

REPORT TO THE HEALTH OVERVIEW AND SCRUTINY PANEL

DATE OF MEETING: 23 July 2015

SUBJECT OF REPORT: Community Services Re-Procurement Update

OFFICER/MEMBER PRESENTING: Jeanette George, Chief Operating Officer
North Somerset CCG

RECOMMENDATION

The Health Overview and Scrutiny Panel is asked to:

Receive this report on the progress of the re-procurement of Community Health services in North Somerset.

1. SUMMARY OF REPORT

The procurement of Community Health Services in North Somerset has completed its Pre-Qualification stage and the first, second and third Invitation to Negotiate (ITN) stages.

Two bidders have qualified and have been taken to the next stage of the process:

- North Somerset Community Partnership
- Somerset Foundation Trust

The resource burden on Evaluators has been variable and quite considerable for key stakeholders. Those key stakeholders have included several members of the Programme Board as well as members of HealthWatch North Somerset.

2. POLICY

Under section 14Z2 of the Health and Social Care Act 2012, North Somerset CCG has a statutory duty to involve patients, carers and the public in the development of commissioning plans to change and develop local health services - this includes adults, children, young people, parents and carers.

The right of patients to be involved in the planning and development of health services is also set out in the NHS Constitution -

<https://www.gov.uk/government/publications/the-nhs-constitution-for-england>

Throughout this procurement project, we have worked closely and alongside our People and Communities Board, which is North Somerset Council's Health and Wellbeing Board; the North Somerset Health Overview Scrutiny Panel and with Healthwatch North Somerset, the independent local consumer champion for Health and Social Care.

3. DETAILS

Previous reports presented to the Health Overview & Scrutiny Panel in September 2014 and January 2015 have described the stages and progress of the procurement. This report describes the third negotiation stage and includes the completed consultation report. The third invitation to negotiate stage included the following:

● Formal Consultation

North Somerset CCG planned and delivered a range of consultation techniques to make the process of listening to information and providing feedback both attractive and easily accessible to local people.

A stakeholder analysis, using equality based 'protected characteristics' as a further aid, was undertaken to identify all key stakeholders at the pre-procurement engagement phase. This learning and experience meant that we could then ensure that most effort and resource was directed towards the patients, users and carers receiving community health and social care services to consult with them and listen to their views.

We took great care to arrange to listen to people in places that were convenient for them and at times of the day that people could meet with us. This included events outside of office hours so that working age people could attend.

The feedback from all the events was gathered and grouped into the themes below; the themes which emerged were:

- Integration and patient experience
- Quality of services
- Access to services and equipment
- Innovation
- Outcome-based commissioning and the procurement process
- Financial sustainability

This public consultation was planned and developed to provide the best opportunities for access for our local population that we could undertake within the overall constraints of the project, such as time and resources available.

We used our existing communication channels and networks to help us to secure the broadest and deepest reach into our local communities to inform them of what's happening. However, we are aware that not all people will have heard or seen our communications and that some people may not have been able to provide feedback into our process because of this. We have, therefore, undertaken some specific activities to address this such as the Focus Group in the For All Healthy Living Centre.

The Equality Impact Assessment at the pre-procurement stage identified opportunities for involving certain groups, and as a result of this analysis, a one-off focus group session was held at the For All Healthy Living Centre; the centre is situated in an area of North Somerset with a high deprivation index, and is a community centre with regular attendance from the immediately local population. The focus group was held in this location to ensure we were able to hear from a group who are seldom heard from.

To try to ensure that the community voice influencing the procurement is as strong as possible we have involved HealthWatch North Somerset from the very beginning of the project. We will continue to work closely with them until the chosen provider is delivering on the new contract. This will continue to help to ensure that the patient, carer, service user and public voice is 'ever present' during the procurement process and will continue to help us as commissioners to understand what matters most to our local people.

The Consultation Report is available on the CCG website and included as Appendix 1 to this report.

- **Inclusion of a third stage to understand the models identified by each of the providers.**

The Invitation To Negotiate (ITN) stage 3 was not marked but Evaluators were given the opportunity to review the model and understand how the potential provider model would deliver services to the population of North Somerset. The evaluator's comments were fed into a further negotiation meeting with both providers.

- **Inclusion of a multi-stakeholder event hosted by the CCG for all providers across the North Somerset system.**

Previous submissions had identified that there is significant complexity in North Somerset and there is an ongoing acquisition process for Weston Hospital. With this in mind, the CCG wanted to offer support on those procurements and acquisitions, but also to allow providers within North Somerset to work together to provide services. This meeting was to enable key partners working across the system to build valuable partnerships.

