

**Forward Plan reference number:** not applicable

<b>Report title:</b> Final Award of Contract for Integrated Pre-birth to 19 Health, Wellbeing and Family Support services	
<b>Report to:</b> Cllr Dick Madden – Cabinet Member for Adults and Children	
<b>Report author:</b> Chris Martin, Director for Commissioning – Children and Families	
<b>Date:</b> 10 November 2016	<b>For:</b> Decision
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<b>County Divisions affected:</b> All Essex	

## **NOT FOR PUBLICATION**

This report contains a confidential appendix which is exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

### **1. Purpose of Report**

- 1.1. To seek approval to award the contract for the Integrated Pre-birth to 19 Health, Wellbeing and Family Support services with the recommended bidder identified from the procurement process carried out pursuant to the Cabinet Decision taken on 21 June 2016 (Forward Plan Reference Number: FP/467/04/16) and Cabinet Member Action dated 11 July 2016 (Amendment to Specification for a new model to deliver integrated pre-birth to 19 health, wellbeing and family support services).

### **2. Recommendations**

- 2.1. Agree the award of a contract for the Integrated Pre-birth to 19 Health, Wellbeing and Family Support services for all of Essex (comprising the North East Essex, Mid Essex, South Essex and West Essex Quadrants) to Virgin Care Services Limited by Essex County Council as co-ordinating commissioner with West Essex Clinical Commissioning Group (WECCG) as a commissioner under the contract in relation to the West Quadrant.
- 2.2. Agree the Director for Commissioning - Children and Families be authorised to finalise the terms of contract with respect to the additional terms set out in the confidential appendix.

### **3. Summary of issue**

- 3.1 In June 2016, Cabinet authorised a competitive tender process (using a streamlined competitive dialogue process) to procure a provider(s) to deliver services under a new Integrated Pre-birth to 19 Health, Wellbeing

and Family Support model. In June 2016, the WECCG Board also authorised WECCG to jointly commission with ECC and the agreement with WECCG under section 75 of the National Health Service Act 2006 was signed. ECC and WECCG are referred to jointly as the commissioners in this report.

- 3.2 The contract notice was published in July 2016 and a three stage process was utilised to procure the provision of the services: Pre-Qualification stage (PQQ), dialogue stage and Invitation to Tender (ITT) stage. The PQQ consisted of minimum standards and mandatory and discretionary rejection criteria such as financial appraisals, legislative, information and clinical governance, safeguarding and insurance requirements.
- 3.3 Four bidders submitted a response to the PQQ, three expressing an interest in all four Quadrants and one expressing an interest in the West Quadrant only. All four bidders were evaluated and all met the PQQ requirements and were invited to progress to the dialogue and ITT stages. There were therefore three bidders taken forward in relation to the North East, Mid and South Essex Quadrants and four bidders taken forward in relation to the West Quadrant.
- 3.4 The draft ITT was published in July 2016 with the rest of the tender documents. The four bidders were required to submit outline Quadrant specific commercial and technical responses to the draft ITT and to attend two dialogue sessions to present and clarify any such outline solutions to commissioners. Dialogue was closed in October 2016 and final bids were invited from all bidders and the draft ITT was confirmed as the final version with no changes being made to it. One of the Pan Essex bidders reduced their expression of interest to 2 Quadrants prior to the tender submission date citing affordability issues in the North East Quadrant.
- 3.5 The following bids in response to the ITT were received per Quadrant in October 2016:

<b>Quadrant</b>	<b>Number and name of bidders</b>
North East Essex	2 – Provide CIC and Virgin Care
Mid Essex	3 – Provide CIC, Virgin Care and North East London NHS Foundation Trust
South Essex	3 – Provide CIC, Virgin Care and North East London NHS Foundation Trust
West Essex	3 - Provide CIC, Virgin Care and Hertfordshire Community Trust

- 3.6 A 50:50 price:quality weighting was applied to the ITT. The questions and weightings for the ITT were as follows:

<b>Question</b>	<b>Maximum Weighted Score %</b>
Mobilisation Plan.	12.00
Service Delivery Model	23.00
Robustness and sustainability of the delivery model	9.00
Case studies x 3	6.00
Multi-Quadrant Response	Pass/Fail
Overall Score for Technical Response	50.00
Overall Score for the Commercial Response	50.00
<b>TOTAL SCORE</b>	<i>As determined by the Award Model</i>

