



**Clinical Commissioning Group**

**PAPER FOR THE LUTON CLINICAL COMMISSIONING GROUP  
PUBLIC BOARD MEETING  
TO BE HELD ON TUESDAY 24<sup>th</sup> JUNE 2014.**

<b>TITLE</b>	<b>Re-procurement of Mental Health and Community Health Services</b>
<b>PRESENTED BY (Plus contact details for pre Board enquiries)</b>	Carol Hill, Chief Officer, Luton Clinical Commissioning Group <a href="mailto:Carol.hill@lutonccg.nhs.uk">Carol.hill@lutonccg.nhs.uk</a>
<b>LEAD CLINICIAN/MANAGER</b>	Carol Hill, Chief Officer, Luton Clinical Commissioning Group
<b>PURPOSE OF PAPER</b>	This report updates the Board on the Re-procurement Programme through which Luton CCG leads a joint procurement approach with Luton Borough Council and NHS England South Midlands and Hertfordshire Area Team.
<b>RECOMMENDATIONS</b>	To note the report as an update on the re-procurement process
<b>EQUALITY IMPACT ASSESSMENTS</b>	A format for integrated Equality/Quality Impact Assessments has been finalised. An EIA for the procurement will provide a service baseline and in readiness for any service changes which emerge through the competitive dialogue process.

<b>Has an Equality Impact Assessment been carried out?</b>	The programme is not at this stage yet. Potential service changes may be identified at the final Dialogue phase of the procurement and through final tenders, which have not been reached yet.	
<b>If not, why not?</b>		
<b>What is the impact?</b>	Positive/Neutral/Negative*	
<b>How is the impact (when negative) being managed?</b>	Further consultation	
	Changes to function e.g. policy, decision etc.	
	No action	
<b>Please tick as appropriate</b>		

## **1. Background and Summary**

The objective of the Re-commissioning Programme is to secure high quality, safe, clinically effective services for the people of Luton, to meet current and future health and wellbeing needs, and provide good patient experience. These must also demonstrate value for money and ensure the Luton £ is maximised to meet local needs, recognising that health and social care budgets are under increasing pressure.

There is an opportunity to re-commission community health and mental health services simultaneously as current contracts are coming to an end, as well as identify future providers who will embrace the integration model being developed through the 'Better Together' programme. The decision to re-commission is not a reflection on current services or current providers, but recognises the need to continually improve local services and ensure they fit the changing needs of local communities. Re-procurement has been selected as the best tool to use in the current circumstances, informed by the market engagement earlier in the year which demonstrated a vibrant and extensive range of organisations interested in providing these services. Furthermore, the CCG is obliged to comply with National and European procurement regulations. The approach is to seek responses from providers, through a competitive dialogue procurement process, on how they would deliver against our required outcomes and demonstrate innovative solutions to drive improvement. The 'Better Together' Programme sets the strategic direction within Luton, with much greater emphasis on supporting people to receive care in community settings and within their own homes, with more specialist care, e.g. in hospital, only when clinically necessary. New models of care and developments in technology are facilitating this shift, as well as ensuring services are joined up to provide holistic care based around the patient, user, families and carers.

This paper details the progress made and provides an update for the Board. The Procurement Steering Group is chaired by Gary Ames, CCG Lay Member, and has commissioners from Luton Borough Council and the NHS England Area Team, the Central Eastern Commissioning Support Unit (CECSU), in addition to the CCG as lead commissioner.

The Board has received the full details of the procurement programme previously and this paper builds on previous information to ensure that Board members are updated, and have visibility and oversight of progress.

## **2. The Re-commissioning Programme**

The Mental Health and Community Services Re-Procurement Steering Group was established prior to the process starting and has been overseeing progress with key Clinical and Executive membership of Luton Clinical Commissioning Group (LCCG) and representation from the NHS England Area team (AT), The Central Eastern Commissioning Support Unit (CECSU), Luton Borough Council (LBC) and Public Health LBC.

The project Programme was agreed by the Steering Group. There are 4 service "lots" available; Mental Health Services, Community Health Services, Child and Adolescent Mental Health Services (CAMHS) and Intermediate Care Services.

