



Award of contract for GP 'Out of Hours' service

UPDATE TO CCG BOARD
For information
27 September 2013



City and Hackney
Clinical Commissioning Group



BOARD MEETING ON 17 SEPTEMBER

The full NHS City and Hackney Clinical Commissioning Group (CCG) Board is asked to receive and note the outcome of the extraordinary CCG Board meeting held on 17 September 2013

- An extraordinary of the CCG Board meeting was held on Tuesday 17th September 2013 to receive the recommendation of the CCG evaluation panel on the Out of Hours procurement exercise. The voting CCG Board members present were:
 - Mariette Davis (Chair) – CCG Lay Member for Governance;
 - Paul Haigh – Chief Officer;
 - Siobhan Clarke – CCG Board Nurse.
- This constituted a quorum in line with the CCGs Constitution:
 - Conflicts of interests - 8.2.9. states that a quorum requires 1 lay member, 1 clinician and 1 manager representative.
- The extraordinary CCG Board noted the procurement process and the outcome;
- The extraordinary CCG Board supported the recommendation of the evaluation panel to award the contract for GP out of hours services in City & Hackney to City and Hackney Urgent Healthcare Social Enterprise (CHUHSE) – a GP not for profit social enterprise set up as a ‘Community Benefit Society’;
- The extraordinary CCG Board agreed to delegate responsibility to the CCG Chief Officer to decide when to serve notice on the current provider and when to commence the new service, on the recommendation of the Steering Group who will be discussing mobilisation with CHUHSE.



Background

- The current contract for the GP out of hours service is held by Harmoni (Care UK) and was novated to the CCG by City & Hackney Primary Care Trust (PCT) in April 2013. This contract was awarded by the PCT on an emergency basis in 2010, following the failure the CAMIDOC service. It was subsequently rolled over on an annual basis;
- After much review and discussion by the PCT cluster in 2012 they decided that a formal procurement process was required. The responsibility to undertake this was passed to the CCG as the new commissioners of the service from April 2013. CCGs have delegated powers from NHS England (NHSE) to commission primary medical care out of hours services;
- In order to deliver this activity, a procurement and governance process was approved by the CCG Board at its meeting on 26 April 2013. During May 2013, the national picture around 111 began to change. This impacted on the OOH strategy which required a re-think of the timetable for the procurement to allow for a call-handling element to be built into the service specification. Subsequently a revised timetable for the procurement was agreed at the CCG Board on 31 May 2013;
- The CCG Board approved the business case setting out the strategic, financial and quality context of the procurement at its extraordinary meeting on 14 June 2013 and an invitation to tender was subsequently advertised on 20 June 2013.



Governance 1

- A paper outlining the process and decision making for out of hours procurement was presented to the CCG Audit Committee on 22 April 2013;
- This covered:
 - The establishment of a steering group and evaluation panel;
 - The terms of reference for the steering group and evaluation panel;
 - The decision making process;
 - The engagement plan;
 - Indicative timetable;
 - The risks.
- The Audit Committee reviewed the proposals, noting the advice of the CCG solicitors, and recommended these for approval by the CCG Board;
- The CCG Board agreed them at its meeting on 26 April 2013.



Governance 2

The Audit Committee met on 13 June 2013 and:

- Recognised the recommendation reached by the OOH Steering Group in selecting the revised Option 1 timescale, and noted the associated changes and risks;
- Reviewed the process utilised for completion of the the Business Case and the Service Specification;
- Noted the recommendations of the Steering Group to support the business case and service specification;
- Noted the legal advice obtained from the CCG solicitors;
- Noted the final draft versions of the evaluation methodology, the Memorandum of Information and the information template;
- The Audit Committee were assured of the overall process followed in the presented documents given the risks identified and the need to undertake a fair and neutral procurement process.

The CCG Board then met on 14 June 2013, chaired by Mariette Davis, Lay Member for Governance, in line with the CCG Constitution on handling conflicts of interests;

CCG Board members present at this meeting were:

- Mariette Davis (Chair) – CCG Lay Member for Governance;
- Jaime Bishop – CCG Lay Member for patient and Public Involvement;
- Honor Rhodes – CCG Associate Lay Member;
- Paul Haigh – Chief Officer;
- Siobhan Clarke – CCG Board Nurse;
- Christine Blanshard – CCG Board Consultant;
- Dr Haren Patel – Clinical Vice Chair.

