

From: Roger Gough, Cabinet Member for Children, Young People and Education

Andrew Ireland, Corporate Director of Social Care Health and Wellbeing

To: Children's, Young People and Education Cabinet Committee – 22 June 2017

Subject: **CONTRACT AWARD OF CHILDREN AND YOUNG PEOPLE MENTAL HEALTH SERVICE**

Classification: Unrestricted

Past Pathway of Paper: None

Future Pathway of Paper: None

Electoral Division: All

Summary: This report provides an update on the contract award for future Children and Young People Mental Health Services (CYPMHS) within Kent, previously known as CAMHS. The contract with the incumbent Provider is due to expire in August 2017, following an agreed extension. It is imperative that the new service commences in September 2017 to coincide with the contract finishing as well as aligning with transformation of Children and Young People Mental Health Services, (Future in Mind).

The conclusion of the procurement process resulted in the recommendation to the Clinical Commissioning Group Governing Bodies that the contract for the provision of services for the term of five years (with a further two years option to extend) be awarded to **North East London Foundation Trust (NELFT)**. The contract mobilisation started in May and will conclude at the end of August, the new service will start on 1 September 2017.

**Contract Value £80,456,905.00 (five years)
plus up to an additional £1.4m for transformation.**

NELFT successfully passed both the Selection stage and reached the minimum score (60%) required for the Invitation to Submit Outline Solution (ISOS) and Invitation to Submit Final Tender (ISFT), award stage. This Provider achieved the highest quality score (85%) and the highest price per quality score.

This recommendation was considered and approved by each of the Clinical Commissioning Group Governing Bodies during March and April 2017. The contract report provides information relating to the decision.

Recommendation: The Children's, Young People and Education Cabinet Committee is asked to **NOTE** the content of the report.

1. Introduction

- 1.1 The Council's Care Procurement Team, on behalf of Kent's Clinical Commissioning Groups (CCG), working collaboratively, was commissioned to manage the procurement for Children and Young People's Mental Health Service. The procurement exercise was launched in June 2016 with a Market Engagement event at which a presentation was given to key stakeholders on the intentions around the new service, the project timeline and objectives for the system change, as well the procurement structure and process to the market. The procurement entailed the following lots:
- Lots 1 & 2 for Children and Young People Mental Health services within Kent.
 - Lot 3, Public Health School Nursing 5 – 11 age range, and
 - Lot 4, Public Health School Nursing and Emotional Wellbeing 11 – 18 age range.
- 1.2 The procurement route selected for this project was a Competitive Dialogue procedure, which provided both the Council and the CCGs and potential Providers the opportunity to develop and work together on the future service model and how the specification should be delivered. The procurement started with seven providers and the final Invitation to Submit Final Tender (ISFT) stage resulted in three providers participating.
- 1.3 Prior to ISFT publication, the services were to be delivered separately across the county, with one Single Point of Access (SPA). However, it was agreed that the most effective contract to deliver the new service, would be to combine Lots 1 & 2 together. This decision was made following dialogue with the providers and if 2 lots remaining some of the key services would require duplication and increase cost.
- 1.4 The table below outlines the timeline for the project.

Publication of Advert and Pre-Qualification Questionnaire (PQQ) Documentation on the Kent Business Portal	24 June 2016 (Tender period 30 days)
Deadline to submit requests for clarification via the Kent Business Portal Discussion facility	12:00 (noon) one week before the deadline for responses, 15 July 2016
Deadline for PQQ Responses	12:00 (noon) 22 July 2016
PQQ Evaluation Period (including notifying Providers of outcomes)	23 July 2016 – 8 August 2016

Publication of Invitation to Submit Outline Solution (ISOS)	3 August 2016
Deadline for ISOS Responses	31 August 2016
ISOS Evaluation Period (including notifying Providers of outcomes)	1 September 2016 – 16 September 2016
Competitive Dialogue	28 September 2016 – 17 November 2016
Publication of Invitation to Submit Final Solution (ISFT)	17 January 2017
Deadline ISFT Responses	26 January 2017
Evaluation for Award (including post tender clarifications and moderation)	27 January 2017 – 1 March 2017
Project Board Contract Award Recommendation Report	15 March 2017
CCG Governing Body approval	
West Kent CCG	28 March 2017
DGS CCG	28 March 2017
Swale CCG	31 March 2017
Canterbury	6 April 2017
Thanet CCG	11 April 2017
South Kent Coast	12 April 2017
Ashford	13 April 2017
FINAL DATE FOR CCG APPROVAL	13 April 2017
STAND STILL PERIOD AND END DATE	27 April 2017
Schedule of Agreements Meeting	28 April 2017
Publication of Decision to Award	28 April 2017
Contract Award	8 May 2017
Mobilisation Period	8 May to 31 August 2017
Contract Commencement Date	1 September 2017

