

No.

Report to Scrutiny Board

Name of Scrutiny Board	Adult
Meeting Date	20 August 2020
Subject	Integrated Approach to Procurement
Wards Affected	All
Report of	Director of Adult Social Care (CMBC), and Head of Contracting and Procurement (Calderdale CCG)

Why is it coming here?

Scrutiny asked for an update on the strategic direction for procurement. Whilst originally this was planned as an update from CMBC, it was felt that this item should be presented in the context of our ambitions to integrate the commissioning activities of the CCG and CMBC.

What are the key points?

- There is a clear strategic direction for integrating commissioning, and procurement is seen as a key enabler for this.
- We already have examples of where there have been joint approaches to procurement which have benefited our population
- There is a potential to develop a more integrated approach across the two organisations going forward
- The work set within the context of the overall roadmap for integrating commissioning
- Next steps have been identified.

Possible courses of action

Members are asked to:

- Discuss the content of the report
- Provide their views into the next stage of the work in line with next steps set out in the report.
- Seek further updates as the work progresses

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Should this report be exempt? - No

Report to Scrutiny Board

1. Background

(a) Overview

Overview and Scrutiny Committee have sought an update on procurement approaches across health and social care in Calderdale. This update has been developed by CMBC and Calderdale CCG in order to share a view which is informed by:

- The work being done to develop a narrative on the opportunities and benefits of integration of health and social care
- The continued need to deliver Calderdale Cares as a key strategic driver
- The potential for a joint approach to procurement as a key enabler for the above, recognising the opportunities this brings and current differences in approaches
- Examples of where we have already procured together, or worked together on procurement opportunities.

(b) Integration

Calderdale is strongly placed to deliver a model of commissioning that supports our vision 2024, our new Wellbeing Strategy, and aligns to the developing work at scale on commissioning being led by the West Yorkshire and Harrogate Health and Care Partnership.

We aspire to develop a new vision for place based commissioning in Calderdale cognisant of the three tiers; WY&H Health & Care Partnership, Calderdale as a district, and localities. We recognise that this approach needs to work with the grain of the place, be grounded in reality, make better use of our collective resource (people and money) and recognise the external environments we respectively operate in (political and regulatory).

There is a well-developed evidence base for the move to integrating place-based commissioning activities; described by; *Integrated Commissioning for Better Outcomes (LGA and NHS Clinical Commissioners – November 2017, Financial Opportunities through health and social care integration (LGA), June 2016, Options for Integrated Commissioning (Kings Fund), June 2015, The Quest for Integrated health and social care in New Zealand, Kings Fund – 2013.*

In the main the evidence base for integration of commissioning focuses on:

- Outcomes and experience; integration of commissioning activities maximises opportunities to integrate provision – driving improvements in well-being, personalisation, inequalities and equalities.
- Better Value; co-ordinated investment of the Calderdale pound, in line with commonly agreed goals, provides real opportunities for efficiency and financial stability
- Resilient workforce; working in an integrated system improves relationships between staff and those who receive services, and between groups of staff, resulting in better experience, higher morale, recruitment and retention.
- Opportunities to deliver change at locality level, developing integrated offers for individual communities, maximising opportunities from co-terminosity, a neighbourhood approach, and working with newly emerged Primary Care Networks. This enables a focus on; population health management, sharing records and developing multi-disciplinary/agency ways of working.

(c) Calderdale Cares

The strategic intent set out in Calderdale Cares remains essential to driving forward our approach to procurement in the future.

The Calderdale Cares paper was first published by CMBC in 2017, and adopted by the Health & Wellbeing Board and the Executive Boards of its partners. It describes integration of health and social care - "fundamental realignment of community health services, primary care, public health and social care services for children and adults". The aims of Calderdale Cares are to; improve health, reduce inequalities, ensure greater independence and reduce need for bed-based care. It is clearly a driver for delivery of Vision 2024.