The Board meeting:

- Noted the work of the OOH Steering Group;
- Noted that the CCG Audit Committee has had detailed discussions at its meetings on 20 March, 22 April and 23 May 2013, to review the work of the Steering Group and the process of procurement;
- Noted and agreed the final membership of the evaluation panel and the procurement timetable;
- Noted the outcome of the meeting of the Audit Committee held on 13 June 2013;
- Agreed to delegate to the Chair of the Board and the Chief Officer final approval of the documentation, subject to receipt of any comments of the other Board members present at the meeting;

The documentation was agreed on 17 June 2013 allowing the procurement process to commence.



Notes regarding governance

The CCG Board should note that:

- The governance and decision making for this exercise was undertaken in the context of the CCG Constitution and recognising the conflicts of interests of GP Board members who were not involved in any decision making;
- Dr Haren Patel was involved in the steering group and evaluation as he has no conflict of interest in this issue – he and his practice remain opted in to provide their own out of hours GP service:
 - The CCG solicitors confirmed that this was appropriate and this was noted by the CCG Audit Committee.
- The CCG internal auditors RSM Tenon has reviewed the process undertaken by the CCG. Their report found no issues of concern and it was received at the extraordinary CCG Board on 17 September 2013, providing a level of assurance to the extraordinary CCG Board;
- The CCG Chief Officer has also commissioned its organisational development (OD) support contractor – Change FX – to undertake a review of the process and the working relationships between the CCG and Commissioning Support Unit (CSU) to identify any lessons or issues of process for CCG governance in any similar exercises in the future.



Procurement Timetable

Following approval by City and Hackney CCG's Board on 14 June 2013, an Open Tender was advertised on the NHS Supply2Health and Pro-Contract e-procurement portals (www.supplying2nhs.com) on 20th June 2013.

Table 1 outlines the procurement process timetable:

Activity	Date
Business Case approved by City & Hackney CCG	14/06/2013
Advert Placed on Supply2health and Supplying2nhs.com	20/06/2013
MOI, Information & Guidance and PQQ Published on Pro-contract	20/06/2013
Deadline for clarification questions	30/07/2013
Deadline for Expressions of Interest and Tender submission	07/08/2013 - 2pm
Tender Evaluations	07/08/2013 – 05/09/2013
Presentation and interview	09/09/2013
Contract Award Approval by CCG Board	17/09/2013
Successful and unsuccessful bidder notification	18/09/2013
Standstill Period	18/09/2013 – 30/09/2013
Contract Signature	21/10/2013 (estimated)
Commence mobilisation	18/09/2013 – to be confirmed
Contract Start	to be confirmed



Evaluation panel

The CCG evaluation panel was established at the start of the process prior to the advertisement being issued and membership approved by the CCG Board on 26 April 2013:

- The panel met on three occasions to review and moderate the responses to Section A, B and the interview and presentation with Dr Isabel Hodkinson, independent GP, chairing the sessions.

Part A	Part B – This was also the interview panel
Karl Thompson – CCG Programme Director Urgent Care	Karl Thompson – CCG Programme Director Urgent Care
Sunil Thakker - CCG Deputy Chief Financial Officer	Sunil Thakker - CCG Deputy Chief Financial Officer
Dr Haren Patel – CCG Clinical Vice Chair	Dr Haren Patel – CCG Clinical Vice Chair
(CHAIR) Dr Isabel Hodkinson – Independent GP and Clinical Vice Chair Tower Hamlets CCG	(CHAIR) Dr Isabel Hodkinson – Independent GP and Clinical Vice Chair Tower Hamlets CCG
Dr Martin Huddart – Independent GP, Walthamstow CCG	Dr Martin Huddart – Independent GP, Walthamstow CCG
	Jaime Bishop – CCG Board lay member and Chair Patient and Public Involvement sub committee
	Cynthia White – Chair Older Patients Reference Group, City of London resident and PPI member
	Roger Till – Chair ‘Super’ Patient Participation Group and PPI member
	Jane Betts – Director of Primary Care Strategy London wide LMC (Non scoring member)

Process of evaluation

- Initially 14 organisations expressed an interest in delivering this service, however 2 organisations submitted tenders by the deadline of 7th August 2013;
- There were three stages in the tender evaluation process:
 1. Part A - Pass/Fail stage;
 2. Part B - 0 to 4 scoring stage;
 3. Bidder presentation and interview stage.
- Part A submissions were evaluated from 7th August 2013 to 14th August 2013 and a moderation meeting was held on 16th August 2013 to moderate any Pass/Fail split decisions. Both bidders passed all questions;
- Part B submissions were evaluated from Friday 16th August to 3rd September and a moderation meeting was held on 5th September 2013 to moderate the responses;
- One bidder withdrew from the process as they had been awarded another contract elsewhere and did not feel they had the capacity to commit to City & Hackney;
- The presentation and interview took place on Monday 9th September followed by a final moderation meeting to review and finalise all scores, with CHUHSE scoring overall 74.44%.