2. Commissioning Requirements for KCC

2.1 The new contract has many benefits for Children and Young People (CYP) and also for both the Council and the CCGs. One of these is the development of a SPA for Children and Young People's Emotional Wellbeing, which will operate on a 'no wrong door approach'. The SPA (Lots 3 and 4) will be hosted within Kent Community Health NHS Foundation Trust (KCHFT) Providers' Maidstone premises. Having a co-located SPA will promote full integration of Emotional Wellbeing Services. This integrated model aims to achieve holistic Mental Health provision for CYP.

2.2 There are also other specific service benefits for Children and Families for whom the Council funds services:

- The Provider will prioritise the assessment of Children in Care (CiC), over and above children with a similar level of need
- The Provider will align mental health practitioners to each of the Council's Early Help Units
- The Provider will work with support staff and Children in the Kent Health Needs Pupil Referral Units, providing intensive interventions to the young person/child/parents/carers. Their goal will be getting the child back into mainstream education stream as soon as reasonably possible

- Working closely with Kent schools/Head Teachers to promote emotional wellbeing prevention strategies.

3. Strategic Statement and Policy Framework

3.1 This project supports the Strategic Statement Outcome “Children and young people in Kent get the best start in life”.

3.2 Specifically the following Supporting Outcomes:

- Keeping vulnerable families out of crisis and more children and young people out of KCC care
- Children and young people have better physical and mental health
- All children and young people are engaged, thrive and achieve their potential through academic and vocational education
- Kent young people are confident and ambitious with choices and access to work, education and training opportunities.

4. Background and Overview

4.1 Kent County Council and the Kent Clinical Commissioning Groups (the Contracting Parties) have been working together since early 2014 to improve the quality and scope of universal provision to deliver a new whole system of support that extends beyond the traditional reach of commissioned services.

4.2 As partners in Kent, the Contracting Parties want to support CYP and their families as they make their journey through life, and work together in helping them respond to and overcome specific challenges they may face. Enjoying positive Emotional Wellbeing and Mental Health opens the door to improved physical and cognitive development, better relationships with family members and peers, and a smoother transition to adult independence.

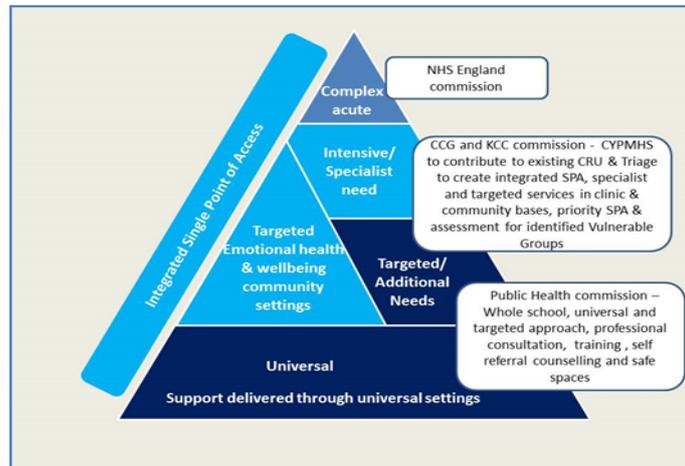
4.3 The new service model and commissioning approach aims to address the current gaps and blockages in the pathway that CYP and their families tell us they experience when accessing Mental Health Services in Kent.

4.4 The new model, which has been developed alongside the principles and approaches, articulated within Future in Mind, outlines a whole system approach to emotional wellbeing and mental health in which there is a SPA and clear seamless pathways to support ranging from Universal ‘Early Help’ through to Highly Specialist care with better transition between services.

4.5 Within the service specifications the importance of working with HeadStart Kent is clearly articulated and it is through this service that the HeadStart Kent service will be commissioned and delivered.

4.6 Commissioners will ensure that the new School Public Health Services are aligned with the wider changes in children’s services and the implementation of the Emotional Wellbeing Strategy. This will include implementing the emerging

evidence from the HeadStart evaluation and the transformation of targeted and specialist Emotional Wellbeing and Mental Health Services for CYP.



