

CABINET

20 DECEMBER 2016

GATEWAY 1 PROCUREMENT COMMENCEMENT: MEDWAY INTEGRATED CHILD HEALTH SERVICE

Portfolio Holder: Councillor David Brake, Adult Services
Councillor Andrew Mackness, Children's Services (Lead Member)

Report from: Dr Andrew Burnett, Director of Public Health
Ian Sutherland, Interim Director of Children and Adults Services

Author(s): James Harman, Senior Public Health Manager
Michael Griffiths, Children and Families Programme Lead,
Partnership Commissioning

SUMMARY

This report seeks Cabinet approval to commence the procurement of integrated community paediatric health services (it is proposed the contract will be for the duration of four years with an option to extend by one year). This Gateway 1 report has been approved for submission to the Cabinet after review and discussion at Public Health Directorate Management Team Meeting on 25 October 2016 and the Procurement Board on 23 November 2016.

The Public Health Directorate Management Team has recommended that this project be approved as a Category B High risk procurement.

1. BACKGROUND INFORMATION

1.1 Budget & Policy Framework

1.1.1 The budget for the Universal Healthy Child programme Services has been delegated to Medway Council and is a mandatory universal function attached to the Public Health Grant. Currently in Medway we spend around £5.7 million per annum on delivering the Healthy Child Programme in Medway.

1.1.2 The budget for community paediatric health services is held by the Clinical Commissioning Group (CCG) and is used to commission a

range of mandatory and non mandatory services that support children, young people and families who are vulnerable or have specialist medical, neurodevelopmental or health needs, which may be linked to learning disability. The approximate budget for these services is currently £5.8 million per annum.

- 1.1.3 All of the services included in the Medway Child Health contribute to a huge range of local and national policies;
- CCG Priorities – Prevention / Early diagnosis / Better care / Better integration / Quality and safety / Value for money
 - Medway Council - Supporting Medway's people to realise their potential / Giving every child the best start in life
 - Public Health England – Health Matters – Giving Every Child the Best Start in life /Obesity Strategy.
- 1.1.4 The proposed budget for Council funded services has been determined by taking a zero based budgeting approach which has identified some efficiencies.

1.2 Service Background Information

- 1.2.1 Paediatric Health Service provision in Medway has been fragmented in its delivery for a number of years. This is attributable to a number of different factors;
- A range of commissioners (CCG/Public Health/ Medway Council)
 - Organic service growth without effective commissioning control in some areas
 - Different priority areas and deliverables
 - Focus on outputs rather than outcomes
 - IT, technology and communication barriers.
- 1.2.2 The transfer of Health Visiting from NHSE to Medway Council in October 2015 and the partnership commissioning review of community paediatric health services in 2015 have provided an opportunity to redesign community-based paediatric healthcare and deliver efficiencies into the system.
- 1.2.3 The services included in this tender are as follows (current providers are shown in brackets):

Lot A (council funded services)

Health Visiting - Medway Community Healthcare (MCH)
Vulnerable Parents Pathway (MCH)
School Nursing – Medway Foundation Trust (MFT)
National Child Measurement Programme (Medway Council)
Infant Feeding (Medway Council).

Lot B (CCG funded services)

Children's Therapies (MCH)
Community Paediatrics (MFT)

1.3 Urgency of Report

- 1.3.1 The contract needs to be awarded by end of October 2017, due to the legal position in relation to the school nursing contract (ending on 31 October 2016), which cannot be extended beyond this point.

1.4 Funding/Engagement From External Sources

- 1.4.1 The following services also being considered for integration as a part of this work are;
- School Based Immunisations (Currently commissioned by NHSE).

1.5 Parent Company Guarantee/Performance Bond Required

- 1.5.1 A parent company guarantee will be sought where appropriate.

2. PROCUREMENT DEPENDENCIES AND OBLIGATIONS

2.1 Project Dependency

- 2.1.1 This procurement will have dependencies with a range of services commissioned by NHS Medway CCG, Medway Council and NHS England. Dependencies include the recommissioning of adult community health services, domestic abuse services, Child and Adult Mental Health Services, maternity and neonatal services, acute paediatric services.

2.2 Statutory/Legal Obligations

- 2.2.1 The Council has an obligation to provide a number of Public Health service functions set out in section 2A and 2B of the NHS Act 2006 and the Local Authorities (Public Health functions and Entry to Premises by Local Healthwatch Representatives) Regulations. CCG responsibilities are set out in section 10 of the same Act.
- 2.2.2 Local Authorities are statutorily responsible for commissioning and delivering public services for children, young people and families. Medway has held full responsibility for the delivery of the Healthy Child Programme since October 2015.

