Children and young people's mental health future contracts: Update report for Health Overview and Scrutiny Committee

1 Introduction

1.1 About this report

This report provides the Health Overview and Scrutiny Committee with a detailed update from NHS Kent and Medway Integrated Care Board (NHSKM) on future contracts for children and young people's mental health services in Kent and Medway.

The report and appendices describes the following:

- current service provision, including population demographics and need
- engagement activity with stakeholders, including children and young people, and the key themes emerging that have informed the proposed future contracts
- the contracting approach, including finances and contract management approach and anticipated benefits
- timeline and next steps to implement future contracts.

Our (NHSKM) contracting approach set out in this paper is aligned to the ongoing implementation of our Local Transformation Plan[1].

The approach described in this paper will deliver more effective management of children and young people's mental health contracts, without needing to make changes to current pathways or the clinical interventions offered. The new approach will deliver stability and sustainability in children and young people's mental health services and address some of the key challenges we currently face. This will in turn, and most importantly, improve care and outcomes for children and young people.

1.2 Development and implementation of future contracts

All NHSKM children and young people's mental health contracts with current providers of services in Kent and Medway are due to expire by the end of August 2025. This presents an opportunity to streamline contracting arrangements and reduce the number of existing contracts whilst maintaining the same level of investment and service provision.

The new contracts will deliver NICE-compliant interventions and pathways for children and young people, as services do currently. There will be the same (or greater) capacity in the system, and the services that children, young people and families rely on, will continue to be provided. Through the new contracts, providers will be required to embed a culture of collaboration, so that the workforce is better connected, better able to target help at the right time to help prevent children and young people becoming seriously unwell, and able to provide specialist care when needed.

[1] Children, young people and young adults' emotional wellbeing and mental health :: Kent & Medway ICS (kmhealthandcare.uk)

1.3 Our strategy for children and young people's mental health services in Kent and Medway

The NHS Long Term Plan[2] sets out the priorities for expanding children and young people's mental health services. It aims to widen access to services closer to home, reduce unnecessary delays and deliver specialist mental healthcare, which is based on a clearer understanding of young people's needs and provided in ways that work better for them. Achievements against the NHS Long Term Plan can be found in Appendix A.

There is still work to do to achieve our ambition of improved emotional wellbeing and mental health outcomes for children and young people. By focusing on workforce, increasing support to trusted adults, and ensuring that services are more collegiate, we will improve the offer to children, young people and families in Kent and Medway.

1.4 Work to date

As part of the preparation phase of the procurement process, we have undertaken a range of engagement activity with children, young people, families and carers, professionals and providers. This work is set out in more detail in Section 4. We have also established a clinical reference group to ensure that future contracts meet the clinal standards required for future children and young people's mental health services in Kent and Medway. This is described further in Section 5 of this report. We have also reviewed existing provision, along with current best practice, national guidance and legislation, and demand and capacity.

2 Current services and existing contracting arrangements

2.1 Demographics and service demand

There are 353,707 under 18s in Kent and, based on local authority data, it is expected that there will be no significant change in this population over the next 10 years.

The national prevalence of mental health disorders in children and young people has increased by 7.8 percentage points between 2017 and 2023 but is starting to plateau (19.0% in 2022 to 20.3% in 2023).

This means that there are currently an estimated 49,181 children and young people with a probable mental health disorder in Kent.

This figure is borne out by the demand and activity in our current services across Kent:

- Number of accepted referrals to current NHS commissioned services: **35,727**[3] in the last 12 months
- Number of contacts with current NHS commissioned services: **146,000 contacts** in the last 12 months
- Number of accepted referrals to current NHS commissioned specialist services: **13,083** in the last 12 months

[2] https://www.longtermplan.nhs.uk/

[3] Noting that many children and young people access wellbeing and mental health interventions outside of NHS commissioned services, such as school counselling services and voluntary sector providers.

- Number of under 18s on an NHS commissioned services caseload at any time: **4,150 mental health plus 9,300 neurodevelopment**
- Number of under 18s waiting for specialist mental health services (Dec-23): **1,059 (221 waiting over 18 weeks)**

Waiting times for children and young people's mental health services are often thought to be much longer than they are. This is because the waits for neurodevelopment assessments (autism and ADHD) are often reported as mental health waits.

