

**Meeting of the Cabinet – 31<sup>st</sup> October, 2019**

**Report of the Chief Officer Health and Wellbeing**

**Update on the Dudley Multi-Specialty Community Provider**

**Purpose**

1. To provide an update on the Dudley Multi-Specialty Community Provider (MCP).

To outline plans to integrate Dudley Council commissioned public health services ready for transfer to the MCP.

To highlight key issues and risks associated with the development of the MCP.

**Recommendations**

2. It is recommended that the Cabinet:-
  - Notes progress with the development of the MCP.
  - Comments on the process to integrate Dudley Council commissioned public health services.
  - Considers the risks associated with the delay of the MCP and the mitigating actions set out in paragraphs 32 and 33.
  - Supports consideration being given to the variation of existing contracts in order to allow further work with providers and stakeholders to implement the new integrated models for adults and children. This would support providers to be MCP ready.

**Background**

3. Dudley Multi-Specialty Community Provider (MCP) will integrate primary care, community health services, mental health and some public health services into a single organisation led by primary care on a 10 year contract with the option to extend to a total of 15 years. The MCP will be able to operate under a new outcomes based contractual framework, which does not apply to other NHS providers, which are generally paid for units of activity, rather than for the difference they make to people's health and wellbeing.
4. The key features of the MCP are:
  - Primary care will be at the heart of the model of care and will lead its development.

- The MCP will be contracted to achieve health outcomes for the population through a new contract which allows an alternative to payment of standard NHS tariff, which pays for activity rather than outcome.
- The MCP will be incentivised to prevent avoidable admissions to hospital and deliver preventative approaches.
- The MCP will have a 10-15 year contract to encourage investment in 'upstream' interventions designed to support prevention and demand management.
- The Council will jointly commission the MCP with the Clinical Commissioning Group (CCG) through a Section 75 agreement.

## 5 **Dudley Council Services in the scope of the MCP**

At its meeting in September 2016, Dudley Council's Cabinet approved the inclusion in the MCP scope of a number of commissioned public health services to an annual value of £12 million. These services are:

- Adult Substance Misuse Service and inpatient Detox Beds
- Health Visiting and Family Nurse Partnership Services
- School Nursing service
- Integrated Adult Wellness Service – Let's Get Healthy
- Young People's Wellness Services (Brook and Switch)
- NHS Health Checks
- Sexual Health and contraception services
- Emotional Health and Wellbeing Services

6 It was also decided at this time that Adult Social Care (ASC) would not be included in the initial MCP scope, however, elements of ASC may be identified for inclusion and phased in over the contract period. Adult Social Care is already aligned to the care model that the MCP will deliver. Children's Social Care is not within the scope of the MCP, although there are opportunities to align services in similar ways to adult social care, where appropriate.

7 The Cabinet agreed that before any additional commissioned services are transferred into the MCP, the following tests must be met:

- i) Can the service be transferred at decreased cost to the Council?
- ii) Can the services be transferred within both the existing regulatory and statutory requirements (without unnecessary increase in regulation of adult social care, undermining the diversity of the local adult social care market)?
- iii) Has modelling been undertaken to clearly describe improved outcomes for the people of Dudley?
- iv) Are services anticipated to be able to adapt to taper or decreasing resources throughout the contract period?
- v) Will the transfer avoid any decrease income to the Council or increase in costs in the form of either VAT and/or client contributions?

8 The Council will need to apply these tests to adult social care services at regular intervals, to assess whether these should be phased into the scope of the MCP.

9 Council involvement in the MCP provides a number of opportunities for the people of Dudley and for the Council. These include:

- The Integrated care Provider (ICP) contract incentivises care to be provided in general practice and the community enabling services responsive to the different needs of local communities.
- The public health services in scope for the MCP deliver return on investment which impacts on the NHS first, and therefore their integration into an organisation that is incentivised to achieve prevention has the potential to increase their effectiveness.
- The integrated approach of the MCP will enable partners to deliver new approaches to challenging issues such as frailty and social isolation.
- The transfer of some public health commissioned services into the MCP will allow the Council to retain the public health programmes with synergies to other council services, giving us the capacity to focus on determinants of health and wellbeing.
- The service specification for the MCP includes a prevention framework, which ensures that prevention is embedded in all pathways and requires that front line staff make every contact count and connect patients to local community assets. The MCP provider will also be expected to implement healthy working practices.
- The MCP is also required to contribute to improving Dudley as a place, supporting the local economy and the social and physical environment.
- Increase local democratic accountability of the local NHS services, through elected members being involved in the governance of the co-commissioning of the MCP.

