



Contracting and Procurement to support the development of VCSE in systems

5th October 2022



Joining the dots across health and care

Outline of Workshop

Creating the Strategy

- Considering the vision for the system for VCSEs, aims, outcomes and what success could look and feel like

Shaping the Approach

- Establishing a team, roles and responsibilities
- Using the vision, aims and objectives to set a framework for engagement and creating an environment where collaboration can flourish
- Determine strategy to secure outcomes whilst understanding the maturity of the marketplace

Understanding Contracting Options

- Whether single, bilateral contracts, Lead/prime provider or Alliance contracting.
- Choosing the right vehicle which will allow the system and relationship to evolve.

Making the Strategy Happen

- The process and sequencing to make success happen (will be strategy dependent)
- Understanding the regulatory framework we operate within today and tomorrow
- Whether competitive or collaborative, setting boundaries, success criteria and measurement methodology

VCSE DEVELOPMENT

CREATING THE ENVIRONMENT

Foster Relationships

Whether at a starting point or already established, Collaboration, Alliance-building and Collective action are difficult to build and require time, trust and person-centred approaches to avoid the pitfalls experienced of previous re-organisations.

Operating in Complexity

Recognising the complex nature of post-COVID society and the challenges of "Integrated Care" - a commitment to nurturing all actors in systems to agree and adopt new ways of working will be crucial by embracing learning as the key metric of system success

Contractual

Taking an approach to contracting which is inclusive and recognises as wide a role for the VCSE to contribute - and to be recompensed for leadership and engagement as well as delivery - will embed other principles of joint working and stronger support to communities in greatest need

Play to the Strengths of Communities

Address the often unequal power dynamics of current commissioner/provider relationships and to move from episodic health and care to personalised care and support will reach those communities who are at risk of inequity and poor outcomes

Creating and Shaping the Strategy

Menti Moment

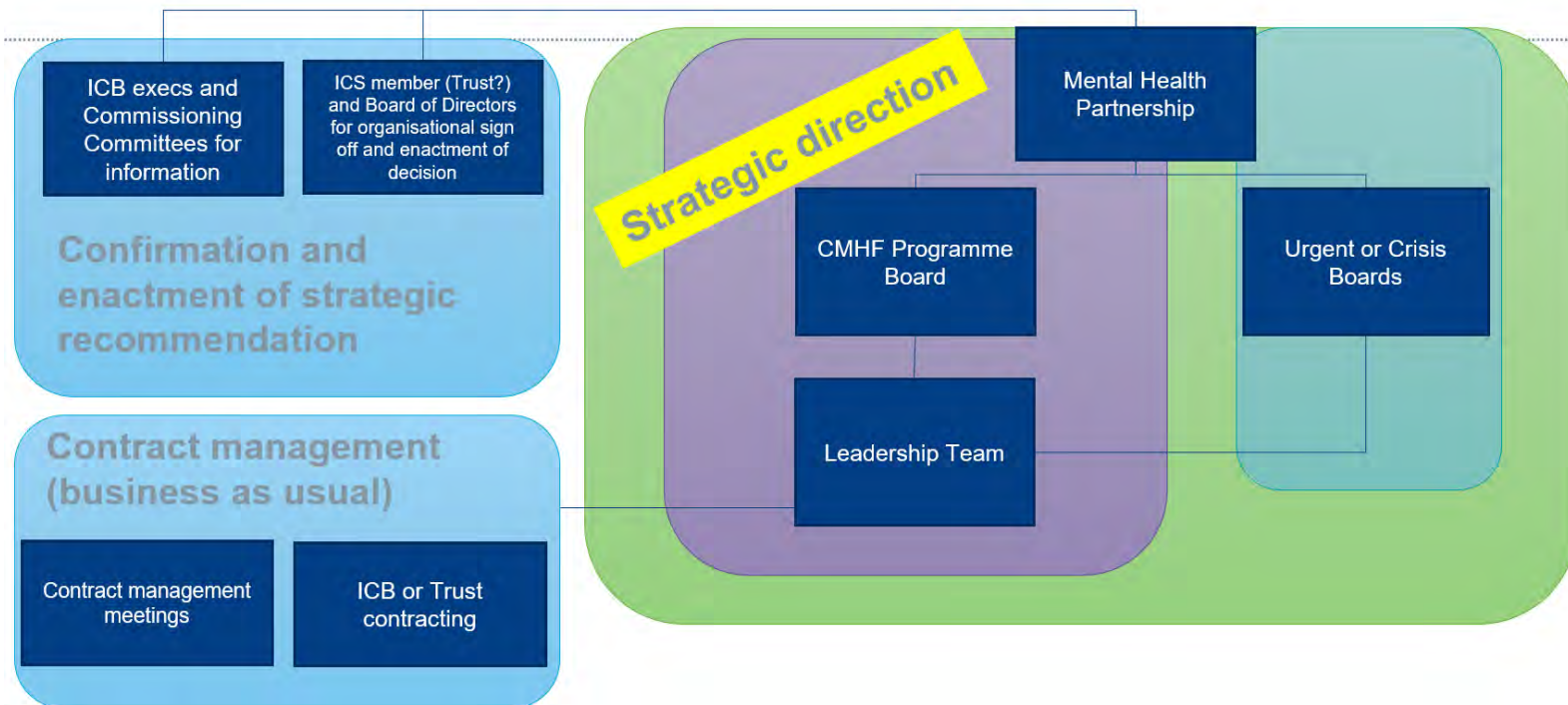
What word or phrase best describes your organisation's aspiration or strategy for contracting with VCSEs?