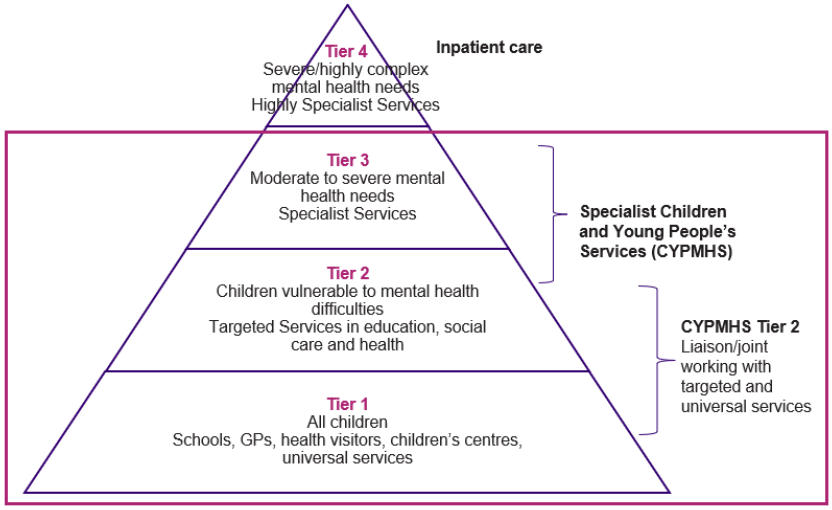
Overall, our specialist teams are seeing most children and young people in under 18 weeks (81% are waiting under 18 weeks from referral to treatment), however, this varies quite widely across Kent and Medway, with some areas having more children waiting over 18 weeks for treatment while other areas have no waiters.

Please see Appendix B for further detail on the current population need and demand for services.

2.2 Overview of services

Children and young people's mental health services (CYPMHS) is an umbrella term covering a wide range of services commissioned by the NHS. We commission a range of services from providers across the NHS, local authority and VCSE. Services are delivered across primary care, education settings, community groups, digitally and within specialist clinical settings.

Traditionally CYPMHS have been thought of in 'tiers', as shown in the diagram below.[4]



Traditional 'tiers' of care

NHS England commission Tier 4 services and NHSKM commission Tier 3 services (with North East London NHS Foundation Trust (NELFT) as the current provider). In Kent and Medway, Tiers 1-2 are a combination of services commissioning by NHSKM, local authority, primary care networks and education settings, and are provided by a range of organisations. A large

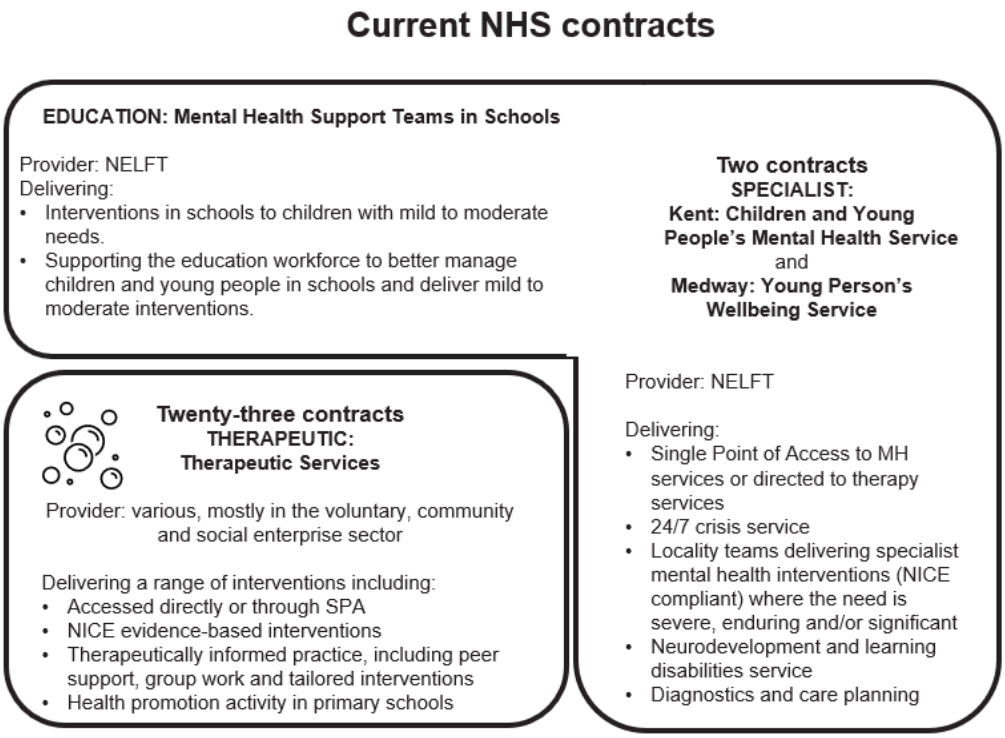
[4] Parliament (2014) CAMHS as a whole system, https://publications.parliament.uk/pa/cm201415/cmselect/cmhealth/342/34206.htm#note29

proportion of Tier 2 interventions, such as counselling, are commissioned by education settings and Public Health.