10 Following a procurement process, Dudley CCG Board and Dudley Council's Cabinet approved the identification of a preferred bidder in July 2018. The bidder is a partnership between Dudley GPs, Dudley Group NHS Foundation Trust, Dudley and Walsall Mental Health Partnership NHS Trust and Black Country Partnership NHS Foundation Trust.

### **Update on the establishment of the MCP**

11 There are a number of components to the ongoing development, creation, and implementation of the MCP:

12 Ongoing work is required to complete the procurement of the MCP through to final award of the contract. The final contract will only be awarded to Dudley MCP once it becomes a stand-alone organisation. This process includes the completion of Integrated Support and Assurance Processes (ISAP) (see paragraphs 18 to 21 below) and also incorporates the development of a whole system model on both the finances and how the different components of the Dudley system will work with each other once the new arrangements are in place. This component is overseen by the MCP Procurement Board.

- 13 Work is also required to establish the MCP as an organisation. The procurement requires that the MCP provider be a single purpose vehicle, whose only purpose is the provision of MCP services. As the bidder is currently a partnership of organisations, a new organisation will need to be established to hold the contract. The need to establish a new organisation has caused delays in the award of the contract. There are two potential options for the creation of the new organisation:
- the “separation” of Dudley Group NHS Foundation Trust into two new organisations one of which will continue to carry out the Trust’s existing business and one which will hold the MCP contract;
  - the “re-purposing” of Dudley and Walsall Mental Health Partnership NHS Trust once its existing business has transferred to Black Country Partnership NHS Foundation Trust as part of a merger planned to be completed by 1 April 2020.
- 14 Following recent discussions with NHS England/Improvement a “Strategic Outline Case” is being developed dealing with the latter option. This will include an options appraisal of all available options including the counterfactual. The production of this will coincide with that for the Full Business Case to support the establishment of a single Black Country NHS Foundation Trust for mental health and learning disability services.
- 15 Mr Harry Turner, former chair of Dudley and Walsall Mental Health Partnership NHS Trust has been appointed as the Chair of the MCP and is leading the next phase of implementation through a Transition Board supported by a Managing Director, Programme Manager and Programme Management Office.
- 16 Work is also underway on the continued transformation and integration of health, care and wellbeing services into the new care model to enable the local system to be sustainable and deliver the best possible outcomes with the available resources. This will require partnership contribution in order that new models of care are ready to be delivered when the MCP organisation is in place. This component is overseen by the MCP Partnership Board.
- 17 The governance of the joint commissioning of the MCP will be provided through a Section 75 agreement between the Council and the CCG, which has already been agreed and signed by both commissioning parties. Joint commissioning will be overseen by an Integrated Commissioning Board, once the procurement is completed and the contract awarded.

### **Update on Assurance and Scrutiny**

- 18 The NHS regulators (NHS England/ Improvement) have developed a process to ensure procurements of integrated services are properly managed. This Integrated Support and Assurance Process (ISAP) consists of 4 stages:-
- Early Engagement – should the process be applied?
  - Check Point 1 – has the procurement been set up properly?
  - Check Point 2 – has the procurement been conducted properly?
  - Check Point 3 – is the contract ready to commence?

