

Clinical Commissioning Group Governing Body
Paper Summary Sheet
Date of Meeting: 19 May 2015

For: PUBLIC session PRIVATE Session

For: Decision Discussion Noting

Agenda Item and title:	GOV/15/05/10 Wiltshire CCG – Future Commissioning Support Arrangements
Author:	David Noyes – Director of Planning, Performance and Corporate Services
Lead Director/GP from CCG:	David Noyes – Director of Planning, Performance and Corporate Services
Executive summary:	The existing Service Level Agreement (SLA) with South, Central & West Commissioning Support Unit (the CSU) will end on 31 March 2016 and there are currently no options to extend this SLA. The paper provides an update on arrangements for re-procuring these services using the Lead Provider Framework as developed by NHS England.
Evidence in support of arguments:	Current SLA expires 1 Apr 16 and there are no extension options available.
Who has been involved/contributed:	Executive Management Team
Cross Reference to Strategic Objectives:	To drive towards a clinically led model which delivers integrated high quality patient services within the community, based upon neighbourhood teams to provide ‘wrap around’ care at or close to home.
Engagement and Involvement:	None required in the re-procurement of commissioning support services.
Communications Issues:	The CCG should simply confirm that, in accordance with national guidance, we are re-procuring our commissioning support services.
Financial Implications:	The CCG is reviewing its affordability envelope for these services and will put an upper limit on the contract value. The CCG further expects to realise savings and efficiency as a result of the re-procurement.

Review arrangements:	Any decision will require ratification by the Governing Body; once in place a contract review mechanism will put into effect.
Risk Management:	The delivery of good Commissioning Support Services underpins the ultimate achievement of everything the CCG sets out to achieve.
National Policy/ Legislation:	NHS England guidance is in place and further extensions to existing SLAs are not possible. NHS England have established guidance regarding the application of the Lead Provider Framework which has been applied.
Public Health Implications:	None
Equality & Diversity:	No significant issues – EIA attached.
Other External Assessment:	None
What specific action re. the paper do you wish the Governing Body to take at the meeting?	<p>It is recommended that the Governing Body:</p> <p>Agree to the utilisation of the Lead Provider Framework in order to test the market and derive the best possible/most cost effective commissioning support arrangements moving forwards.</p> <p>Agree to managing this procurement in collaboration with Gloucestershire, B&NES and Swindon CCGs.</p>

Wiltshire CCG – Future Commissioning Support Arrangements

Issue

1. Wiltshire CCG has a Service Level Agreement in place with our Commissioning Support Unit (now called South Central West Commissioning Support Unit following a merger of Central Southern, South and West CSUs), which expires on 31 Mar 16. Therefore, the CCG needs to make new arrangements for commissioning support services with effect from 1 Apr 16.

Timing

2. Routine.

Recommendation

3. It is recommended that the Governing Body:

- **Agree to the utilisation of the Lead Provider Framework in order to test the market and derive the best possible/most cost effective commissioning support arrangements moving forwards.**
- **Agree to managing this procurement in collaboration with Gloucestershire, B&NES and Swindon CCGs.**

Background

4. Wiltshire CCG has procured Commissioning Support Services from Central Southern (now South Central West) Commissioning Support Unit (CSU) since April 2013. Having been extended once (in April 14), this Service Level Agreement expires on 31 March 16, with no further extension options available. NHS England has already signalled that SLAs should not be extended beyond April 2016.

5. During the first year or so of this arrangement we had some significant concerns regarding performance, which culminated in the appointment of an alternative provider as our Strategic Planning partner, and the bringing back in house of the Quality and Finance functions during the SLA extension negotiations. This left the following support services extant:

- Provider Performance Management
- Procurement
- Health Intelligence Analytics
- Informatics – Planning & Programmes
- Informatics – Technology Support Services
- GP IT
- Data Service Management
- Elements of Corporate Services (Freedom of Information, Health and Safety and Information Governance)

- Organisational Development
- Human Resources (incl Equality & Diversity)

6. As part of the negotiation in spring 2014, we reached a robust agreement with the CSU which has largely succeeded in driving better performance from those service lines which were retained. We were also able to better tailor the service offer to the specific needs of Wiltshire. Further, our agreement included a performance related payment system based on mutually agreed KPIs. Overall, CSU performance since is much improved, and the risk, which was previously a regular feature of the CCG's top 10 has been managed down. That is not to say that operational issues and problems no longer exist in certain service lines, but the overall standard of service delivery is much better than previously, and indeed in several areas performance is now strong.