Please use the Menti app to add your approach (you can make as many statements as needed)

Roles and Responsibilities

Meeting / group	Purpose
Trust, ICB Boards	Contracting organisation internal process to assure recommendations are appropriate and enact strategic recommendations. For awareness of progress and future commissioning arrangements
Mental Health Boards	Sign off / confirmation of system wide commissioning recommendations
Strategic Programme Board	Clear line of sight of strategic service review. Ensures reviews are in line with programme boards purpose. Undertaken critical review of commissioning recommendations to ensure joined up commissioning and delivery meets population needs.
Project Team	Drives the work forward, ensuring pace is kept and issues are dealt with swiftly Representation from all stakeholders – ICB, Trust, Local Authority, non-conflicted VCSE, Community
Alliance Leadership Team	Sets strategic direction of service reviews informed by Strategic Programme Boards Critical friend for service reviews. Reviews and endorses commissioning recommendation reports. Provides consistent updates to strategic programme boards. Makes commissioning recommendations to Mental Health Boards.
Additional Contracts Steering Group	Steering group to drive service reviews at pace Provides update and assurance reports to Alliance Leadership Team Shapes and feeds commissioning recommendation reports to ALT Oversight of contract management arrangements and point of escalation.
Strategic service review areas	Develop thematic review, key lines of enquiry and engagement of key service areas. Develops commissioning recommendation reports
Contracting teams	Holds and issues contracts. Retains contract management meeting notes and issues. Issues contract VO's notices etc with support from other relevant system contract teams

Local Governance

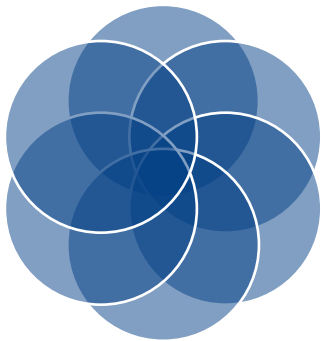


Local Vision

The local vision and eventual structure has to come about through considerable engagement and discussion with the sector. This is an example from Devon

Develop & strengthen community assets to work with people with mental health needs

