

BNSSG CCG Governing Body Meeting

Date: Tuesday 1st May 2018

Time: 1.30pm

Location: The Winter Gardens Pavilions, Weston College, 2 Royal Parade, Weston Super Mare BS23 1AJ

Agenda item: 7.2

Report title: Options appraisal for re-procurement of Adult Community Health Services across BNSSG

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1. Purpose

This paper aims to set out the options relating to the reprocurement of adult community health services contracts across BNSSG, with particular focus on the question of whether it is beneficial to undertake this once across BNSSG, or pursue a more localised approach working at Area level.

The paper makes the following assumptions:

- That the Governing Body notes the decision taken by the Governing Body Meeting-in-Common in March 2018 to extend the Bristol Community Health (BCH) contract by 6 months via direct award to 31st March 2020. This decision was taken in response to the risks presented by the CCG's contractual history with BCH, a service which was transferred from the PCT in 2011 and for various reasons had been extended twice outside of contract, and never formally procured. Similar risks are not immediately present with respect to the other two providers of adult community services in BNSSG, namely Sirona Care & Health, and North Somerset Community Partnership, whose services were formally procured in 2013/14 and 2015/16 respectively, and whose contracts contain provision to extend to 2021 and 2023. These arrangements are summarised in Appendix 1 of this paper. Of relevance to this paper, the date of 31st March 2020 is the agreed earliest point at which a reprocured community service, for Bristol or BNSSG, could 'go live' given the time taken to undertake a procurement.
- That the scope of any procurement(s) is out of scope of this paper, and will be presented separately. This is especially of relevance for the treatment of children's services, community bedded provision, and services currently provided by acute trusts which may be amenable to

being delivered in a community setting by a community provider e.g. audiology aftercare. However, it is assumed that the benefits and disbenefits associated with the options set out below remain valid as 'core' community services would be retained in the scope of any procurement(s).

- That all of the options below make provision for incorporating commissioning and contractual arrangements relating to the Locality Commissioning Strategies (e.g. Healthy Weston), the development of which is being led by the CCG Area Directors. This is likely to include a role for new locality provider groups, bringing together GP practices and other local providers to better integrate services. It should therefore be recognised that over the duration of any proposed procurement timeframe (i.e. 2-3 years) these will have developed significantly from their nascent form and may introduce variation in what is commissioned at a locality level for a number of specified services.

2. Recommendations

The recommendation is set out at section six below, and is that the Governing Body approves option 3, namely to reprocure all adult CHS across BNSSG singularly and simultaneously so as to realise the maximum benefits to social, clinical and financial outcomes.

3. Background

The core aims of community services are to provide care to people in or as close as possible to their own homes to prevent deterioration in health, maintain independence, providing care when people are ill and to support them to recover.

As more people are living longer with more disease this has inevitably led to higher demand for these services and need to support more complex needs in the community. BNSSG CCG has a stated ambition to ensure that all investment in this area represents value for money and provides consistent quality standards and outcomes across the patch, albeit the level of provision of such services must reflect the local need. BNSSG CCG has a core objective to provide these services in an integrated way with general practice at the heart of a locality based integrated community service offering, including physical and mental health, and social care. Our ambition is to improve people's experience of care, improve care coordination and hence reduce delays in service provision across both health and social care, and ensure best possible health for all the people of BNSSG.

The BNSSG CCG is investing significantly in progressing the integration of our health and social care systems both individually, through the CCG Area Directorates, and as part of the Sustainability and Transformation Partnership (STP). At present, the CCG operates a joint commissioning model with the respective local authorities with arrangements that support the alignment of commissioning intentions and pooled budgets. As part of the wider BNSSG CCG's transition programme to create a single commissioning voice and to support the further development and delivery of the STP's Integrated Primary and Community Health Care plans, in 2017-19 BNSSG CCG are working towards greater alignment in their joint commissioning arrangements, including for Better Care Fund plans. The approach will be based on achievements to date and the areas for improvement that have been identified. The three local



authorities are also working to deepen their co-operation and recently commissioned a review of the opportunities for increased collaboration across the local authority adult social care departments.

Within BNSSG the Area Directors are also developing a locality model that will form the future blueprint for NHS services within the area. The aim for the community service provision is to support the development of practice provider localities in 'natural geographies' with a history of working together. These provider collaborations will aim to deliver services that meet the growing and changing needs of local residents, integrating with other services available in the community including community providers, mental health, social care, public health and the voluntary sector.

The above commissioning intentions relating to the STP, integrated care and localities have brought forward the need to commission these services in a different manner going forward. In addition, principles about equitable service provision resulting from the merger of the three CCGs, along with concerns for financial resilience given the relatively small scale of the three community providers in the geography, prompt the need for the CCG to consider whether, in future, they would wish to commission community services differently for BNSSG to achieve both the best possible outcomes for the population and value for money for the healthcare system.

