Committee: Cabinet  
Date: 14th October 2019  
Wards: All

Subject: Community Services Market Engagement

Lead officers: Hannah Doody, Director of Community & Housing  
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Lead members: Cllr Tobin Byers, Cabinet Member for Adult Social Care, Health and the Environment  
Cllr Kelly Braund, Cabinet Member for Children’s Services

Contact officer: Richard Ellis, Head of Strategy & Partnerships, Community & Housing

Recommendations:

1. Cabinet is asked to approve the commencement of a market engagement exercise in November for integrated community health and care services.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1. This report seeks approval to commence an engagement exercise with potential providers of community health and care services. The exercise will be joint with the Merton & Wandsworth Clinical Commissioning Group (CCG). The CCG will be the lead commissioner for the project.

1.2. The current contract for community services, which is jointly commissioned by the Council and the CCG, expires at the end of March 2021 and needs to be re-commissioned. The contract is currently held by Central London Community Healthcare NHS Trust (CLCH).

1.3. The Council has been working collaboratively with Merton CCG to explore the opportunity of commissioning integrated community services for Merton in April 2021. This is an opportunity for Merton to be ambitious and to provide a viable community based option shifting the focus towards preventative personalised approach. The market engagement will be with health and care providers, but also the local voluntary sector who are key to the future delivery models.

1.4. The Council and the CCG wants to use the market engagement phase to explore the potential to extend the scope of the existing contract to support the further integration of health, social care and voluntary sector services. Therefore more areas of children’s and adults social care has been included for discussion with providers. A proposal on the final scope of the contract will be presented once the engagement phase is complete.

1.5. The market engagement exercise will commence on the 12th November and run for four weeks. It will commence with a large event to which all potential providers will be invited. A series of smaller more focused meetings and
conversations will take place. These will be identified at the initial event to ensure that they are inclusive.

1.6. This engagement exercise will be informed by the collation of existing customer/patient insights and consultations. Focussed work will then be undertaken where it is felt there are gaps in current community engagement or intelligence.

1.7. The procurement phase is expected to commence in early 2020, with contract award towards the end of the same year. The timeline is tight given the level of ambition. This is an aspect of the proposal that will be tested during the market engagement phase. Work is underway to develop an alternative plan in the event that the timeline is not deliverable, which might involve extending some contracts to give more time and separating out those that cannot be extended.

1.8. Any decision on procurement would be subject to a separate Cabinet decision.

2 DETAILS

2.1. The Council and health partners hold a shared vision of a more locally focused, person-centred model of care rooted in prevention, health improvement, self-care and earlier interventions for the residents of Merton. Our ambition is to deliver better outcomes by integrating health, social care and community services and challenging those providers to work together and to innovate to meet people’s needs holistically.

2.2. The natural expiry dates of several community based contracts in April 2021 provide an opportunity for significant commissioning and transformation towards this vision for Merton.

2.3. Strengthening community services with enhanced prevention and bringing care closer to home has been a long-standing policy ambition across health and social care. Closer working between local government and the NHS has always made sense; health and wellbeing are closely intertwined, and local government has significant influence on many of the wider determinants of health and wellbeing, such as housing, transport, education, leisure and the built environment. Health and care providers will therefore be encouraged to partner with the voluntary sector.

2.4. The Care Act 2014 created a new legal framework for adult social care services. It encourages the collaboration and integration with other public services, such as the NHS and housing, so that services are organised around people’s needs.

2.5. The Children and Families Act 2014 also aims to ensure children, young people and parents understand a joined-up system, designed around their needs. The reforms aim to join up help across education, health and care, from birth to age 25. Help will be offered at the earliest possible point, with children and young people with SEND and their parents fully involved in decisions about their support and what they want to achieve. This will help lead to better outcomes and more efficient ways of working.
2.6. The NHS Long Term Plan reinforced the need for NHS services to change to meet the future needs of the population, arguing for a greater emphasis on prevention, integration and putting patients and communities in control of their health. It particularly calls for the traditional divide between primary care and community services to be dissolved enabling placed based personalised care to become the norm. Tackling inequalities is one of the overarching purposes of integration laid out in the plan.

2.7. Commissioners wish to co-produce with service users and providers to capitalise on their expertise and experience, as the outputs from the engagement will be vital in informing next steps and process.

