

**Report to:** SINGLE COMMISSIONING BOARD

**Date:** 22 June 2017

**Reporting Officer of Professional Reference Group** Jessica Williams, Programme Director Care Together

**Subject:** **CONTRACT EXTENSION FOR CARE TOGETHER PROGRAMME MANAGEMENT SUPPORT**

**Report Summary:** Authorisation is required for the extension of an existing contract where there is no existing extension provision available within the contract.

The current contract awarded to Pricewaterhouse Coopers (PwC) was for support with the setting up of a comprehensive programme management office for the Care Together programme. The contract was for a maximum of £ 0.250 million and was due to be concluded by 1 June 2017.

The report requests authority to extend the contract for a further 3 month period. This is due to the initial scoping exercise of PwC finding that the majority of key economy savings schemes were not as detailed as originally thought and that as a result, a significant gap in the overall financial gap has been identified.

Additionally, PwC have set up the Programme Management Office (PMO) and its systems but these need to be carried forward by a substantive team. This has taken longer than planned and although recruitment processes have commenced, the team is unlikely to be in place until end August 2017. Without extending the PwC support, there is unlikely to be sufficient mechanisms to provide assurance on transformational funding and the delivery of economy wide financial savings schemes.

The value for the extension period will be a maximum of £0.200 million

**Recommendations:** That the Single Commissioning Board approves :

1. An extension of a maximum of 3 months for PwC management support to the Care Together Programme Office
2. That the contract extension does not exceed £0.200 million.
3. That an update is presented to a future Single Commissioning Board on the benefits realised to the Care Together programme via this contract

**Financial Implications:**  
**(Authorised by the statutory Section 151 Officer & Chief Finance Officer)**

<b>Budget Allocation (if Investment Decision)</b>	The non recurrent single commission Care Together transition budget. This was an initial non recurrent pooled budget of £6.38 million.
<b>CCG or TMBC Budget</b>	Pooled resource of both

<b>Allocation</b>	organisations
<b>Integrated Commissioning Fund Section – S75, Aligned, In-Collaboration</b>	Section 75
<b>Decision Body – SCB, Executive Cabinet, CCG Governing Body</b>	Single Commissioning Board
<b>Value For Money Implications – e.g. Savings Deliverable, Expenditure Avoidance, Benchmark Comparisons</b>	The additional £0.995 million funding request (section 3.2 of the report) to the Greater Manchester Health and Social Care Partnership is related to project management support. It is therefore relevant to this business case. It does not however include any additional targets or trajectories over and above those agreed as part of the already approved £23.2 million GM transformation funding allocation.
<b>Additional Comments</b>	
The proposed contract extension will be financed from the £0.995 million funding request to the Greater Manchester Health and Social Care Partnership if the request is approved rather than the non recurrent single commission Care Together transition budget.	

**Legal Implications:**

**(Authorised by the Borough Solicitor)**

The support that will be provided by the extension is to cover the delay caused by the recruitment contract, which was explained as the purpose of the original contract to put in place a PMO. Whilst there is a risk of challenge, it would probably be unsuccessful as it was clearly envisaged that any successful tenderer would have to support transitional arrangements required to set up and put in place the PMO and the successful tender would clearly be in the best place to manage this.

**How do proposals align with Health & Wellbeing Strategy?**



The Programme Management Office supports the Care Together programme which is tasked to deliver the health and social care integration agenda as determined by the Health and Wellbeing Strategy.

**How do proposals align with Locality Plan?**

The Programme Management Office supports the Care Together programme which is tasked to deliver the health and social care integration agenda as described within the Locality Plan.

**How do proposals align with the**

The Commissioning Strategy is based on improving healthy life expectancy, reducing inequalities, improving health and

<b>Commissioning Strategy?</b>	social care outcomes and delivering financial sustainability. The Care Together PMO supports all of these objectives.
<b>Recommendations / views of the Professional Reference Group:</b>	None.
<b>Public and Patient Implications:</b>	None caused by the contract extension.
<b>Quality Implications:</b>	None caused by the contract extension.
<b>How do the proposals help to reduce health inequalities?</b>	None caused by the contract extension.
<b>What are the Equality and Diversity implications?</b>	None.
<b>What are the safeguarding implications?</b>	None.
<b>What are the Information Governance implications? Has a privacy impact assessment been conducted?</b>	None.
<b>Risk Management:</b>	The key risk to the economy would be in not maintaining focus and considerable attention on the savings schemes which the Programme Management Office brings. A three month delay in driving progress of our transformation schemes could result in inappropriate expenditure in 2017/2018, inadequate realisation of benefits and the shortfall in the financial gap not being addressed.
<b>Access to Information :</b>	Further information can be obtained from Jessica Williams, Programme Director for Care Together:  Telephone: 07985 276263  e-mail: <a href="mailto:jessicawilliams1@nhs.net">jessicawilliams1@nhs.net</a>

