

**NHS Dartford Gravesham and Swanley and NHS Swale CCGs**  
**Adult Community Services Procurement**

***HOSC Briefing – January 2016***

**Introduction**

1. On 13 January 2016 NHS Dartford, Gravesham & Swanley (DGS) and NHS Swale Clinical Commissioning Group's (CCG's) confirmed the award of the contract for adult community services to Virgin Care Services Limited (Virgin Care).
2. The decision was made following a year-long procurement process which saw Virgin Care assessed as the best provider following thorough evaluation involving local clinicians, patients, commissioners and other subject matter experts. Virgin Care has a strong track record of running NHS community healthcare services over the last ten years, free at the point of need, to many people across the country. The CCGs are confident that Virgin Care will be able to provide the services and meet the needs of local people both now and in the future.
3. DGS and Swale are now working with Virgin Care and the current providers, Kent Community Health NHS Foundation Trust and Medway Community Healthcare, to ensure a seamless service transfer by early April 2016.
4. As previously discussed with the HOSC in March and June 2015, the procurement has been undertaken on 'an-is' basis: patients will continue to receive the same range of adult community services as is currently available. This is a seven year contract with the potential to extend a further three years. From the outset, the CCGs specified that the successful organisation would need to be responsive to any future changes in local health requirements over the period of the contract. However, any change in future service provision would need to follow formal due process as appropriate, including public consultation where required (in discussion with HOSC).
5. All staff currently employed by the existing providers who provide the applicable adult community services will be able to transfer to Virgin Care from April 2016, carrying with them their continuous services and the same terms and conditions of employment.
6. A copy of the briefing that was circulated to key stakeholders on 13 January and Frequently Asked Questions is attached to this paper for information.

**Background**

7. The challenge for health and social care both nationally and locally is predominantly:

- Long-standing health inequalities across the population
  - A year on year increasing number and complexity of morbidities, particularly within the elderly population. This is however, true for all age groups with long term conditions
  - Resources, both financial and human are finite and require further efficiency gains
8. How to respond to these challenges is central to the CCG's five year commissioning strategies and operational plans. These strategies are designed to tackle the above issues alongside the expected demographic changes linked to the planned and significant housing growth in both CCG areas.
  9. It is widely acknowledged that in order to respond to the increasing requirements in the community there needs to be greater flexibility, improved responsiveness and closer integration between all health & social care providers. Models of care need to reflect a joint response with all parties needing 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 successful delivery of the CCG plans are adult community health services.
  10. As a result the CCG agreed to 'test the market' for a suitable provider of adult community services, given the view that the quality and flexibility of the existing service provision needed to be improved and that there were a range of providers who should be given the opportunity to bid for the contract. This would provide the CCG's with the opportunity to ensure that the best provider was engaged to support delivery of the strategic and operational plans.

### **The process**

11. The CCGs undertook a 'competitive dialogue' procurement process, working with potential providers to understand their delivery proposals over a number of dialogue stages. In particular, the CCGs were keen to understand how the bidders would deliver high quality, flexible and financially sustainable services, and be able to develop innovative solutions to deliver integrated care to meet the long term needs of the local communities.
12. The procurement was advertised and conducted in line with EU, UK Government and NHS requirements. The process was also raised and discussed at CCG public Governing Body meetings, Health and Well Being Board meetings and with the HOSC. Local events were also held to ensure current and potential stakeholders were aware of the process.

13. Seven bids were originally received. Five of these organisations went through to the final stages. One organisation subsequently withdrew. Four high-quality final bids were received and thoroughly evaluated by the CCG. The contract was awarded based on a combination of quality and cost effectiveness. The four organisations leading each bid were:

- Dartford and Gravesham NHS Trust
- Kent Community Health NHS Foundation Trust
- South Essex Partnership University NHS Foundation Trust
- Virgin Healthcare Services Limited

14. During each stage of the procurement process, provider submissions were thoroughly reviewed by commissioners, clinicians, patient representatives and subject matter experts through a detailed evaluation process. These evaluations were then 'moderated' and 'super-moderated' by other independent individuals to ensure consistent assessment and scoring. The procurement process was supported throughout by NHS Commercial Solutions and, in the latter stages, by the CCGs legal representatives.

15. Finally, the procurement process was considered and approved by the two CCG Governing Bodies in December 2015. All four bidders were advised of the outcome of the process on 22<sup>nd</sup> December 2015, and following a period of formal 'standstill' (where any of the four providers were able to query the outcome), the outcome of the procurement was announced on 13<sup>th</sup> January 2016.

## **Conclusion**

16. The HOSC are asked to note the outcome of the DGS and Swale adult community services procurement.

**January 2016**

## STAKEHOLDER BRIEFING

  
**Dartford Gravesham and Swanley  
Clinical Commissioning Group**

  
**Swale Clinical Commissioning Group**

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13 January 2016

### **Adult Community Services Procurement in North Kent**

Dear Colleagues/Partners

You will already be aware that the above procurement to provide the majority of community services for adults in the north Kent CCG areas of Dartford, Gravesham and Swanley and Swale has been undertaken over the last twelve months. Following a rigorous process involving clinical and patient representatives, the north Kent CCGs will today announce the award of the contract to the preferred bidder, Virgin Care Services Limited (Virgin Care).

Whilst the announcement is being made today, this is subject to final due diligence and contract signature which is expected to be completed shortly.

We are confident that Virgin Care will be able to meet the diverse health needs of the people we serve, not just now, but in the future.

A change of provider will **not** mean a change in the services that patients currently access: the procurement has been carried out on an 'as-is' basis. The evaluation panel looked at a wide range of criteria that will contribute to the sustainable delivery of community based services that will meet the rapidly changing health needs of people in north Kent and most importantly reduce existing health inequalities in the area.