- 3.7 In the ITT, bidders were assessed on a Quadrant basis against set evaluation criteria relating to quality, designed to ensure that the required integration and outcomes will be delivered.
- 3.8 In the ITT, bidders were required to complete a pricing schedule for each quadrant they bid for. If they wished to bid for more than one Quadrant then they were asked to submit separate prices for each Quadrant within the relevant combination of Quadrants. All compliant prices were then input into the award model and ranked, with the lowest price for each Quadrant awarded the full 50% available score. Bidders who failed the technical question 6.1.5 in any individual combination did not have the price for those combinations put into the award model as per the award criteria published in the tender documents. Further detail in relation to the commercial responses are set out in section 5.1 of this report.
- 3.9 The award model then calculated the combination of bids which together produced the highest total score across the four Quadrants. The award model was published with the tender documents at the outset of the procurement and a finance/award model session was held for all bidders prior to the dialogue sessions in order to clarify any queries around these areas.

- 3.10 The result of the procurement process is as follows and it is recommended that a contract (covering all 4 Quadrants) is awarded to Virgin Care Services Limited. Their score was:

Quadrant	Combined Technical and Commercial Score (as set out in the award model)
North East Essex	82.497%
Mid Essex	80.3957%
South Essex	76.1953%
West Essex	81.2830%
Total score and best scoring combination of Quadrants – out of 400%	320.3715%

The next highest scores are set out in the Confidential Appendix for comparison purposes.

- 3.11 Virgin has bid as a lead provider proposing to deliver c70% of the services by value with its subcontractor Barnardo's delivering c30% of the services. Virgin has identified various organisations who will be smaller subcontractors, interwoven with the service, working to tailored specifications, namely:

- **Home-start:** Parent to parent support
- **Youth Enquiry Service:** Mentoring for Young people
- **CAVS:** Community/individual peer mentoring
- **Health Watch Essex:** Local capacity building

Virgin and its subcontractor will have partnership agreements in place with both statutory/non-statutory agencies including; GP practices, schools and education facilities, second tier local authorities, social care, local acute trusts, EWMHS (CAMHS) service.

Key areas of its proposed service delivery model includes:

- Designated funding on a Quadrant specific basis to fund volunteers and apprenticeships.
- Four critical strands of the service: Community, Voluntary and Community Services, Digital, Practitioner
- A Care Coordination Centre (providing a single point of access) providing care navigation and triage and supporting timely access to assessment, advice and signposting. Providing:
  - Telephone and email contact services that allows young people/parents/carers/referrers to get information, manage appointments and be signposted to other services;
  - Children's complex care support and urgent change in functional requirements

- Care navigation for children with complex care needs accessing various pathways
- Clinical accountable triaging of calls, assessment and referrals to locality based teams
- Appointment scheduling
- Risk stratification to support prioritisation of service provision
- Consistency in referral acceptance decisions
- Consistent service for referrers and families
- 'Chat Health' hub and other remote contact services technologies to be facilitated
- Enquiries from partners
- Directory of services
- Central administration hub
- Will provide mandated elements of the universal offer such as Core School Nursing Offer, scheduled visits within the 0-5 Healthy Child Programme, and aim to change the elements of service where typical face-to-face care and support delivered by a specialist support worker can be enhanced through the use of skill mix, digital technology, community-based support and improved peer engagement
- integrated and sharable Virgin Care Record (VCR based on Lumira Technology) which will integrate with the Capita One system to deliver enhanced functionality
- Healthy Family Team to deliver integrated, timely, relationally thoughtful practical support. It will be easily navigable and delivered when and where they need it, using the best medium for doing so, including home visits, digital, communities, peers and other trusted VCS organisations. Consists of multi-disciplinary teams
- Within each District's HFT, clusters of staff from mixed roles will work around each secondary school within the district, and subsequent feeder primary schools, to ensure touch points for children, young people and families.
- Health Visiting in Partnership model
- Antenatal parenting preparation workshops
- 'Chat Health' a confidential SMS based messaging system, staffed in the CCC by a trained nurse
- Premises: Are required to use Family Hubs and Family Hub Delivery Sites for community based, parent-led groups to meet and engage in peer support; i.e. parent-led toddler groups, Carers' Club for group and 1-2-1 sessions such as Breastfeeding Support, Nutrition Support, Assistance in Returning to Work.
- Will work with families & commissioner to identify outreach at locations that enable maximum attendance.
- To achieve targeted interventions with priority groups they will:
  - Upskill non clinical staff where appropriate to deliver universal tasks historically undertaken by trained nurses, this will release time to focus on priority groups
  - Ensure that well supervised and competent non clinical staff can deliver aspects of care in a complex care plan overseen by an accountable practitioner

