

SURREY COUNTY COUNCIL**CABINET****DATE: 23 FEBRUARY 2016**

**REPORT OF: MRS LINDA KEMENY, CABINET MEMBER FOR SCHOOLS,
SKILLS AND EDUCATIONAL ACHIEVEMENT,
MRS HELYN CLACK, CABINET MEMBER FOR WELLBEING
AND HEALTH
MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS
SERVICES AND RESIDENT EXPERIENCE**

**LEAD OFFICER: JULIE FISHER, DIRECTOR OF CHILDREN, SCHOOLS AND
FAMILIES**

**SUBJECT: PROCUREMENT OF CHILDREN AND YOUNG PEOPLE'S
OCCUPATIONAL THERAPY SERVICE**

SUMMARY OF ISSUE:

The joint commissioning of special educational needs and disabilities (SEND) services is a key strategy for Surrey County Council and its partners to improve outcomes for children, young people and families in Surrey.

The contracts for the current occupational therapy service for children and young people end in March 2017. Cabinet are asked to approve that from April 2017 the service is jointly commissioned with the six Surrey Clinical Commissioning Groups and therefore forms part of the Community Health Services procurement process

The recommendations should be considered alongside recommendations 1 and 4 agreed at Cabinet on 24 November 2015 for Item 12: 'The Procurement Process for Community Health Services' (see Annex 1).

RECOMMENDATIONS:

It is recommended that the Cabinet:

1. Approves that the Occupational Therapy service to support education, learning and training for children and young people in Surrey is jointly commissioned by Surrey County Council and Surrey's six Clinical Commissioning Groups from April 2017.
2. Approves that the procurement of the Council funded Occupational Therapy service forms part of the Community Health Services procurement process that was agreed at the November 2015 Cabinet meeting for Health Visiting and School Nursing, Parent Infant Mental Health and CAMHS Community Nurses.
3. Notes that in light of the addition of Occupational Therapy to the Community Health Services procurement process, that the delegation of decision-making is extended to the Director of Children, Schools and Families.
4. Notes that the Strategic Director for Adult Social Care and Public Health, the Cabinet Member for Wellbeing and Health and the Head of Procurement will

represent this service area at the Committee in Common (this enables all organisations involved in the procurement process to make joint decisions).

REASON FOR RECOMMENDATIONS:

A review by the College of Occupational Therapists (2015) recommended joint commissioning of this service.

A single provider for all children's community health services will facilitate easier access for users and provide benefits around information sharing and reducing on-costs (e.g. management and premises) and clear co-ordination of health care provision.

The occupational therapy workforce is small and can have difficulties in recruitment and retention that would be exacerbated by separate procurements.

The planning of the community health services procurement has already started; with governance and funding frameworks that are unlikely to pose any additional costs to Surrey County Council.

A single tender process would benefit both commissioners and potential providers.

Integrated community health service provision will facilitate better and seamless multi-health professional work; particularly for differential diagnostics, assessments of complex needs and intervention for children with disabilities.

DETAILS:

Current Situation

1. Occupational Therapy (OT) services for children and young people experiencing difficulties with everyday activities are commissioned by several different organisations, which prevents seamless service delivery. These organisations are Surrey's NHS Clinical Commissioning Groups (CCGs), Surrey County Council and some individual schools.
2. The CCGs are responsible for commissioning OT assessments, OT in Early Years and for school-aged children and young people who do not have an OT care package specified on their Education, Health and Care Plans (EHCP). Surrey County Council is responsible for commissioning OT for children and young people who have a specified OT care package on their Statement/EHCP. Increasingly, Surrey County Council has had to commission local private occupational therapists (at a higher cost) due to there being insufficient capacity within the current contracts.
3. Expenditure by Surrey County Council on children's OT, in response to tribunals, school and parental demand for OT via EHCP/Statements, is increasing significantly year on year. Surrey County Council has seen an increase in spend of £0.8 million over the last 5 years. In 2009/10 the spend was £0.22 million, and in 2014/15 it had risen to £1.1 million.
4. There are long waiting times for children referred to the CCG commissioned service; with waits of up to 2 years reported in some areas.