2.8. Around £10m of ASC resources is now funded from various iterations of the Better Care Fund and allied grants (eg Winter Grant), with an emphasis on reducing delayed transfers of care (DToC). Merton has been successful in moving to top quartile performance on DToCs. In the Spending Review it appears that BCF has been rolled forward into 2020/21 on current terms for one year (subject to confirmation). However, it is expected that future iterations will be more closely linked to progress on integration.

2.9. Healthy Child services are funded through the public health grant and have shown continual improvement in five mandated health development checks, from the baseline position when commissioning responsibility for the service transferred to the local authority and was re-commissioned in 2016 as part of the current community services contract (1.2). Other children’s community services provided by CLCH are funded by CSF, including Educational Occupational Therapy, also as part of the current community contract.

**Integration**

2.10. There are two aspects of integration: the integration of operational teams and services across health, social care and the voluntary sector; and joint commissioning of those services by CCGs and councils.

2.11. The Council has a long history of integrated teams, including integrated adult mental health and learning disability services. Older people’s health and care teams have been co-located in the civic centre since 2018 and are increasingly operating together. Children Schools and Families (CSF), and Public Health, have jointly commissioned some services since 2016 and have a joint commissioning team, with integrated work plan.

2.12. The vision of integrated care is dependent on multiple organisations working in successful partnership so the spirit of collaboration is to be promoted over competition. The ethos of collaboration is also extended into commissioning; with providers and commissioners working together to co-design the specification and delivery model.

2.13. This paper is concerned with moving forward on joint commissioning by exploring a wider scope for the re-commissioned community health contract. The provider will need to work closely with the Council’s directly provided professional teams and the voluntary sector. It is also envisaged that successful delivery of the vision will not be possible without developing integration with GP Practices within the Primary Care Network configuration. The role of General Practice is therefore fundamental and this is reflected in the design principles.
Continuing current joint commissioning arrangements

2.14. The current single provider contract, which expires March 2021, includes c£4m of Public Health and CSF services in its remit that are delivered by CLCH alongside other community health services. The council commissioned services include:

(i) 0-19 Health Visiting
(ii) 0-19 Nursing Service
(iii) Family Nurse Partnership
(iv) Child Healthy Weight Service
(v) Safeguarding Service (health)
(vi) Educational Occupational therapy

2.15. As these services are delivered in an integrated way alongside other community health services and by the same provider it is felt advantageous to continue to jointly commission these services with the CCG. Services are also co-located in Merton Children’s Centres and contribute to the financial sustainability of Children’s Centres. Commissioning jointly with the CCG provides opportunities for efficiencies through service transformation and economies of scale, which supports savings identified in the Medium Term Financial Strategy.

Opportunities to expand joint commissioning

2.16. There are other services that work alongside the main community health contract where there are potential opportunities and make logistical sense to be commissioned jointly with the core community health contract. Through the provider engagement phase, we will explore what it would mean to include these additional services within the single contract.

2.17. The services identified with good synergy to the core contract are:

(i) Carers Support services
(ii) Social Work support to continuing health care
(iii) Community Equipment
(iv) ASC integrated mental health team and placements
(v) Drug and Alcohol services
(vi) Other prevention services e.g. One You Merton, NHS Health Checks and befriending services.
(vii) Dementia Hub.

Carers Support Service

2.18. The Council commissions a carers support service from the voluntary sector, however responsibility to support carers is shared by all commissioners and providers of health and social care. The council can continue to commission this service separately. However, given the importance of carers to the
whole system there is a logic to ensuring that carers support and the carers voice is at the heart of a consortia or provider alliance. The inclusion of the core support contract will support that ambition.

**Social Work support to continuing health care (CHC)**

2.19. This is currently provided by ASC but is funded by the Better Care Fund (BCF). The assessment work for CHC will be part of the contract so there is a logic to its inclusion. There is an expectation that in future BCF funding, or whatever replaces it, will be tightly linked to integrated services, so its inclusion would protect the investment.

**Community Equipment**

2.20. Community equipment is currently jointly commissioned by the Council and the CCG, but separately from the community services provider. It is provided by Croydon Council. The community health provider, however, is the largest prescriber of community equipment and therefore there is logic to them taking responsibility for the contract and for controlling costs. As above £433k of the funding comes from the Better Care Fund and its inclusion may provide some protection for the investment in the future.