- 19 Early Engagement and Check Point 1 were completed in November 2016 and March 2017 respectively. It should be noted that this is an assurance process that applies to the NHS only and the first line of assurance should come from the CCG Governing Body. The CCG is required to complete this process satisfactorily before the contract can commence. The specific 'lines of enquiry' that will be addressed at Checkpoint 2, are:-
- Are there clear clinical transformational benefits?
  - Have legal risks been identified and mitigated?
  - Is the governance and management appropriate?
  - Are the contracted services financially sustainable?
  - Is there an appropriate provider structure, financial capacity, governance and capability to transform and deliver?
  - Is the procurement and contract documentation appropriate?
  - In the event of provider failure, are contingency plans in place?
- 20 Checkpoints 2 and 3 apply to both the commissioner and the proposed service provider. Whilst all the commissioner elements required for Checkpoint 2 have been completed and submitted including the recommendations of review conducted by the West Midlands Clinical Senate, Checkpoint 2 cannot be fully completed until the proposed provider is in a position to make its submission as well. This is dependent upon resolving issues in relation to organisational form as above.
- 21 Checkpoint 3, which also applies to both commissioner and provider, will take place prior to the contract commencing.
- 22 Dudley's Health and Adult Social Care and Children's Services Scrutiny Committees carried out joint scrutiny of the MCP through a Working Group during September and October 2018. Additional scrutiny is planned for December 2019/ January 2020. This will be able to inform Cabinet decisions about the most appropriate course of action should the MCP be delayed further.
- 23 As the MCP will be an NHS provider, it will be subject to ongoing scrutiny by the Council's Health and Adult Social Care Scrutiny Committee, alongside all other local NHS services.

### **Integration of Dudley Council commissioned Public Health services into the MCP**

- 24 As shown in paragraph 5 above, a number of public health services for adults and children are included in the scope of the MCP.

#### **Children's Public Health Services**

- 25 The new care model to be delivered by the MCP has been designed largely with a focus on adults and older people. However, it is recognised that there are key opportunities for health, care and wellbeing services for children and young people to be integrated into the care model. The integration of children's public health services provides an opportunity to develop a care model for children and young people to be delivered by the MCP.

- 26 Dudley has successfully bid to be part of the innovative Early Years Transformation Academy (EYTA). Through this a team of Dudley leaders from across public health, children's social care, education, the CCG, maternity services and health visiting will be supported by the Early Intervention Foundation to work together and with four other partnerships to transform and integrate early years services to deliver better outcomes for children.
- 27 The work of the EYTA will provide a focus for the development of an integrated model of care to deliver health, wellbeing, care and education outcomes for children, to be provided by the MCP and to which Council children's services can be aligned. Following the development of the care model for early years, work with stakeholders will take place to explore how the model can be developed to deliver outcomes for children of all ages.
- 28 It is intended that the proposed integrated care model for children and young people will be designed by end March 2020.

### **Adult Public Health Services**

- 29 A task and finish group has been established involving officers from Dudley Council Public Health and the Integrated Commissioning Hub; Dudley CCG commissioners; MCP bidders including GPs and the providers of Public Health Services in scope of the MCP. The role of the group is to co-ordinate the process of integrating adult public health services into the Dudley care model to be delivered by the MCP.
- 30 Workshops were held in June and October at which Council and NHS commissioners, MCP bidders, providers, front line staff and service users to develop the model for the integration of adult public health services into the care model. Through this process stakeholders have co-produced outcomes, design principles and integrated service models. The outcome of this process is currently being pulled together by the task and finish group.
- 31 Following this an implementation plan will be developed and delivered, with the adult public health services integrated into the adult care model by end March 2020.

### **Risks and mitigations**

- 32 The initial intention was for the MCP to go live on April 2018. Delays provide a number of risks for the Council:
- Financial risks – impact on the delivery of Medium term financial strategy (MTFS) savings and pressures due to the Public Health Grant (PHG) reduction.
  - Legal / procurement risks – due to the need to extend contracts to cover the period between the contract ending and the MCP going live.
  - Service quality risks – the recent SEND inspection highlighted concerns about gaps between health visiting and school nurse services, which were always to be resolved through the MCP integration.



33 In order to mitigate these risks to the Council the following actions are being taken:

- PHG reserves are being used to cover the shortfall in the MTFS.
- Specialist legal advice has previously been sought about the extension of contracts and this advice should be updated if the MCP is delayed further.
- Work is underway to co-produce public health services for adults and children that are integrated to the Dudley model of care.
- Should the MCP be delayed further the Council will need to decide whether to implement the integrated public health services model in the long term.
- In the interim, contracts can be varied up to 50% value, enabling the Council to work with existing providers to test the new integrated model and support providers be MCP ready.