Background: Learning from Service Review

5. In Sept 2014 a review of OT services across Surrey was jointly commissioned by Surrey County Council and CCGs. The review was carried out by the College of Occupational Therapists (COT). The proposal to jointly commission and procure services is based on this review. Recommendations made in the review included:

Integration of services

- To integrate the health and education specifications and budgets both for Virgin Care Services Ltd and CSH Surrey, to increase equity, efficiencies and economies of scale and to enable delivery of the new service model.

Value for Money

- To develop a contract, in line with the occupation focussed and tiered model of service delivery for all children and young people's occupational therapy services in Surrey.

Service Model

- To develop outcome based key performance indicators for inclusion in the integrated specification and contract. Key performance indicators should be designed to support the new model rather than measure face-to-face activity alone.
- Agreement of OT provision across the county is recommended. This should include: a single point of access, standardised eligibility criteria and service provision, to ensure that occupational therapy needs of children and young people and their families are met in a timely and effective way.

Service Principles

6. Building upon work carried out around the Speech and Language Therapy Service, the same shared commissioning principles that were co-developed with provider and service user representation will be applied to the OT service:
 - The right support at the right time: All children and young people in Surrey access the right support at the right time to meet their needs
 - An open and transparent service: The Local Offer informs families of what help, information and services are available and how to access them
 - Seeing the bigger picture: Families and professionals work together to help and support a child to achieve their long term outcomes
 - Therapy for children and young people is everyone's business: Families and professionals are equipped with the right skills and resources to help children and young people achieve their long term outcomes
 - An outcome focused approach: Therapy provision is focused on helping children and young people achieve realistic outcomes that will help them to fulfil their life-time aspirations.

Legislation

7. The Children and Families Act 2014 and more specifically the Special Educational Needs (SEN) Code of Practice has provided new guidance and clarity regarding expectations about commissioning arrangements for children with special educational needs and disabilities. Local Authorities and Clinical Commissioning Groups must make joint commissioning arrangements for education, health and care provision for children and young people with SEN or disabilities (Section 26 of the Act).
8. Section 9.76 of the Code of Practice states that “In cases where health care provision or social care provision is to be treated as special educational provision, ultimate responsibility for ensuring that the provision is made rests with the local authority”.
9. The funding of occupational therapy for children and young people is the joint responsibility of health, education and social care (GB Parliament 2014). The SEND Code of Practice (DfE) includes guidance on the ‘joint planning and commissioning of services to ensure close co-operation between education, health and social care’ (DfE 2014 page 13). This emphasises the need for integrated service planning and commissioning
10. The Local Offer, which all Local Authorities are obliged to produce, will need to articulate service provision regarding occupational therapy. Given that OT is increasingly the only service to be commissioned by all three agencies (health, education and social care) there is a need to clearly define the criteria and boundaries of services and commission in a way that is in line with the guidance and legislation.

CONSULTATION:

11. **Rapid Improvement Event held in July 2013** - This was jointly sponsored by the Council and Guildford and Waverley CCG. Participants comprised families, schools areas teams, health providers and commissioners. Concerns captured from the event included: disagreement over funding and therapists; therapists don’t always see the child in a classroom setting; children without statements not getting support; have to fight for provision; things have to go wrong before anything is done and there is poor follow-up on the impact of the therapy.
12. The rapid improvement event identified a number of solutions that were quickly implemented and resolved some of the issues raised by families, schools and other professionals. More importantly it emphasised the negative impact that the current commissioning arrangements were having on service delivery and that until these were resolved no significant change in the service could take place. Following this event contracts with providers were extended in order to align the timeframes for procurement with Health contracts. In addition to this, the Council and Surrey CCGs together with families, schools and professionals have worked together to agree what these arrangements should look like in the future.
13. A therapy forum set up in February 2014 with representation from families, schools and early years. Therapy forum members agreed the five key principles for joint commissioning, as set out in paragraph 6.

