

## Wiltshire Council

### Cabinet

17 May 2016

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**Subject: Re-commissioning Child and Adolescent Mental Health Services (CAMHS)**

**Cabinet member: Councillor Laura Mayes – Children’s Services**

**Key Decision: Yes**

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#### **Executive Summary**

Primary and Specialist Child and Adolescent Mental Health Services (CAMHS) in Wiltshire are provided by Oxford Health NHS Foundation Trust under separate but linked contracts.

Wiltshire Council funds and holds the contract for Primary CAMHS which provides interventions and treatment for children and young people assessed as having mild to moderate mental health needs. The Wiltshire Clinical Commissioning Group (CCG) funds and oversees the contract for specialist CAMHS which provides interventions and treatment for those with more severe mental health difficulties. Bath and North East Somerset (B&NES) CCG is an associate to Wiltshire CCG’s contract and there are efficiencies in having a service that works across a wider geographical footprint.

Both contracts commenced in April 2009 and are due to expire in March 2017. Consequently, a re-commissioning process needs to be agreed to ensure the continuity of a safe and effective Child and Adolescent Mental Health Service to meet the needs of Wiltshire’s children and young people from 1 April 2017.

Taking into account the new national vision for child and youth mental health (*Future in Mind*) and the local CCG transformation plan for children and young people’s mental health and wellbeing, it is recognised that a new CAMHS service delivery model is required in order to meet the changing needs of children and young people.

This report evaluates options for commissioning a new integrated primary and specialist Child and Adolescent Mental Health Service. In doing so, it recommends that Wiltshire Council and the Wiltshire CCG align their funding to re-commission such a service under one contract.

To secure the service required, the report recommends that this is best achieved by applying and testing out a “most capable provider” approach (as set out in option 3 within this report), in accordance with the ‘light touch’ regime as detailed within the Public Contract Regulations 2015 (as detailed in Appendix 1).

The Public Contract Regulations provide more flexibility for the procurement of health, social care and education services (the 'light touch regime'), allowing commissioners to decide how best to procure a provider to deliver the services to meet patient needs and improve the quality and efficiency of services. CAMHS falls within this definition and the most capable provider procurement approach is an established model for securing the service required in accordance with the Regulations.

### **Proposal(s)**

- i) To agree that the Council should work with the Wiltshire CCG to re-commission a new integrated service delivery model for primary and specialist CAMHS to meet the needs of children and young people. To include aligning Wiltshire Council funding for Primary CAMHS with Wiltshire CCG funding for specialist CAMHS;
- ii) Linked to (i) above, to approve that the Wiltshire CCG takes on the role as the Lead Commissioner for the new service with the Council as an associate to the contract.
- iii) To approve the commissioning approach already agreed by the Wiltshire CCG Governing Body to test the market to establish if undertaking a most capable provider process is the appropriate route to secure the service required (option 3). To include authorisation from Cabinet to undertake a tender process if required, in accordance with the 'light touch' regime as detailed within the Public Contract Regulations (option 2). This shall be led by the Wiltshire CCG with the Council as an associate.
- iv) To delegate approval of the procurement process, including the development a revised service specification and decision on award of contract to the Corporate Director in consultation with the Cabinet Member for Children's Services in consultation with the Cabinet Member for Finance, Cabinet Member for Public Health and the Solicitor of the Council.

### **Reason for Proposal**

The local CCG transformation plan for children and young people's mental health and wellbeing sets out the overall joint strategic direction, clear vision and principles for delivering a child and youth mental health system that can meet the changing needs of children and young people in Wiltshire, for example, the increase in eating disorders and self-harming behaviour. The plan has been developed in partnership with a range of stakeholders from across education, health and social care and reflects the needs and views of children, young people and parents/carers.

In order to deliver the plan effectively (which has been agreed by the Health and Wellbeing Board) and ensure the continued provision of a safe and effective Child and Adolescent Mental Health Service, the Council needs to work together

with Wiltshire CCG to set out a new service delivery model. This requires the Council to align its resources with the CCG and the transformation plan's strategic objectives.

