

SURREY COUNTY COUNCIL**CABINET****DATE: 24 NOVEMBER 2015****REPORT OF: MRS HELYN CLACK, CABINET MEMBER FOR WELLBEING AND HEALTH****MRS LINDA KEMENY, CABINET MEMBER FOR SCHOOLS, SKILLS AND EDUCATIONAL ACHIEVEMENT****LEAD****OFFICER:****JULIE FISHER, DEPUTY CHIEF EXECUTIVE****HELEN ATKINSON, DIRECTOR OF PUBLIC HEALTH****SUBJECT: THE PROCUREMENT PROCESS FOR COMMUNITY HEALTH SERVICES****SUMMARY OF ISSUE:**

The integration of health and social care is a key strategy for Surrey County Council and its partners to improve outcomes for residents and enhance the sustainability of the whole system. Public Health is part of this system and commission a range of services for adults and children that are key to delivering better health and wellbeing outcomes.

This report outlines the commissioning and procurement process for Community Health Services that is taking place across Surrey. Final contract award is anticipated to take place in August 2016 and will include services that are commissioned by the Council – including School Nursing and Health Visiting. This will assist with the integration of health and social care.

There are a number of recommendations that Cabinet is asked to approve to progress with the procurement of these services.

RECOMMENDATIONS:

It is recommended that the Cabinet:

1. Approves a procurement process with the NHS for Health Visiting, School Nursing, Parent Infant Mental Health and CAHMS Community Nurses and include these within the Associate Commissioner arrangement between Surrey County Council and the six Clinical Commissioning Groups in Surrey, as set out in paragraphs 9 and 10. The process will be led by North West Surrey Clinical Commissioning Group with the Council as a key partner.
2. Grant approval to council officers to negotiate contract extensions with East Surrey CCG and First Community Health and Care for the provision of Health Visiting and School Nursing services.
3. Approves the award of new contracts with each of the Community Health

Service providers for the provision of CAMHS Community Nursing and Parent Infant Mental Health Services, from 1 April 2015 to 31 March 2017.

4. To agree delegation of decision making authority to the Strategic Director in consultation with the Cabinet Member for Wellbeing and Health and the Head of Procurement to sit on the Committee in Common, to be involved in the determination of the procurement and tendering process and to award the contracts for the above services.

REASON FOR RECOMMENDATIONS:

Commissioning and procuring NHS and public health services jointly will help to provide a seamless service for users and carers and reflects the synergies that exist between the services commissioned by the Clinical Commissioning Groups and the Council. Whilst North West Surrey Clinical Commissioning Group will lead the process the Council is a key partner due to the services included in the procurement.

Delegating decision making authority to the Strategic Director in consultation with the Cabinet Member for Wellbeing and Health and Head of Procurement, as part of a Committee in Common will allow for decisions on the procurement of Community Health Services in Surrey, to be made collectively with Clinical Commissioning Groups in line with the procurement time frames. All key decisions in the procurement process will follow the County Council's due process, and where required will be reported back or brought to the Cabinet for decision.

Aligning the timeframes for the commissioning and procurement of these services will address the issue of current contract expiry for the CAMHS Community Nurse Services and Parent Infant Mental Health Services delivered by the three Community Health Providers. It will also reduce the need to go out to market on multiple occasions.

DETAILS:

Community Health Procurement Process

1. The transfer of Public Health into local authorities and the establishment of Clinical Commissioning Groups (CCGs) in April 2013 meant that some historical commissioning and contracting arrangements between the now dissolved Primary Care Trust and local Community Health providers transferred to the successor bodies.
2. In Surrey these arrangements resulted in the Council becoming 'Associate Commissioners' to the overall Community Health service contracts held by the CCGs for Public Health services such as School Nursing, Sexual Health and recently Health Visiting.
3. By the 31 March 2017 two of the three Community Health Provider contracts (Virgin Care Services Limited and First Community Health and Care) will have reached their end point with the third (Central Surrey Health) expiring on 31 March 2018. It is therefore necessary to start the procurement process for future provision of Community Health Services.

4. The Community Services Procurement Programme Board has been established to oversee the process and is made up of two members at executive level from the Council and each of the 6 Clinical Commissioning Groups in Surrey. The Community Services Procurement Board has oversight and provides governance to the overall procurement process. It will defer to the proposed Committee in Common for three key approvals that will be required as part of the procurement process (these are detailed in paragraph 11 of this paper).