- 3.12 There are no areas of risk identified in relation to the recommended bidder's bid response other than those which will be managed through the usual contract management processes including during the mobilisation period.

#### **4. Options**

- 4.1 The recommended option is to award the contract in accordance with the published award criteria. The Council is not required to award the contract, but if it does so then it must award it to Virgin Care Services Limited in accordance with the recommendation.
- 4.2 The Council could decide to award the contract without the terms referred to in the confidential appendix and referred to in paragraph 2.2 above. The consequences of this are set out in the confidential appendix
- 4.3 The Council could decide not to award the contract but it would then be without a supplier for these services and would need to make alternative arrangements with effect from the expiry of the current contracts on 31 March 2017. The Council is under a statutory obligation to provide many of these services and it would be extremely difficult, if not impossible, to make alternative arrangements now.

#### **5. Issues for consideration**

##### **5.1 Financial implications**

- 5.1.1 As stated in the Cabinet Report, the maximum affordability envelopes specified in the tender documents for each Quadrant were as stated below. The equivalent maximum net present value for each Quadrant is also set out below.

Quadrant	North East (£m)	South (£m)	Mid (£m)	West (£m)	Total (£m)
Maximum annual affordability (£m) – ECC	6.943	9.809	7.517	7.757	32.025
Maximum NPV over 10 years	69.131	97.677	£74.847	77.238	318.893
Maximum affordability (£m) – WECCG				4.2	
Maximum NPV over 10 years – WECCG				41.822	

5.1.2 Following the evaluation process, the contract to be awarded is as follows:

Quadrant	10 year NPV - North East (£m)	10 year NPV - South (£m)	10 year NPV - Mid (£m)	10 year NPV - West (£m)
Virgin Care Services Limited	56.897	80.296	61.329	96.253

5.1.3 The NPV of the highest scoring bidder is below the maximum NPV figures stated above and are therefore compliant bids.

5.1.4 Where the recommended bidder achieves any savings in addition to their bid price, these would be subject to the 50:50 gain share mechanism under which ECC would receive 50% of the cost savings.

5.1.5 From year 2, 4% of the agreed annual contract value with the provider will only be paid if the provider meets key performance indicators annually. In the West quadrant, that will only apply to ECC services. Commissioning for Quality and Innovation (CQUINs) payments framework will apply to the WECCG services only from year 2.

## 5.2 Legal implications

5.2.1 The services within scope of this procurement were considered in the Cabinet Report in June 2016. These services all fall within 'social and other specific services' within the Public Contracts Regulations 2015 (the Regulations). The total value of the services within any of the Quadrants will exceed the threshold of £589,184 which meant that the procurement of these services was subject to the 'light touch' regime under the Regulations. This permitted commissioners to choose and tailor an appropriate procurement process without being subject to the full rigour of the Regulations but subject at all times to the principles of transparency and equal treatment.

5.2.2 Pursuant to the Cabinet Decision in June 2016 and subsequent Cabinet Member Action dated 11 July 2016 (Amendment to Specification for a new model to deliver integrated pre-birth to 19 health, wellbeing and family support services), the agreement with WECCG under section 75 of the National Health Service Act 2006 was signed. Thereafter a joint contract notice and the associated procurement documents were published in accordance with the Regulations.