The decision comes after a year-long procurement process, which saw Virgin Care assessed as the best provider following thorough evaluation involving local clinicians, patients, commissioners and other subject matter experts. Virgin Care has a strong track record of running NHS community health services over the last ten years, free at the point of need, to more than a million people across the country.

Seven organisations participated in the initial tender process, with five of these organisations going through to the final stages. One organisation subsequently withdrew. Four high-quality final bids were received and thoroughly evaluated. The contract was awarded based on a combination of quality and cost effectiveness.

The new contract is worth approximately £18 million a year over seven years, with the potential to extend by three years.

#### Services included in the procurement

The majority of community health services for adults across Dartford, Gravesham, Swanley, Sittingbourne and the Isle of Sheppey will see a change of provider including:

- Community hospital services
- Community nursing and intermediate care services
- Community neuro rehabilitation
- Speech and language therapy
- Continence service
- Community podiatry
- Community specialist nursing

A small number of adult community services are excluded and will continue to be provided by the existing provider. These include:

- Physiotherapy
- Learning Disability services
- Epilepsy
- Lymphoedema.

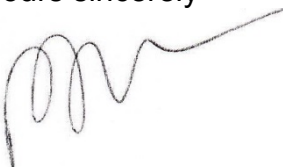
Other exclusions include children's community services, maternity services, Minor Injury Units and out of hours GP services, which will also continue to be provided by the existing providers.

As part of our commitment to ongoing patient and stakeholder feedback, with the assistance of a panel of patient representatives, we will continue to work closely with all parties to ensure a smooth and seamless transition for patients.

All affected adult community services staff currently employed by the existing providers, Kent Community Health NHS Foundation Trust and Medway Community Healthcare, will be able to transfer across to Virgin Care from 1 April 2016, carrying with them their continuous service, with the same terms and conditions of employment.

Some frequently asked questions and the answers to these are attached for your information.

Yours sincerely



**Patricia Davies**

Accountable Officer

NHS Dartford, Gravesham and Swanley and NHS Swale CCGs

## FREQUENTLY ASKED QUESTIONS



*Dartford Gravesham and Swanley  
Clinical Commissioning Group*



*Swale Clinical Commissioning Group*

### **ADULT COMMUNITY SERVICES PROCUREMENT IN NORTH KENT FREQUENTLY ASKED QUESTIONS**

#### **What services are included in this procurement?**

Most community health services for adults across Dartford, Gravesham, Swanley, Sittingbourne and the Isle of Sheppey are included, such as:

- Community hospitals
- Community nursing
- Intermediate care services
- Community neuro rehabilitation
- Speech and language therapy
- Continence service
- Community podiatry
- Community specialist nursing

#### **Exceptions**

A small number of adult community services are excluded such as physiotherapy, learning disability services, epilepsy and lymphoedema. Other exclusions include children's community services, maternity services, Minor Injury Units and out of hours GP services, which will continue to be provided by the existing providers.

#### **Which hospitals are affected by this procurement?**

This change in provider applies to services commissioned at the following community hospitals:

- Sittingbourne Memorial Hospital
- Sheppey Hospital, Isle of Sheppey
- Gravesham Hospital, Gravesend
- Livingstone Hospital, Dartford

#### **Are you cutting any services?**

There are no plans to cut services. Patients will continue to receive the same range of community services as is currently available.

From the outset, commissioners specified that the successful organisation would need to be responsive to any future changes in local health requirements and the expected growth in the local population over the duration of the contract. Any potential change in future service provision, however, would need to follow formal due process as appropriate, including consultation where required.

### **Will money be saved as a result of these changes?**

The NHS is working within a very challenging funding environment and as commissioners we are looking to maximise value for money alongside improving service provision. The successful bid will attract some savings across the life of the contract and these will be reinvested into local frontline services.

### **Will you be moving any services?**

No. Community-based services will continue to be provided from a range of community settings and in patients' homes. The locations of community hospitals are **not** part of this procurement process and the buildings and properties will continue to be owned by NHS Property Services.

### **How can you ensure that the quality of care will not slip?**

Performance will be regularly reviewed as part of a robust contract management process by DGS and Swale CCGs, to ensure that patients have access to high quality services. As with all contracts between commissioners and providers, the contract will contain penalties for poor performance and all services will continue to be regularly inspected by the Care Quality Commission.

### **Who were the other bidders?**

Seven bids were originally received. Four high-quality bids were evaluated as part of the final shortlisting process. The four organisations leading each bid were:

1. Dartford and Gravesham Hospitals NHS Trust
2. Kent Community Health NHS Foundation Trust
3. South Essex Partnership University NHS Foundation Trust
4. Virgin Healthcare Services Limited

### **Why do commissioners procure services?**

Procurement of services is a recognised element of good commissioning, and is part of best practice to ensure commissioners access and understand the options available for the best possible service provision. The process helps CCGs understand how different healthcare providers deliver high quality, effective and timely care to patients, which represents good value, meeting the needs of the people they serve.

### **How did you conduct this particular procurement?**

The procurement of Adult Community Services in Dartford, Gravesham and Swanley CCG and Swale CCG areas was led by the two organisations through a dedicated project team composed of clinical, commissioning and subject matter experts. Procurement process support was provided by NHS Commercial Solutions.

The tender for Adult Community Services was advertised publicly in accordance with EU, UK government and NHS requirements. The commissioners' intentions were also highlighted in public meetings, including the Governing Bodies and Annual General Meetings of both CCGs, and through other local events to ensure current and potential stakeholders were aware of the process.

**Ends**