### **Finance**

34 The MCP will be funded by an annual population payment comprised of £223 million NHS funding and £12 million of Public Health Grant (PHG).

35 As the services in scope for the MCP represent more than 50% of the PHG, the Council has agreed that the PHG reduction of 2% per year will be shared equally between the Council and the MCP. This means that the MCP will be expected to deliver its share of the PHG reduction.

36 The integration of children's public health services in the MCP also provides opportunities for additional efficiencies, particularly through joining up health visiting and school nurse services. To reflect this a saving of £160k was identified for the 2019/20 MTFS on the assumption that the MCP would be operational in April 2019. This has not been delivered due to the delay to the MCP and has been covered from PHG reserves.

### **Law**

37 Reports summarising legal advice were set out in detail to Corporate Board on two occasions and discussed with Cabinet and Shadow Cabinet members in 2018. The Council commissioned specialist legal advice to support its involvement in the MCP procurement process and in the development of a Section 75 Agreement.

38 The procurement was conducted under the Public Contract Regulations 2015 and the NHS (Procurement, Patient Choice, and Competition 9No.2) Regulations 2013.

39 The Council will retain statutory responsibility for the delivery of public health services provided by the MCP. Governance of these responsibilities will be provided through a Section 75 Agreement which will be overseen by an Integrated Commissioning Group, which the Cabinet Member and Shadow Cabinet Member will be members of. This group will report to the Health and Wellbeing Board.

40 The Section 75 Agreement has been signed and sealed and has been made under the provisions of the NHS Act 2006.

- 41 Legal advice as to the impact on further delay for the Council will need to be sought, especially in relation to the amount of time that can pass between a procurement process and formal contract award.

### **Equality Impact**

- 42 An equality impact assessment (EIA) was carried out on the original proposals by the CCG prior to the procurement commencing and further EIAs will be conducted as necessary once the final bid is received.
- 43 The MCP procurement and evaluation process included assessment of the bidder's plans to ensure that services provided and subcontracted contribute to equality and diversity and reduce health inequalities, and that the MCP delivers its equality and diversity duties.
- 44 The MCP will be commissioned to achieve outcomes that include reducing health inequalities.
- 45 The voices of children, young people and families have already shaped the work of the EYTA through an engagement event in July. New and expectant families are being identified to allow us understand the impact of the integration on local families and to provide a group that we can co-produce services with.

### **Organisational Development/Transformation**

- 46 The development of the MCP aims to transform health, care and wellbeing outcomes for the Dudley population.
- 47 Dudley Council Human Resources staff participated in the evaluation of the MCP bid.
- 48 Due diligence includes assessment of the current contract provisions where the Council is the commissioner of the services in relation to TUPE. Whether TUPE is applicable is a matter of law and there is a need to ensure that notice periods and provisions take account of any potential TUPE liabilities.


### **Commercial/Procurement**

- 49 The procurement process and contract require the MCP to deliver social value to Dudley residents itself and through its supply chain, addressing the wider determinants of health and wellbeing through supporting communities, the economy and the environment.
- 50 Discussions are underway with the Chief Officer Commercial and Procurement about the client side and contract management arrangements to be put in place to ensure MCP delivers the Council's statutory Public Health responsibilities in a safe, effective and cost effective way.
- 51 Consideration will be given to the establishment of an internal MCP client side function to provide strategic performance management involving key internal stakeholders.



## **Health, Wellbeing and Safety**

- 52 The primary purpose of the commissioning of the MCP is to transform outcomes for the Dudley population and to reduce inequalities in health and wellbeing. It aims to use incentives to rebalance the health and care system to better prevent ill health.
- 53 The procurement and contract require the MCP to safeguard children, young people and vulnerable adults in line with its statutory requirements.
- 54 The MCP will contractually be required to deliver health, care and wellbeing services safely and to prevent and control infections



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