Reducing digital exclusion and digital solutions to support access to services

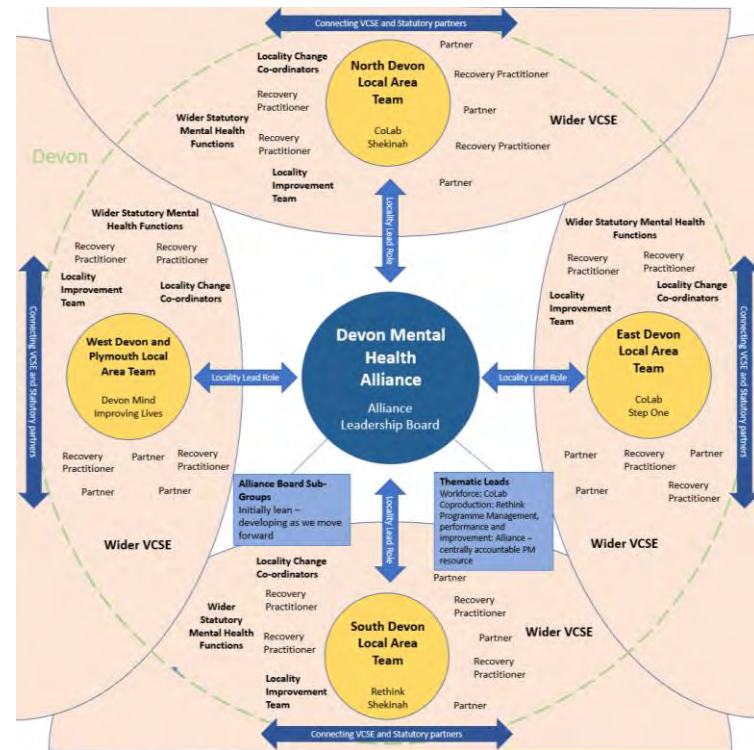


Utilising new roles to support range of care e.g. Rehab Recovery Navigators

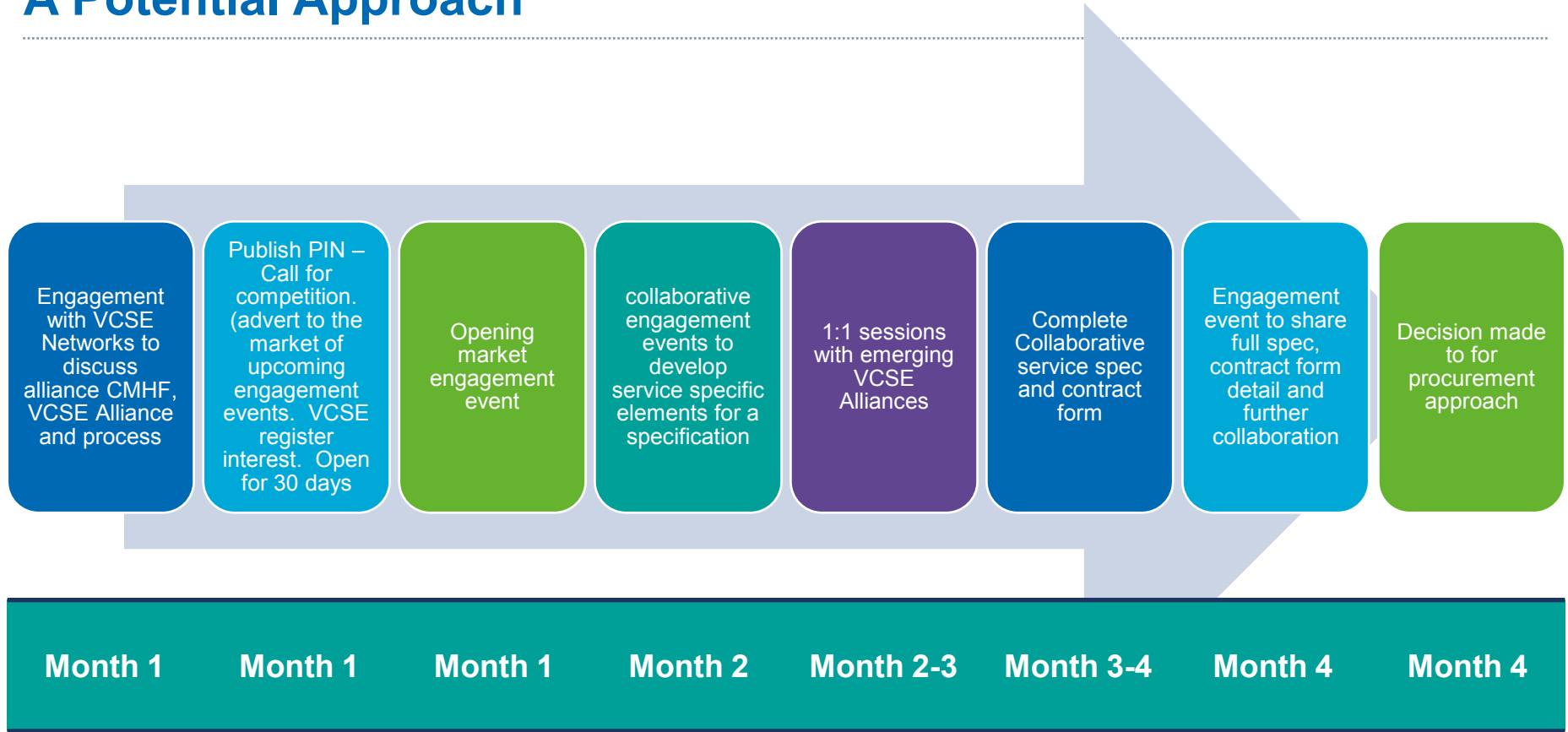
Person-centred care with an MDT approach