Evaluation scores for Part B

Part B Sections	Section Weights	CHUHSE	Other bid
Section A - Finance and Commercial Requirements	15%	7.50	11.25
Section B - Clinical Integration and Quality of Service Offered	22%	18.15	12.28
Section C - Clinical Governance and Management	15%	11.87	8.59
Section D - Patient Focused	15%	12.87	7.62
Section E - Information Management	4%	2.63	1.88
Section F - Property and Equipment	4%	3.75	2.75
Section G - Contingency Planning	5%	3.42	2.54
Section H - Workforce	5%	3.75	2.50
Section I - Bidder Presentations and Interviews	15%	10.50	N/A
TOTAL OVERALL SCORE	100%	74.44	49.41



The contract

Discussions will commence with CHUHSE shortly. However key aspects of the contract are:

- The contract term is for 4 years and will be a standard NHS APMS format incorporating the usual safeguards for both parties regarding notice, termination and performance management;
- Key Performance Indicator's (KPIs) are incorporated into the contract, equivalent to 10% of the contract value to ensure delivery of pre-defined levels of performance in line with the service specification;
- The separate call handling aspect of the contract is incorporated as an addendum to allow for future flexibility as the 111 landscape develops. This option is being taken up by the CCG initially for a 12 months basis and will be reviewed with the provider going forward;
- The CSU will provide contract and performance management support to the CCG and will be responsible for the provision of data to the CCG Finance and Performance sub committee with oversight also provided by the CCG Clinical Lead GP and the Urgent Care Programme Board;
- Quality information will be provided in the quarterly quality report received by the CCG Board;
- Learning gained from managing the current OOH contract will be built into our processes with regular reporting detailing all key performance indicators. On-going regular and ad-hoc dialogue, weekly rota fill updates, monthly performance review meetings and quarterly clinical and quality focussed meetings will ensure the provider is regularly monitored.



Costs

The bid for the service over a 4 year period was:

- £6.03m for OOH;
- £0.4m for Call Handling;
- £6.4m total bid compared to the £5.7m internal costing for both the services equating to £0.2m year on year increase;
- The current budget for OOH is £4.8m and this presents a £1.6m cost pressure. However the Chief Financial Officer has confirmed that taking into account all aspects of the bid she supports this position. This was agreed at the CCG extraordinary Board meeting on 17 September 2013.

Affordability:

- Whilst the OOH and Call Handling service cost is higher than planned, the CCG will use non-recurrent monies available in 2013/14 to mitigate the cost pressure;
- The extraordinary CCG Board also noted ongoing negotiations with NHSE for the return of £0.3m recurrent OOH budget which was incorrectly mapped in the PCT disaggregation, which, if successful, will provide further year on year mitigation;
- There is confidence that the funding gap will be mitigated by the reduction in A&E activity over the course of the contract. The tariffs for A&E activity are considerably more than the Out of Hours consultation tariff and a significant reduction in A&E activity is expected over the life time of the contract as the provider increase public awareness and confidence in the GP out of hours service;
- Additionally, by having a more local service for City and Hackney residents, there is greater opportunity for better integration across the whole of primary care and improved continuity of care for patients.



Risk Analysis

The Extraordinary CCG Board meeting on 17 September discussed the following risks:

- Financial:
 - Start-up business, therefore potential cashflow risks;
 - Robustness of cashflow to deal with contingencies;
 - The offered contract price is higher than the indicative budget.
- Organisation maturity:
 - Capacity/contingency planning – during the interview phase it was clear that the organisation would require a robust succession plan in order to address any capacity issues. This can be set out as a requirement in the contract schedules.
- The Evaluation panel had considered these risks and the extraordinary CCG Board discussed these in detail, and plans to mitigate these and in doing so noted:
 - That we are investing in a new start up organisation;
 - That we are expecting the service to deliver a high quality service and support the reduction in spend elsewhere in the health economy;
 - That monitoring of the financial viability of the provider would be key but that it was a one and one relationship between CHUHSE and the CCG as their commissioner.