3. BUSINESS CASE

3.1 Procurement Project Outputs / Outcomes

- 3.1.1 The project brings together a variety of child health services commissioned by both the council and the CCG. The rationale for this approach to integrated commissioning is;

- Better Outcomes and services for children young people and families
- Better integration and less duplication across service
- To better support other council and CCG services such as Social Care, Early Help, CAMHS, education and GPs
- Contracts coming to an end
- Decreasing budgets.

3.1.2 CMT endorsed an integrated model in July 2015 and again in October 2016. Furthermore, we are moving away from the current outputs based approach to a more focussed hard outcomes based model linked to children, young people and their families where there are more acute clinical or therapeutic needs. A draft outcomes framework is included in the exempt appendix and will be further developed as a part of the commissioning work via market engagement and consultation.

3.2 Procurement Project Management

3.2.1 Category Management will manage the procurement process working in collaboration with Partnership Commissioning and Public Health.

3.2.2 The overarching proposed timeline and different phase of the process is as follows

Dec 16 – Cabinet and O&S (Children and Young People)

Jan/Feb 17 – Public Consultation and soft market engagement

Mar/April 17 – SQQ issued and Governance

May/June 17 – Competitive Dialogue and build of final spec

July/Aug 17 – Invite Tenders

Sept/Oct 17 – Governance/preferred supplier identified

Oct/Nov 17 -Contract Awarded

Nov 17 Onwards – Mobilisation.

3.3 Post Procurement Contract Management

3.3.1 Public Health and Partnership Commissioning will contract and performance manage the contract on behalf of Medway Council and the NHS Medway CCG.

3.3.2 This will include:

- Monthly Discussions
- Quarterly Performance Management meetings
- Annual Review/Report.

4. MARKET CONDITIONS AND PROCUREMENT APPROACH

4.1 Market Conditions

4.1.1 A national 0-19 Service Specification was released in early 2016 and the national direction of travel is moving towards an integrated model from ante-natal to 19.

- 4.1.2 Many other Local Authorities are in the process of re-commissioning these services and so the market is live. Not as many areas are proposing such a wide integration of services as this proposal which maybe a risk. This risk is negated by having the option that different providers could bid for separate lots.
- 4.1.3 A Memorandum of Intent (MOI) will be issued to the market, informing providers of commissioning intentions relating to this work to provide an overall vision of our future plans and to inform the competitive dialogue process.

4.2 Procurement Process Proposed

- 4.2.1 The procurement will be governed by Public Contracts Regulations 2015. The proposed approach is to use a competitive dialogue process, this allows us to work with providers to help shape a relatively complex and in some areas clinical service. If there is any change to the plans or timeframe for Lot 2 (CCG funded services) then the process will need to revert to a standard open tendering process.

4.3 Evaluation Criteria

- 4.3.1 The evaluation will be weighted 70% for quality and 30% for price to achieve best value.

5. RISK MANAGEMENT

5.1 Risk Categorisation

1. Risk Category: Legal	Likelihood: Significant	Impact: Critical
Outline Description: School Nursing contract cannot be extended beyond the end of October 2017 which means if timeline extends we will either have to procure separately and lose the savings and efficiencies of integration or be without a service.		
Plans to Mitigate: Keep to proposed timescales to enable commissioning to be complete by Oct 2017		
2. Risk Category: Service Delivery	Likelihood: Significant	Impact: Critical
Outline Description: The budget to deliver the services is not sufficient to deliver all desired outcomes.		
Plans to Mitigate: Zero based budgeting approach by Medway Council will likely mitigate these circumstances		
3. Risk Category: Sustainability/Environmental	Likelihood: Low	Impact: Marginal
Outline Description: Relocation of services to a community setting - An element of the work will be to deliver services in the most appropriate and accessible setting possible, and will require some services that are currently provided in the acute hospital setting to be delivered in community venues. In some cases this will carry an element of risk around how the needs of patients are met, and may initiate silo working between the commissioned service and those services that remain in the acute setting.		
Plans to Mitigate: Through engagement and dialogue with potential providers, service pathways will be developed to ensure that strong joint working is embedded between new services and those provided in acute settings. Ensure that new models of working have appropriate clinical and quality and safety review.		