- 5.2.3 The contract notice was supported by prior publication of various prior information notices in order to engage with as wide a market as possible prior to publication of the contract notice. A streamlined competitive dialogue process tailored to the commissioner's timeline and requirements was run – see paragraphs 3.2 to 3.10 describing the stages undertaken and the criteria which were applied at each stage. The tender submissions at the ITT stage were evaluated in accordance with the published evaluation criteria.
- 5.2.4 The procurement process has resulted in the recommendation to award 1 contract (comprising all 4 Quadrants) to the bidder specified in paragraph 3.11.
- 5.2.5 As identified in the Cabinet Report, a contract based on the NHS standard contract with the successful bidder will be entered into. A form of template contract was agreed between the commissioners and published in July 2016 with the procurement documents. A final version of the contract will be agreed with the bidder once the standstill period under the Regulations has ended. Contract signature is currently scheduled for December 2016 with services to commence on 1 April 2017. ECC and WECCG's services and budgets are separable from each other within the contract.
- 5.2.6 The WECCG Board has approved the award of this contract.

## **6. Equality and Diversity implications**

- 6.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc on the grounds of a protected characteristic unlawful
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 6.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).



- 6.3 The Equality Impact Assessment on the proposals for services (Appendix 6 in the Cabinet Report) considered the impact using a range of demographic and service user data alongside the outcome of a variety of engagement activities undertaken with families, parents, carers, young people and stakeholders. The Assessment indicated that the proposed changes to existing service provision for families of children pre-birth to 19 years (25 years for children with special educational needs or a disability) would not have any disproportionate adverse impact on any equality group. Following selection of the recommended bidder and scrutiny of its proposed service model, the analysis set out in the Equality Impact Assessment remains unaffected and the Equality Impact Assessment has therefore not been updated at this stage.
- 6.4 The Equality Impact Assessment undertaken on the proposed changes to Sure Start Children's Centres (Appendix 7 of the Cabinet Report) considered the impact using a range of demographic and service user data alongside the outcome of a variety of engagement activities undertaken with families, parents, carers, young people and stakeholders. The Assessment identified that there was a potentially negative impact on young people, on disabled people with mobility difficulties and on women. These impacts would arise primarily because the changes to service delivery locations could mean that some people will have to travel further to access the services. It is proposed to provide outreach service in family homes and local venues in order to mitigate this impact as far as possible. Freeing up staff to work away from buildings will also see greater opportunities to work in other locations convenient to parents where this helps families in priority groups. Actions were required to mitigate the impact of the proposals on new parents and to ensure that individuals were not disadvantaged as a result of socio-economic group or environment (rurality). Where families are supported to support themselves we will ensure that equality training is available to encourage inclusive provision.
- 6.5 The Equality Impact Assessment referred to in paragraph 6.4 above was reviewed and updated in August 2016 to ensure it fully considered the impact on all protected characteristics to include those with hearing and sight loss. The updated assessment is provided as Appendix 1. Following selection of the recommended bidder and scrutiny of its proposed service model, the analysis set out in the updated Equality Impact Assessment remains unaffected and the Equality Impact Assessment has therefore not been updated at this stage.

- 6.6 The recommended bidder has confirmed that it will assess community needs through engagement with local families and will target support to those who are most in need regardless of where they are in the County. Data relating to the priority groups in each area will inform the work that takes place to support families and make services accessible. The recommended bidder has been assessed as against the tender evaluation criteria and the requirements of the Specification and its solution does not change the equality impact assessments carried out previously and referenced above.

## **7. List of appendices**

- 7.1 Appendix 1 – Equality Impact Assessment Sure Start Children Centres
- 7.2 Confidential Appendix

## **8. List of Background papers**

- 8.1 None

<b>I approve the above recommendations set out above for the reasons set out in the report.</b>	<b>Date</b>
<b>Councillor Dick Madden, Cabinet Member for Adults and Children</b>	14 Nov 2016

### **In consultation with:**

<b>Role</b>	<b>Date</b>
<b>Councillor Graham Butland, Cabinet Member for Health</b>	14 Nov 2016
<b>Councillor Ray Gooding, Cabinet Education and Lifelong Learning</b>	14 Nov 2016
<b>Chris Martin - Director for Commissioning – Children and Families</b>	11 Nov 2016
<b>Executive Director for Corporate and Customer Services (S151 Officer)</b>	11 Nov 2016
<b>Margaret Lee</b>	
<b>Monitoring Officer</b>	11 Nov 2016
<b>Paul Turner</b>	