Our Transformation and Five Year Plan identified a number of priorities which will be the focus of joint working. It sets out the intention of the partners to establish governance arrangements to support and oversee this partnership working and to enable it to develop and mature as the new health and social care landscape takes shape.

We wanted to encourage the system to develop on a number of levels, including:

- Strategic – encouraging organisations to align overall goals and support each other's strategic objectives;
- Operation - dealing coherently and effectively with a range of operational matters, particularly those relating to the quality of services provided for patients; and

- Cultural –promoting common values, based on those in the NHS Constitution, and constructive behaviours.

This meeting of providers (which 16 organisations across our system attended) reflected on the importance of the local system, working together to forge strong partnerships to deliver improved outcomes for patients. We gave partners permission to develop services jointly and learn together, whilst also enabling opportunities for personal development of services.

● **Third Negotiation meeting**

A key point of difference between ITN3 and previous stages was to make this stage more of a dialogue. To this end, the Commissioners decided to introduce a number of pre-submission meetings in to the stage. These discussions gave the providers opportunity to discuss their emerging bids with us prior to formal submission, and to help shape it into North Somerset's needs.

By including this further process there was a general consensus that the models of care had significantly improved and that evaluators were now able to understand the models proposed by each of the providers. Positive and negative feedback was offered at the negotiation meeting in order that the providers had the opportunity to fully develop their bids before the final call for tender stage.

Evaluators noted that the bids contained pockets of innovation, but hadn't grasped that North Somerset requires transformational change to remain sustainable. Proper innovation at a fundamental level within the service model is what is required for North Somerset. The stakeholder meeting clearly articulated the need for transformational change.

ITN 3 clearly requested further detail on timelines around transformational change. Both providers were able to demonstrate their understanding. Further work will still need to be progressed through the final call for tender on the pace of that change. Whilst including realistic timelines.

Each of the evaluators reviewed the whole model as well as evaluating their own sections.

The procurement is being conducted in an environment that also contains the Weston Hospital acquisition process and the BNSSG Children's CHS procurement. Although both of these other programmes were in existence at the commencement of the CHS procurement and a paper taken to the governing body, there is a renewed concern that the three processes need to align, and that this is not being evidenced within bids (as far as bidders are realistically able to). Each of the Directors managing individual procurement processes has been forwarded all the information and details of the Community Procurement stages within North Somerset.

All paperwork has been checked and reviewed to ensure consistency and alignment. The project team provided bidders with contact details for a number of important stakeholders at ITN2 stage (Local Authority, Avon & Wiltshire Partnership Trust etc.), and although bidders spoke about integrated working with these organisations in

their bids, responses lacked specificity or evidence. At ITN 3 stage the providers were requested to provide evidence and confirmation that they were working in an integrated way with other providers and give details of the relationship in the bid. This will be further tested in the final call for tender where we have requested Letters of Intent from key partners referenced in submissions.

Patient scenarios provided evidence how this would be put into practice.

Following the outcomes of the consultation process, the outcomes of the negotiation meetings and the responses to ITN 3. The Procurement Board made the decision that the bids were significantly developed and the call for final tender document was issued on the 6th June with both providers successfully submitting bids on the 6th July 2015.

4. CONSULTATION

A principal aim of the formal consultation process was to check with the people of North Somerset that we had captured their main points about what matters most to them about community health and care services

This had the additional benefit of assurance to the commissioners that the feedback from the pre-procurement public engagement exercise had been accurately reflected in the development of what we all require from the bidders.

The feedback from the formal consultation also allows for adjustment of the requirements, before the call for final tenders, which is the final stage of the selection process.

5. FINANCIAL IMPLICATIONS

Total commissioner budget per annum for current services is £24.8m, of which the CCG budget is £22.2m.

6. RISK MANAGEMENT

A formal risk assessment has been undertaken of the overall project and risks are reviewed monthly at the Project Board. To-date, no risks have been identified that need to be transferred to the CCG's Corporate Risk Register as they are being well managed and appropriate mitigations being put in place.

7. EQUALITY IMPLICATIONS

The project will procure a provider of Community Health Services for the population of North Somerset. An assessment of the procurement project has assessed the equality impact of conducting the procurement exercise.

Our completed EIA, available on the CCG website, has noted for each of the protected characteristics, the intended benefit for people, communities and

employees is to eliminate discrimination, harassment, and victimisation, to advance equality of opportunity and to foster good relations.

However, as the exercise will result in the delivery of services, a decision has been made to assess the equality impact of the resulting service model, and how the commissioners will fulfil their Public Sector Equality Duty, once the procurement process is completed.

8. OPTIONS CONSIDERED

N/A

AUTHOR:

Julie Kell, Head of Joint Commissioning
North Somerset Clinical Commissioning Group

BACKGROUND PAPERS

Appendix 1 – Consultation report