Lead Provider Framework

7. NHS England has developed a new framework agreement for commissioning support services – the Lead Provider Framework (LPF). It enables Clinical Commissioning Groups (CCGs) to source some or all of their commissioning support needs, ranging from transactional back office support services to more bespoke services that support local and large scale transformational change projects. The Framework has been developed in response to clinical commissioners calling for a simple and cost effective process to buying high quality and affordable support services that enable them to secure better value for money and better quality and outcomes for patients. Each of the service lines which we are likely to wish to procure are featured within the framework.

8. The LPF offers a number of benefits including:

- Assurance that suppliers have a demonstrable track record and can meet high quality criteria and specified minimum standards;
- Reduced procurement timeframes – three months compared with an OJEU process which typically takes around nine months;
- A more cost effective process which can cost less than half as much as a full OJEU procurement;
- Lower risk of legal challenge for buyers at the further competition stage compared to OJEU, as much of the legwork has been carried out at the framework stage; and
- Less requirement for legal and procurement support.

9. Use of the LPF is voluntary for CCGs, however, it will provide a mechanism for them to buy some or all of their commissioning support services in a legally compliant manner and in a much quicker and more cost effective way than that of the full OJEU process. Alternative means of procuring commissioning support services will still, however, be available to commissioners, such as going to OJEU.

Alternative approach

10. When commissioning any contract over the value of £111K organisations have to comply with OJEU procurement rules. This means for Wiltshire that when our existing Service Level Agreement expires, any future contracts would have to be procured competitively on the open market. This incurs cost both in terms of time and resource.

11. The LPF suppliers have already been rigorously tested on their ability to provide high quality commissioning support services and the extent to which they will offer discounts to commissioners – making it a faster and simpler way of sourcing Commissioning Support Services.

Collaboration

12. We have established that Gloucestershire, Swindon and B&NES CCG's would be content to work with us in a collaborative approach to sourcing future support services. This has the potential benefit of sharing expertise and perspectives during the procurement, and should derive economy of scale discounts for those service lines which we might eventually procure together as a collaborative.

13. This would entail a flexible approach in as much as we could end up procuring particular service lines as a collaborative block, where our needs coincide and it is appropriate to do so. Similarly, we might end up with bespoke arrangements for Wiltshire should our requirements not coincide exactly, or we could partner with just one or two others, depending on the needs. Should the Governing Body agree the recommended way ahead, arrangements would be formalised by the signing of a collaborative agreement.

Options

14. Given the expiry date of our SLA is 31 March 16, and there is no provision for a further extension to the existing SLA, there are two options open to the CCG:

- Option 1 is to conduct a mini-competition process against the newly implemented Commissioning Support Lead Provider Framework (LPF), or
- Option 2 is to undertake its own full EU procurement process to appoint a new provider

Option 1 – Use the LPF	
Benefits	Risks
Providers on the Framework have already been scrutinised and selected as suitable by NHSE following a rigorous central process	If CCG decide to move service in house, business case needs NHSE approval, and stranded costs may apply
We can choose which service lines we wish to buy from the framework (and if in a collaborative approach do not have to all buy the same)	If result delivers a plurality of providers, it will increase the contract management burden on the CCG

NHSE will pick up any stranded costs for CCGs who use the LPF	
We can collaborate with partner CCGs to drive economies of scale	
Use of the LPF entitles use of centrally provided and resourced expert procurement and legal advice free of charge	
The length of contract award is agreed between CCG and provider	
The process can be completed in 2-3 months, albeit we will target 1 Apr 16	
The CCG is likely to benefit from the volume based discount by collaborating under the framework	
Option 2 – Run OJEU procurement	
Provide access to providers not accredited on the LPF	Liabile to tie up significant project management capacity over protracted period
	Will incur additional legal and procurement costs
	Potential liability for stranded costs with CCG
	Less certainty over capability of bidders
	Partners are chossing the LPF so Wilts would be less likely to be able to leverage large discounts
	If result delivers a plurality of providers, it will increase the contract management burden on the CCG

15. The Governing Body should note that as part of our consideration for arriving at the best model for delivering support services in the future, the Executive team will also consider the potential benefits of bringing services back in house.

Governance

16. Should the Governing Body agree to pursue the recommended collaborative approach, our work with partner organisations will be governed by ToR for the project team moving forwards, and a formal collaborative working agreement. We have already established a working group to take forward early work to prepare in anticipation, which is meeting every 2 weeks.

Revision of Service Specifications

17. Wiltshire CCG is in a relatively good position having conducted an extensive revision of service specifications when the SLA was re-negotiated. Nonetheless, the impending reprocurement offers an opportunity to hone these further, and benefit from the wider experience and input from the collaborative group.

18. The Working Group intend, subject to agreement to proceed, to establish sub groups including representatives from each CCG to conduct a thorough review and refresh of the

service specifications over the next two months in order to support the procurement and ensure that we capitalise on the opportunity for service improvement and development.

