NHS
Merton
Clinical Commissioning Group

Community Services Procurement

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Project Initiation Document

right care
right place
right time
right outcome

Document Control

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1 Introduction and Background

1.1 Introduction

1.1.1 The Royal Marsden NHS Foundation Trust is the current provider of community service to the Boroughs of Merton and Sutton. The contract was originally entered into by Sutton and Merton Primary Care Trust in April 2011 for a contract term of 3 years with an option to extend for a further 2 years. The option to extend by two years has been exercised and the contract will now expire at the end of March 2016. A full competitive procurement will need to undertaken in order to identify and appoint a preferred partner for the provision of community services post March 2016.

1.1.2 This is a major procurement and presents an opportunity to realise a step change in the quality of community services in Merton. This will be a joint procurement by the CCG and the local authority.

1.1.3 This Project Initiation Document (PID) sets out the details the scope and objectives of the project, the approach to be followed, governance arrangements and project control processes to be employed to ensure that the project is delivered within allocated resources and timeframe.

1.2 Background

1.2.1 The background to the current community health services contract lies in the national Transforming Community Services process, where PCTs were required to divest themselves of their community services in order to focus on their commissioning responsibilities. The contract was awarded to The Royal Marsden NHS Foundation Trust and the contract began on 1 April 2011. The contract was for three years with the option to extend for two further years.

1.2.2 Following the NHS reorganisation in April 2013 some of the PCT commissioning responsibilities for community services transferred to the local authority and NHS England. This meant that the services within the current contract were, as at April 2014, commissioned by five organisations: Merton CCG, Sutton CCG, LB Merton, LB Sutton and NHS England. NHS England have since exited the current contract on 1 April 2014 leaving four commissioners.

1.2.3 The Figure 1 below shows a summary of the commissioning responsibilities of each of the organisations.

Figure 1. Commissioning responsibilities for community services.

Organisation	Service
CCGs	• Community nursing including night nursing and tissue viability • Specialist nursing – heart failure, respiratory, continence, HIV, Parkinson's Disease • Diabetes service (nursing, dietetics and podiatry) • End of life nursing • Adult rehab services including OPARS, CPAT, neuro rehab and community physiotherapy • Specialist children's services including therapies, SALT and children's specialist nursing • Children's community nursing • Children's safeguarding • Cedar Lodge (children's residential respite and outreach service) • Outpatient physiotherapy and MSK services • Community podiatry • Podiatric surgery • Dysphagia service for people with learning disabilities
Local Authorities	• Falls prevention service • School nursing • Community dietetics (NB tier 3 under discussion around transfer back to CCGs) • Contraceptive and sexual health services
NHS England (excluded from this exercise with the exception of health visiting)	• Health visiting (transfers to local authorities in October 2015 so likely to be part of this procurement exercise) • Family Nurse Partnership • Child health information systems • Immunisations • National screening programmes including diabetic eye screening

1.3 Progress to Date

1.3.1 The contract was originally extended to 1 April 2015 but has since been extended another 12 months to 31st March 2016 to allow adequate time for a full review and redesign of services prior to commencement of the procurement process.

1.3.2 A workshop was held on 14 April 2014 with the co-commissioners (LB Merton, Sutton CCG and LB Sutton), where there was an appetite for dividing the contract into Merton and Sutton. The objective of this decision is to support integration with social care, and to continue and promote joint commissioning with the relevant local authority. The associate commissioners were asked to agree the timescale by 30 May, and to be ready to progress to the next stage by 30 June.

1.3.3 There has been full engagement with the CCG Membership through the Clinical Reference Group (CRG), Locality Group meetings, Practice Leads Forum and Practice Managers' Forum.

1.3.4 In May 2014, the CCG commenced a community services survey with its GP practice membership, the survey closed on Friday 1st August 2014.

1.3.5 All practice staff were invited to respond to the survey which comprised of 49 questions concerning the following community teams and services:

- Community Nursing Team
- Community Prevention of Admission team (CPAT)
- Specialist Nursing Teams
- Community (Tier 3) Diabetes Service
- Community Dietetics
- Adult Therapy Services
- Children and Family Services
- LiveWell
- Family Planning Services
- Check it Out

1.3.6 The results of the survey indicated various degrees of satisfaction with the current service. Specifically, community nursing, specialist nursing and health visiting were rated negatively whilst end of life care was rated as excellent.