Services to be included within the procurement

5. A full list of services currently being considered as part of the procurement process is provided in Annex A. It includes services for both children and adults.
6. We have considered which of the services the Council currently commission as Associate Commissioners with the CCGs, should remain in this procurement process. These are set out in the table below and also include two services (CAMHS community nursing and Parent Infant Mental Health Service) not currently part of the Associate Commissioner arrangement.
7. These services are earmarked for the Community Health Service procurement in order to ensure alignment between Council commissioned services and those services commissioned by the CCGs.

Services commissioned by SCC provided by the Community Health Services.	
Services to remain within the jointly led procurement process	Services SCC will independently procure
Health Visiting School Nursing Family Nurse Partnership CAMHS community school nurses Parent Infant Mental Health Services.	All Sexual Health Services Needle Exchange and Community Pharmacy for Supervised Consumption

8. The Council has recently agreed the procurement process for a new 0-25 years Speech and Language Therapy service as well as Specialist School Nursing. These will continue separately to the wider Community Health Services procurement, outlined in this paper.

Associate Commissioning Arrangements

9. Options for the future commissioning and contracting arrangements for these services are:
- I. To remain as Associate Commissioners to wider CCG NHS Health Contracts and procure services jointly with the CCGs.
 - II. To become lead commissioners for the relevant services and procure these independently of the CCGs.
 - III. To procure jointly with other Local Authorities.
10. The table below provides a full appraisal of the possible routes to market. Option 1 is the preferred option because it promotes integration between Health and Social care and supports both local and national strategic direction.

Option	Advantages	Disadvantages
<p>OPTION 1: Joint procurement with the NHS as an Associate Commissioner to the NHS Community Contract.</p>	<p>Facilitates a seamless service for users and carers and reflects the synergies that exist between the services commissioned by the CCGs and the Council</p> <p>Supports the Council's Strategic Goals of 'Wellbeing' and 'Resident Experience'</p> <p>Creates economies of scale and increases the purchasing power of the commissioning organisations</p> <p>Efficient use of resources (mainly people) across the sector</p>	<p>Throughout the procurement agreement will be by consensus and may be difficult for the Council to influence the direction of the procurement.</p> <p>The Council will have to delegate decision making authority in order for the procurement to be fully effective</p>
<p>OPTION 2: SCC procure services directly</p>	<p>The Council are in control and able to make decisions without reference to other commissioners</p>	<p>Procuring directly would still require close working with NHS colleagues to ensure care pathways have appropriate hand over points – this would be harder to achieve outside of a joint procurement</p> <p>It would be harder for the Council to influence the NHS service specifications</p> <p>Is not in keeping with the national and local strategic direction with regard to the integration of Health and Social Care</p>
<p>OPTION 3: SCC jointly procure with another LA</p>	<p>This option has not been explored to date as it is felt that integration/joint procurement in this context should focus on the NHS rather than other Local Authorities</p>	
<p>OPTION 4: Do nothing</p>	<p>There are no advantages to this approach. All of the contracts are expiring and re-procurement is required in order to secure future service delivery (some service elements are mandated)</p>	<p>The Council would be at risk of challenge if services continue to be delivered without formal contracts being put in place.</p>

Decision making process

11. Three key approvals and decisions will be required as part of the procurement process which will require sign off by the organisations involved in the procurement of the Community Health Services (the CCGs and the Council).

- I. Confirmation and approval of the scope of the procurement and process to be undertaken (January 2016). (This would normally be a Procurement Review Group decision at the Council).
 - II. Confirmation and approval of the Invitation To Tender documentation (March 2016). (This would normally be a lead Procurement Officer decision at the Council).
 - III. Approval of contract award (August 2016). (This would normally be a Cabinet decision).
12. The preferred approach for these approvals to be made is to establish a Committee in Common that will allow for procurement timeframes to be met whilst each organisation involved in the Community Health Services procurement retains its own decision making authority. It is suggested that the Strategic Director, Cabinet Member for Wellbeing and Health and Head of Procurement are the representatives from the Council on the Committee in Common. All key decisions in the procurement process will follow the County Council's due process, and where required will be reported back or brought to the Cabinet for decision.
 13. A Committee in Common will include voting members from each of the 6 CCG Governing Bodies who, just as for representatives from the Council, would be given delegated powers of authority. Since each representative would have fully delegated powers from their organisation, each organisation would retain its own decision- making and accountability and therefore effectively have a veto in the Committee in Common.

