

KMICB HOSC Community Services Procurement Update Report

Background

Previously The ICB presented plans to reprocur and transform the community health services across Kent and Medway.

At the time of the HOSC meeting in September members raised a number of questions but did give approval, however this was followed up with further clarifications and concerns raised by councillors, leading to the Chair's announcement at the October HOSC meeting. In Medway, HASC voted that the proposals constituted a substantial variation and required more work and information before it could be approved.

Below is a summary of the issues raised across both committees:

- A. The shortened contracting process and associated risk.
- B. The possibility of new incoming providers working from different locations and in different ways.
- C. The possibility of staff erosion, becoming unsettled and leaving the local workforce.
- D. The reference to a 2-year delay being caused by a decision to deem the changes a substantial variation was questioned.
- E. Financial detail for the community services contracts.

The purpose of this paper is to update the HOSC members on how the ICB will seek to address the issues raised and our next steps.

Governance (in reference to points A & D)

Following the scrutiny committee meetings and subsequent discussions at the ICB Executive Management Team (EMT), it is proposed that the current community contracts be extended across Kent & Medway to September 2025. This would be made up of an initial 1-year contract with the possibility for a further one-year extension, if agreed by providers and the ICB, with a 6-month notice period/break clause included.

This extension will allow the ICB to harmonise the three contracts currently held by MCH, HCRG and Kent Community Health NHS Foundation Trust (KCHFT) from a contract end date perspective, allow transformation work to begin to improve services for patients, and enable a full and transparent procurement of the services to be instigated and be in place no later than September 2025. It should be noted that this procurement will follow the recently announced (23rd October 2023) Health Care Services (Provider Selection Regime) Regulations 2023 (the Regulations), which replaces the existing procurement rules for NHS and local authority funded health care services, this regulation will come into effect from 1st January 2024.

This extension will include the Community Ambition (previously Community prospectus), and a program of collaborative work with the current providers to deliver transformation of the community services across Kent and Medway aligned to local and national strategy



and objectives. However, implementation of the Community Ambition and the transformation program will require close collaboration with the current providers and will not be enforceable under the present contract: it will require the providers to take ownership for delivery of the local ambition.

Kent and Medway ICB's Community Services Review Steering Committee (the "Committee") provides oversight guidance and governance to the ICB's Community Services Review, and assurance to the ICB EMT regarding the progress of the Review.

The Committee is responsible for:

- Operating the programme in accordance with the principles of good governance, organisational learning and continuous quality assurance and improvement.
- Establishing and maintaining regular dialogue with wider ICB and neighbouring strategic change programmes to ensure strategic alignment of change proposals/ Interdependency.
- Monitoring the progress of the review, including identified risks and issues and associated mitigations, as reported by the Committee's Working Group.
- Approval of a transparent change methodology, with appropriate governance arrangements, building service change knowledge, skill and capacity across clinical design teams and other governance groups, as required.
- Ensuring appropriate enabling and cross-cutting work is undertaken to support the change process, including accessibility analysis, equality, health and inequalities assessments, communications, and engagement.
- Regular reporting to the EMT and Board through relevant highlight reports and the corporate risk register, as well as Lessons Learned reporting at appropriate stages of the review and a review closure report.

Delivering the review includes:

- Refresh of current community service specifications to reflect current service delivery on the ground
- Identification of current and future activity, utilisation and population needs
- Development of a new integrated model for community services

The Committee is accountable to, and provides periodic updates to the ICB EMT, and will provide future updates for HOSC.