The original paper describes the opportunity for; a collaboration/alliance of organisations, shared resources, shared outcomes, shared values, and was focused on; person-centred, prevention, wellness, self-management and technology – tackling wider determinants of health (physical & mental). It calls for new forms of commissioning and the development of an Integrated Commissioning Exec (which has been in place for 3 years).

The starting point was to adopt this approach in 2 localities; aligning services and governance and building community responses. The first two localities to adopt this approach were; Central Halifax and North Halifax. Both progressed with bringing together representatives from a wide range of local organisations, identifying priorities and working together. The other 3 localities progressed at different speeds. The creation of Primary Care Networks in 2019, which mirrored the same geography, provided the vehicle to ensure that General Practice played an important part in the locality work.

Procurement is a key enabler for delivering our strategic intent described above, recognising the opportunities this brings and current differences in approaches

2. Procurement in Calderdale

a) Procurement in Calderdale CCG

Procurement in the NHS is guided by two regulatory frameworks these being the Public Contract Regulations 2015 (PCR) which applies to all publically funded organisations within the United Kingdom; and the NHS Procurement, Patient Choice and Competition Regulations 2013 which specifically relate to the NHS in England and were put in place to enact Section 75 of the Health & Care Act of 2012 (PCCR or Section 75). In general terms, compliance with the provisions and principles of PCR when undertaking a procurement exercise will mean that the requirements of PCCR will be met.

Contrary to common belief, the PCCR does not require the Commissioner to tender for services it wishes to commission, it essentially requires that Commissioners can justify an award of contract by demonstrating that the provider is the only one able to provide the service or that it can demonstrate that the provider is clearly the most suitable. Emphasis is placed on interested parties being able to 'compete' for services they believe they can provide in a fair and open process. Where a Commissioner believes that a direct award is appropriate it will still have to comply with the basic principles of non-discrimination; proportionality; and transparency. Clearly, any direct award of contract would be subject to challenge from a provider that felt they had a reasonable chance of being successful if the opportunity was offered to the market.

The CCG does not see procurement as the tool to be used in every instance. In accordance with its Procurement Policy, the CCG will use procurement proportionately as a commissioning process where it considers there are definite benefits to be gained in respect of the interests of the patient and to the tax payer. Depending on the complexity of the procurement, a process needs to offer a return on the

investment in time and resources employed to conduct it.

b) Where we have used it

Although there is a clear direction of travel towards the development of collaborative alliances of providers coming together to solve commissioning issues where a traditional market approach is not considered to be the most effective way to deliver a solution, there are still instances where the CCG will use a procurement process as the most effective way of securing providers. The following are examples where procurement has been used.

- a) *Enhanced Community Living Services (Mayman Lane)* – Calderdale, Kirklees and Barnsley agreed a joint call-off process for Enhanced Community Living Services for people; with learning disabilities and/or autism with behaviours that challenge, a forensic history, or living with other mental health conditions. The procurement process was initiated by the Transforming Care Team with the aim of selecting a provider for the care of 6 individuals at the new accommodation in Mayman Lane, Batley.
- b) *Mental Health Telephone Service* - Calderdale, Greater Huddersfield, North Kirklees, Wakefield and Leeds CCGs are jointly commissioning a 24 hour, 365 days/year Mental Health helpline service.
- c) *Information Technology Service* - Calderdale CCG led the procurement covering Calderdale, Greater Huddersfield, North Kirklees, Wakefield, Bradford City & District, Airedale, Wharfedale and Craven CCGs for the provision of IT services with an overall contract value of £23.4m.

c) Procurement In Calderdale Council

Procurement in the Council has some differences to that of procurement within the CCG, as it is directly guided by the Public Contract Regulations 2015 only, and these form the basis for the Councils procurement activity. The regulations are supplemented by additional Contract Procedure Rules embedded within the Council's Constitution, including the setting of thresholds for different procurement routes up to the EU Directives thresholds. The Contract Procedure Rules sit within the Councils control, and are therefore open to review and development as new ways of working are identified.