4.7 This model represents a significant shift in the way that support and services are to be provided to CYP across the system.

4.8 Over the lifetime of the contract there is an absolute requirement for the Provider, North East London Foundation Trust to embed transformation of children’s Emotional Wellbeing and Mental Health Services. The service specification embraces this approach, introducing flexibility around delivery of Mental Health Services for children.

4.9 The Emotional Health and Wellbeing (EWB) Programme envisages all Providers working together to achieve common outcomes for the benefit of CYP, this will be underpinned by the inclusion of:

- an interface agreement
- joint outcomes and Key Performance Indicators (KPI) within the contracts.

4.10 The key principles are:

- a. Obliges Providers to use their expertise to establish, with children, young people and families, the most appropriate intervention to their current need
- b. A key element in achieving these outcomes are the interfaces or linkages created and maintained to ensure CYP receive appropriate treatment, in the right place, at the right time
- c. The purpose of this Interface Agreement is to define how the Contracting Parties expect Providers to work together in a climate of mutual trust and support to ensure that the required service deliverables are achieved and CYP gain the required outcomes
- d. The Contract expects all Providers to look beyond simply meeting their own individual responsibilities, rather, working as a group, being jointly accountable for achieving core outcomes in a culture of joint success
- e. Providers will ensure the values and behaviours detailed in the contract apply to any subcontractors used in the delivery of the services

4.10 NELFT will act as the Strategic Partner for the programme and will operate a SPA, which is anticipated to be hosted within the KCHFT premises in Maidstone. KCHFT is the contracted provider delivering Emotional Wellbeing under the School Public Health contract for KCC.

5. Evaluation and Commercial

5.1 All evaluation was undertaken by the relevant subject matter experts and a broad range of stakeholders, including service user representatives. The table below outlines the outcome of the evaluated scores for the three remaining Providers.

		NELFT	Sussex Partnership Foundation Trust	Virgin Care
Section	Weighting	Score	Score	Score
1. Single Point of Access	15%	11.25%	7.5%	7.5%
2. Service Model	25%	18.75%	14.06%	10.63%
3. IT	10%	5%	5%	5%
4. Commercial	20%	15%	5%	12%
5. Patient Experience	10%	10%	2.5%	2.5%
6. Workforce, Training & Quality	10%	10%	3.75%	3.75%
7. Leadership & Service Transformation	10%	7.5%	4.13%	5.88%
8. Presentation Score	10%	7.5%	2.50%	5%
	Total	85%	44.44%	52.25%
	Rank	1	3	2

5.2 The same Financial Envelope (FE) per annum, was given to Providers detailing breakdown of the funding amounts for each service which was to be costed for each of for the five year contract term.

Financial envelope (including CQUINs and outcome based payments)	Total	£16,091,381	
	East Kent CCGs	North/West Kent CCGs	
Targeted and Specialist Services	£7,096,797	£5,831,584	
KCC LAC Enhanced-priority assessment	£614,091	£385,909	
Early Help Units	£600,000	£600,000	
Prescribing costs	£836,000	£127,000	
Total	£9,146,888	£6,944,493	£16,091,381

5.3 The amounts highlighted in bold are the Council's contribution which will be funded through a Section 76 agreement. The necessary key decision to authorise this, and the spending of this money, is 16/00052 (Children & Young People Mental Health Service) which was taken by the then Cabinet Member

following discussion at the 5 July 2016 Children's Social Care and Health Cabinet Committee

- 5.4 The maximum FE available under this agreement is **£80,456,905.00** for delivery of the Children's and Young Peoples Mental Health Services across Kent.
- 5.5 Additional funding was also made available from the CCGs for transformation of services and was dependent on the quality score obtained by the Provider. The total transformation financial amount available was £2,048,077.00, ring-fenced for the first 2.5 contract years. NELFT in agreement with the CCGs will be eligible for up to **£1.4m**.
- 5.6 Over the life of the Contract the Provider will be required to deliver the stipulated volumes against the service cost and outcome within the annually agreed FE.
- 5.7 The payment mechanism will reflect the potential increase/decrease in demand volumes after the baseline has been set in year one.
- 5.8 An element of the FE will be linked to the delivery of the Whole System Outcomes across the Emotional Wellbeing and Mental Health Services, which have an element of interdependency.
- 5.9 The Outcomes related to the payment will be jointly agreed between the Providers and the Contract Managers during year one of the contract, in line with the Interface Agreement. Additionally financial penalties have been set against a number of KPIs which will come into force from month nine of the contract. Any monies drawn back through penalties will be reinvested into the service.