Reduce loneliness & isolation, particularly OPMH

Offer therapeutic interventions (too complex for IAPT not complex enough for step 4 psychological therapies)



A Potential Approach



Types of Market Engagement

Questionnaires

Briefing events

Workshop Events

1:1 Meetings

Site Visits

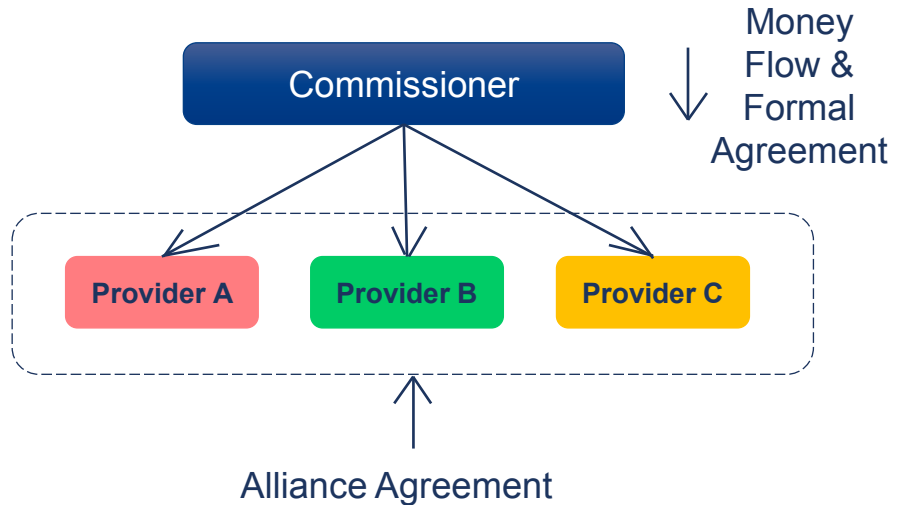
**Meet & Greet
Events**

Understanding Contracting Options

Alliance Contracting

Features:

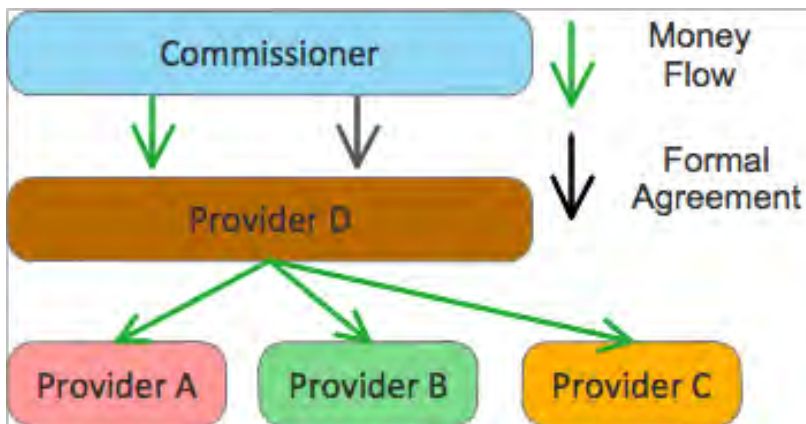
- Commissioner has contracts with all providers.
- Providers have an Alliance Agreement setting out their collaboration responsibilities, and act in a 'best for service' principle.
- Normally agreement set on a equal status footing but may be possible to allocate one provider may take a greater leadership role.
- Providers jointly manage Agreement performance/development targets and monitor outcomes in all services
- Options for pain/gainshare options
- Providers ALL provide care