Services in Kent and Medway have implemented the i-THRIVE Framework which recognises that the needs of children and young people can and do change, and that services need to be flexible and tailored to meet the needs of the individual.

NHSKM have over 25 contracts for children and young people's mental health, with all contracts having been commissioned between 2016 and present. The largest growth area of investment has been for the crisis pathway and Mental Health Support Teams in the specialist contract and smaller contracts in the therapeutic and VCSE.

A high-level summary of current contracts is shown in the diagram below:



Current Kent and Medway children and young people's mental health services contracts

Appendix C provides full details of all our current services and contracts.

3 Current challenges

While more than 33,000 children and young people in Kent and Medway receive mental health support from a range of NHS commissioned services annually, there are several challenges within the system that impact on quality of care and responsiveness such as increased demand, increased acuity, reducing workforce and emergence of new vulnerable groups and presentations. Most contracts were set-up prior to Covid and, as the impact of Covid on mental health continues to emerge, services are adapting well to meet the need, within the constraints of their specification and financial envelope.

Some of the key challenges we face include:

- **Increasing complexity and seriousness of mental health needs children and young people have.** Children and young people have been presenting with more complex needs across all pathways from early intervention to acute and urgent care. In Kent and Medway, increased investment and multi-agency focus on the crisis and urgent pathway has seen a positive reduction in children and young people spending unnecessary time in hospital or inpatient care.

- **Challenges in recruitment and retention of specialist mental health professionals**. There are challenges nationally regarding recruitment and retention of the workforce, exacerbated by our proximity to London. One of the most significant challenges is the lack of stability in the VCSE, due to short-term or reducing contracts, which disables providers and individuals to build capacity and take risks in entering emerging areas of workforce development, skill and competency.

- **National and local financial challenges.** Early intervention, social and environmental support has reduced in recent years. The consequence of this reduction in investment and services directly impacts children and young people and stimulates increased demand for specialist mental health services.

4 Engagement: what we have done and what we have heard

We have a strong track record in Kent and Medway of engaging with those who use our children and young people's mental health services. Our engagement and lived experience leads ensure that a wide range of engagement takes place on a regular basis. This work is part of our 'business as usual' and provides a strong foundation on which we can build when specific programmes of work, like the new contract arrangements, need and want to draw on engagement insights and mobilise additional activity designed to support the development of services.

We continue to work with children, families, partners and stakeholders to develop services that focus on specialist mental health, therapeutic earlier support and mental health support in education settings. Last year we reviewed all the evidence we had gathered over the previous 18 months, over 60 reports featuring the experience and views of thousands of children and young people and their families.

We also worked throughout the summer and autumn, at events, summer activities and groups and meetings to actively engage 487 children, young people and young adults, carers and staff, resulting in 981 written contributions, one poem, one drawing, five podcasts, and ten short films.

Using a variety of media, channels, and events we contacted over 100,000 people and cascaded the information through various newsletters and networks. The views and insights provided by this work and the feedback from our clinical reference group and providers has informed the future contracts.

See Appendix D for a comprehensive summary of the engagement work that has taken place to date.

5 Future contracts and contract management

The new contracting arrangements will address the challenges of workforce and responsiveness of services through greater coordination of provision and practitioners for the benefit of children and their families. Streamlining and entwining contracts and specifications to ensure appropriate and adequate service delivery is intended to increase access and availability of services and reduce waiting times for specialist mental health services whilst improving navigation and patient experience. Evidence of system coordination has seen sustainable and positive impacts in Medway and within the crisis and complex pathway across Medway and Kent.

Children and young people will access future services through the same processes as now, whereby children and families will be able to directly refer into therapeutic services and access specialist mental health services through a single point of access that uses a shared telephone number and referral form. Education settings and primary care will be able to refer as they do now. In addition, they will have more opportunities to speak to clinical experts through a consultation phone line and networking events.

