

Report to:

STRATEGIC COMMISSIONING BOARD

Date:

27 January 2021

Executive Member/Clinical Lead/Officer of Single Commissioning Board

Councillor Eleanor Wills – Executive Member (Adult Social Care and Population Health)

Dr Asad Ali – CCG Chair

Jessica Williams –Director of Commissioning

Subject:

CONTRACTING IN 21/22

Report Summary:

There are ten Providers operating under contracts that are due to expire in March 2021. All are currently delivering services in line with their contracts with no concerns regarding quality or finance. Nine of the contracts have the option to extend and the advice from STAR is that these can be extended and the contract without the option could be extended under Regulation 32 of the Procurement Regulations given COVID-19 has impacted on the CCG's ability to progress the procurement. Extending the contracts will provide the time needed to fully understand the new national commissioning arrangements and therefore support a more effective re-provision process going forward.

Recommendations:

Strategic Commissioning Board be recommended to approve the extension of the following contracts

Provider name	Extension End Date
Practice Plus Group	31/03/2022
In Health Ltd	31/03/2022
Willow Wood	31/03/2023
Hyde Physiotherapy Centre	31/03/2022
Manor House Surgery	31/03/2022
Pioneer Healthcare Ltd	31/03/2022
Stamford House Medical Centre	31/03/2022
Primary Eyecare Services Limited	31/03/2022
Stroke Association	31/03/2023
Diagnostic Healthcare Ltd	31/03/2022

Approve the intention to delay the planning of future provision until June 2021 when longer-term Health commissioning arrangements should be known.

Financial Implications:

(Authorised by the statutory Section 151 Officer & Chief Finance Officer)

Budget Allocation (if Investment Decision)	Existing Budgets
CCG or TMBC Budget Allocation	CCG

Integrated Commissioning Fund Section – S75, Aligned, In-Collaboration	Section 75
Decision Body – SCB, Executive Cabinet, CCG Governing Body	SCB
Value For Money Implications – e.g. Savings Deliverable, Expenditure Avoidance, Benchmark Comparisons	All of the contracts within this report are covered by CCG budgets already. By extending the contracts does mean that market testing has not been possible at this time which may have resulted in more favourable rates to deliver savings back to the CCG. However due to the current contract restrictions and impact of COVID has impeded on the ability for the CCG to undertake any longer term changes at this stage.
Additional Comments	
Regulation 32 of the Procurement Regulations allows authorities to directly award/modify existing arrangements in extreme urgency. Advice from STAR procurement is that the impact of COVID-19 on the ability of the CCG to focus on resolving the long-term arrangement is a justifiable reason for a temporary contract extension. The allocation available to the CCG for 2021/22 is not yet known but is anticipated to be in line with the CCGs 5 year long term plans which will enable the current services to continue to operate.	

**Legal Implications:
(Authorised by the
Borough Solicitor)**

As set out in the main body of this report advice needs to be obtained and followed from STAR. In particular careful consideration has to be taken of the initial values published when the contracts were initially let.

Specific advice also needs to be obtained in relation to each of the contracts where it is proposed to directly award a contract to in effect serve as an extension to the contract due to the impact of the covid pandemic on the service's ability to undertake a reprocurement exercise before the expiry of the original contract.

The temporary exemption that allows direct awards as a result of covid has certain conditions which must be met in order to be affective. If these conditions are not met then the procurement could be at risk of challenge.

As with all good commissioning practice during the extension/direct award period the commissioners should be undertaking a comprehensive review of the delivery under the contract, need and how they may have changed, value for money and equality impact both on in relation to the service to date and any proposed changes.

How do proposals align with Health & Wellbeing Strategy?	The proposals align with the Living Well and Working Well and Aging Well programmes for action.
How do proposals align with Locality Plan?	The proposals are consistent with the Healthy Lives (early intervention and prevention), enabling self-care, Locality based services strands and planned care services of the Locality Plan.
How do proposals align with the Commissioning Strategy?	<p>The service follows the Commissioning Strategy principles to:</p> <ul style="list-style-type: none"> - Empower citizens and communities; - Commission for the 'whole person'; - Create a proactive and holistic population health system - Take a 'place-based' commissioning approach to improving health, wealth and wellbeing - Target commissioning resources effectively
Recommendations / views of the Health and Care Advisory Group	This is a contracting decision so has not been discussed at HCAG
Public and Patient Implications:	The proposal ensure continuity of service during 21/22 when it is highly likely that COVID will continue to impact on Health Services.
Quality Implications:	<p>The existing contracts are actively monitored in line with Strategic Commission principles. No quality issues have been raised with providers in the lifetime of the contract.</p> <p>The new procurement will continue to have quality at its centre.</p>
How do the proposals help to reduce health inequalities?	<p>The extension of the contracts has no direct impact on health inequalities.</p> <p>The new procurement will include the need to address health inequalities.</p>
What are the Equality and Diversity implications?	<p>The proposal will not affect protected characteristic group(s) within the Equality Act.</p> <p>The service will be available to all residents regardless of ethnicity, gender, sexual orientation, religious belief, gender re assignment, pregnancy/maternity, marriage / civil and partnership.</p>
What are the safeguarding implications?	There are no anticipated safeguarding issues.
What are the Information Governance implications? Has a privacy impact assessment been conducted?	Information Governance protocols will be developed to ensure the safe transfer and keeping of all confidential information between the data controller and data processor. A privacy Impact assessment has not been carried out.
Risk Management:	Risks will be discussed through the agreed governance process to ensure action plans are in place to minimise or mitigate any risks identified.