Prime Contractor - Integrator

- **Features:**

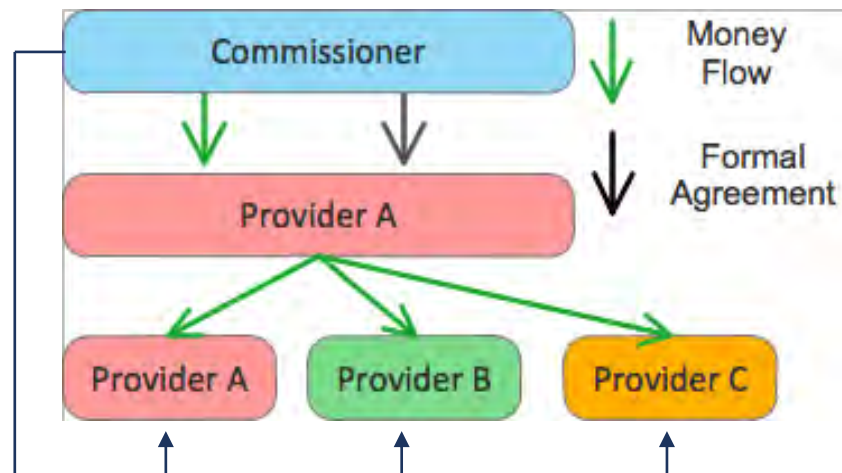
- Commissioner has one contract, specifying desired outcomes.
- Integrator subcontracts with all providers necessary to provide pathway.
- Integrator is performance managed by Commissioner, and, in turn, performance manages all the providers.
- Financial risk sits with integrator to be flowed down to the Providers as appropriate under sub-contracts.
- Integrator **MIGHT** provide care and will look to recover its management/risk based costs for delivering the model.



Lead Provider

Features:

- Commissioner has contracts with all providers.
- Commissioner has a separate agreement with the Lead Provider .
- Lead provider organises other providers along the pathway and is responsible for subcontracting delivery of their services but cannot decommission “material” subcontracted providers without approval by Commissioners.
- Lead Provider manages and performance manages all services and monitor outcomes in all services
- Lead Provider ALSO provides care



Contract Management Considerations

Early thought about how the contract(s) will be managed will be essential to the success of any VCSE alliance/partnership:

- Who will manage the contracts? Trust, ICB, community provider?
- Does there need to be money allocated from the pot to do this contract management if it has become significantly more complex?
- If contract management is moving (for example from ICB to Trust):
 - Does this have an effect on the contracting team in the ICB?
 - Does the contracting team at the destination organisation have the skills to manage the contracts
 - Will you actually be letting sub-sub-contracts??
- If you are forming an alliance, how will the relationship work between the members in terms of things like new members, allocation of new funds or underspend, performance management etc.

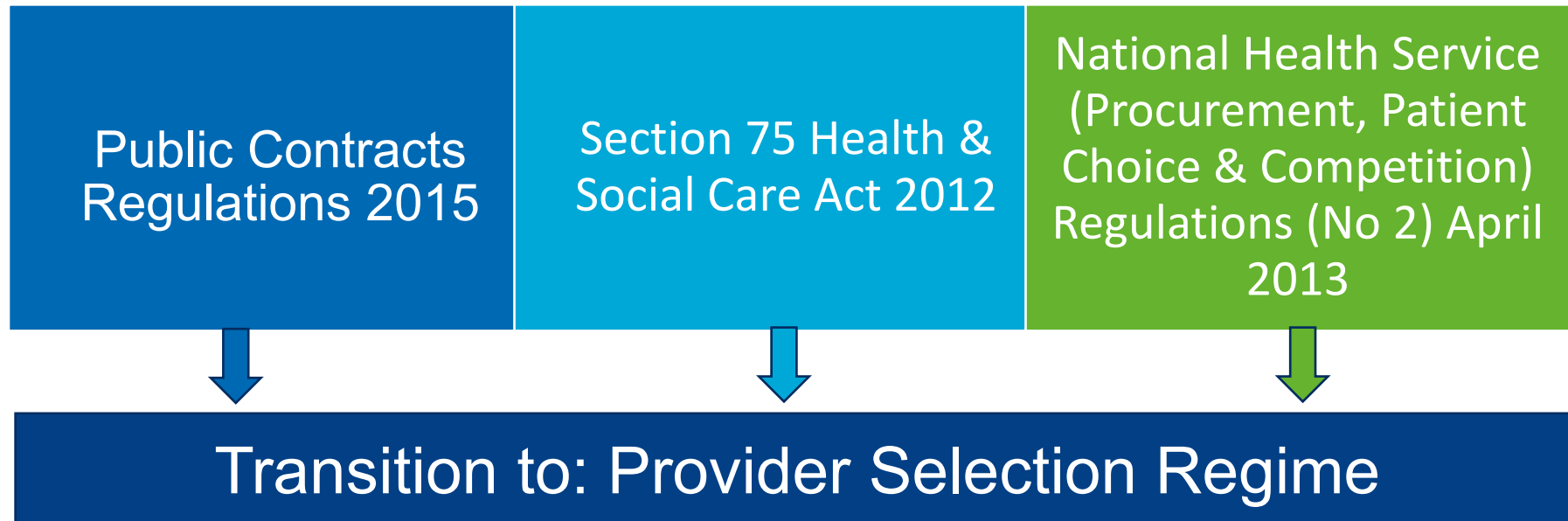
Aligning the Contract to your needs – an example