Alongside engagement with children, young people, families and carers, professionals and providers, and the market engagement activity, the clinical reference group (CRG), comprised of children and young people's mental health specialists, has reviewed and assessed the new contract proposal to ensure the implementation of:

- evidence-based and appropriate clinical care
- child and family-led design
- whole system approach which values the VCSE sector as key partners
- holistic and early intervention approaches
- evidence-based, i-THRIVE and trauma informed interventions.

5.1 Future contracts

The future contracts for children and young people's mental health will be similar to the current arrangements. The new contracts will not see a reduction in NHS investment, expected volumes of activity, or changes to clinical pathways or clinical interventions. The future contracts would deliver the following components:

Children and Young People's Mental Health: Education

This contract will predominately deliver the national Mental Health Support Teams programme, supporting children and young people in identified education settings by providing low to moderate interventions for emotional wellbeing needs. In addition, the contract would support the educational workforce to better support children and young people with mental health/emotional wellbeing needs so that all education settings, including academies, can access information and advice as required.

The new contract would see growth of the Kent and Medway contract value from £6m to £9m by 2028 due to the national investment into this programme increasing.

Children and Young People's Mental Health: Therapeutic

This contract will provide brief interventions to children and young people with mental health/emotional wellbeing needs, with a focus on creative therapies and therapeutically informed practice.

This contract will enable a number of future providers to collaborate under one contract, thereby reducing the current 23 contracts into one partnership contract which would function on a Health Care Partnership (HCP) footprint. Additionally, there would be a small grants innovation funding function and personal health budgets, to ensure responsive and localised support for children and young people.

Children and Young People's Mental Health: Specialist services

This contract will provide evidence-based interventions for children and young people with moderate to severe mental health/emotional wellbeing needs.

This contract will be on an Integrated Care System (ICS) footprint and have increased capacity to deliver advice and consultation to partners including primary care and education settings.

Contract length

The three contracts would each be awarded for a ten-year term with an option to extend by a further three years. This 'contract for a generation' approach will build stability of service and enable workforce stability and growth. Feedback from the market, particularly the VCSE and private sector, confirms that longer-term contracting is essential to grow capacity and competency within the workforce, with the example of similar models of long-term connected contracts and delivery operating in Surrey ICB.

5.2 Contract management and review

Contracts will be awarded at the same time (March 2025). A six-month joint mobilisation period across all three contracts will take place between March and August 2025. All contracts will be contract-managed by NHS Kent and Medway. They will have regular service reviews built in at fixed points (Years 1-3; Years 4-6; Years 7-9; Years 10-12) to: review progress in the previous three years; agree to any changes to future delivery based on learning from previous years; and consider any legislation/guidance that has been introduced or is due to be introduced that may impact on service delivery.