Community Services Procurement Programme Summary

Actions	06-Nov-23	04-Dec-23	01-Jan-24	05-Feb-24	04-Mar-24	01-Apr-24	06-May-24	03-Jun-24	01-Jul-24	05-Aug-24	02-Sep-24	07-Oct-24	04-Nov-24	02-Dec-24	06-Jan-25	03-Feb-25	03-Mar-25	07-Apr-25	05-May-25	02-Jun-25	01-Jul-25	01-Aug-25	01-Sep-25	01-Oct-25	01-Nov-25	01-Dec-25	01-Jan-26	01-Feb-26	01-Mar-26	01-Apr-26	
HASC Meeting (19.12.23)																															
CVs developed and agreed inc SDIP/DQIP																															
Key Milestone: CVs commence 01.04.24 (terminate 31.03.26)																															
Public engagement inc report/publication																															
Stress test of procurement process																															
Finalise ITT/Tender documentation (stress test/public engagement outcomes)																															
Review of Tender Documentation by Capsticks																															
Internal approval of Tender Documentation (AGEM CSU)																															
EMT Procurement Governance paper																															
Approval of ITT for publication: EMT																															
Key Milestone: ITT published / 'Town Hall' event (03.03.25)																															
Bidder response																															
Tender Evaluation																															
Tender Moderation																															
Contract Award Recommendation Report (CARR)																															
Contract Award Approval (EMT; PIC; Extraordinary Board)																															
Key Milestone: Contract Award Approval																															
Award Letters sent and Standstill Period (10 Days)																															
Commence contract negotiation (if new provider/s - contract due diligence)																															
Key Milestone: Contracts signed / Commence contract mobilisation																															
Mobilisation period (6 months)																															
Key Milestone: Contract start date (01.04.26)																															

Estates & Service Locations (In reference to point B)

Our vision is to provide efficient, adaptable and sustainable premises in the right location and condition. This will enable delivery of excellent, integrated health and social care to the communities of Kent and Medway, now and in the future. Over recent years we have shifted our focus towards optimising the use of current estates and recognise the drive for greater integration through a shared, co-located estate, which can be used by all organisations within the ICS. This will lead to improved utilisation and general estates efficiencies.

Kent and Medway ICB recently published our Interim Estates and Infrastructure Strategy which includes a road map for delivery of new locations across Kent & Medway right up to 2028, this includes the development of Folca New Medica Centre in Folkestone High Street. This project is still in the design phase and is expected to be completed in 2025, repurposing part of the Art Deco building into a modern medical centre. This initiative will be an excellent illustration of “Health on the High Street” serving local people in the heart of their community.

We will be looking to our colleagues in the Health and Care Partnerships to create a more localised strategy as they are best placed to develop and optimise the local and healthcare estate for the needs of the local population. All organisations delivering healthcare across the localities will be expected to contribute to the localised planning and so will be involved in developing the strategy, working in unison with either the incumbent provider or a new one in the future.

Finance (In reference to point E)

The ICB and Kent & Medway system continues to operate in a challenging financial position. In developing the ICB operating plan, each system partner has focused on balancing delivery across the national recovery objectives for 2023/24 with a focus on recovering our core services and increasing productivity levels. Therefore, all system

partners including community providers are focused on maximising productivity across the ICS to support delivery of the national recovery objectives. The plan was produced with input from all system partners including their Business Intelligence (BI), workforce and finance teams working closely with the ICB BI, workforce and finance team to produce the final operating plan for 23/24.

A full financial review has been undertaken by the ICB as part of the community services procurement with the scope based on procurement of 3 main community services providers contracts and budgets those providers are KCHFT, Medway Community Healthcare and HCRG.

The starting position for the review was the service line reporting data from the providers baseline information based on 23/24 contract values plus agreed additional pay award funding.

Finance service lines have been mapped to the new service specs and the ICB has also analysed the spend per head of population to provide as an indication of relative benchmark across the Health and Care Partnerships areas. It excludes children's services, as Medway and Swale children's services were outside of the scope of the proposed procurement. However, it was included for other H&CP areas. Further work is required on this benchmarking as services provided by community providers in some H&CP area are provided either by acute trusts, through joint commissioning arrangements with Local Authorities, or via other community contracts. The review includes cost per head benchmarking, ensuring like for like services are included in the benchmarking across all H&CP areas.

The ICB has no plans to significantly alter the spending plan for community services over the two-year extension but does need to increase productivity and efficiency during the transformation period.

Workforce (In reference to point C)

Organisational change is something the NHS and ICB is familiar with. The NHS is a system which is constantly evolving and changing to meet new challenges and incorporate new evidence, new technologies, and more efficient ways of working. Change is intended to lead to improvements but can also lead to uncertainty, anxiety, and disruption in the shorter term.