This report evaluates options for commissioning a new integrated primary and specialist Child and Adolescent Mental Health Service. In doing so, it recommends that the Council approves the decision already made by the Wiltshire CCG to test the market to establish if undertaking a most capable provider process is the appropriate route. The key argument in favour of this option is that the market for the provision of CAMHS is understood to be limited regionally.

<b>Name of Director</b>	<b>Carolyn Godfrey</b>
<b>Designation</b>	<b>Corporate Director</b>

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### Purpose of Report

1. This report seeks Cabinet approval to work with Wiltshire CCG to re-commission a new integrated service delivery model for primary and specialist CAMHS in order to meet the changing needs of children and young people. A number of options for commissioning this service are set out in the report and a recommendation provided on the best option to secure the service required.

### Relevance to the Council's Business Plan

2. The proposal is critical to supporting Wiltshire Council's key priority to protect the most vulnerable by making sure that children and young people who are experiencing emotional wellbeing and mental health problems get timely access to the right support and treatment they need in the right place.

### Main Considerations for the Council

#### Re-commissioning process

##### A co-commissioned model

3. To achieve a new service delivery model that best meets the changing needs of children and young people, it is recommended that funding for primary and specialist CAMHS from Wiltshire Council and Wiltshire CCG is aligned, to fund a new service under one contract, with the CCG as Lead Commissioner. This arrangement would provide an overall indicative financial envelope of circa £4.7m per annum.
4. Already agreed by Wiltshire CCG Governing Body, such an arrangement is likely to serve as the most effective and efficient way of securing the right service to improve outcomes whilst ensuring value for money.

##### Joint Commissioning with Bath and North East Somerset (B&NES) CCG

5. Subject to formal agreement from the B&NES CCG, the B&NES Joint Commissioning Committee has agreed in principle the proposal to re-

commission the new primary and specialist Child and Adolescent Mental Health Service jointly with Wiltshire CCG. It is likely that having a service operating across a wider geographical footprint will result in improved efficiencies and better outcomes for children, young people and families.

Commissioning options to secure the service required

6. The Wiltshire Council Children’s Services Joint Commissioning Team has considered a number of options for re-commissioning a new CAMHS service from 1 April 2017. These are evaluated below and were considered by Wiltshire CCG Governing Body in March 2016.

**Option 1 – Re-tender the service under two contracts**

This would involve undertaking a full open and **competitive tender process** compliant with relevant procurement policy, law and regulations. Under this option, the CCG would lead the tendering process for Specialist CAMHS and Wiltshire Council would lead a separate tendering process for Primary CAMHS. This would continue the existing commissioning arrangements where these two but linked services are delivered under separate contracts.

<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>- Due diligence – achieving best value for money.</li> <li>- Clear compliance with regulatory requirements.</li> <li>- Understanding what alternatives and options are available in the market place as well as maintaining a competitive market.</li> </ul>	<ul style="list-style-type: none"> <li>- The market for the provision of CAMHS is understood to be limited regionally.*</li> <li>- Time consuming and resource intensive process.</li> <li>- More difficult to eliminate artificial barriers between services.</li> <li>- Does not join up local resources across the whole system to support improved outcomes and value for money.</li> <li>- Reduced innovation because the incumbent provider would be unable to utilise their expertise and experience to help shape the new service specification.</li> <li>- Current service developments would effectively be put on hold. This could hamper progress with the delivery of local priorities which the incumbent provider is leading on in respect of CAMHS transformation.</li> <li>- Joint commissioning arrangements with neighbouring authorities might be compromised.</li> </ul>

**Option 2 – Re-tender the service under one contract supported by an aligned budget**

This would involve undertaking a full open and **competitive tender process** in accordance with the ‘light touch regime’ and compliant with relevant procurement policy, law and regulations. Under this option, a new integrated primary and specialist Child and Adolescent Mental Health Service would be co-commissioned between the Wiltshire CCG and Wiltshire Council, with the CCG taking on the role as Lead Commissioner. B&NES would also be an associate to the contract.