**ASC integrated mental health team and placements**

2.21. The Council has integrated adult mental health services with South West London & St Georges Mental Health NHS Trust (SWLSTG) from whom the CCG commission core adult mental health services. As the CCG is currently including these services in the scope, it makes sense to align our integrated teams. The mental health trust would be a key player in a Provider Alliance and this would support better integration between physical and mental health services.

**Drug and Alcohol services**

2.22. Drug and alcohol services are commissioned by Public Health from Westminster Drug Project (WDP). This separate arrangement may continue, but as there a close relationship between drug and alcohol misuse and mental ill-health, there is merit in including it in the scope alongside adult mental health services.

2.23. The CCG is also looking to expand the range of children’s services included in the contract, potentially including community paediatric services and local level CAMHS.

**Other prevention services**

2.24. Public Health commission a range of preventative services such as One You Merton, health checks and befriending services that cut across health, public health and care services. It makes sense for these to be part of the coordinated community response.

**Dementia Hub**

2.25. Public Health currently commission the Dementia Hub as a standalone service. However, it is an important piece of the community services offer and should be placed as such within the contract. There is an expectation that the voluntary sector will be part of the delivery of the contract.
2.25.1 There are also a cohort of services that we want to explore with potential providers that for various reasons may be more complex to include in the scope for an April 2021 contract start date. However, we do not want to exclude them from scope at such an early stage. 

(i) Community transport  
(ii) Social Care Occupational Therapy  
(iii) BCF funded domiciliary care  
(iv) Services for vulnerable CYP  

Community transport

2.26. The Council and the CCG separately commission community transport to convey people to services. There is a case for aligning these arrangements to ensure efficient use of assets and to reduce the number of different services a person might have to access to go about their daily lives. An alignment and aggregation of services may also promote investment in the use of electric vehicles.

2.27. The Council is conducting a review of its transport arrangement for children, young people and adults. This will further consider the potential synergies with health. The outcome of that review and the timing of its implementation are not yet clear, so it may not be suited to inclusion in the contracting round. It is included for discussion as other opportunities may arise.

Social Care Occupational Therapy

2.28. ASC and the community health provider, CLCH, both operate Occupational Therapy teams. At present these are separate teams. The Council directly provides its OT team, has been successful in recruitment and retention of staff. Health has had more difficulties in recruitment and therefore there is a desire to explore whether a joined up team could provide service and recruitment benefits.

BCF funded domiciliary care

2.29. Around 44% of adult domiciliary care is funded from the Better Care Fund. For the reasons stated above, there is a defensive case for inclusion in community services arrangements. However, there are also significant workforce issues with agencies struggling to recruit and retain staff. There is a case for considering a new approach to provision with the community health provider, with the potential of a mixed economy where some care is either directly provided or provided by a joint venture. This could open up more attractive career pathways whereby time spent working in domiciliary care helps a young person pursue a professional development path in health and care.

2.30. This is a complex area of opportunity that might not lend itself to the procurement timeline, but it is included for its own sake but also to
demonstrate the sorts of different thinking that commissioners would like to see from an integrated system.

**Services for vulnerable CYP**

2.31. **Young Carers** - CSF currently commissions a young carer service from a voluntary sector provider, to deliver a programme of assessment and support to meet the specific needs of young carers aged 5 to 18 years and their families in Merton. Alongside exploring what a young carer is doing, there is a responsibility on the local authority to take into account the impact that their caring duties are having on their physical and mental health and their education. Aligning this work and delivering this service in a more integrated way could therefore significantly benefit outcomes for this vulnerable group.

2.32. **Young People Risk and Resilience Service** – CSF are currently tendering for a CVS provider to deliver:

- Specialist and targeted substance misuse treatment and prevention
- Missing from Home or Care return home interviews
- Support and advice for Young People at Risk of or Experiencing Exploitation
- Targeted Detached Youth Interventions
- Training and support for multi-agency professionals contributing to prevention of Substance misuse, Missing and Exploitation as well as the broader promotion of sexual health

2.33. The current provider already works in a multi-agency context and this could be even further strengthened by aligning this work with physical and mental health provision.

2.34. **Support for Disabled Children** – CSF currently funds a number of services to support disabled children, including the provision of short breaks and independent travel training, commissioned from the CVS. These areas of support are currently part of a review and pending outcome of this, there would be synergy in further aligning these services with wider health provision, as many of these children have specific health needs that have to be met during, for example, a short break.