4. Opportunities presented by community services reprocurement and options

The reprocurement of adult community health services satisfies a legal requirement relating to duration and terms of the individual contracts held by the former BNSSG CCGs (novated to BNSSG CCG) which were presented in the paper to Governing Bodies in March and summarised in Appendix 1.

More importantly, this requirement derives from the fact that the reprocurement of adult community services in BNSSG presents the opportunity to realise improvements in the manner services are delivered, in line with the context set out above, with consequential benefits to clinical, social and financial outcomes. These benefits are wide-ranging but may be classified in the themes below:

- a) **System impact:** To develop the plan for integrated care (and resulting system benefits) in line with the STP, including working closely with local authority colleagues and primary care to support the plans for the development of new locality provider groups.
- b) **Affordability:** To ensure and deliver value for money in the services delivered e.g. through economies of scale, innovative services models, and use of technology. This includes the costs of procuring and mobilising the services.
- c) **Meeting population need:** To provide a consistent quality of care across BNSSG, whilst reflecting the varying needs of local populations. This would be informed by strong public and patient engagement.
- d) **Staffing:** To promote resilience in the workforce by operating at the appropriate scale and skill mix that optimises recruitment and retention, reflecting the availability of workforce in BNSSG and the wider SW region.

Given the range of contracts currently in place across BNSSG, a number of options exist as to how and when they are reprocured:

- 1) Honour existing contract terms (including the newly-extended BCH contract), and procure each individually – the default ‘do nothing’ option. It should be noted that this option would require immediate mobilisation of a procurement for community services in Bristol, given the termination of the BCH contract on 31st March 2020.
- 2) Align contract termination dates, but procure each individually
- 3) Align contract termination dates, and procure all once collectively

Importantly, the degree to which the opportunities above may be realised by the reprocurement of adult community health services depends on the approach taken. The impact of these are summarised below.

Whilst recognising the interdependency inherent between these factors, for the purposes of scoring they are treated as mutually exclusive so as to avoid double counting a benefit or disbenefit e.g. health prevention might best be delivered through system working (benefit ‘a’) and therefore improve the quality of local services (benefit ‘c’).

5. Options Appraisal

1) Honour existing contract terms without extension, and procure each individually – the default ‘do nothing’ option

OPTION 1	Pros	Cons	Score
System impact	Opportunity to iterate models of care and learn from them sequentially.	<p>Slower time to impact as mobilisation is staggered across the Areas.</p> <p>Greater disparity would exist between service models as specified differently, this would hamper and potentially critically undermine ‘system’ working e.g. variation in discharge pathways available to individual acute trusts; variation in the role of the mental health provider in locality vehicles.</p>	0
Affordability	<p>Greater opportunity for innovative approaches to be developed due to number of procurements taking place.</p> <p>Cost of procurement spread furthest over multiple years.</p>	<p>Greatest total cost of procurement as not all elements would be standardised, and external teams would be required in post over a longer time period/ multiple periods due to staggered contract end dates.</p> <p>Opportunity for savings resulting from economies of scale in service delivery may be lost, unless initial procurement lots carefully defined and Sirona/NSCP support variations to existing contracts. This is doubtful as it would likely destabilise existing services if changed radically.</p>	0



Meeting population need	Likely allow for greatest reflection of local needs across all services, as joint lots are not likely to be practicable, whilst employing consistent BNSSG commissioning principles/ standards.	Local variation in procured services may undermine principle of parity across BNSSG if not appropriately balanced.	2
Staffing		<p>Would likely miss opportunities for working at scale to address structural staff shortages e.g. podiatrists.</p> <p>Operational resilience in individual teams (e.g. shortages due to staff sickness) reduced due to smaller teams.</p>	0
TOTAL			2/8



2) Align contract termination dates, but procure each individually combined with joint Lots where desired

OPTION 2	Pros	Cons	Score
System impact	More rapid impact as change in North Somerset and potentially South Gloucestershire is brought forward.	Greater disparity would exist between service models as specified differently, this would hamper and potentially critically undermine 'system' working e.g. variation in discharge pathways available to individual acute trusts; variation in the role of the mental health provider in locality vehicles.	1
Affordability	Opportunity for savings resulting from economies of scale in service delivery may be delivered if joint procurement lots defined for certain services e.g. specialised.	Greater cost of procurement as not all elements would be standardised.	1
Meeting population need	Likely allow for high reflection of local needs across all services, though this depends on the scope of the procurement vis-à-vis joint lots.	Local variation in procured services may undermine principle of parity across BNSSG.	1
Staffing	Opportunity for joint lots may be introduced to unlock benefits of working at scale to address both structural workforce shortages and operational resilience.	Risk that opportunities derived from working at scale in certain services (e.g. specialised) to address structural staff shortages (e.g. podiatrists) would be missed unless joint lots carefully specified. Operational resilience in individual teams (e.g. shortages due to staff sickness) reduced due to smaller teams.	1
TOTAL			4/8