5.3 Partnership working across contracts

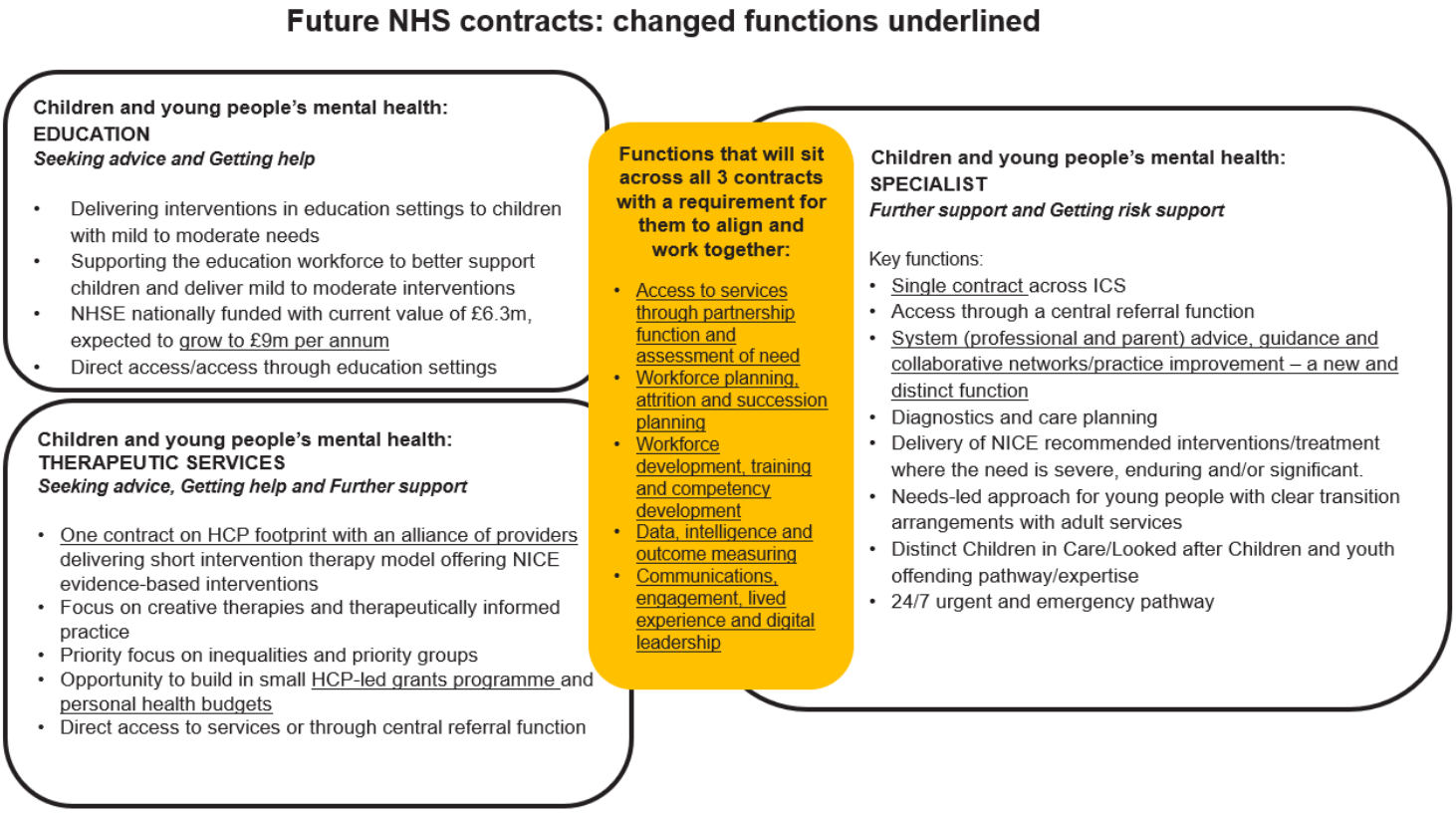
The three proposed contracts would work in partnership to ensure that children and young people across Kent and Medway are able to seek appropriate support for their mental health and emotional wellbeing in a timely manner. The aim of this approach is to ensure a higher volume of early intervention, preventative services and early support are readily available and accessible and to reduce the referrals and waiting times within specialist mental health services.

There would be new requirements within all three contracts for providers to work together to deliver:

- partnership arrangements to support rapid assessment of need and navigation to the most clinically appropriate service

- a workforce plan that address recruitment, retention, attrition and succession planning between specialisms and contracts
- shared workforce training and competency development within the future providers and a responsibility to support the wider workforce to develop their competencies and confidence
- shared data, intelligence and outcome measures to measure impact
- shared approach to communications, engagement, lived experience and digital leadership.

The diagram below provides further detail on the proposed new contracting arrangements:



Proposed new contracting arrangements for Kent and Medway children and young people's mental health services

6 Impact and benefits

Having delivered a children and young people's mental health transformation programme that has seen benefits outlined in Section 1.3, we need to ensure that we continue to bring improvements to the system through the new contracting arrangements. The impact of the proposed future offer would be to:

- reduce the current children and young people's mental health contracts from 24 to three
- reduce inequity caused by historic commissioning arrangements
- create an environment of stability with long-term contracting, particularly within the therapeutic sector
- deliver an integrated approach with partners to improve outcomes for children and families
- give professionals and parents access to advice, guidance and collaborative networks/practice improvement (a new and distinct function)
- use the i-THRIVE Framework to implement shared language to describe and navigate the information and support on offer
- enable training, workforce development and networks for all adults to support their understanding of children and young people's mental health
- provide an 'innovation fund' to grow new ideas and approaches at place, and personal health budgets to holistically support children and young people.

All contracts would:

- share KPIs and outcomes
- share a communications and engagement strategy and delivery plan
- employ lived experience leads and implement the Lived Experience Framework (currently in development)
- work together to mobilise at the same time
- work together to explore opportunities to develop one record system in the longer term.

