

## **Adult Community Services Review & Procurement**

### ***Briefing note to the HOSC – June 2015***

#### **Introduction**

In late 2014 outline business cases were taken to the Governing Bodies of the Dartford, Gravesham & Swanley and Swale Clinical Commissioning Groups' (CCG's) to seek approval to undertake a review of the current adult community services with a view to taking the services out to tender. These services are currently provided by Kent Community Health NHS Foundation Trust (KCHFT) and Medway Community Healthcare (MCH). The Governing Bodies approved this course of action and a project was initiated to oversee the process.

At previous presentations to the HOSC on this subject, the CCGs' welcomed the opportunity to discuss their plans and to receive comments. We committed to return to the HOSC in March 2015 with a further update on progress. The CCG's plans about how to proceed altered however and a brief update paper was provided in March and permission sought to return to the HOSC slightly later in June when a fuller picture could be presented. As such this update details the change to the CCG's plans including the reduced scale of the proposed plans in advance of attending the June meeting to discuss in more detail.

As a brief reminder the service contained within the current plans for re-procurement are expected to be:

- Community Hospitals
- Community Liaison
- Community Nursing (including matrons)
- Community continence service
- Intermediate Care service
- Community physiotherapy service
- Community podiatry
- Speech and language therapy
- Community specialist nursing

#### **Background**

The challenge for health and social care nationally is predominantly 2-fold:

- Resources, both financial and human are finite and require further efficiency gains
- The number and complexity of morbidities within, particularly, the elderly population are increasing year on year. This is however, true for all age groups with long term conditions.

How to respond to these challenges is central to the 5 Year Commissioning Strategy and the 2 Year Operational Plan for both CCG's. These plans give, respectively, detail on a commissioning strategy designed to tackle these issues alongside the expected demographic changes predominated by an ever increasing elderly population and the implications of the new Ebbsfleet development.

It is widely acknowledged that in order to respond to the increasing needs in the community there needs to be closer and greater integration between all health & social care providers. Models of care need to reflect a joint response with all parties need to work together around the service users and centred on promoting health, independence and safety, thus reducing dependence on hospitals

and long term care. Core to the success of the delivery of the plans are Adult Community Health Services. .

The CCG's are minded to test the market for a provider of Adult Community Services as the contract with the incumbent provider comes to an end in April 2016. The reasons for this are as follows:

- to market test to ensure that Commissioners understand the market and achieve best value
- to evaluate capacity and demand
- to continually review and improve the quality of care to achieve best practice
- to explore possible alternative models via a dialogue with bidders (noting that this may require public consultation)

### **The process to date**

Essentially the plans no longer include a revision to the service delivery or models of care at this stage but seek only to test the market and let a new contract. Initially the CCG's planned to undertake a full review of the adult community services with a view to developing new models of care designed to respond to the changes outlined above. Given the timescale dictated by the contract term however, it became clear that the better way to proceed would be to let the contract 'as is', since we feel that this offers the best option for a provider or providers of service to work together to provide more integrated provision in the future.

The intention therefore, is to let the contract according to the same service specifications as exists currently, that is no significant change and no new or re-configured services will be secured through the procurement process. Whilst the CCGs recognise the need to develop improved pathways and services and to ensure sustainability both financially and in quality terms going forward, this will not be undertaken in advance of the new contract being let. This is a change of contract not in the way that services are provided. It also provides an opportunity to design quality and productivity improvements into the new contract with penalties and incentives associated with performance and delivery.

The CCGs are following a competitive dialogue process, working with potential providers to understand their proposals and solutions to the local health issues and to establish the credentials of the prospective providers to deliver high quality, financially sustainable services but also to work with us to develop innovative approaches to how integrated care can be delivered in ways consistent with meeting the long term health and social care needs of the communities.

As such a new approach was agreed by the Procurement Project Board at its meeting in February 2015 to commence procurement straight away for a new contract to provide the same model of care and services as we currently procure from KCHFT and MCH. It was agreed that we would proceed at reasonable speed with a view to getting a new contract in place by March 2016 with the contract term being 7-10 years to encourage a long term, developmental partnership. The evaluation criteria for the new provider will be heavily weighted around innovation, flexibility, and creativity in service development and delivery.

The current value of services within the tender is in the order of £26m per annum.

Further detail in terms of chronology is provided below:

<b>Process</b>	<b>Date</b>
Proposal presented to the Governing Bodies of the respective CCG's	October 2014
Project Board established and key project support identified and secured	November 2014
Prior Information Notice issued	January 2015

Project Board agreed changed approach in order to expedite new contract award within required timescale of current contract expiry	February 2015
First Market Engagement event	February 2015
Advert & PQQ/MOI published	8 <sup>th</sup> May 2015
Second Market Engagement event	19 <sup>th</sup> May 2015
Submission of clarification questions	27 <sup>th</sup> May 2015
PQQ submission deadline	5 <sup>th</sup> June 2015
Competitive dialogue phase	Summer/Winter 2015
Award of contract	December 2015
Planned new contract commencement	1 <sup>st</sup> April 2016

### **Recommendation**

That the proposal does not constitute significant change and that the CCG's will return with regular updates as the procurement process proceeds.