3) Align contract termination dates, and procure all once collectively

OPTION 3	Pros	Cons	Score
System impact	<p>More rapid impact as change in North Somerset and potentially South Gloucestershire is brought forward.</p> <p>Greatest potential to align models of care across BNSSG to unlock system benefits.</p>		2
Affordability	Likely lowest total cost of delivering the procurement due to aligned timescales and economies of scale inherent in standardising specifications and approach.	Procurement costs land simultaneously impacting CCG cashflow.	2
Meeting population need	Promotes highest level of parity in the service offered across the whole population for which BNSSG CCG commissions services, through a single application of BNSSG commissioning principles / standards.	May present challenge to the reflection of local needs across all services, if procurement process is not designed and/or resourced sufficiently to promote the locality voice.	1
Staffing	<p>Greatest potential to address structural staffing issues through working at scale and skill mixing, e.g. BNSSG-wide podiatry service.</p> <p>Greatest potential to improve operational resilience of teams due to increasing size – though this may be tempered by the size of the geographical footprint impacting the ability to ‘flex’ e.g. a staff surplus in Fishponds supporting a deficit in Weston.</p>		2
TOTAL			7/8



6. Recommendations

In light of the above scoring, it is recommended that the Governing Body approves option 3, namely to reprocure all adult CHS across BNSGG singularly and simultaneously so as to realise the maximum benefits to social, clinical and financial outcomes.

7. Financial resource implications

The estimated costs for undertaking a community procurement will be subject to a future paper to Governing Body, based on the option selected and agreement on the scope and timeline of the procurement.

The options appraisal above highlights the fact that the cost of undertaking procurement for community services will vary depending on the option selected, namely that it is likely to be cheaper if done collectively due to economies of scale.

8. Legal implications

There are no legal implications related to the scope of this paper, though it should be noted as per Section 1 that the prior decision to award a 6 month contract to BCH was taken to mitigate the risk of challenge under procurement regulations.

9. Risk implications

Regarding the scope of this paper, it should be noted that if a decision is not reached on commencing a procurement in the first quarter of 2018/19, there is a significant risk that such a procurement would not be completed on time, and/or to a sufficiently high standard, to introduce a new service in time for the termination of the current BCH contract on 31st March 2020.

10. Implications for health inequalities

None specific to the scope of this paper.

11. Implications for equalities (Black and Other Minority Ethnic/Disability/Age Issues)

None specific to the scope of this paper.

12. Consultation and Communication including Public Involvement

Extensive patient and public involvement and communications will form the heart of any procurement of community services, these will be detailed in a future paper to Governing Body, based on the option selected and agreement on the scope and timeline of the procurement.

13. Appendices

Appendix 1 – Overview of existing community contracts

Within the BNSSG area there are currently 3 main adult community service providers, commissioned under 3 separate NHS contracts delivering a wide range of services to the population. The range of services are different across the area due to previous commissioning arrangements within the three separate Clinical Commissioning Groups arrangements.

Bristol Community Health (BCH) is a Community Interest Company (CIC) which was created as a result of the Transforming Community Services (TCS) programme, which introduced the separation of primary care trusts from the actual provision of health services in the NHS (provider function). NHS Bristol transferred a recurring budget of £33,318,591 per annum to the newly created social enterprise, Bristol Community Health CIC, in October 2011.

The BCH contract came in to effect on 1 October 2011 and was commissioned for three years, with the option for a two year extension at the end of this period ('3+2').

Subsequent to the original contract term the BCH contract has been extended with the following terms:

- 1) Extension to contract (within original terms): 1st October 2014 – 30th September 2016 (2 years)
- 2) First additional extension to contract (outside original terms): 1st October 2016 – 30th September 2017 (1 year)
- 3) Second additional extension to contract (outside original terms): 1st October 2017 – 30th September 2019 (2 years)
- 4) Contract awarded for further 6 months (via direct award): 1st October 2019 – 31st March 2020

Sirona Care and Health, similarly to BCH, are a Community Interest Company that emerged from the TCS programme. This community provider supports adult community services for the population of South Gloucestershire and childrens services for South Gloucestershire and Bristol.

Sirona Care and Health are currently commissioned by the CCG to deliver 3 separate NHS contracts:

- 1) Adult community services – This is a 5 year contract with the extension included for an additional 2 years (this can also be extended 1 + 1 years if required). The current contract is due to expire on 31/03/2019.
- 2) Adult learning difficulties services – This is a contract with no provision for an extension and this is due to expire on 30/09/2018.
- 3) Children's Community Health – Sirona are the prime provider with su contracts with AWP and BCH for the provision of integrated children's services. This is a 5 year contract with provision to extend for a further 5 years.

North Somerset Community Partnership (NSCP), is the third CIC within the BNSSG area that provides services to the population of North Somerset. This is a 5 year contract due to expire on 31/03/2021, with the provision for to extend for a further 2 years.

In addition with the main contracts with the three acute trusts across BNSSG there are elements of services that are classified under reference costs as community services and in the case of University Hospitals the acute contract includes South Bristol Community Hospital and North Bristol includes Thornbury and Cossham Hospital services.