

Wellbeing and Health Scrutiny Board
14 September 2016

Adult Health Community Services Procurement Update

Purpose of the report: Consultation on Substantial Development

NHS Guildford and Waverley Clinical Commissioning Group (GWCCG) have undertaken a procurement process for adult health community services; Virgin Care Services Ltd (VCSL) has been announced as the preferred bidder. This report details the procurement process to date and the next steps with regards to mobilisation.

Introduction

1. GWCCG commissions a community health care contract with VCSL which expires on 31 March 2017. This contract involves a joint commissioning arrangement across the Surrey CCGs, and is led by North West Surrey CCG.
2. In December 2015, the GWCCG Governing Body agreed to carry out its own procurement of adult community health services. From January 2016, Guildford and Waverley CCG worked to procure a new adult community health service with the aim to secure a new contract from 1 April 2017.
3. Following a comprehensive and robust evaluation process, in July 2016, GWCCG's Governing Body selected VCSL as the preferred bidder, with other organisations cited as partners in delivery.
4. GWCCG will be working with VCSL and its alliance partners in the coming months to ensure that community health services are effectively mobilised in time for the new contract to commence on 1 April 2017.

Background of community health services in Guildford and Waverley

5. Historically, community services have been provided by a large number of fragmented and separate teams across the primary, acute, community and social sectors. It is GWCCG's ambition to move away from this paradigm by instead creating integrated community health and care services that are capable of delivering a flexible service response based on clinical need.
6. There are a wide range of community services involved in this procurement, including community nursing, adult rehabilitation, diabetes services and podiatry.

7. GWCCG has a clear vision for the development of a comprehensive and fully integrated model of health and social care provision to our local population. Central to this vision is the development of integrated community services, working under the leadership of primary care with the following principles:
 - a. 'No wrong door' - single point of access for health and social care services
 - b. Improve access to integrated proactive community health and social care services
 - c. Support to patients with complex needs to remain in their normal place of residence
8. The new model of care will now evolve and focus on the creation of an organised, coordinated and effective 'out of hospital' provider environment.

Scope of the Procurement

9. Seventeen current service specifications were reviewed as part of this procurement.
10. Three thematic integrated service specifications have also been developed to outline how the seventeen existing services will integrate and coordinate to meet the care needs of patients in the community. This includes:
 - a. Proactive Care (including Community, Specialist Nursing, Community Respiratory Service, Community Diabetes Service and Podiatry Service)
 - b. Intermediate Care (including Rapid Response Service, Community In-reach Teams, Community Rehabilitation Service, Geriatricians and Acute Care at Home (IV Therapy))
 - c. Place Based Care (including Community Hospitals, Haslemere Minor Injuries Unit, Diagnostic and Treatment Centre, Lymphoedema Service and X-Ray Services)
11. These service specifications were developed with a range of input from both internal and external professionals; including feedback from local GPs.
12. These service specifications include specific performance indicators as well as quality metrics that enable GWCCG to support the effective delivery of services to patients. In each service specification, there is a table of key performance indicators which focus on the following areas: patient experience, improving productivity, access, interventions, personalised care planning and outcomes. The performance indicators are displayed with accompanying denominators, threshold and method of measurement.

Procurement Process

13. The procurement process was supported by procurement experts from NHS Shared Business Services to ensure that GWCCG meets its obligations both under the NHS Regulations and the 2006 Procurement Regulations.
14. It was agreed that a one stage process would be the most beneficial to GWCCG as it provides bidders with more time to concentrate on developing their proposals including sub-contractor models and agreements with partners as well as allows the successful bidder more time in which to mobilise the contract.