<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"><li>- Due diligence – achieving best value for money.</li><li>- Clear compliance with regulatory requirements.</li><li>- Understanding what alternatives and options are available in the market place as well as maintaining a competitive market.</li><li>- Joins up local resources across the whole system to improve outcomes and value for money.</li><li>- Helps to eliminate artificial barriers between services through a fully integrated service delivery model.</li></ul>	<ul style="list-style-type: none"><li>- The market for the provision of CAMHS is understood to be limited regionally.*</li><li>- Time consuming and resource intensive process.</li><li>- Reduced innovation because the incumbent provider would be unable to utilise their expertise and experience to help shape the new service specification.</li><li>- Current service developments would effectively be put on hold. This could hamper progress with the delivery of local priorities which the incumbent provider is leading on in respect of CAMHS transformation.</li><li>- Joint commissioning arrangements with neighbouring authorities might be compromised.</li></ul>

\*In the last 12 months, both Buckinghamshire and Oxfordshire have undertaken extensive testing of the market for the provision of CAMHS. The findings suggest that the market for the provision of CAMHS is limited across the region. For example, in Buckinghamshire, it is understood that a recent tender process led to the contract for CAMHS being awarded to the existing provider. In Oxfordshire, it is understood that the CCG have taken the decision not to re-tender and instead review the current service with the incumbent provider as the preferred provider. This decision was reached following an Invitation to Tender exercise which resulted in just one expression of interest being submitted (from the incumbent provider).

**Option 3 – Test the existence of a most capable provider (preferred provider)**

Under this option, a new integrated primary and specialist Child and Adolescent Mental Health Service would be co-commissioned between Wiltshire CCG and Wiltshire Council, with the CCG taking on the role as Lead Commissioner. B&NES CCG would also be an associate to the contract.

This option would involve commissioners continuing to work with the incumbent provider as well as GP's, schools and other stakeholders to develop the service within the current financial envelope and as required by the local CCG transformation plan for children and young people's mental health and wellbeing (as agreed by the Health and Wellbeing Board). In the event that a tender process is required, this development work would be reflected in the service specification used in the tender process.

Wiltshire Council would work with the Wiltshire CCG to conduct investigations to establish whether there is a viable market for CAMHS in Wiltshire. These investigations would include a number of strands, including further discussions with neighbouring commissioners, a trawl of the relevant advertising portals (Contracts Finder, OJEU), and in accordance with the Public Contract Regulations 2015 a Prior Information Notice (PIN) placed on Contracts Finder and the OJEU to establish current market interest and capability.

This investigatory process would occur over the course of a month and would offer the CCG and the Council strong evidence as to the legitimacy of a most capable provider (preferred provider) approach. In the event of a viable competitive market being established a procurement process would be required (option 2).

Subject to the aforementioned market investigations and the establishment of a most capable provider, the new service would be delivered by this provider subject to the successful outcome of a comprehensive and robust negotiation process<sup>1</sup>.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>- Save considerable time and resources on the basis that a limited market indicates that a full tender process might not be appropriate.</li> <li>- Joins up local resources across the whole system to improve outcomes and value for money.</li> <li>- Helps to eliminate artificial barriers between services through a fully integrated service delivery model.</li> <li>- Improved innovation - the incumbent service provider would be able to contribute its expertise and experience to help develop the service.</li> <li>- Service developments continue to be delivered supporting delivery of the local CCG transformation plan</li> </ul>	<ul style="list-style-type: none"> <li>- May not achieve due diligence – best value for money.</li> <li>- Potentially more difficult to negotiate more favourable terms for commissioners.</li> <li>- Risk of challenge (particularly if a clear audit trail cannot be shown in respect of the decision).</li> </ul>

<sup>1</sup> This would involve commissioners from Wiltshire CCG and Wiltshire Council working with the identified most capable provider to negotiate the best terms and conditions of contract to ensure value for money whilst improving quality of service. A key part of the process would require the provider to meet a set of minimum quality standards which would be drawn up by commissioners, with input from GPs and other key stakeholders.