## **1. BACKGROUND**

- 1.1 The financial pressures for 2017/2018 in the Tameside and Glossop economy are extreme. Although significant progress has been made to identify savings, rigorous project management is required to ensure these are delivered according to agreed milestones. A requirement for additional capacity and project management capability was identified and a process to procure programme management support commenced in January 2017.
- 1.2 Five organisations submitted bids against the Tameside and Glossop procurement criteria. All 5 attended interviews in February 2017 to describe their approach and potential solutions to the issues in Tameside and Glossop and each presentation was followed by the same questions and answers to ensure a standardised approach. Post interview, the panel which was made up of all three key partners within the Care Together programme, developed a consensus score for each organisation.
- 1.3 Pricewaterhouse Coopers (PwC) were the successful provider and they commenced work in March 2017. Stage 1 of their work was to review the progress of the economy to date in identifying financial savings and the detailed plans for achieving these. This scoping exercise produced the following conclusion:

“The Programme has shown good progress, including securing the GM Transformational Funding, but the planned £70 million savings will not currently be delivered. Some strong savings schemes have been identified but the Programme has lacked the governance and control required to drive implementation.

Contingency planning needs to be developed to mitigate schemes which are trialled but not deemed viable. Weak accountability across the Programme to date must be rectified immediately for progress to build momentum. The leadership must ensure it rapidly gains grip and control of the Programme and is able to effectively monitor, challenge and hold those responsible for delivery to account.”

- 1.4 Stage 2 of the PwC work has been to support the achievement of the recommendations above and considerable progress has been made. A clear system for identifying, developing and assuring specific economy wide savings schemes has been implemented, a Gateway approach to ensure economy ownership is in place, a detailed Programme Management Office (PMO) dashboard and financial savings tracker has been established and training on the programme management system has been delivered to officers with responsibility for savings delivery.
- 1.5 Unfortunately due to circumstances outside the control of the programme, the recruitment process to move to a substantive PMO has not happened as quickly as envisaged. Although this has now commenced, it is unlikely that a sufficient capacity and capability will be within the PMO to replace PwC until late summer 2017.
- 1.6 The Care Together programme has made good progress in developing programme management tools which will support all areas of the economy to deliver financial plans. It is likely that impetus will be lost should the substantive PMO not be in place for a few months prior to PwC leaving. This will create a significant risk of slippage in financial savings targets for 2017/2018 and beyond.

## **2. PROCUREMENT STANDING ORDER SEEKING TO WAIVE / AUTHORISATION TO PROCEED**

- 2.1 The original contract did not make any provision for such an extension. This report is therefore seeking authority for an extension to this contract.

### **3. VALUE OF THE CONTRACT**

- 3.1 The value of the contract for the 3 month extension will not exceed £ 0.200 million. The additional support requested is for a similar time period as the initial PwC successful tender but is reduced as a lower skill mix of management support is required for the ongoing maintenance of project management functions.
- 3.2 The non recurrent single commission Care Together transition budget will finance this additional support in 2017/2018. It should be noted that a request for further programme management support funding has also been made to the Greater Manchester Health and Social Care Partnership for a total of £ 0.995 million. This will finance the contract extension if the request is approved.

### **4. GROUNDS UPON WHICH A WAIVER / AUTHORISATION TO PROCEED SOUGHT**

- 4.1 Re-procurement of programme management support is unlikely to deliver any benefits due to PwC already now having in depth knowledge and expertise across the Tameside and Glossop economy. PwC have created the PMO governance and assurance system and so it would be extremely challenging for an alternative provider to deliver requirements within a short term challenging timescale.
- 4.2 It is proposed that a maximum contract extension value of £ 0.200 million is approved for a maximum period of three months. This will be reduced should a substantive team be recruited within this period.

### **5. RECOMMENDATION**

- 5.1 As stated on the report cover.