Aligning contracts with the three Community Health Providers

14. There are different contract end dates for each of the three Community Health service providers. The Council commission services provided by the Community Health providers either as Associates to these contracts, with the CCGs, or directly. There are two steps that will need to take place to enable timeframes for services within these contracts to be aligned.
15. The contract with First Community Health and Care, for the provision of School Nursing and Health Visiting, expires on the 30/09/2016. We request approval to negotiate a contract extension of 6 months (until March 2017) for these services to align with those of the wider Community Health services procurement.
16. It is also necessary to ask for an award of new, back dated, contracts for two years with the option of further extension for one year with the three Community Health providers in Surrey, for the provision of CAMHS Community Nurses and Parent Infant Mental Health Services. The contracts came to an end on 31 March 2015 with no further scope to extend them.
17. These services will be included in the future procurement of Community Health Services due to their alignment with the health visiting and school nursing services. However this will not start until 1 April 2017 and therefore there is the need to agree new contracts for CAMHS Community Nurses and Parent Infant Mental Health Services to cover the backdated period from 1 April 2015 through to 31 March 2017.

18. These two steps will allow for one procurement process to take place and enable these services to maintain pathways with interdependent services that are part of the wider Community Health Services procurement.

CONSULTATION:

19. Engagement activities with the public and providers regarding the procurement exercise that have already been undertaken are set out in the table below. The information arising from these engagements is being shared with commissioners involved in the development of the services that are part of the procurement. Commissioners will build in, where appropriate, mechanisms that will address and improve issues raised as part of the engagement activities.

<i>Communications Activity</i>
Provider/Market warm up event 1 early October 2015
CCG website content and notification to all Practices, Patient Groups and current providers Website information: http://www.nwsurreyccg.nhs.uk/Get-involved/community-services-surrey/Pages/default.aspx (content provided by NWS CCG for editing as appropriate by SCC and each CCG)
Establish virtual comprehensive and relevant patient reference group to target Survey Monkey specific questions (collective activity managed by NWS CCG but distributed by SCC and each CCG)
GP engagement via Locality Meetings in October and November (independent activity per CCG; content provided by NWS CCG)
Service User Event 1 – end October (independent activity per CCG; invitation and content provided by NWS CCG, jointly Chaired by NWSCCG and SCC)
Service User Event 2 – mid-end November (independent activity per CCG; invitation and content provided by NWS CCG jointly Chaired by NWSCCG and SCC)
Provider Event 2 – Early November (collective activity managed by NWS CCG jointly Chaired by NWSCCG and SCC)
Provider Event 3 – End of November Focusing on Children's Services. (collective activity managed by NWS CCG jointly Chaired by GWCCG and SCC)
HOSC and Health & Wellbeing Board Meetings
Newsletter content
Twitter

RISK MANAGEMENT AND IMPLICATIONS:
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Category	Risk Description	Mitigation Activity
Financial	Cost of service does not deliver quality outcomes expected.	<p>The price of the contracts is capped and the Community Health Providers will be expected to manage demand and quality, performance and waiting time targets within the ceiling of the annual contract price.</p> <p>Any under spend at end of year against the contract value will be reimbursed proportionally to SCC and CCGs.</p>
	Potential risk that during the life of the contract the community health providers will request an inflationary increase against the annual service delivery cost.	<p>There will be no year on year adjustment for growth as this will have been stated in the contracts.</p> <p>The price of the contracts will be capped and therefore the provider will be expected to manage demand, quality, performance and waiting time targets within the ceiling of the annual contract price.</p> <p>Any under spend at end of year against the contract value will be reimbursed proportionally to SCC and CCGs.</p>
	The financial envelope may be subject to change due to differences in service delivery or required savings.	The financial envelope provided is the maximum available.
Reputational	Stakeholders may not have confidence in the selected Community Health Services to deliver against the service specifications.	Surrey County Council will work with Family Voice, CAMHS Rights and Participation Team and CCG public and patient groups.