Procurement is seen by the Council as an element of the commissioning cycle, providing an opportunity for provision of good commissioning, which delivers imaginative solutions. It is as much about best practice and improving delivery, as it is about due diligence and governance.

The Council does apply PCRs 2015 Chapter 3, Particular Procurement Regimes, Section 7 Social and Other Specific Services (Light Touch Regime), which provides the Council with flexibility for most elements of Social Care and Health procurement within the Council, depending on contract value, such as the Voluntary Sector Infrastructure partnership with the CCG and its other partners.

The Council is also working to further strengthen its approach to Social Value by directly linking procurement with its Inclusive Economy Strategy by: 'Ensuring that all council spend can better contribute to economic, social, and environmental improvement within the borough'

3. Working better together

There is no doubt that, for both organisations, the case for working with others in joint procurement projects is well established when it comes to working with others in the same sector i.e. health or local authority. There are also a number of areas where we have worked closely together on specific projects to deliver a Calderdale approach to what we needed to commission. A key element of success in these areas is attributed to early engagement in the process where all understand what is

required; who lead the process; what resource is required from each party; and this 'closeness' is maintained through the whole of the process and beyond.

There is an opportunity going forward of more alignment of commissioning intentions and consequently opportunities to consider joint approaches to commissioning services in Calderdale. Flowing from the increasing alignment of strategic commissioning objectives is development of single approaches to shared markets, allowing for; consistency, effective use of limited resources available to undertake the work, and reduced burden on potential providers in having to respond to multiple approaches from different parts of the Calderdale system.

4. Examples of Joint Approaches to Procurement in Calderdale

As described above a joint approach to procurement is not entirely new to Calderdale, and the following provide examples:

a) Voluntary Sector Infrastructure Alliance

From 1 April 2018, voluntary and community sector infrastructure support services in Calderdale have been delivered by a new alliance made up of service commissioners and providers. This is a collaborative arrangement made up of Voluntary Action Calderdale (VAC), North Bank Forum (NBF), Locality, West Yorkshire Community Accountancy Service (WYCAS), NHS Calderdale Clinical Commissioning Group (CCG) and Calderdale Metropolitan Borough Council (CMBC).

The aim of the Alliance is to:

- Promote joint working across all agencies, combine resources to deliver high quality infrastructure support and services, reduce duplication and agree collective outcomes for a strong and thriving local voluntary and community sector.
- Bring together commissioners and providers to develop new ways of working and to develop a shared strategic vision, with a focus on outcomes and impact.
- To continue to develop the alliance arrangement as a sustainable, dynamic and innovative delivery model.

Whilst the four voluntary and community sector providers are currently working to individual service contracts there is an overarching Alliance Agreement in place which provides a joint framework for service delivery, with a range of collective outcomes and shared objectives.

b) Personal Care and Support at Home

Personal Care and Support at Home, or homecare as it is more commonly known, is the service which enables local people, who have been assessed as having "eligible needs", to receive the care and support they need to help them live their day to day life whilst remaining in their own home. This is a demand led service and is subject to compliance with the Care Act 2014.

Homecare provision in Calderdale is currently provided through several different routes. Central to this is the Local Authority managed homecare contract, currently delivered by two providers in Calderdale. Due to limited capacity within these service providers, work is also distributed to others via either separate spot contracts, short term contracts or via a tendered Approved Provider List (APL) to ensure that there is enough capacity to meet the growing demand for this community based provision.

Homecare and community based services have been commissioned to meet emerging demand and in 2017 we identified the need to review the provision and set out a clear strategic direction. A whole service review of the community based provision in Calderdale across both Health and Social Care concluded in 2018. This review set out recommendations and direction for future

commissioning of personal care and support at home provision in Calderdale.

