

Item:

Report to:	NHS Hull Clinical Commissioning Board Part II
Date of Meeting:	25 January 2019
Title of Report:	Homeless Discharge Service - Procurement Procedure and Publication of Tender Opportunity
Presented by:	Joy Dodson, Deputy Chief Finance Officer - Contracts, Performance, Procurement and Programme Delivery
Author:	Lee Pepper, Contract and Procurement Manager

STATUS OF THE REPORT:

To approve	<input type="checkbox"/>	To endorse	<input checked="" type="checkbox"/>
To ratify	<input type="checkbox"/>	To discuss	<input type="checkbox"/>
To consider	<input type="checkbox"/>	For information	<input type="checkbox"/>
To note	<input type="checkbox"/>		

PURPOSE OF REPORT:
The purpose of this report is to outline the appraisal of the available procurement procedures for the procurement of the provision of a Homeless Discharge Service, making a recommendation for a preferred procurement procedure; and to seek approval to publish the tender opportunity for the CCG.

RECOMMENDATIONS:
It is recommended that:

- The procurement of the Homeless Discharge Service adopts an open procurement procedure;
- The publication of the tender opportunity for the Homeless Discharge Service following approval of the service specification by the Planning and Commissioning Committee; and approval of the Invitation to Tender (ITT) documentation by the Procurement Panel.
- The contract award approval for the service is delegated to the NHS Hull CCG Board.

The NHS Hull CCG Board is requested to endorse this recommendation which will be received by the Committees in Common for approval.

REPORT EXEMPT FROM PUBLIC DISCLOSURENo Yes

If yes, detail grounds for exemption: Requirements to abide by EU and NHS procurement rules.

CCG STRATEGIC OBJECTIVE

Procurement of a Homeless Discharge Service will contribute to the achievement of the following CCG objectives:

1. Integrated commissioning
5. Vulnerable People
11. Improvement in clinical outcomes

IMPLICATIONS: *(summary of key implications, including risks, associated with the paper),*

Finance	The choice of procurement procedure will have an impact on the financial resource required to undertake the procurement but not the cost of the commissioned service.
HR	None specific to this report.
Quality	There is an expectation that this procurement will seek to improve the quality of service provision provided.
Safety	There no safety implications identified in this report.

ENGAGEMENT: *(Explain what engagement has taken place e.g. Partners, patients and the public prior to presenting the paper and the outcome of this)*

CCG officers working as part of the Urgent Care Delivery Group (sub-group of the A&E Delivery Board) with local healthcare system partners, identified a need to develop a system wide pathway for homelessness.

In addition, a thematic review by Hull Healthwatch into access to Health Services in Hull for those with No Fixed Abode, recommended a Homeless Discharge Process for those people with no fixed abode be developed.

LEGAL ISSUES: *(Summarise key legal issues / legislation relevant to the report)*

There are no specific legal issues identified within this report, although procurement decisions inherently carry a risk of legal challenge.

In order to manage and mitigate any legal risk the Project Team comprises multi-disciplinary representation from NHS Hull CCG and Kingston upon Hull City Council.

EQUALITY AND DIVERSITY ISSUES: (summary of impact, if any, of CCG's duty to promote equality and diversity based on Equality Impact Analysis (EIA). **All** reports relating to new services, changes to existing services or CCG strategies / policies **must** have a valid EIA and will not be received by the Committee if this is not appended to the report)

	Tick relevant box
An Equality Impact Analysis/Assessment is not required for this report.	✓
An Equality Impact Analysis/Assessment has been completed and approved by the lead Director for Equality and Diversity. As a result of performing the analysis/assessment there are no actions arising from the analysis/assessment.	
An Equality Impact Analysis/Assessment has been completed and there are actions arising from the analysis/assessment and these are included in section xx in the enclosed report.	

An Equality Impact Assessment will be completed for the service specification, which is to be approved by NHS Hull CCG Planning and Commissioning Committee.

THE NHS CONSTITUTION: (How the report supports the NHS Constitution)

The NHS Constitution, "The NHS belongs to us all" (March 2012), outlines 7 key principles which guide the NHS in all it does. These are underpinned by core NHS values which have been derived from extensive discussions with staff, patients and the public.

These are:

1. The NHS provides a comprehensive service, available to all.
2. Access to NHS services is based on clinical need, not an individual's ability to pay.
3. The NHS aspires to the highest standards of excellence and professionalism
4. NHS services must reflect the needs and preferences of patients, their families and their carers'.
5. The NHS works across organisational boundaries and in partnership with other organisations in the interest of patients, local communities and the wider population.
6. The NHS is committed to providing best value for taxpayers' money and the most effective, fair and sustainable use of finite resources.
7. The NHS is accountable to the public, communities and patients that it serves.

This Constitution establishes the principles and values of the NHS in England. It sets out rights to which patients, public and staff are entitled, and pledges which the NHS is committed to achieve, together with responsibilities which the public, patients and staff owe to one another to ensure that the NHS operates fairly and effectively. All NHS bodies and private and third sector providers supplying NHS services are required by law to take account of this Constitution in their decisions and actions.