Service Delivery	Quality of service delivered does not meet objectives and needs.	<p>Strong contract management and joint contract review meetings will be established and will call the Providers to account.</p> <p>They will be required to produce remedial action plans within agreed timescales as per the remedial clauses with the standard NHS terms of contract</p> <p>In addition should under performance continue the standard NHS contracts include termination for breach of contract and non-performance.</p>
Procurement Process	Challenge that the new contracts are not appropriate	Working with the CCGs, Council officers will make sure that the procurement process is compliant and carried out in a timely manner with appropriate service specifications and performance monitoring.

Financial and Value for Money Implications

20. The total annual value of the Community Services procurement is approximately £91 million. The Council's budget for services included in the procurement is currently £14.7m, equivalent to £103m over a possible 7 years contract term. The actual funding will be confirmed when the contracts are awarded.
21. Any administrative cost of the procurement process will need to be met within the £14.7m annual budget.
22. The finance for the contract variation for First Community Health and Care to continue to provide Health Visiting and School Nursing services until 31 March 2017 is £1,307,500.
23. The total cost of the new contract awards for the CAMHS community nursing and PIMH service is £858,000. This relates to the total possible time period of two years with the option of further extension for one year.
 - a. Both of these services are funded from the CAMHS Pooled Budget, which is managed by the Council. The services will be commissioned as part of the Community Health services procurement rather than the full CAMHS procurement due to how these two services align with Health Visiting and School Nursing.
24. Services are funded from ongoing revenue budget and ring-fenced grant. As such there are no new financial implications as this will be an extension of services at current budgeted levels.

Section 151 Officer Commentary

25. The Section 151 Officer confirms that all relevant financial implications have been considered. This proposal represents the best option to commission an integrated service that offers value for money and will make a significant contribution in delivering the Council's strategic objective to improve the health of Surrey's residents.

Legal Implications – Monitoring Officer

26. The Council has a duty to secure best value and to comply with relevant statutory provision in the way in which it procures services. The Health and Social Care Act 2012 requires greater integration and co-ordination between health and social care organisations in carrying out its functions. The procurement process outlined in this report supports these objectives.

Equalities and Diversity

27. On advice from the Council's EIA leads an EIA is not required at this point in the procurement process as there are currently no proposed service changes.

Corporate Parenting/Looked After Children implications

28. The Community Health Services Procurement will include the CCG commissioning of Looked After Children Health Team. This will ensure continued alignment with other services and uniform offer across Surrey.

Safeguarding responsibilities for vulnerable children and adults implications

29. Health Visitors and School Nurses have a direct role in providing a safeguarding function. This will be maintained as part of the Community Health Services procurement and will support the developing Multi Agency Safeguarding Hub. The CCG commissioned Safeguarding Children team will also be part of the Community Services Procurement.

Public Health implications

30. The services commissioned by Surrey County Council included within the Community Health Services contracts improve the following Public Health Outcomes:
- Improving life expectancy and healthy life expectancy;
 - Reducing infant mortality;
 - Reducing low birth weight of term babies;
 - Reducing smoking at delivery;
 - Improving breastfeeding initiation;
 - Increasing breastfeeding prevalence at 6-8 weeks;
 - Improving child development at 2-2.5 years;
 - Reducing the number of children in poverty;
 - Improving school readiness;
 - Reducing under 18 conceptions;
 - Reducing excess weight in 4-5 and 10-11 year olds;
 - Reducing hospital admissions caused by unintentional and deliberate injuries in children and young people aged 0-14;

- Improving population vaccination coverage;

WHAT HAPPENS NEXT:

31. The broad timeframes for the Community Health Services commissioning and procurement are:

September-November 2015	Engagement with primary care practices, services users and the public, potential bidders and other stakeholders
September-November 2015	Development of service specifications
December 2015	Review of draft Pre Qualifying Questionnaire, Invitation To Tender, specifications and contract
January 2016	Release of the Pre Qualifying Questionnaire
April 2016	Release of Invitation To Tender
August 2016	Contract award
from September 2016	Mobilisation and transition of services.

32. The outcome of the recommendations made within this paper will be fed-back to the Community Health Services Procurement Board in early December. Should approval be given regarding the Council being a member of the Committee in Common this will first meet in January 2016.
33. The Community Health Service providers will be notified of the new contract awards for the CAMHS Community Nurses and Parent Infant Mental Health Service soon after the November Cabinet meeting. Regular reports will come to Cabinet via the monthly finance reporting from Public Health and Children, Schools and Families.

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Annexes:

Annex A: List of services currently being considered within the Community Health Services Procurement process.

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