Contract length

19. It is likely that this procurement will result in an agreed contract with the successful provider(s) for a period of 3 years, with options to extend by a further 2 years (in 12 month steps).

Resource Issues

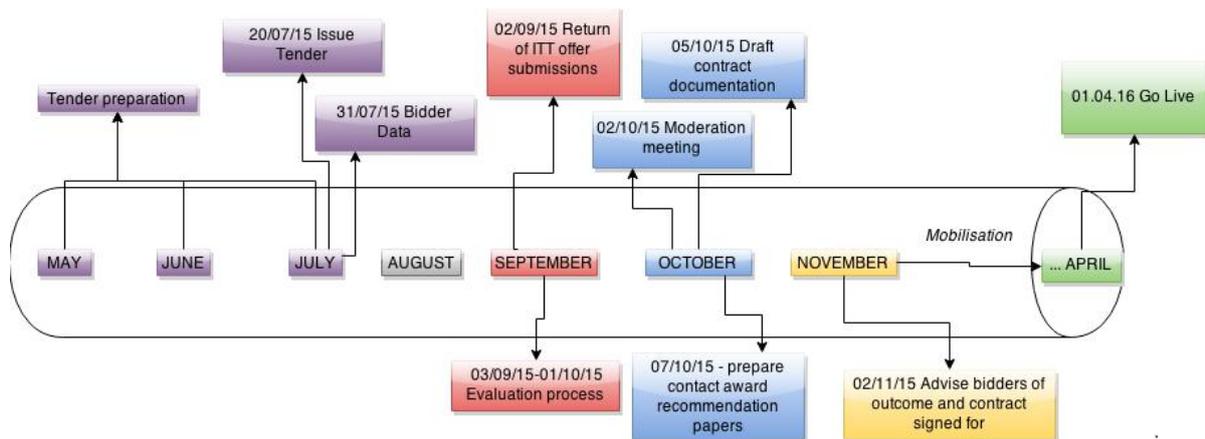
20. The annual cost of Commissioning Support Services is currently £2.7M (for FY 15/16). We anticipate that utilisation of the LPF will provide us with the opportunity to make a saving in this regard, although at this early stage it is unclear what level that might be. That said, the working group are clear that we envisage savings of at least 10% to be achieved from inception, and ideally significantly more. Clearly cost will be a fundamental determinant for consideration prior to any contract award.

Presentational Issues

21. Depending on the outcome of the procurement, given that some private companies are on the framework, there is a risk that some might cite this move as evidence of a creeping privatisation of the NHS. However, it is considered that this could be rebutted by a line to take that procuring cheaper and more effective support services will enable the CCG to spend more resource on front line patient services.

Timeline

22. The procurement timeline if we utilise the LPF would be as follows:



23. The Governing Body should note that if they agree to this approach, they will be asked to ratify and approve the recommended outcome in Oct 15.

Equality Impact Analysis – the EIA form

Title of the paper or Scheme: Wiltshire CCG – Future Commissioning Support Arrangements

For the record	
Name of person leading this EIA – David Noyes	Date completed 11 May 15
Names of people involved in consideration of impact None	
Name of director signing EIA – David Noyes	Date signed 11 May 15

What is the proposal? What outcomes/benefits are you hoping to achieve? A new more efficient and effective way of receiving Commissioning Support services

Who's it for? For the direct support of the CCG and all staff

How will this proposal meet the equality duties? By supporting the CCG in taking forward the delivery of our 5 year strategy

What are the barriers to meeting this potential? None evident

2 Who's using it? Refer to equality groups

What data/evidence do you have about who is or could be affected (e.g. equality monitoring, customer feedback, current service use, national/regional/local trends)? As per overarching analysis for 5 year strategy

How can you involve your customers in developing the proposal? Support services which enable Commissioners to function

Who is missing? Do you need to fill any gaps in your data? (pause EIA if necessary) Nil

3 Impact Refer to dimensions of equality and equality groups
 Show consideration of: age, disability, sex, transgender, marriage/civil partnership, maternity/pregnancy, race, religion/belief, sexual orientation and if appropriate: financial economic status, homelessness, political view

Using the information in parts 1 & 2 does the proposal:

a) Create an adverse impact which may affect some groups or individuals. Is it clear what this is? How can this be mitigated or justified? None

What can be done to change this impact? N?A

b) Create benefit for a particular group. Is it clear what this is? Can you maximise the benefits for other groups? Benefit for all population groups

Does further consultation need to be done? How will assumptions made in this Analysis be tested?

No

4 So what?

[Link to business planning process](#)

What changes have you made in the course of this EIA? None

What will you do now and what will be included in future planning? Inclusion of specialist E&D support is part of the Commissioning Support proposal

When will this be reviewed? At monthly contract assurance meetings

How will success be measured? By seamless transition and enduring support delivered