4. Risk Category: Contractual Delivery	Likelihood: Low	Impact: Catastrophic
Outline Description: The market does not have capacity to respond effectively to the commissioning opportunity		
Plans to Mitigate: By splitting the process into two lots its mitigates this possibility and also maximises the opportunity for further integration		

6. CONSULTATION

6.1 Internal (Medway) Stakeholder Consultation

6.1.1 There are 3 internal Medway Council posts potentially involved and eligible for TUPE. Internal staff will be consulted about potential eligibility for TUPE prior to any plans being publically available. They will also be formally consulted with about the proposals in due course with support from HR.

6.2 External Stakeholder Consultation

6.2.1 An 8 week consultation took place at the start of the process as part of the Needs Assessment and over 400 residents and professionals engaged and responded in this process via a variety of methods (questionnaires/briefings/focus groups/interviews) this has informed our proposals to date.

6.2.2 A further 6 week consultation on proposals is built into the timeline for January and February 2017.

6.3 Procurement Board

6.3.1 The Procurement Board considered this report on 23 November 2016 and supported the recommendation set out at paragraph 10.1 below.

6.4 Children and Young People Overview and Scrutiny Committee

6.4.1 At the meeting the Interim Director of Public Health and the Senior Public Health Manager introduced the report which outlined the proposed approach and direction of travel for the re-commissioning of Medway's paediatric health services, which included the 0-19 Healthy Child Programme (HCP) and community paediatric health services. The model consisted of two lots, one being services funded by the Council and the other being services funded by Medway NHS Clinical Commissioning Group (CCG).

6.4.2 Officers confirmed that they did consider the proposals to be a substantial variation but it was anticipated that the change would mainly affect providers in terms of working practices. The impact was expected to be less significant in relation to service users, although this depended on the model of service provision developed throughout the commissioning process.

6.4.3 Members then raised a number of comments and questions, which included:

- **Engagement with Healthwatch Medway CIC** – it was confirmed that engagement would take place with Healthwatch Medway CIC as part of the formal consultation process which would begin in the new year, subject to Cabinet approval.

- **Inclusion of other conditions** – it was suggested that some impairments and conditions should be included within the paperwork that were currently omitted such as dyslexia, crohn's disease and allergies. Officers undertook to look into this where such conditions would be managed by the service areas identified in the papers.
- **Data issues and acute health services** – concern was raised about data availability and in relation to information in the report regarding to lengths of stay and cancelled appointments. Officers confirmed that there were some issues relating to data quality due to difficulties with some data management systems. It was also confirmed that there were currently service pressures resulting from a high volume of referrals to acute services, and that the re-commissioning of services needed to have whole system buy-in, including support from schools and GPs. It was added that future service specifications and associated outcome frameworks would help to drive efficiency in service provision, and that issues that relate to services that are outside of the scope of this commissioning project could be taken forward via the CCG.

6.4.4 The Committee determined that the re-commissioning of Medway Child Health Services was a substantial variation.

7. SERVICE IMPLICATIONS

7.1 Financial Implications

7.1.1 The procurement requirement and its associated delivery (as per the recommendations at Section 10, will be funded from existing revenue budgets, specifically, Lot A from the Public Health grant and Lot B from CCG budgets. Further detail is contained within section 2.1 - Financial Analysis of the Exempt Appendix.

7.2 Legal Implications

7.2.1 Based on advice from legal the new contract needs to be awarded by the 31 October 2017 as we are unable to extend some of the current contracts beyond that period.

7.2.2 The Public Services (Social Value) Act 2012 gives the Council a statutory duty to consider at the pre-procurement stage of any service contract:

- How what is proposed to be procured may improve the economic, social and environmental well-being of their areas;
- How the Council may act with a view to securing that improvement in conducting the process of procurement.

7.2.3 The Act applies to all services contracts to which the Public Contracts Regulations 2015 apply. In addition to social value, officers should

ensure that the external consultation described above at paragraph 6.2 covers the proposed re-design of elements of the service. This will inform the specification for the new service and allow the procurement process to be successful.

7.3 TUPE Implications

7.3.1 TUPE is likely to apply to this procurement. This includes posts held in Medway Council. There will also be staff within the current services provided by Medway Foundation Trust and Medway Community Healthcare that will also likely be eligible for TUPE.

7.4 Procurement Implications

7.4.1 As per the Contract Procedure Rules under section 3.3.1: 'All requirements above £100K must be advertised on the Council's Website, the Kent Business Portal and in the OJEU (where above the EU tender thresholds for goods, services or works).'

7.4.2 The value of the procurement for the Integrated Child Health service means the service should be advertised to comply with these rules, and to support the Council's procurement strategy to provide best value.