14. The COT completed a review of the service in January 2015. The reviewer carried out five days of stakeholder interviews, which included interviews with staff, managers, colleagues, staff from partner agencies and parents. Detailed feedback is contained within Annex 1, the Equality and Impact Assessment and included:
- It is confusing and frustrating for schools and parents to have such disparity from the different services within the county.
 - Parents were not clear about outcomes of assessment and intervention demonstrates a lack of communication and clarity about the occupational therapy contribution.
 - There is a lack of equity in provision across health providers as a whole.

RISK MANAGEMENT AND IMPLICATIONS:

15. The risks identified in the November 2015 Cabinet paper 'The Procurement Process for Community Health Services' can also be applied to this paper.
16. The new contracting arrangements will need to recognise that transition to the new service will need to happen over an agreed period of time and the provider will need to demonstrate how this will be achieved working in partnership with families and schools.
17. In addition, there is a risk around the transition to the redesigned service model, in line with the recommendations of the COT service review based on national best practice models. This will mean a significant change for OT professionals and therefore the new contracting arrangements will need to be closely managed to ensure this takes place effectively. Robust contracting and monitoring arrangements will need to be jointly agreed and undertaken by Surrey CCGs and Surrey County Council.
18. Funding for the service will need to be determined before the release of the invitation to tender to ensure that the service specifications reflect the appropriate funding level.
19. The service specification and contract will also need to ensure that providers meet Surrey County Council's statutory responsibility for ensuring that OT specified in EHC plans is provided and if necessary defended in tribunals within the fixed financial envelope.
20. These risks are better mitigated through having a jointly commissioned and procured service.

Financial and Value for Money Implications

21. The total annual value of the Community Services procurement is approximately £92 million. The Council's budget for OT Services (education only) is currently £1.1m per annum, equivalent to £3.3m + 2.2m in a 3 + 2 year contract term. The CCGs are still reviewing the level of funding for children's occupational therapy within contracts that are currently block based and include adult community health services. It is expected that savings will be realised through the joint contract, so actual funding required should be less but will be confirmed when contracts are awarded.
22. The service is funded from the high needs block of the dedicated schools grant (DSG), a budget already under significant pressure.

23. A key element of the new contracting arrangements will be for the successful bidder to meet the therapy needs of all Surrey's children and young people who have occupational therapy specified in their EHC plan within the fixed contract value.
24. Over time, Surrey County Council has become increasingly reliant on expensive independent occupational therapists to meet demand. The new contract will require the successful bidder to meet additional demand and therefore reduce the Council's reliance on the use of independent therapists.
25. The successful bidder will be required to work to a new service specification for occupational therapy which will be an evidenced-based and outcomes focused model delivered by an appropriate skills-mix of staff.
26. All children's health services will be delivered by a single provider which will reduce on-costs (for example, management and premises) and also gives benefits around information sharing.
27. Integrating the EHC plan will alleviate the issues that currently arise from having separate contracting arrangements for the assessment of need and provision.
28. New contract arrangements will enable a new service model to be introduced based on the recommendations from the COT review and will also mean jointly agreed key performance indicators and monitoring arrangements between Education and Health.

Section 151 Officer Commentary

29. The spend on occupational therapies has increased significantly over the past few years and the objective of the joint contracting arrangements is to better manage costs going forward. The current funding is just over £1m and any savings realised following contract award will be included in the Medium Term Financial Plan.

Legal Implications – Monitoring Officer

30. Under Part 3 of the Children & Families Act 2014 the Authority has a duty to identify and assess the special educational needs of the children and young people for whom it is responsible. Once assessed the special educational provision that is specified in an EHC plan (previously known as a statement of special educational needs) must be provided by the Council. Such provision often includes therapies, one of which is the occupational therapy referred to in this report.
31. 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 procurement process outlined in this report supports these objectives.