Access to Information :

The background papers relating to this report can be inspected by contacting Elaine Richardson, Strategic Lead for Ageing Well and Assurance:

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1. INTRODUCTION

- 1.1 NHS Tameside and Glossop CCG (T&G CCG) have a number of contracts for NHS services that are due to expire in March 2021. This report sets out the plans for these contracts.
- 1.2 2020/21 has been a period of NHS Command and Control with CCGs no longer holding provider contracts in the usual way and unable to invest in services unless COVID-19 related. Providers have operated services in line with nationally set requirements with GM principles being adopted where appropriate. Therefore, whilst T&G CCG has worked with providers of local services to ensure safety and quality the formal CCG level contracting processes have only started to operate since October 2020 and CCG have been unable to make major commissioning decisions unrelated to COVID-19.
- 1.3 The allocation available to the CCG for 2021/22 is not yet known but is anticipated to be in line with the CCGs 5 year long term plans which will enable the current services to continue to operate.
- 1.4 The uncertainty regarding the level of adjustment that will still be required to deliver effective health services whilst managing COVID-19 makes it difficult to plan significant service transformation for 2021/22.
- 1.5 The future commissioning and procurement arrangements for Clinical Commissioning Groups is under review with the expectation that commissioning arrangements will change in 2021/22 along with national legislation on the procurement of health services.
- 1.6 There are ten Providers operating under contracts that are due to expire in March 2021 as listed in 3.1 and 3.2. All are currently delivering services in line with their contracts with no concerns regarding quality or finance.

2. PROPOSAL

- 2.1 The following contracts have options to extend and the proposal is to use those options and extend by the full period.

Provider name	Service	Contract End Date	Option to Extend?
Practice Plus Group	Ophthalmology Services	31/03/2021	Yes (1yr)
In Health Ltd	MSK, ENT and direct access full body scans	31/03/2021	Yes (1yr)
Willow Wood	Hospice services	31/03/2021	Yes (2yr)
Hyde Physiotherapy Centre	Physiotherapy	31/03/2021	Yes (1yr)
Manor House Surgery	BCC - Skin Cancer & Dermatology	31/03/2021	Yes (1yr)
Pioneer Healthcare Ltd	Nerve conduction studies	31/03/2021	Yes (1yr)
Stamford House Medical Centre	Vasectomy	31/03/2021	Yes (1yr)
Primary Eyecare Services Limited	Community Optometry	31/03/2021	Yes (1yr)
Stroke Association	A Stroke Recovery Service	31/03/2021	Yes (2yr)

- 2.2 One contact does not have an option to extend as the provision of DEXA scans was under review with the ICFT when the contract was let.

Provider name	Service	Contract End Date	Option to Extend?
Diagnostic Healthcare Ltd	DEXA Scanning	31/03/2021	No

- 2.3 This review has not yet concluded but it is evident that reprocurring the service on the current levels of activity is unlikely to secure local provision. Further discussions are required with the ICFT to agree a service that would be viable within Tameside and Glossop. This will not be possible before March 2021.
- 2.4 Regulation 32 of the Procurement Regulations allows authorities to directly award/modify existing arrangements in extreme urgency. Advice from STAR procurement is that the impact of COVID-19 on the ability of the CCG to focus on resolving the long-term arrangement for the DEXA service is a justifiable reason for a temporary contract extension.
- 2.5 The proposal is therefore to extend the contract by one year to enable the Tameside and Glossop system to reach a decision regarding future provision by June 2021 and the enactment of that decision by March 2022.
- 2.6 With all the contracts, STAR has provided advice as to acceptable ways forward in 21/22. However, this advice is based on current legislation and the expectation is that we should be clearer regarding the 2021/22 Health commissioning arrangements by April 2021. As these arrangements may have a significant impact on future contracts it is proposed to delay any reprocurment planning until June 2021.

3 FUNDING

- 3.1 The current funding allocation arrangements in 20/21 supports all of these contracts in full and the CCG has the budgets in place. All of these contracts with the exception of Willow Wood is paid on a cost and volume basis.
- 3.2 Finance join the contracting meetings for each of these where activity volumes and performance are reviewed and discussed that will inform the planning process for 21/22 contract plans and budgetary requirements via the CCG budget setting process.
- 3.3 By extending these contracts will not add any additional financial pressure or burden onto the CCG. However, at this state the financial framework for CCGs allocations in 21/22 are yet to be determined, but would not expect any significant deviations from the CCGs 5 year financial plans that would ordinarily support all of these commissioned services.
- 3.4 Finance supports the decision to extend these contracts on the basis that COVID has impeded upon the ability for the CCG to undertake any longer term changes and follows the advice provided through STAR.

4 RECOMMENDATIONS

- 4.1 As set out at the front of the report.