for children and young people's mental health and wellbeing.	
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## **Background**

### **Funding for primary and specialist CAMHS**

#### *Current arrangements*

7. Primary and Specialist Child and Adolescent Mental Health Services are provided by Oxford Health NHS Foundation Trust.
8. PCAMHS is funded by Wiltshire Council Children's Services (£568k per year) to provide targeted mental health interventions and treatment for children and young people with mild to moderate mental health needs. Specialist CAMHS is funded by the Wiltshire CCG (£3.6m per year) to provide interventions and treatment to those children and young people with more severe mental health problems. These services are available for 0-18 year olds who are referred by a wide range of professionals including their GP, health visitor, school or hospital doctor. Referrals are made into the service via a Single Point of Access.
9. Both services are linked but are provided under separate contracts which are overseen by the Wiltshire Council Children's Services Associate Director (Joint with CCG) for Commissioning, Performance and School Effectiveness. Bath and North East Somerset CCG is an associate to Wiltshire CCG's contract.

#### *CAMHS transformation*

10. Following additional national investment to support improvements to provision and outcomes, Wiltshire CCG has increased funding to Oxford Health NHS Foundation Trust to deliver on a number of local priorities which are key to the successful delivery of the local transformation plan for children and young people's mental health and wellbeing. From 1 April 2016, the following annual recurrent funding will be provided:
  - £243,924 for an enhanced community eating disorder service as part of Specialised CAMHS. This is being delivered through a joint commissioning arrangement with B&NES and Swindon, with the Wiltshire CCG as the Lead Commissioner.
  - £324,739 to support early intervention as part of the current Wiltshire Council PCAMHS contract.

#### *Overall indicative budget for primary and specialist CAMHS*

11. Subject to agreement by the Wiltshire CCG and Wiltshire Council, the overall indicative financial envelope which is potentially available to support the provision of primary and specialist CAMHS in Wiltshire is outlined overleaf.



<b>Commissioner</b>	<b>Indicative Budget</b>
Wiltshire Council Children's Services primary CAMHS	£568,000.00
Wiltshire CCG specialist CAMHS	£3,600,000.00
Wiltshire CCG CAMHS transformation funding for enhanced eating disorder service	£243,924.00
Wiltshire CCG CAMHS transformation funding for early intervention through primary CAMHS	£324,739.00
<b>Total</b>	<b>£4,736,663.00</b>

(Please note that responsibility for funding in respect of Tier 4 CAMHS rests with NHS England Specialised Commissioning and is not included in the above figures.)

### **Overview & Scrutiny Engagement**

12. The Children's Select Committee will consider the proposals set out in this report on 31 May 2016. At this stage it is not known whether proposals will be subject to a scrutiny exercise.

### **Safeguarding Implications**

13. The development of a new integrated primary and specialist CAMHS service delivery model will improve the quality of service and experience for children, young people and their families. This will be achieved by removing barriers between 'tiers' of services; encouraging improved coordination between mental health services, GPs, schools, the local authority and the voluntary and community sector; and providing evidence based interventions and treatment that works in non-stigmatised community settings, close to home.
14. There will be a much stronger emphasis on early intervention which will help to prevent problems from getting worse and reaching crisis point. These changes will help to improve safeguarding and provide children and their families with faster access to the right help, at the right time and in the right place.
15. Once selected, the provider of the new service will be required to meet a set of minimum quality standards which will be drawn up by commissioners, with input from GPs and other key stakeholders. This will include a robust focus on safeguarding and protecting children.

### **Public Health Implications**

16. There are limited public health implications associated with the precise commissioning process selected for securing the future provision of primary and specialist CAMHS in Wiltshire.

17. The service model developed for the future provision of these services, irrespective of provider, has potentially significant public health implications. It will be essential that the model agreed for primary and specialist CAMHS is informed by a needs assessment and evidence review. It should also be designed to form part of a wider comprehensive system that promotes improved emotional wellbeing and mental health across the spectrum of need.
18. The service provision will support improved outcomes across all five domains of the NHS Outcomes Framework.