1.3.7 [what happened at the July event?]

2 Project Definition and Scope

2.1 Introduction

2.1.1 The overall aim of the project is to ensure that a community service provider is identified and a contract entered into to ensure that there is continuity of community services provision when the contract expires on 31 March 2016.

2.1.2 This section of the document sets out the scope of the project and the outputs to be delivered that will ensure successful delivery of this objective.

2.1.3 The following sections of the document refer to the governance arrangements and controls that will need to be in place to monitor progress and to manage any risks that impact on successful delivery. Whilst this sets out the scope and deliverables of the MCCG and LBM teams it must be remembered that the success of the project is reliant upon the partnership working between MCCG and other key stakeholders.

2.2 Project Scope

2.2.1 It is important at the outset of the project that the scope is defined and, of equal importance, that it is agreed what is out of scope. This does not mean that the scope cannot change during the project but this will need to be agreed by the Project Board and any resource implications of this change in scope acknowledged. For example, a change in scope may

result in a requirement for additional funding, project team resource or an extension to the project timeline.

In Scope

2.2.2 The current scope assumes that the project team will manage the procurement of the community services for both MCCG and LBM.

2.2.3 The scope for the delivery of the project involves:

- The disaggregation of the current community services contract resulting in the separation of staff and budgets at a borough level;
- The preparation of a business case to support additional investment in community services highlighting the key benefits to be realised by the investment;
- The management of the procurement process from the initial approach to the market through to the appointment of the preferred partner.

Out of Scope

- The project will not engage in any business as usual (BAU) activities associated with the current community service provision under the current contract.

2.3 Project Objectives and Expected Benefits

2.3.1 The objectives of the project are to:

- Ensure that the approach to the market is robust and attracts significant interest from potential bidders;
- Ensure that the procurement process is robust and follows the principles of equality of treatment, non-discrimination, proportionality and transparency;
- Ensure that the constitution of the evaluation team is robust and that they are adequately trained;
- Successfully procure and appoint a community provider to commence services by April 2016

2.3.2 The MCCG are committed to realising a real step change in the quality of, and access to, community services. The CCG also acknowledge that in order to achieve the range of benefits to which they aspire additional investment will be required. A business case will be developed to support this investment and as part of that process a benefits realisation workshop will be held.

2.4 Deliverables

2.4.1 The key deliverables from the project will be:

- The disaggregation of the community service contract to establish a borough based workforce and commissioning budget;

- A business case setting out the case for additional investment in community services to deliver improvements in clinical outcomes;
- Production of all tender documentation to include Clinical Service Specifications, Pre-qualification Questionnaire, Invitation to Tender (ITT) or Invitation to Participate in Dialogue (ITPD) and contract documentation; and
- Final report detailing the procurement process, the outcome of the bid evaluation and a recommendation for contract award.

2.5 Constraints

2.5.1 The two key constraints to the successful delivery of the project are:

- The availability and capacity of the MCCG commissioning team to engage in the procurement process; and
- Adequate time to ensure that the procurement process can be completed to allow for a substantial mobilisation period of no less than 6 months prior to service commencement.

2.5.2 Whilst Project Management support will be provided to manage the project there will be significant time commitments required from the CCG commissioning team and clinical leads. This will involve the development of the service specifications and the engagement in the evaluation process leading up to the appointment of the preferred partner. The timing and level of input will vary depending upon the preferred procurement route e.g. a restricted procedure will require more input prior to advertising the scheme to the market whilst competitive dialogue requires more input once three bidders have been selected to enter into the dialogue. A full resource plan will be developed to support the preferred procurement route once this decision has been made.

2.5.3 The deliverables identified above will require significant work to be undertaken prior to the scheme being advertised and the procurement process being commenced. The current timescales indicate that the scheme will be advertised in January which provides a challenging timescale to complete the disaggregation of the services, establish the TUPE implications and to write and gain approval of a business case for the proposed additional investment in the community services contract.

2.6 Dependencies

2.6.1 The dependencies can be divided into two groups, those that are internal to the project, for example one working group's progress is influenced by that of another, and those that are external but that could influence the project scope, timeline or cost.

Internal

2.6.2 The key dependency for the project is that all working groups will need to have completed their work programme to enable the tender to be advertised. This will need to be managed through strong internal project management.