The ICB plans to support the current workforce working with existing and any new providers with a structured approach to any change being implemented to minimise any disruption, introducing new ways of working in a planned and systematic way. Some improvements in these areas are necessary and framed within the NHS Long Term plan, including the need to expand capacity and grow the workforce. The challenge is substantial, but there are real opportunities to make improvements. Many of those leaving the NHS would remain if they were offered improved development opportunities and more control over their working lives.

The Long-Term Plan sets out a number of specific workforce actions developed by NHS England and others that can have a positive impact now. The Plan also sets out our wider reforms for the NHS workforce. NHS workforce planning will always be complex and never an exact science, whether led nationally, regionally, or locally. But we must ensure plans

work locally and add up nationally. Workforce plans need to be highly adaptive over the next ten years, and attentive to both the detail and the wider context.

Our aim is to ensure a sustainable overall balance between supply and demand across all staff groups. For doctors, we will focus on reducing geographical and specialty imbalances. For the wider workforce, we aim to ensure sufficient supply of nurses and to address specific shortages for AHPs and other key groups.

Kent and Medway's Integrated Care Strategy has been published, detailing our six shared outcomes, which include making Kent and Medway a great place for our colleagues to live, work and learn. People priorities within this include championing an inclusive workforce, looking after our people, growing our local workforce, and building 'one' workforce at place. Medway Community Healthcare are a key partner within our collaborative workforce space.

In October 2023, we published our 5-year Kent and Medway People Strategy and 2-year Delivery Plan. This described our collective commitments to support and develop our workforce across the area, through 3 distinct programme areas: workforce resourcing, staff experience and education & careers.

Our community service providers play an active role across our staff experience and education and careers programmes - where we are taking action to improve retention and reduce leaver rates, embed a culture which enables staff to thrive, improve equality and diversity (strong links to the NHSE EDI Workforce Improvement Plan), develop new education models and drive improved learner experience.

The Kirkup report and Fuller report both have significant implications for our system's workforce and progress is being made to implement their recommendations. The NHS Long Term Workforce Plan, published 30th June 2023 and the outputs of the Hewitt review, published 4th April 2023 both have further shaped our programmes of work and our Kent and Medway People Strategy and Joint Forward Plan.

To realise our ambitions for Kent and Medway, we will continue to develop our provider collaboratives and four HCPs and ensure place-based integration and provider collaboration across the full scope of health and care providers. Robust population health management, reducing health inequalities, supporting broader social and economic growth, and providing the very best care for the people of Kent and Medway through our workforce, is central to our plans and key to the people strategy

As part of the system wide People Strategy there is a system wide workforce efficiency programme, with a focus on temporary staffing agency reduction and the wider workforce efficiencies that support this reduction. There will be a focus on filling the hard to recruit roles through specific system wide, joined up recruitment campaigns (such as GP attraction in primary care and work with social care partners) and ongoing work with schools and colleges to attract more people into our health and care roles.

There are key system wide workforce shortages in nursing, GPs, midwives, domiciliary care workers and paramedics. Key Kent and Medway people priorities include attraction, recruitment redesign and retention activities.

Attraction campaigns and recruitment events for hard to recruit roles for health and care are planned such as GPs, following some pilots of this in 22/23, working with DWP, schools, education and VSCE to attract for local communities. Joint recruitment events across health and care will be planned to support an increase in intermediate care capacity.

Impact of industrial action (IA) on service provision and backlogs may result in increased workforce utilisation; duration of IA and scale of impact not known. Cross-system working group in place and to date impact of IA has been effectively managed and disruption to services minimised.

Ongoing risks of limited workforce supply, mitigated through recruitment and retention activities outlined above. The slowing of establishment growth will also make the task of reducing the vacancy gap more achievable. Transformation work across pathways utilising alternative roles attracting new to care applicants through T-levels, apprenticeships and other development roles will also support workforce growth and build a more diverse pipeline of talent and skill mix. Limited availability of domiciliary care to support with discharge pathways and transformation plans (i.e., virtual wards).

Conclusion

The ICB is committed to working with its partners, including HOSC and Medway's HASC, to raise standards and 'level up' Kent and Medway community services, addressing health inequalities in our communities. Therefore, we are proposing an extension of up to 2 years of current contracts to the 3 aforementioned community providers to allow us to undertake engagement and transformation processes across the community services prior to new contract awards.