017
 - SCC Business Services Directorate Strategy 2013 - 2018
 - SCC Chief Executives Office Directorates Strategy 2013 – 2018
 - SCC Corporate Strategy 2013 – 2018

Corporate Parenting/Looked After Children implications

29. There are currently children and young people who are Looked After under Section 20 of the Children Act 1989 (as amended by the Children and Young Persons Act, 2008) who use CAMHS & HOPE services. Awarding contracts to the existing providers will continue to support positive outcomes for Looked After children in Surrey.

Safeguarding responsibilities for vulnerable children and adults implications

30. The terms and conditions of the contracts stipulate that the Providers will comply with all Children and Young People Safeguarding Multi - Agency procedures, legislative requirements, guidelines and good practices as recommended by the Council. This is monitored through contractual arrangements.

WHAT HAPPENS NEXT:

31. The timetable for implementation is as follows:

Action	Date
Cabinet decision to award (including 'call-in' period)	04/02/2014
Standstill Period	2 weeks
Contract Signature	March 2014
Contract Commencement Date	01/04/2014

Contact Officer:

Cindy Nadesan - Category Specialist, Procurement

Tel: 020 8213 2741

Karina Ajayi - Commissioner, Children's Social Care and Wellbeing Commissioning

Tel: 013 7283 3941

Consulted:

Ian Banner – Head of Children's Services Commissioning

Angela Sargeant - CAMHS Service Development Manager

Laura Langstaff - Head of Procurement

Paul Davies – Category Manager, Children and Young People

Paula Chowdhury - Strategic Finance Manager for Children, Schools and Families

Louise Simpson - Senior Principal Accountant (Projects)

Carmel McLoughlin – Principal Solicitor, Contracts and Procurement Team

Diane McCormack - Head of Children with Complex Mental Health Needs including CAMHS

Sarah Parker - Associate Director for Children's Commissioning (Surrey)

Annexes:

Part 2 Annex 1 – Commercial Details and Contract Award

Annex 2 – Equalities Impact Assessment

Sources/background papers:

<http://www.surrey-camhs.org.uk/en/content/cms/professionals/annual-report-2012/>

http://www.surreycc.gov.uk/data/assets/pdf_file/0006/680190/Comm-Plans-presentation-HWB-for-publishing.pdf

<http://www.jcpmh.info/wp-content/uploads/10keymsgs-camhs.pdf>

This page is intentionally left blank