External

2.6.3 There is a dependency with the current co-commissioners with regard to the completion of the disaggregation process. This will have an impact on the identification of the quantum of TUPE transfers, the information of which is required as part of the Invitation to Tender documentation.

3 Governance Arrangements

3.1 Introduction

3.1.1 This chapter outlines a proposed project management structure and the processes that need to be in place to ensure that the project delivers the appointment of a preferred provider for the community services by October 2015 in readiness for service commencement in April 2016.

3.1.2 The ultimate decision making forum for decisions within the remit of the CCG will be the MCCG Governing Body.

3.2 Roles and Responsibilities

Senior Responsible Owner

3.2.1 The MCCG Assistant Director of Commissioning and Planning is the Senior Responsible Officer (SRO) for the Community Services Procurement project and is accountable to the Governing Body for the successful delivery of the project. The SRO is supported by an experienced team of project managers who will oversee the inputs required to deliver the project to the agreed timescale, budget and quality standards.

3.2.2 The SRO is owner of the overall business change and risk management process. The SRO is responsible for ensuring that:

- The project meets its objectives and delivers the anticipated benefits;
- The projects is managed effectively in the context of a clear business focus in terms of meeting the CCG's aims and objectives; and
- That the project is delivered within the agreed resource and financial parameters.

Project Director

3.2.3 The Project Director is responsible for the overall integrity and coherence of the project, and will develop and maintain the environment to support successful delivery. The high level responsibilities are highlighted below:

- Planning and designing the project in accordance with the Project Plan and proactively monitoring its overall progress;
- Defining the project specific governance arrangements;

- Managing the project's budget on behalf of the SRO;
- Facilitating the appointment of individuals to the project delivery teams;
- Ensuring that the deliverables are of the appropriate quality, delivered on time, within the agreed budget and in accordance with the Project governance arrangements;
- Ensuring that there is efficient allocation of resources and skills
- Managing third party contributions to the project
- Managing project specific communications with stakeholders
- Managing risks to the project's successful outcome
- Initiating extra activities and other management interventions wherever gaps in the project are identified or issues arise
- Reporting progress of the project at regular intervals to both the SRO and the Project Board.

3.2.4 The Project Director reports directly to the SRO.

Project Managers

3.2.5 Two Project Managers will be appointed to work with the Project Director and be responsible for the day to day delivery of the project, managing the outputs from the project working groups.

3.2.6 The high level responsibilities of the Project Managers are to:

- Provide Project Management support to the working group leads;
- Report to the Project Director on progress against the project plan;
- Take responsibility for specific deliverables and tasks as identified by the Project Director; and
- Identify any risks that are detrimental to successful delivery of the project.

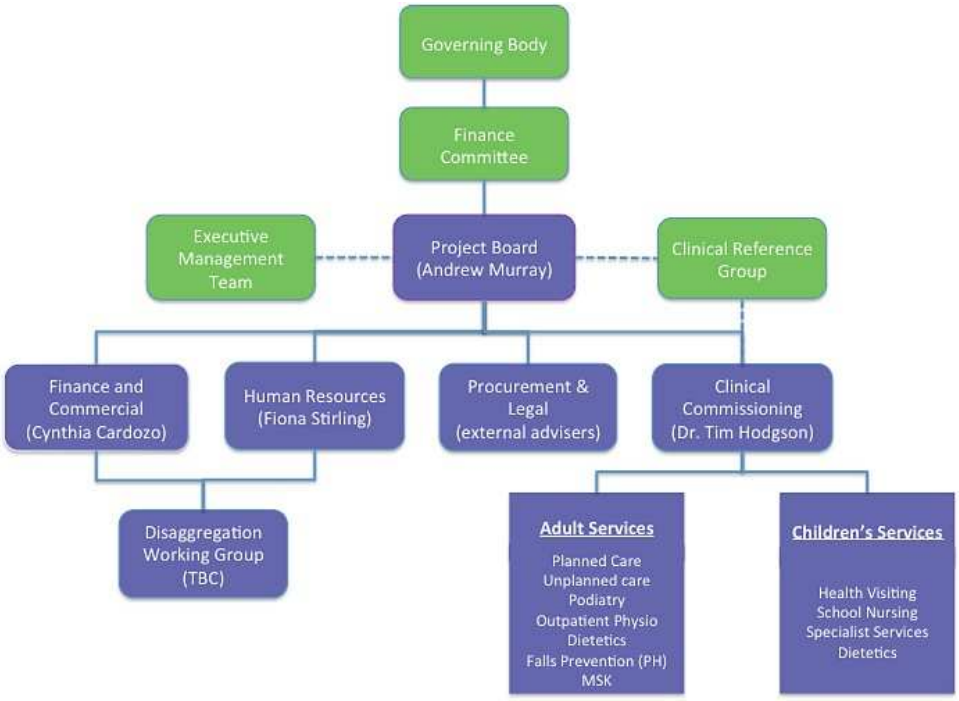
3.2.7 The Project Managers report directly to the Project Director.