Equalities and Diversity

An Equality and Impact Assessment has been completed (see Annex 1)

Summary of key impacts and actions

Information and engagement underpinning equalities analysis	<p>Occupational therapy provision is valued within Surrey for its contribution to health, education and social care and for the impact on children's participation in everyday activities. There is however, significant variation and subsequent dissatisfaction amongst parents and schools at the levels of service available and the waiting times experienced; colleagues and partner agencies echoed these concerns.</p>
Key impacts (positive and/or negative) on people with protected characteristics	<ol style="list-style-type: none"> 1. The new service specification will include statutory provision which may be detailed in Education, Health and Care plans for 19-25 year olds, which has not been included previously. 2. Children and young people with disabilities will access the same service regardless of where they live or go to school in Surrey A single commissioned service will achieve better value for money for the service, redirecting funding to service delivery and reducing spend on on-costs. A county-wide service will achieve a greater skills-mix within the service and more efficient use of staffing, therefore improving the service for children and young people with a disability. 3. Following recommendations from the College of Occupational Therapists, the new service specification will require providers to make recommendations in line with evidence-based practice. Following recommendations from the College of Occupational Therapists, the new service specification will require providers to make recommendations in line with evidence-based practice.
Changes you have made to the proposal as a result of the EIA	<p>None</p>
Key mitigating actions planned to address any outstanding negative impacts	<p>Local Offer information updated on website. On-going communication and engagement with families, early years, schools, post-16 settings and health professionals Transition plan in place to support changes in service Additional resources and support in place for families</p>
Potential negative impacts that cannot be mitigated	<p>Not applicable</p>

Corporate Parenting/Looked After Children implications

32. 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

33. The occupational therapist is defined as a Level 3 professional within the 'Safeguarding children and young people: roles and competencies for healthcare staff'. This means that the occupational therapist could potentially contribute to assessing, planning, intervening and evaluating the needs of a child or young person and parenting capacity where there are safeguarding/child protection concerns¹.

Public Health implications

34. Including the education commissioned OT service in the Community Health Service procurement (which includes the Public Health services detailed in Item 12 of the November 2015 Cabinet report) will support a multi-professional, team around the family and child approach.

WHAT HAPPENS NEXT:

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

September – November 2015 - completed	Engagement with primary care practices, service users and the public, potential bidders and other stakeholders
January – March 2016	Development of service specifications, review of draft Pre-Qualifying Questionnaire, Invitation to Tender, specifications and contract
March 2016	Release of the Pre Qualifying Questionnaire
May/June 2016	Release of Invitation to Tender
August/September	Review of Bid
October 2016	Contract Award
From September/October 2016	Mobilisation and transition of services to new provider

Contact Officer:

Zarah Lowe, Provision and Partnership Development Manager.
Mobile: 07896 860760

Consulted:

Linda Kemeny, Cabinet Member for Wellbeing and Health
Helyn Clack, Cabinet Member for Wellbeing and Health
Ruth Hutchinson, Deputy Director Public Health
Harriet Derriet-Smith, Public Health Principal

¹ Published by the Royal College of Paediatrics and Child Health 2014, March 2014

Julie Stockdale, Head of School Commissioning
Deirdre Linehan, Principle Accountant
SEN Leadership Team
Children's Therapy Forum
Schools, Families and professionals through the College of Occupational Therapists
Review
Clinical Commissioning Groups
Health and Wellbeing Children's Group
Current service providers
Committee in Common

Annexes:

Annex 1 November Cabinet, Item 12 'The Procurement Process for Community Health Services'
Annex 2 – Equality Impact Assessment

Sources/background papers:

- College of Occupational Therapists Review
 - Joint Commissioning Strategy for Speech and Language Therapy
 - Public Health Cabinet paper (Item 12, November 2015)
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