This paper supports **Key Principles 1-7**.

HOMELESS DISCHARGE SERVICE PROCUREMENT PROCEDURE AND PUBLICATION OF TENDER OPPORTUNITY

1. INTRODUCTION

The purpose of this report is to outline the appraisal of the available procurement procedures for the procurement of the provision of a Homeless Discharge Service, making a recommendation for a preferred procurement procedure; and to seek approval to publish the tender opportunity for the CCG.

2. BACKGROUND

NHS Hull CCG is seeking to procure a pilot proof of concept Homeless Discharge Service which will be designed to inform future commissioning intentions. The service will aim to improve the experience and outcomes for homeless people admitted to Hull & East Yorkshire Hospitals NHS Trust and attending A&E, whilst also expediting appropriate discharge and addressing important system issues such as reducing length of stay, excess bed days and re-attendances.

Following work undertaken as part of the Urgent Care Delivery Group (a sub-group of the A&E Delivery Board), it has been identified there is a need to develop a system wide pathway for homelessness to support individuals who attend the A&E Department that are medically fit and homeless.

The identified need has been further supported by:

- A review undertaken by Hull Healthwatch of services for homeless people, which identified a number of challenges for individuals who are homeless when then access emergency health care services, and how their continuing health care needs are met in a in a co-ordinated way following discharge;
- The development of the Hull Preventing Homelessness Strategy 2017-21;
- Reviewing the implementation of 'Pathway' healthcare for homeless people in other areas of the country (London).

The proposed budget allocation will be circa £0.15m per annum released from Hull City Council reserves pursuant to the report proposing revision of the s75 Agreement. The proposed contract period will be two years with the option to extend by one further year.

3. OPTION APPRAISAL OF PROCUREMENT PROCEDURE

3.1 Prior Information Notice (PIN)

Following review of the local market of service providers by Commissioners, the CCG is confident there is appetite and competition amongst providers for the proposed service. On this basis, it is proposed not to publish a Prior Information Notice (PIN) for the service.

3.2 Procurement Procedure Options

The procurement procedure options considered are:

- **OPEN** - All interested organisations will be able to submit a response to the invitation to tender;
- **RESTRICTED** - 2 stage process:
 - Stage 1 - (Selection Stage) Selection Questionnaire
The aim is to test the economic, financial, technical and professional capability of an organisation;
 - Stage 2 - (Award Stage) Invitation to Tender
Shortlisted providers will be assessed against pre-specified and defined award criteria;
- **COMPETITIVE PROCEDURE WITH NEGOTIATION / COMPETITIVE DIALOGUE** - the grounds for using either procedure are as follows:
 - Where needs cannot be met without adaptation of readily available solutions;
 - Where the contract includes design or innovative solutions;
 - Where the requirement is complex in nature, in its legal and financial make-up or because of its risks;
 - Where the technical specifications cannot be established with sufficient precision;
 - In the case of unacceptable/irregular tenders.

Contracting authorities (Commissioners) can engage in discussions with bidding organisations to develop proposed technical solutions.

The grounds for using the competitive procedure with negotiation and the competitive dialogue procedure have been made the same¹;

- **LIGHT TOUCH REGIME (LTR)** - Contracting authorities have the ability to design the procurement process and award criteria to meet their needs of the services being procured whilst complying with the regulations and principles of equal treatment, transparency, providing reasonable and proportionate timescales. The Public Contract Regulations 2015 allows for contracting authorities to use or adapt procedures available for fully regulated procurement or create new procedures as required.

LTR includes Any Qualified Provider - interested organisations will be assessed against quality requirements to deliver services at stated prices, however there are no volume guarantees.

Table 1 below, presents a summary of the benefits / risks of each of the procurement procedures:

¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/436230/guidance-on-changes-to-procedures.pdf

Table 1

Procurement procedure	Benefits	Risks	Recommendation
Open	<ul style="list-style-type: none"> • Maximises competition by allowing wider selection of providers to bid for services; • Mitigates risk of legal challenge as procedure is 'open' and transparent; • Effective in simple / straightforward procurements; • Single evaluation and assessment process. 	<ul style="list-style-type: none"> • High number of tenders submitted which would be resource intensive to evaluate; • Potential for unsuitable providers submitting tender who are unable to provide the service. 	Preferred procedure
Restricted	<ul style="list-style-type: none"> • Mitigates risk of legal challenge as procedure is 'open' and transparent. 	<ul style="list-style-type: none"> • Does not limit a high number of tenders, as exclusions apply only on mandatory and limited discretionary criteria; • Procurement process is longer when compared to Open procedure. 	Possible, but not preferred
Competitive procedure with negotiation / Competitive Dialogue	<ul style="list-style-type: none"> • Allows for discussions with providers, solely aimed at improving the quality of their tender submissions to meet the requirements of the specification set out by the CCG. 	<ul style="list-style-type: none"> • Does not limit a high number of tenders, as exclusions apply only on mandatory and limited discretionary criteria; • Procurement process is longer when compared to Open / Restricted procedures; • Applies to specific circumstances for use: <ul style="list-style-type: none"> - Where needs cannot be met without adaptation of readily available solutions; - Where the contract includes design or innovative solutions; - Where the requirement is complex in nature, in its legal and financial make-up or because of its risks; - Where the technical specifications cannot be established with sufficient precision; • Minimum requirements and award criteria are not subject to negotiation; • Increases risk of legal challenge as requires Commissioner to ensure principles of openness, transparency and fairness are applied and are not favourable to one particular economic 	Not applicable - based on specific circumstances for use.