15. The timetable below details presents the activity of the procurement that that took place:

| Activity | Date |
|---|-------------------------------|
| Invite issued on Contracts Finder for prospective bidders to attend pre-market engagement event | 08 January 2016 |
| Pre-market engagement event | 22 January 2016 |
| Issue advert & bid documentation | 29 March 2016 |
| Bidder Briefing event | 13 April 2016 |
| Deadline for the receipt of clarification questions from Bidders | 24 May 2016 |
| Submission deadline | 03 June 2016 |
| Bid evaluation by nominated evaluators | 6 June – 1 July 2016 |
| Moderation Meetings | 27 June, 7 July & 8 July 2016 |
| Bidder Interviews/Presentations | 15 July 2016 |
| Notification of Contract Award and beginning of standstill period | 27 July 2016 |
| Standstill period ends | 10 August 2016 |
| Final deadline for contract signature | 24 December 2016 |
| Mobilisation | 1 September – April 2016 |
| Service commencement | 01 April 2017 |

Procurement Governance

16. A monthly Procurement Programme Board was established in January 2016, with a Governing Body lay member as chair. The role of this Board was to oversee the implementation of CCG commissioning decisions where this involves procurement and to ensure compliance with competition policy and guidance and the law and adherence to and review of the CCG Procurement Policy.

Bid Evaluation Process and Result

17. Bid submissions required bidders to complete an Invitation to Tender Questionnaire and conduct a presentation on their respective bids, according to the criteria outlined by GWCCG.

18. Fifteen individuals were identified to evaluate the submissions based on their specialist knowledge and experience. This included a patient representative, information governance expert and independent GP input (external to GWCCG).

19. GWCCG's Governing Body approved the recommendation from evaluators to select Virgin Care Ltd. and its alliance partners as the preferred bidder.

20. The response from the bidder demonstrated a thorough understanding of the GWCCG's requirements, in particular in delivering services as well as providing a detailed explanation of how they would transform the service during Years 1 and 2 of the contract. This gave the

GWCCG confidence in the bidder's ability to deliver the current services, as well as working towards more integrated models of delivery that will be formalised from Year 3.

Contract model

21. GWCCG are working towards a two stage contracting model over 10 years:
- Years 1 and 2 of the contract will be managed via an alliance contract with all parties working to shape the future delivery model of integrated out of hospital services.
 - From Year 3 onwards, there will be a transfer to a lead provider model contract, and will be offered to take the life of the contract for a period of up to 10 years.
22. This model requires the preferred bidder to work with GWCCG, primary care and partners to achieve clear and defined outcomes informed by patient and referrer experience within the first two years. If successful the contract can then be awarded for up to a further eight years.
23. The contract value is £176,000,000 over a period of 10 years. The overall payment mechanism for the contract will be based on the principles of a block agreement, however due to the transformational nature of the agreement elements may be subject to agreement of local tariffs.

Public Engagement

24. GWCCG jointly undertook a series of public engagement events to understand what local people wanted from their adult health community services. The two events undertaken were: an event at Masonic Hall in Godalming on 10th November 2016 and an event at G Live in Guildford on 25th November 2016. Feedback was taken on a range of issues and this was used to inform the procurement process, including the development of the service specifications.
25. GWCCG held a pre-market engagement event on 22nd January 2016 to gauge market interest. A total of 26 organisations attended and registered as interested providers.
26. A number of representatives from the voluntary sector attended the pre-market engagement, including representatives from Age UK Surrey, Alzheimer's Society, and the Red Cross.

Conclusions

27. GWCCG has successfully procured a new contract for adult community health services in Guildford and Waverley, with a start date of 1 April 2017. There was, and continues to be a clear governance structure in place to monitor the developments of the contract and to support mobilisation.
28. Next steps in the mobilisation of the contract include local people and clinicians becoming involved in the planning and priority setting for the next two years.

Public Health Impacts

29. GWCCG undertook an Equality Analysis to understand the impact on majority/minority groups of the proposed changes to adult health community services.

30. This Equality Analysis concluded that the proposed changes would no negative impact on any majority/minority group.

Recommendations:

31. The Wellbeing and Health Scrutiny Board is asked to note that GWCCG has selected Virgin Care Ltd. and its alliance partners as the preferred bidder, and will be proceeding to contract negotiations in September 2016.

Next steps:

32. The commissioners will continue to provide the Wellbeing and Health Scrutiny Board with an update about the mobilisation of community health services and transformational proposals in Guildford and Waverley in January 2017.

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Sources/background papers: G&W Equality Analysis, NHS (Procurement, Patient Choice and Competition (No.2) Regulations 2013 (the “2013 Regulations”), EU Treaty Principles (i.e. transparency, proportionality, non-discrimination and equal treatment.

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