Competitive Dialogue was selected as the procurement method, where rounds of dialogue are held with bidders, clarifying and honing solutions, until the best fit to achieve the required outcomes is arrived at. This iterative approach represents best practice in procurement as there is flexibility to shape solutions throughout the process, through patient and public engagement and through ideas from potential providers and from commissioners, before finalising service specifications.

The process is now at Invitation to Continue Dialogue (ITCD) stage.

### **3. Update on progress**

Following completion of the Invitation to Participate in Dialogue (ITPD) stage further shortlisting of bidders has been carried out. To progress to the next stage bidders were required to achieve a score of 60% or more on their submissions in response to a series of detailed questions, and were shortlisted per service Lot. Bidders not achieving 60% of the marks in a service Lot have not been shortlisted for that Service Lot.

Bidders going forward to the final dialogue stage – the ITCD- are:

Cambridge Community Services NHS Trust  
East London NHS Foundation Trust  
Hertfordshire Partnership NHS Foundation Trust  
Virgin Health Care

These are the lead bidder organisations and many are bidding in partnership with other providers which are named in their applications.

The next stages are as follows:

3<sup>rd</sup> June to 3<sup>rd</sup> July : ITCD Bidder Dialogue Sessions  
14<sup>th</sup> July : ITCD submission (final tender) deadline  
15<sup>th</sup> to 28<sup>th</sup> July : ITCD evaluations  
29<sup>th</sup> July to 4<sup>th</sup> August : final clarifications process

The Board will receive the final recommendations for preferred providers, from the Steering Group, in August.

**The timeline is reviewed regularly and Board members will be informed of any revisions.**

Following selection of one or more preferred providers transition planning to the new providers and contract finalisation will take place. Start dates will be finalised when transition plans have been prepared to ensure a safe and secure handover of services and staff, as required, from outgoing providers to new providers. The Procurement Steering Group has a programme risk register with mitigating actions which is kept under close review. Intelligence from GP practices, clinicians, Healthwatch, partners, patients, users and carers is invaluable during this time to ensure commissioners are

promptly aware of any service risks which may arise and can proactively work with providers to ensure patient care is not adversely impacted upon.

A Transition Project has been established with Bedfordshire CCG and SEPT. This is working on the transition arrangements for Mental Health services and also the transition of the smaller number of community health services provided in Luton by SEPT. The main focus of the work at this stage is preparing information on Estates and IT assets to inform bidders, and reviewing activity per CCG commissioner where services are currently provided countywide, assuming transition to two different providers for Bedfordshire and Luton CCG areas. The project is being led by the CEOs and senior teams of the three organisations. The work has gathered pace as the bidders now require very detailed information so that they can prepare accurate pricing for final tenders. There are risks to the procurement timeline if essential information for bidders is not available from current providers at this stage in sufficient detail.

#### **4. Involving our Public, Patients, Service Users, and Carers**

A full record of engagement and communications activities has been prepared for the Steering Group, from the start point in September 2013 to date. This describes a large volume of work, spread throughout the time span of the re-procurement programme and continuing to grow.

The two patient/user/carer reference groups – one for Community Health Services and one for Mental Health- prepared questions which were included in the sets for the bidders to respond to in their ITCD (Final Tender) submissions. We are indebted to Healthwatch and a number of voluntary sector organisations in Luton for their continued input to this process, and their support to patients, users and carers in the Reference Groups, to help identify the key question areas and formulate probing questions for the bidders.

The Reference Groups will support the next stage of ITCD evaluation by forming panels to evaluate the responses to the questions they have prepared. They have asked for innovative forms of response, in addition to the written word, to demonstrate the patients'/users' voice in services currently being delivered elsewhere by the bidder organisations. The panel members are being prepared for and supported through the evaluation process by Healthwatch colleagues alongside the CCG team. The marks from the question set will make up 7% of the overall score per bidder.

#### **5. Next steps**

This is a large, complex procurement process and rightly ambitious so that we secure the best possible services for Luton residents for years to come. The Board will continue to receive updates every month on progress.