

KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Dan Watkins, Cabinet Member for Adult Social Care and Public Health

DECISION NUMBER:

24/00036

For publication *[Do not include information which is exempt from publication under schedule 12a of the Local Government Act 1972]*

Key decision: YES

Subject Matter / Title of Decision - KCHFT (Kent Community Health NHS Foundation Trust) partnership contract extension

Decision:

As Cabinet Member for Adult Social Care and Public Health I propose to:

- (a) **EXTEND** the Kent Community Health NHS Foundation Trust (KCHFT) partnership for twelve months, from 1st April 2025 to 31st March 2026, to support the Public Health Service Transformation programme; and
- (b) **DELEGATE** authority to the Director of Public Health to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision to extend.

Reason(s) for decision:

The partnership contract with KCHFT is due to expire on 31st March 2025. A notice period of 6 months is required for contractual continuation / termination.

There are two partnership agreements that are Public Health funded, one partnership with Kent Community Health NHS Foundation Trust (KCHFT) and one with MTW (Maidstone and Tunbridge Wells NHS Trust).

The recommendation is to extend both partnerships for twelve months, from 1st April 2025 until 31st March 2026.

Public Health are undertaking a comprehensive review of Public Health funded services as part of a transformation programme. The programme of work is complex and many of the contracts expire at the same time. This is because they form part of a partnership with Kent Community Health Foundation Trust (KCHFT).

The proposal is to extend the KCHFT partnership so that the transformation work can continue, in a way that does not de-stabilise, service delivery, workforce and minimises the impact to staff, residents and providers. It also allows time for interdependencies and joint commissioning to be fully considered.

A partnership extension would help to:

- Minimise risk of destabilising the workforce; these are specialist roles and as the end of the contract approaches staff may choose to move organisation. The change of service model and/or supplier needs to be carefully managed.
- Maximise interdependencies – this is a complex programme with many interdependencies and sufficient time is needed to explore and consider these in full. For example, HIV commissioning which is currently part of this service but funded by NHSE (NHS England) and due to transfer to the ICB (NHS Kent and Medway Integrated Care Board).
- Allow time to balance resources of Public Health and Integrated Commissioning staff in KCC across a number of recommissioning programmes.
- Develop comprehensive business cases for alternative and financially costed service models.
- Develop understanding and application of new procurement legislation by taking a staged approach across the transformation.
- Build further insights (both service user insights and insights with underserved communities who do not currently access services, but may benefit from accessing services)
- Build engagement with existing providers and other providers in the market and help to shape commissioning models.

New Provider Selection Regime (PSR) regulations came into force in January 2024 changes the way these healthcare services are procured and managed going forward.

The partnership extension would help ensure service stability, whilst fully exploring alternative service delivery options and putting new contracts in place.

During the transformation work, some services would not use the full twelve-month extension. New, staggered contract start dates would be put in place for services. Some services (substance misuse) are likely to start new contracts in January 2025, because there is little change in delivery and greater clarity on model. Other services may start new contracts later in the year, because they want to align with external commissioning opportunities or because there are opportunities to deliver the services differently by competitive procurement or insourcing.

All parties will remain committed to delivering efficiencies and financial savings in the extension year in line with current terms to ensure best value. KCC will closely monitor expenditure alongside performance.

The proposed twelve-month partnership extension would include contract break clauses.

Any substantive service change or updates required prior to the next partnership agreement decision would be managed via fresh decisions.

Cabinet Committee recommendations and other consultation:

The proposed decision will be discussed at the Health Reform and Public Health Cabinet Committee on 14 May 2024 and the outcome included in the paperwork which the Cabinet Member will be asked to sign.

Any alternatives considered and rejected:

The alternative options, considered but disregarded include: -

- 1) Option 1 - Re-procuring services and putting in place new contracts for 1st April 2025. This option has been dis-regarded because there would be little time and officer capacity to ensure services offer the best value and will not allow time to explore alternative service delivery models. With the extension, the service and the workforce

will, as a result, not be de-stabilised and service quality will not be compromised.

- 2) Option 2 – Contracting outside of the partnership This option is not considered suitable in the short-term as the partnership offers Kent, high quality, stable services within a financial envelop that offers value for money, operating within a partnership. The risk of discontinuing these services in the partnership, at this time, could have an adverse impact on the provider, their workforces and quality.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

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signed

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date