6 Contract Management

- 6.1 A Contract Management Model was embedded within the procurement and the new Contract. The Contract Management Schedule outlines the commissioners/contract leads expectations from the key stakeholders and providers.
- 6.2 Within the Contract Management Schedule and the subsequent Operations Manual, contract management occurs at two levels - Operational and Strategic.

6.3 Operational Contract Monitoring Meetings

- 6.3.1 The following individuals (or their nominated representative(s)) will be expected to attend regular Contract Monitoring Meetings between the Providers across Children and Young Persons Emotional Wellbeing and Mental Health Service, the Contracting Parties and any other relevant parties with the aim of achieving integrated performance management of the new services

- East, West and North Kent Coordinating Commissioners/Contract Managers

- Provider Contract Manager
- Provider Operational Lead/s (such as Single Point of Access Manager)
- Provider Performance Lead
- KCC Commissioning representatives, KCC Early Help, KCC Specialist Children's Services (SCS)

6.3.2 The Operational Monitoring Meetings will be organised by NELFT with the Contract Managers.

6.3.4 Such topics to include at the meeting are, but not limited to:

- Review Monthly Operational Reporting
- Review KPI performance and applicable Red, Amber, Green (RAG) status
- Effectiveness of the Interface Agreement
- Service Quality (including service issues such as complaints, serious incidents, service user feedback)
- Review of Risk Registers
- Dispute Resolution
- Finance and management of efficiencies savings
- Proposed contract variations
- Issues to escalate to the Strategic Quarterly Review meeting

6.4 Strategic Contract Management

6.4.1 Throughout the life of the Contract, Providers and the Project Board across the Children and Young Persons Emotional Wellbeing and Mental Health Service (including all relevant stakeholders) must meet quarterly. The Council will have the following representatives present on this Project Board:

- Assistant Area Director, SCS
- Director of Early Help and Preventative Services
- Head of Commissioning, Children's Services

6.4.2 The Strategic Partner, NELFT, is responsible for organising and facilitating this with the objectives of:

- Facilitating a collaborative working relationship between the Contracting Parties, Clinical Commissioning Groups and all Providers
- Discuss demand related aspects of the Service in relation to recommendations around increase/decreases in demand management
- Enabling an open and transparent exchange of information and views to encourage the identification of issues and their resolution;
- Reviewing the performance of the Providers in delivering the service and achieving the required outcomes and agreeing Penalties if necessary
- Reviewing and considering other relevant matters throughout the lifetime of the Contract

- Reviewing and understanding the implications of the transformation agenda from a National and Local perspective
- Reviewing performance and delivery of outcomes in line with the Interface Agreement
- Developing, agreeing and where appropriate implementing improvements across the integrated Service.
- Developing and agreeing the key Outcomes to be measured across the service in relation to delivering the Outcomes payment required from year two of the Contract (September 2018, month 12 of the contract)

6.4.3 Additionally, the Interface Agreement document outlines the key principles of the strategic partnership working across the contracted parties.

7. Financial Implications

7.1 A Section 76 agreement will be in place between the CCGs and Kent County Council for the financial contribution element for the contract.

8. Legal Implications

8.1 None.

9. Equality Implications

9.1 A full EQIA was undertaken as part of the procurement process.

10. Conclusions

10.1 The new Contract will take time to embed the new model of working, however, this new contract signifies full integration of Children and Young People Mental Health Services across Kent.

10.2 NELFT has been awarded the Eating Disorders Contract on behalf of the Kent CCGs, including Medway, which was carried out under a separate procurement exercise. NELFT has also been successfully awarded the Medway Children and Young People Mental Health Service, all of which supports the transformation of Children and Young Peoples Mental Health Services.

11 Recommendation(s)

11.1 Recommendation(s): The Children's, Young People and Education Cabinet Committee is asked to **NOTE** the content of the report.

12. Background Documents

Future in mind

<https://www.gov.uk/government/publications/improving-mental-health-services-for-young-people>

Emotional Wellbeing Strategy

<https://www.kent.gov.uk/about-the-council/strategies-and-policies/health-policies/emotional-wellbeing-strategy>

Report to Children's Social Care and Health Cabinet Committee – 5 July 2016

<https://democracy.kent.gov.uk/documents/s69769/B2%20-%20Children%20and%20Young%20People%20Mental%20Health%20Service.pdf>

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