Domain 1	Preventing people from dying prematurely
Domain 2	Enhancing quality of life for people with long-term conditions
Domain 3	Helping people to recover from episodes of ill-health or following injury
Domain 4	Ensuring people have a positive experience of care
Domain 5	Treating and caring for people in a safe environment and protecting them from avoidable harm

19. In addition, the service provision will support improvement to the following Public Health outcomes:
- Hospital admissions caused by unintentional and deliberate injuries in children and young people
  - Age standardised rates of hospital stays for self-harm

### **Procurement Implications**

20. Subject to Cabinet approval, Wiltshire CCG will take on the role as the Lead Commissioner for the new CAMHS Service from 1 April 2017 with Wiltshire Council as an associate to the contract. The contract will be overseen by the Wiltshire Council Children's Services Associate Director (Joint with CCG) for Commissioning, Performance and School Effectiveness.
21. The procurement process for securing the new service will need to comply with the Procurement, Patient Choice and Competition Regulations (No 2) 2013 – the 'S75' Regulations and the Public Contracts Regulations 2015.
22. The Public Contracts Regulations 2015 provide more flexibility for the procurement of health, social care and education services. Child and Adolescent Mental Health Services fall within this remit. Consequently, commissioners are able to decide how best to procure the most capable provider to deliver the services to meet patient interests and improve the quality and efficiency of services.
23. From and including 18 April 2016, where a health, social care and education service contract is above €750,000 (£589,148), commissioners must award that contract in line with the Public Contracts Regulations 2015 using a 'light touch regime'. This requires:

- Publication of the contract notice or Prior Information Notice (PIN) in the Official Journal of the European Union (OJEU) (and contract award notice in the OJEU); and
- An award procedure which complies as a minimum with the EU principles of non-discrimination and equal treatment.

24. In awarding the contract, commissioners can focus on the quality of the service that best meets qualitative criteria e.g. accessibility, continuity or the needs of various categories of service user. Commissioners may even prohibit the cost-only criteria for such contracts.

25. The Wiltshire Council Strategic Procurement Hub and NHS South, Central and West Commissioning Support Unit (CSU) have reviewed the contents of this report and contributed specialist procurement expertise where appropriate. They are both satisfied that proposals set out in this report are compliant with the relevant procurement rules and regulations.

26. Following agreement from Wiltshire CCG Governing Body in March 2016, the most capable provider commissioning process (as detailed in Appendix 1) is already being implemented by the NHS South, Central and West Commissioning Support Unit. Subject to agreement from Cabinet, Wiltshire Council's Strategic Procurement Hub will need to work with the CSU to complete the agreed commissioning process.

27. A collaborative commissioning agreement shall be established to manage the governance of the joint commissioning arrangement. This shall be developed in conjunction with legal services and the strategic procurement hub.

**Equalities Impact of the Proposal** (detailing conclusions identified from Equality Analysis, sections 4 and 5)

28. A comprehensive assessment of the equality issues and impacts of the proposal to redesign the primary and specialist CAMHS service has been undertaken and is set out within the attached Equality Impact Assessment (Appendix 2). This is a working document and will be updated regularly to take account of the views of various stakeholders during the consultation on the development of the new service.

29. The development of a new integrated primary and specialist service delivery model for CAMHS is intended to have a positive impact on all children and young people covering all the protected characteristics.

**Environmental and Climate Change Considerations**

30. The development of more community based CAMHS provision through universal settings such as schools is likely to have a positive impact on environmental and climate change issues. A more localised service is likely to result in fewer journeys being made by CAMHS staff and members of the public.

## **Risk Assessment**

### **Risks that may arise if the proposed decision and related work is not taken**

31. Failure to agree a robust, timely and effective commissioning process for the provision of primary and specialist CAMHS could result in the mental health needs of children and young people not being met satisfactorily from 1 April 2017.
32. There is a risk that re-commissioning the service via a full tender process could hamper progress with the development of a new service delivery model and implementation of the local CCG transformation plan for children and young people's mental health and wellbeing.