Following the review of homecare services several options were considered with an aim of ensuring that the local homecare market was strengthened with a view to ensuring that there is enough capacity to support people in their own homes. Good quality homecare underpins Calderdale's social care market as we strive to support people to remain independent and well in their own homes and reduce the numbers of people requiring residential care. Flexible and responsive homecare provision is also crucial to preventing non-elective admissions to hospital and ensuring that people can be discharged from hospital without unnecessary delays. The homecare model will cover all ages and all client groups to ensure that there is a consistent approach to provision in Calderdale.

A model was agreed that will offer guaranteed hours to core providers to help build and stabilise the market. This means that providers can recruit a stable staff team and have a guaranteed income and client base. Contracts will be awarded based on the five Calderdale Cares localities i.e. North, South, Central, Upper and Lower these have been clearly defined in the proposed tender documentation to ensure that providers have a clear picture of the geographical area covered by each locality and the initial guaranteed hours that will be available within that locality. A block provision will be available for up to a maximum of five providers i.e. we will guarantee them a number of hours, this can be reviewed and fluctuations in demand closely monitored, with the number of hours increased if providers have taken on packages above the original guaranteed amount. It is hoped that this will stimulate the market and allow some providers to grow and expand without the added pressure of expanding with no guarantee of work for some of their staff. Below this block provision of core providers there will be a list of other approved providers who can be used to support with capacity in the market. This model will be supported by a robust quality assurance framework.

Working cohesively with the Calderdale CCG looking to use our combined strength through joint commissioning and market shaping activity. The CCG have agreed to use this contract to commission their non-specialised homecare packages (i.e. those that do not require a qualified nurse or healthcare professional). This means that providers will have clear contractual arrangements with both organisations and will be working to the same service specification, outcomes and agreed hourly rate.

5. Main Issues for Scrutiny

Members have a key role in scrutinising changes in our health and care system, it is therefore important that they are sighted on the integration journey, and the role that an integrated approach to procurement plays in designing health and care models for the future.

Members will also need to be cognisant of the opportunities this provides, but also the challenges in terms of different procurement approaches currently used by both organisations. Members will want to be assured that any changes to ways of working provide the openness and transparency which are at the heart of good procurement processes. There are opportunities to move towards a more collaborative, rather than competitive process in some instances, bringing together organisations who can collectively deliver better outcomes and values for the Calderdale population.

6. Further Action/Timescales

It is clear that there have been benefits when the Council and CCG has acted in an aligned approach to procurement, where the case to do so has been clear. There have been a number of previous attempts to better align our commissioning intentions which were undertaken at a time when the strategic case for increased alignment was less understood. A good example of this is that procurement 'pipelines' and timelines for each organisation were shared, but were the opportunities for collaboration have not been maximised. There has been regular contact between colleagues, but this has not yet translated into a comprehensive understanding of individual organisational plans, or in particular revisions to those plans.

It is intended that:

- By the end of September 2020, a joint procurement group be formed bringing together appropriate colleagues from both organisations to develop and maintain a view of the Calderdale procurement pipeline.
- The case for a joint approach to a 'Calderdale place' procurement is considered as the first question to be asked within both organisations, based on a developed set of agreed principles; the expected benefits of the exercise; and the resources available to undertake and manage projects.

7. Options Appraisal

Not applicable

8. Climate Change

There are opportunities within future procurement processes to strengthen our approach to delivering local social value and supporting climate change, this may include;

- Reducing emissions through the use of local supply chains
- Prioritising providers who have green credentials and documented approaches to climate change

Whilst not related to climate change, there is a real potential for a joint approach which supports delivery of Calderdale's Inclusive Economy Strategy published in 2019 – supporting local economic growth.

9. Conclusion

Both CMBC and the CCG believe that there is a good deal to gain from better aligning our approaches to procurement, as part of a larger integration journey, through delivery of the next steps articulated in 3 above, and next steps have been identified.

10. Appendices & Background Documents

Please list any supporting documents and reference where they can be found or requested from.