3.3 Project Management Structure

3.3.1 The project management structure is consistent with the principles in the Office of Government Commerce "Managing Successful Programmes and Projects". The project structure is designed to manage the delivery of the specified outcomes and will integrate with the CCG governance structure for approvals and strategic direction when required.

3.3.2 The following figure sets out the proposed project structure.

Figure 2. Project Management Structure



Project Board

3.3.3 A Project Board will be established to take responsibility for overseeing the delivery of the Community Service Procurement project. It will report to the MCCG Finance Committee on progress, any significant risks to delivery and for approval purposes.

3.3.4 The Project Board will be chaired by Andrew Murray, the clinical lead for XXXXXX.

3.3.5 The Project Board will have delegated authority from the MCCG Finance Committee to oversee and ensure delivery of the project in line with the agreed deliverables and timescales. Its role is to ensure that resources are made available to deliver the project and that the project management arrangements are robust. It will form the main decision making forum and provide direction and advice to the Project Director on issues outside their level of authority.

3.3.6 The Project Board will monitor progress against time, budget and quality and authorise actions to address any deviation from the agreed plan.

3.3.7 The Project Board will meet on a monthly basis. Draft Terms of Reference and membership of the Project Board are attached at **Appendix A**.

Working Groups

3.3.8 Responsibility for key deliverables will be delegated by the Project Board to subject specific Working Groups. Membership of these work-streams will be chosen specifically to ensure that the requisite expertise is present to deliver the quality of output required.

3.3.9 The project Working Groups will be responsible for delivering of key outputs, as defined by the Project Board, and will report progress on an agreed basis depending upon the status of the Working Group in the project timeline. They will be constituted where necessary to deal with specific deliverables, risks or issues as they become apparent throughout the course of project delivery and discontinued once the allocated work is complete.

3.3.10 At the outset of the project four working groups will be established. Each group will have be responsible for the delivery of key outputs at specific times of the project. The membership of the procurement evaluation team will be drawn from these groups. The following sets out the high level responsibilities and deliverables for each Working Group.

Finance and Commercial

3.3.11 This Working Group will be chaired by the MCCG Chief Financial Officer and will be responsible for all financial input into the project. This will include:

- The disaggregation of the current community services contract;
- Input into the business case for additional investment and establishing the contract value for the procured services;
- Agreeing the contracting model with commissioning team: and
- The design of the financial and commercial evaluation methodology and associated documentation for the tender documentation;

Human Resources (HR)

3.3.12 The HR Working Group will be chaired by the CSU HR Manager allocated to the CCG. The group will specifically be responsible for:

- Providing the HR support to the disaggregation process ensuring that Employment Law, specifically TUPE, is adhered to: and
- Input into the development of the tender documentation.

Procurement and Legal

3.3.13 The Procurement and Legal workstream will be chaired by the Procurement Adviser (yet to be confirmed). This group will be responsible for the delivery of:

- The procurement and tender documentation at all stages of the process and will review all documentation prior to release for approval by the Project Board;

- The design, organisation and management of all bidder events;
- The contract documentation (NHS Standard Contract) for inclusion in the tender pack;
- Management of the evaluation process; and
- Production and review of the final recommendation report

Clinical Commissioning

3.3.14 The clinical commissioning group will be chaired by Dr Tim Hodgson.

3.3.15 The role of the group is to oversee and manage the delivery of the clinical service specifications to the required standard for the inclusion in the Invitation to Tender. The level of detail required in the service specifications will be dependant upon the preferred procurement route.

3.3.16 The Clinical Commissioning Working Group will oversee two main streams of work; Adult Services and Children's Services. These two work streams will have focus groups working on the individual service lines.