The new contracts will contribute to the ICS strategy priorities as shared in the previous HOSC briefing in December 2023.

7 Workforce

The children's mental health recruitment issues that are seen nationally are especially felt within Kent and Medway due to the proximity to London where staff can earn higher salaries. The geography of the county is varied: some areas are highly populated while other areas are rural. The county is mostly bordered by the coast, meaning there are fewer opportunities for staff to move or work in Kent and Medway from neighbouring counties.

Under our proposed new approach, future providers would be required to work together, with the Royal Colleges, NHS England's national mental health team, medical school, colleges and universities to develop long-term strategies to attract and grow a workforce made up of the current children and young people of Kent and Medway. The future contracts will embed the system enablers

that have been put in place through the children and young people's mental health transformation work which are outlined in the following sub-sections.

8 Summary of key risks

There are a number of risks associated with a procurement of this scale.

The high-level risks at time of writing (February 2024) can be summarised as follows:

- **The future market:** The market profile, their appetite and capacity to engage with a procurement process is not fully known until the procurement process commences. To mitigate as much risk as possible, we have undertaken market engagement and offered two opportunities for potential providers to engage in contract design sessions. There will be one further formal market event on 20 March 2024, and every provider will be offered an individual session to follow-up to try to stimulate as much interest as possible.
- **Impact on services and workforce:** Changes to contracts and services can cause concern within the workforce and this can impact service delivery and in turn children and young people's experience. We intend to mitigate the risk through open and regular communications with the current service providers to ensure that they are aware of the process that is being undertaken and timescales.
- **Increased demand through changes to system investmen**t: Changes to the availability of funding both nationally and locally will impact the level of support and interventions available to families, education setting and the wider provider sector. The concern is that with reducing health promotion, earlier intervention, social and resilience support, there will be an even greater demand for children and young people's mental health services. Close working with national and local partners to understand where changes to investment may be made and an assessment of impact will support planning and risk mitigation.

9 Finance

In 2023/24, NHS Kent and Medway's budget for children and young people's mental health provision totalled £37.857m, of which £31.807m (83%) was utilised for provision in Kent.

Kent County Council contributes £1.267m annually to the specialist service's mental health contract which ensures fast-tracked assessments for Kent Looked after Children, provision to support children who display harmful sexual behaviours and some support for children in pupil referral units. Kent County Council do not intend to continue with investment into the future contracts. We plan to mitigate the impact of the reduced investment through efficiency and prioritising future children's mental health investment from NHS England.

NHS Kent and Medway has established that the proposed total financial envelope for the three 13-year contracts is £501.452m (values based on 2023/24 contract prices with no uplifts or pay assumptions included).

Contract values will be largely in proportion with the current values, with the most significant investment in the Specialist contract. Contract values will be finalised and released with the service specifications once completed.

10 Timeline and next steps

The procurement timeline enables alignment between NHS Kent and Medway's Community Services' transformation year and the six-month mobilisation period for the future children and young people's mental health contracts (from April 2025 to September 2025), as well as the 2025/26 school academic year. Next steps and indicative timeline are as follows:

- Service specifications will be finalised in April 2024 once the comprehensive programme of engagement concludes (including formal market engagement and relevant scrutiny committees), and all feedback has been reviewed and cross-referenced
- The Invitation To Tender will be published in early June 2024
- Bids will be evaluated between July – September 2024, noting that children and young people will be part of the evaluation panel
- Providers will be notified of outcome by December 2024
- Contracts will be awarded in March 2025
- Mobilisation will take place for all new contracts between March – August 2025
- New services will go live on 1st September 2025.

11 Conclusion

This paper has outlined in detail the rationale for a new contracting approach for children and young people's mental health services in Kent and Medway. It has set out the challenges we currently face, and what we have heard, through our engagement activity, is important to children, young people, families and carers, professionals and providers of services. We have described how our proposed new contracting approach is in step with our transformation programme and impacts that have been delivered so far, and how it has been designed to address both the current challenges and consider the feedback we have heard from engagement activity.

The proposed new contracting approach will help us deliver improved care but does not represent a change to clinical pathways, our clinical model, or clinical interventions offered.

The approach described will help to improve the stability and sustainability of services, through better contracts and closer alignment across providers to support partnership working. This in turn helps to address the challenges we face around workforce and an increased need for services, and most importantly will deliver benefits for children and young people.

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