Working Groups	Sch	Focus area	Products to be developed
Governance	S5	Commissioner roles and responsibilities	<ul style="list-style-type: none"> Statement outlining the roles of the ICB/Trust and the VCSE Alliance
		Provider's sub-contracts	<ul style="list-style-type: none"> If NHS Standard contract all alliance members named within the alliance.
	S8	Local system plan obligations	<ul style="list-style-type: none"> Outline description of how / where the alliance: <ul style="list-style-type: none"> sits within: the Community Mental Health Framework links to Primary Care Network MH Multiagency Teams links to wider system arrangements e.g. Primary Care Networks and Local Care Partnerships
	S9	Alliance collaboration and governance (include any collaboration agreement)	<ul style="list-style-type: none"> Outline governance arrangements for VCSEI Alliance to include: <ul style="list-style-type: none"> Roll of alliance with System Programme Board Decision making approach within VCSE Alliance and the role of "commissioners" within this. Agreed ways of working / collaboration agreements developed between alliance members.
	S2	Arrangements for existing services	<ul style="list-style-type: none"> Description of arrangements in the first 12 months for 'additional' contracts. Outline approach to contract management – role of alliance and support from commissioners
		Exit arrangements	<ul style="list-style-type: none"> Outline approach to managing arrangements in the event an alliance member wishes to withdraw from the arrangements Outline arrangements in the event of contract end.
		Health Inequalities Action Plan	Statement to be included outlining how the alliance will work with and be part of any approach developed to address health inequalities within the wider programme

Making the Strategy Happen

Regulatory Framework

Healthcare Procurement in the NHS is currently governed by 4 key pieces of legislation, plus organisations own Standing Financial Instructions;



Application of the new Provider Selection Regime

There are three decision circumstances described within the consultation:

- **Continuation of existing arrangements – Decision circumstance 1a, b, c**

There will be situations where the incumbent provider is the only viable provider due to the nature of the service in question, and a change of provider is not feasible or necessary. There will be other situations where the incumbent provider/group of providers is doing a good job and the service is not changing, and there is no value in seeking another provider. In these situations, it needs to be straightforward to continue with the existing arrangements. There is consideration as to how to manage changes to these contracts during their life

- **Identifying the most suitable provider for new/substantially changed arrangements – Decision circumstance 2**

There will be situations where existing arrangements need to change – for example, when a service is changing considerably; when a new service is being established; when the incumbent is no longer able/no longer wants to provide the service; or when the decision-making body wants to use a different provider. In these situations, the decision-making body should consider a set of key criteria. If after having done so they have reasonable grounds for believing that one provider/group of providers is the most suitable provider (which may or may not be the incumbent), they may award the contract to that provider without conducting a tendering process. This must be done in a way that is fully transparent and auditable.