### **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

33. Failure to follow relevant procurement policy, laws and regulations (including EU law as set out in the Public Contract regulations) could result in legal challenge. To mitigate this, the commissioning process will be managed by procurement specialists from the Wiltshire CCG and Wiltshire Council working together.
34. There is a risk that a provider or stakeholder may challenge a decision to not to go out to tender. To mitigate this, procurement specialists from the NHS South, Central and West Commissioning Support Unit and Wiltshire Council Strategic Procurement Hub shall continue to work together to review and oversee the recommended commissioning process, to ensure compliance with relevant procurement policy, laws and regulations.

## **Financial Implications**

35. The Council currently spends £568k per year on the provision of the Primary CAMHS Service. This spend is already budgeted for within Children's Services and subject to budget setting decisions, this forms the indicative financial envelope (and Wiltshire Council contribution) that is available to resource the new service.
36. Aligning resources with the CCG along with the successful completion of the agreed commissioning process may provide the opportunity for efficiency savings for both organisations through improved economies of scale. However, this is not guaranteed.
37. Following the Cabinet decision, the Wiltshire Council Children's Services Associate Director (Joint with CCG) for Commissioning, Performance and School Effectiveness will work with the CCG to finalise the overall financial envelope which is available to fund the new service. For the Council, this will require approval from the Lead Member for Children's Services and relevant Corporate Director.

38. Any financial risks associated with the service contract shall be governed by a co-commissioning agreement that will be developed in conjunction with legal services and the strategic procurement hub. This will clearly set out accountability for the management of financial risk.

### **Legal Implications**

39. Procurement specialists from the Wiltshire CCG and local authority will need to continue and oversee the recommended commissioning process, to ensure compliance with relevant procurement policy, laws and regulations.

40. The Best Value duty under the Local Government Act 1999 places a responsibility on the Council to make arrangements to secure continuous improvement which includes a wide duty to consult when changes to services are proposed.

41. Any joint arrangements will need to be underpinned by legal agreements to ensure that appropriate governance arrangements are in place. These shall be developed in conjunction with legal services.

### **Options Considered**

42. A full appraisal of options for the re-commissioning of primary and specialist CAMHS has been included in the main body of this report.

### **Conclusions**

43. Following an appraisal of the commissioning options available for securing the new service, it is recommended that Cabinet approves the Wiltshire CCG's Governing Body decision to test the market to establish if undertaking a most capable provider process is the appropriate route (option 3). The key argument in favour of this option is that the market for the provision of CAMHS is understood to be limited regionally.

44. Taking account of the above, Cabinet are therefore invited to consider and approve the following recommendations:

- i) To agree that the Council should work with the Wiltshire CCG to re-commission a new integrated service delivery model for primary and specialist CAMHS to meet the needs of children and young people. To include aligning Wiltshire Council funding for Primary CAMHS with Wiltshire CCG funding for specialist CAMHS;
- ii) Linked to (i) above, to approve that the Wiltshire CCG takes on the role as the Lead Commissioner for the new service with the Council as an associate to the contract.
- iii) To approve the commissioning approach already agreed by the Wiltshire CCG Governing Body to test the market to establish if undertaking a most capable provider process is the appropriate route to secure the service required (option 3). To include authorisation from Cabinet to undertake a tender process if required, in accordance with

the 'light touch' regime as detailed within the Public Contract Regulations (option 2). This shall be led by the Wiltshire CCG with the Council as an associate.

- iv) To delegate approval of the procurement process, including the development a revised service specification and decision on award of contract to the Cabinet Member for Children's Services in consultation with the Cabinet Member for Finance, Cabinet Member for Public Health and the Solicitor of the Council.

**Name of Director**     **Carolyn Godfrey**  
**Designation**         **Corporate Director**

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28 April 2016

### **Background Papers**

None

### **Appendices**

Appendix 1: Most Capable Provider Process and Timetable

Appendix 2: Equalities Impact Assessment

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