7.4.3 A Section 75 agreement with NHSE may also need to be put in place as Public Health are looking to include funding for immunisation services as part of integrated Lot A.

7.5 ICT Implications

7.5.1 At this stage the Council is unaware whether there will be any implications for Corporate ICT or the Children & Adults Systems Support Team. This procurement needs to identify whether there will be a requirement for access to Medway Council IT applications (i.e. Frameworki) or full integration with the applications. The outcome of this will determine whether additional funding is required and timescales can be met due to competing priorities.

7.5.2 Services are currently delivered by 4 different organisations, therefore, there will be significant work to be done in the mobilisation period around Information Governance and data transfer between those organisations.

8. OTHER CONSIDERATIONS

8.1 Diversity & Equality

8.1.1 A Diversity Impact Assessment has been undertaken, as set out in Appendix 1 to the report. Based on the current model and budget estimates, no major concerns have been raised.

8.2 Social, Economic & Environmental Considerations

8.2.1 The 0-19 population is growing year on year in Medway and the birth rate is rising every year so the demand on services over the life of the contract will be increased. The impact of the local housing plan should also be factored in which sees the opportunity of even bigger spikes in a younger population.

8.2.2 The service would also significantly contribute to a number of the Council's wider priorities

- Medway: A place to be proud of
- Supporting Medway's people to realise their potential.

9. OTHER INFORMATION

9.1 As this is a joint procurement both Medway Council and CCG are required to approve the proposed way forward. The necessary approvals will also be sought to comply with Medway CCG's governance process.

10. RECOMMENDATION

10.1 That the Cabinet approve the commencement of the procurement of a new integrated Medway Child Health Service as set out in paragraph 1.2.3 of the report and on the basis set out in paragraph 4.2.1 of the report.

11. SUGGESTED REASONS FOR DECISION

11.1 To ensure families in Medway are better served by a new integrated Child Health Service and to allow for financial efficiencies to be made by the Council and Medway CCG in 2018/19.

LEAD OFFICER CONTACT

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APPENDICES

Appendix 1 – Diversity Impact Assessment
Exempt Appendix

BACKGROUND PAPERS

The following documents have been relied upon in the preparation of this report:

Description of Document	Location	Date
Public Health – Healthy Child Programme Needs Assessment	https://democracy.merseyside.gov.uk/mglIssueHistoryHome.aspx?IId=18074&PlanId=263	May 2016
Children with Disabilities Needs Analysis	https://democracy.merseyside.gov.uk/mglIssueHistoryHome.aspx?IId=18074&PlanId=263	March 2016
Public Health Outcomes Framework (PHE 2013)	https://www.gov.uk/government/publications/healthy-lives-healthy-people-improving-outcomes-and-supporting-transparency	April 2013

Diversity impact assessment

Appendix 1

TITLE <i>Name / description of the issue being assessed</i>	Recommissioning of child health services, 0-19/25 services
DATE <i>Date the DIA is completed</i>	04/09/16
LEAD OFFICER <i>Name, title and dept of person responsible for carrying out the DIA.</i>	James Harman, Senior Public Health Manager, Public Health Medway Council Michael Griffiths, Partnership Commissioning Lead – Children and Families, Medway Council & Medway CCG

1 Summary description of the proposed change

- *What is the change to policy / service / new project that is being proposed?*
- *How does it compare with the current situation?*

Re commissioning of an integrated 0-19/25 service, including health visiting, school nursing, children's therapies services and community paediatrics (which includes children's community nursing, learning disability nursing, special needs nursery provision and special school nursing).

Currently the 0-19 offer is comprised of a number of separately commissioned services delivered by a number of different providers. Children's health services are part of block contracts held by the acute and community providers. Services within the block have grown to meet perceived need, sometimes in isolation from other provision, resulting in fragmentation and duplication.

The proposed recommissioning will match services more closely to need and ensure a more equitable spread of provision: as an example, the current special needs nursery sessions can only be accessed by a small number of parents who are able to travel to Rainham, and the current building is sub-optimal. Future provision will aim to be accessible to more families and operate from more suitable premises.

In line with the recommissioning process locally the Family Nurse Partnership (FNP) service has been decommissioned, however the investment remains within the provider to develop a more inclusive offer going forward. This offer aims to support more families with a more locally focussed offer.

2 Summary of evidence used to support this assessment

- *Eg: Feedback from consultation, performance information, service user records etc.*
- *Eg: Comparison of service user profile with Medway Community Profile*

An extensive needs analysis has been undertaken (see appendix 2 and 3) Benson Wintere workforce modelling for health visiting suggests that the same level of service can be provided with a slightly adjusted work force skill mix.