3.3.17 Members of this Working Group will play a significant role in the evaluation process and the competitive dialogue process with should this be the preferred option for procurement.

3.4 Project Resources

3.4.1 This is a complex project to be delivered in a within an agreed timescale with limited contingency with regard to the timeline. It is therefore essential that the project be adequately resourced from the outset to ensure successful delivery. The figure below sets out the proposed resource plan for the core project team.

Figure 3. Resource Plan

3.4.2 There will also be significant input required from the MCCG commissioning team and clinical leads throughout the process. The input will vary at different stage of the process and is dependent upon the chosen procurement route. This resource requirement will be calculated and profiled once the procurement route has been agreed.

4 Project Controls

4.1 Controls

4.1.1 Project controls will be established primarily around a comprehensive, regular and effective reporting system. The following table outlines the key areas of project control.

Figure 4. Project Controls

Control	Responsibility	Frequency
Maintaining the risks and issues log	Project Manager, with assistance from Working Group Leads	On-going – monthly reporting to Project Board
Tracking expenditure against budget	Project Director with assistance from Project Manager	On-going – monthly reporting to Project Board
Tracking progress against project plan	Project Manager, with assistance from Working Group Leads	On-going – monthly reporting to Project Board
Authority to approve change	Project Board	On-going – to be reported to SRO and MCCG Finance Committee
Maintaining on-line filing system for key project documentation	Project Manager and Working Group Leads	On-going
Signing off deliverables	SRO and Project Board	When deliverable is ready
Signing off project completion / contract award	Project Board, MCCG Finance Committee, MCCG Governing Body	End of project

4.2 Risk Management

4.2.1 Risk management is an integral part of the MCCG project management approach. At the outset of the project a risk workshop will be scheduled to identify any key project risks. These will be logged on the project specific risk and issues register. Each working group will also be required to identify, assess, log and manage any risks specific to their work programme. Any significant risks from the working groups will be captured on the project risk register.

4.2.2 Reporting of significant risks will be managed through the project reporting mechanisms and will be a standing item on all project agendas. If the Project Board cannot deal with the risk, they will ensure that it is escalated within the governance structure to the level most appropriate to manage the risk or provide instruction to the Project Board.

4.2.3 All new risks and issues will be identified by the Working Groups or the project team and registered on the risks and issues log and discussed at the next available Project Board meeting. Validation and acceptance onto the Risks and Issues log will be the responsibility of the Project Team and will be ratified at the next project Board meeting.

4.2.4 All risks and issues will have a management plan developed, agreed and a named person identified and held accountable for managing the risk/issue. This person will be considered best able to manage the risk due to their requisite skill set and competencies.

4.2.5 The Risks and Issues log will be updated on an on-going basis and formally validated monthly by the Project Board.

4.3 Reporting

4.3.1 The outline responsibilities for timescales for project reporting are summarised in the following table.

Figure 5. Reporting

Report	Prepared By	Purpose	Timescale for Completion
Project Highlight Report	Project Director	To update the Project Board on the progress of the project and the overall progress against the project plan. To highlight any significant risks and issues that will impact on successful delivery	A week in advance of the Project Board meeting
Working Group progress report	Working Group Leads	Provides commentary on activities and milestones completed in the previous month and planned for the following month. Provides commentary on key risks and issues and how these are being managed. The content of these reports will inform the Project Highlight Report	Three days in advance of the Project Highlight Report

4.3.2 The template for the Project Highlight report is presented in **Appendix B**.

4.4 Timetable

4.4.1 The table below presents an outline programme for the procurement of the community services. This timetable is subject to change depending upon the chosen procurement route. The timetable below assumes a restricted process.

Task	Timeline
Project Start-up	September 2014
Consultation period	Aug – October 2014
Develop Service Specifications	Oct – November 2014
Market Engagement Event	December 2014
Sign off Service Specifications by EMT	December 2014
Sign off Service Specifications by CRG	January 2015
Approval by Governing Body to proceed to advert	January 2015
Advert placed on Supply2Health and OJEU websites	February 2015
Issue PQQ	March 2015
Issue ITT to short listed parties	April 2015
Tender submissions returned	June 2015
Evaluation Period	July – August 2015
Preferred Bidder approved by Governing Body	September 2015
Contract award following 2 week standstill period	October 2015
Mobilisation Period	Oct 2015 – Mar 2016
Service Commencement	April 2016