3 MARKET ENGAGEMENT

3.1. Market engagement is an important phase prior to finalising what the process might be to establishing the new contractual arrangement and ensuring that the expectations are realistic and sustainable.

3.2. Through promotion of a more holistic model commissioners hope to promote partnerships which help to break down the current barriers between services resulting in a streamlined approach for users of health and social care in Merton. The market engagement exercise will therefore be open to health, care and voluntary sector providers who have an interest in working in Merton.

3.3. Market engagement will deliver the following outcomes:

(i) Providers have confidence and interest to bid
(ii) Commissioners have confidence in the vision, outcomes and design principles

(iii) Commissioners have confidence in the models of delivery being developed (service, commercial and contractual)

(iv) Commissioners are aware of key issues, barriers and risks

(v) Commissioners have evidenced based awareness of level of interest.

3.4. Key tasks to be delivered in the market engagement phase include:

(i) Formal notices published for engagement

(ii) Online surveys and information sharing

(iii) Focused workshop event (scheduled for the first week of engagement with the opportunity to set up smaller focused sessions as appropriate)

(iv) Attendance and agenda items at existing provider forums and networks in the borough.

3.5. Alongside the market engagement exercise, we will renew and refresh our insights on customer and community groups’ experiences. This will encompass:

(i) Testing the communications and engagement plan with the CCGs Patient Engagement Group

(ii) Desktop research to uncover existing insights about community services from partner and voluntary and community group intelligence and map gaps in engagement against the services in scope

(iii) Targeted engagement work – speaking to people we have no existing insights from to fill gaps in knowledge

(iv) Outreach engagement work – meeting with wider voluntary and community groups to brief them about the project and to test existing insight against current experience

3.6. In the future stages of the programme we involve local people in selecting a new provider for community services and supporting the new provider to engage effectively to develop a new model for community services

4 ALTERNATIVE OPTIONS

4.1. One option is not to jointly commission any of these services with the CCG and to seek to commission them separately. In the case of those services currently jointly commissioned, this would potentially be detrimental to service delivery and efficiency. They are jointly commissioned because of the cross-over with other services delivered by the provider, including shared staffing. Separated services are therefore likely to be more expensive. Service users are more likely to receive disjointed services if a different provider was selected.

4.2. The Council could continue to just jointly commission those services in the current contract. This would not meet the national expectations of closer integration across commissioning and operational services, and might
present significant risks to future funding if integration is a condition of that funding.

4.3. At this stage, all that is being proposed is that the potential for a wider scope of jointly commissioned services is explored with potential providers. That will flesh out the benefits and problems with each proposal.

5 CONSULTATION UNDERTAKEN OR PROPOSED

5.1. This report seeks to commence an engagement exercise with potential providers. It builds on the consultation and engagement work varied out in the development of the Health and Wellbeing Strategy. Focussed engagement will be carried out where research shows gaps in current insights.

6 TIMETABLE

6.1. It is proposed that the provider engagement will take place in November. It will kick off with a large event with an open invitation. Further smaller focussed events will then be planned based on the feedback from that event.

7 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

7.1. No commitment is implied by commencing a market engagement phase. A further report will be presented on its conclusion setting out the scope, process and financial implications of the procurement exercise.

8 LEGAL AND STATUTORY IMPLICATIONS

8.1. The provider engagement phase is intended as a market warming exercise in advance of a formal procurement process appropriate for the scale of the contract. It will be advertised openly through the NHS procurement portal.

9 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

9.1. Core aims of the community services contract are the improvement of health and wellbeing, and the reduction in health inequalities. These are measured through a range of metrics.

10 CRIME AND DISORDER IMPLICATIONS

10.1. none

11 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

11.1. There are a number of risks in seeking to aggregate contracts. Smaller providers may challenge their ability to access the process. In the case of much of the potential specification, only large scale health providers would be able to bid for this work as a track record in clinical services and a proven ability to work at scale would be required. The risk is mitigated in part by the provision for a bid from a consortia. Such a consortia would almost certainly include the voluntary sector, but could also incorporate smaller providers. It would be a matter for each bidding consortia to determine their make-up.

11.2. There are significant risks around the willingness and ability of the market to respond to an enhanced specification and to the timeline as planned. The provider engagement process is designed to test out the specification and timing issues. The timing can be adjusted, but this would require the extension of a number of current contracts.