Diversity impact assessment

3 What is the likely impact of the proposed change?

Is it likely to :

- Adversely impact on one or more of the protected characteristic groups?
- Advance equality of opportunity for one or more of the protected characteristic groups?
- Foster good relations between people who share a protected characteristic and those who don't?

(insert ✓ in one or more boxes)

Protected characteristic groups	Adverse impact	Advance equality	Foster good relations
Age		X	
Disability		X	
Gender reassignment			
Marriage/civil partnership			
Pregnancy/maternity		X	
Race			
Religion/belief			
Sex			
Sexual orientation			
Other (eg low income groups)		X	

4 Summary of the likely impacts

- Who will be affected?
- How will they be affected?

Children aged 0 to 19, and up to 25 in the case of disabled children and/or those with special educational needs, will be affected alongside their parents/carers.

For disabled children, the success of service provision will be judged by the positive outcomes achieved for children and young people, rather than the historical output model (where numbers on caseload and number of contacts are monitored primarily). Services where there are currently identified gaps and inequity of provision (eg continence) will be enhanced. Provision will be designed to support inclusion and enable children to stay in their communities. It is recognised that parents/carers of disabled children are more likely to have a lower income and less access to their own transport: more provision within the community will help to address these issues.

Diversity impact assessment

The decommissioning of FNP could be deemed as having a negative impact on first time mothers of the eligible age range. A large number of the families currently being supported by the service naturally graduate around the time the service comes to an end. Those families remaining will have an identified support package in place to be delivered by the replacement vulnerable parents service.

The development of a new vulnerable parent pathway is more inclusive, support will be available to a wider number of people with additional vulnerabilities identified and supported by the bespoke service.

5 What actions can be taken to mitigate likely adverse impacts, improve equality of opportunity or foster good relations?

- *Are there alternative providers?*
- *What alternative ways can the Council provide the service?*
- *Can demand for services be managed differently?*

Service specifications will meet NICE guidance and other appropriate standards and the tender(s) will be subject to a competitive process. There will be an expectation for primary care services to have a greater role in supporting disabled children than heretofore, in order to manage demand on secondary and tertiary services.

The current level of investment is remaining the same enabling the development of the replacement service. This will minimise impact on current eligible families as the new service will be in place as the old one comes to an end.

At present likely numbers for the new vulnerable parents pathway are largely unknown so we are working with local services to pull data sources together to ensure the service is fit for purpose and able to meet any likely demand. The current level of investment is remaining the same enabling the development of the replacement service. This will minimise impact on current eligible families as the new service will be in place as the old one comes to an end. Consideration is also being given as to whether this is a bespoke service for vulnerable parents or whether this is built into existing health visiting services.

6 Action plan

- *Actions to mitigate adverse impact, improve equality of opportunity or foster good relations and/or obtain new evidence*

Action	Lead	Deadline or review date
Consultation with children, young people and their families regarding proposed models of service, and any potential adverse impacts identified and mitigated within the service specification	MG/JH	By March 2017

Diversity impact assessment

Performance management requirements will include evidence of reach to vulnerable groups	MG/JH	October 2017 on
A further EIA will be undertaken as part of the first year review of the new service, in order to identify and address any unforeseen adverse impacts	MG/JH	October 2018

7 Recommendation

The recommendation by the lead officer should be stated below. This may be:

- *to proceed with the change, implementing the Action Plan if appropriate*
- *consider alternatives*
- *gather further evidence*

If the recommendation is to proceed with the change and there are no actions that can be taken to mitigate likely adverse impact, it is important to state why.

The recommendation is to proceed with the change and implement the Action Plan as detailed.

8 Authorisation

The authorising officer is consenting that:

- *the recommendation can be implemented*
- *sufficient evidence has been obtained and appropriate mitigation is planned*
- *the Action Plan will be incorporated into the relevant Service Plan and monitored*

Assistant Director

Date

Contact your Performance and Intelligence hub for advice on completing this assessment

RCC: phone 2443 email: annamarie.lawrence@medway.gov.uk

C&A: (Children's Social Care) contact your normal P&I contact

C&A (all other areas): phone 4013 email: chrismckenzie@medway.gov.uk

BSD: phone 2472/1490 email: corppi@medway.gov.uk

PH: phone 2636 email: david.whiting@medway.gov.uk

Send completed assessment to the Corporate Performance & Intelligence Hub (CPI) for web publication (corppi@medway.gov.uk)