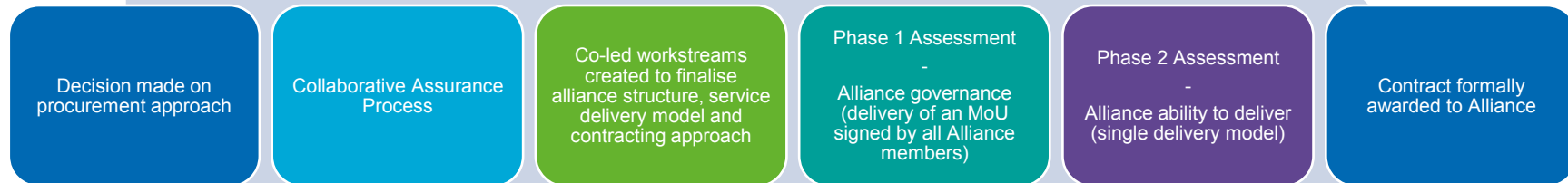
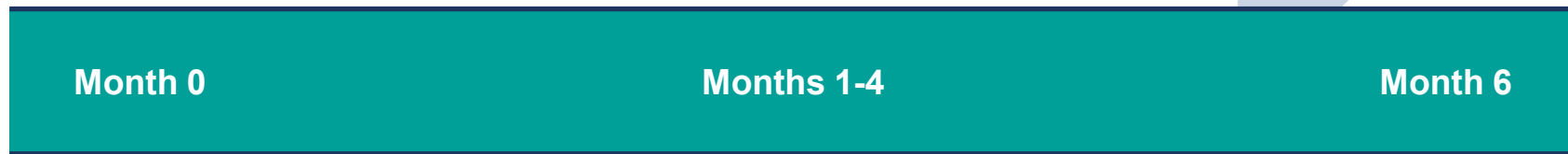
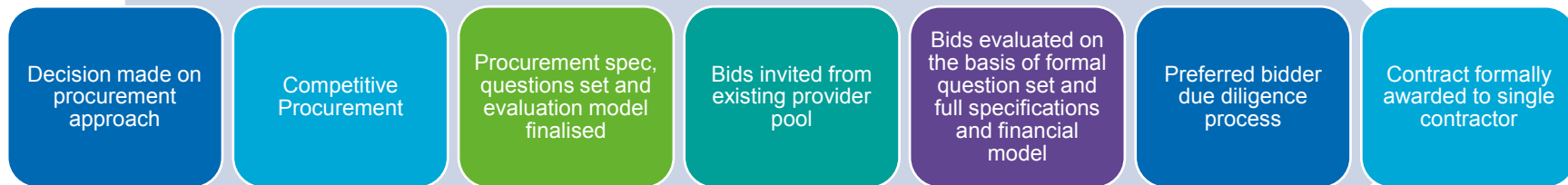
- **Competitive procurement – Decision circumstance 3**

Can be used where the decision-making body wants to use a competitive process to test the market, or where the decision-making body cannot identify a single provider/group of providers that is most suitable without running a competitive process.




Why do market engagement prior to procurement?

- Identify providers who can meet local needs
- Encourage new market entrants
- Create an environment where VCSE organisations can develop partnerships
- Collect market intelligence and establish market interest
- Commissioners to brief marketplace on story of the service development
- Inform providers of future plans, vision and processes
- Seek provider views on unconfirmed issues
- Seek market acceptance of potentially agreed issues (testing concepts)
- Work with providers to seek marketplace views, to develop services and better outcomes
- Test providers' service models/ideas
- Support robust processes/transparency

Key milestones – procurement



Competitive or Collaborative

Competitive process	Move to	Co-production and Mutual Assurance approach
<p>Traditional Project Group oversees direction for competitive process</p>		<p>VCSE Alliance Transitional board</p> <ul style="list-style-type: none"> • shadow governance arrangements • oversight of contract development • implementation plans • service development • makes recommendations to Programme Board, Alliance members board of trustees and Trust/ICB Board of Directors for award.
<p>Traditional competitive procurement process</p>		<p>Process based around completion of NHS Standard Contract. Working groups established to focus on:</p> <ul style="list-style-type: none"> • The services, performance and quality (VCSEI Alliance working directly with named contacts to develop service proposal) • Governance and Finance (series of half day workshops) • Administrative function (weekly meetings to gather necessary documentation which does not require a formal working group e.g. collation of national quality standards. <p>Working groups provide brief flash reports on progress to VCSE Alliance transitional board</p>
<p>Formal evaluation of tender responses</p>		<p>Mutual assurance check points:</p> <ul style="list-style-type: none"> • 22 – 26 November • 13 – 17 December

Thank you

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