Procurement procedure	Benefits	Risks	Recommendation
		operator; <ul style="list-style-type: none"> Commissioners have to justify the use of the procedure in line with Regulation 84 of the Public Contracts Regulations 2015. 	
Light Touch Regime - Any Qualified Provider (* Note - not a defined procedure in Public Contract Regulations 2015)	<ul style="list-style-type: none"> Allows service user choice; 	<ul style="list-style-type: none"> Reduces competition on price and service quality; Multiple providers - resource intensive for Commissioners to ensure service quality is delivered; Service delivery process doesn't naturally fit with procedure; Providers be reticent to submit tenders as no guarantee of volumes; Prices have to be specified; 	Not Applicable

3.3 Summary of Benefits and Risk Analysis

Based on the above analysis, an Open procedure would be the preferred option as it enables all potential providers to submit bids and maximise competition. In addition, the procurement process for the service being commissioned is streamlined and allows the maximum available time for service mobilisation. Risks relating to the number of tenders received should be minimal following a review of the local supply market.

Following the amendments to the Procurement Regulations 2015, a Restricted procedure presents limited additional value as Contracting Authorities have reduced ability to restrict potential providers who meet the nationally defined selection questionnaire requirements and the locally defined financial capability required to deliver the commissioned services.

The other procurement procedures presented are not considered viable or proportionate for the services being commissioned.

3.4 Invitation to Tender (ITT) documentation

The service specification is to be presented for approval to the CCG Planning & Commissioning Committee on 1 February 2019. Subject to approval, the CCG would seek to publish an Invitation to Tender following approval of the documentation from the CCG Procurement Panel, and approval to publish the tender opportunity from the NHS Hull CCG and Kingston upon Hull City Council Committees in Common. The proposed timeline is included at Appendix A.

The tender evaluation will be based on the Most Economic Advantageous Tender (MEAT) principle, split based on Quality / Price - 95:5.

3.4.1 Contract Term

It is proposed to offer a contract terms of 2 years, with an option to extend up to 1 year. Service commencement is planned for 1 July 2019.

3.4.2 Contract Value

The indicative contract value will not exceed £0.312m (2 years); £0.469m (3 years)

4. RECOMMENDATIONS

It is recommended that:

- a. The procurement of the Homeless Discharge Service adopts an open procurement procedure;
- b. The publication of the tender opportunity for the Homeless Discharge Service following approval of the service specification by the Planning and Commissioning Committee; and approval of the Invitation to Tender (ITT) documentation by the Procurement Panel.
- c. The contract award approval for the service is delegated to the NHS Hull CCG Board.
- d. To note that the service is being commissioned by the CCG with Funding provided from Council reserves through the S75 Partnership Agreement.

5. CONSULTATION

- 5.1 The funding proposal forms part of the report upon the s75 Partnership Agreement which is being considered by Health and Wellbeing Overview Scrutiny Committee on 15th February 2019.

6. Comments of the Monitoring Officer(Town Clerk)

- 6.1 The Council are subject to a general duty to make arrangements to secure continuous improvements in the way functions are exercised, having regard to a combination of economy, efficiency and effectiveness. Under the Public Services (Social Value) Act 2012 the wider parameters of that duty in terms of Social Value are made explicit requiring the Council to consider:

- How what is procured may improve the economic, social and environmental well-being of the area
- How in conducting the process of procurement the Council might act with a view to securing that improvement

Procuring the contract through an open tender does allow for the opportunity to tender for the service to be widely accessed and meets the requirements of EU Procurement Law. It will be important also to consider how Social Value can be adequately assessed in the evaluation of quality within the procurement process.

7. Comments of the Section 151 Officer (Director of Finance and Transformation)

7.1 The s151 Officer supports the proposed procurement route for the reasons set out in report.

8. Comments of the City Human Resources Manager and compliance with the Equality Duty

8.1 There are no staffing or equality issues arising from the proposals.

9. Comments of Overview and Scrutiny

9.1 The funding applied to this project does not exceed £250k in any financial year (£155k in year 1 and £156k in year 2). Consequently the decision to tender this contract is not a key decision within the definition within the Council's Constitution. In any event the proposal to fund the project from Council reserves is specifically referred to within the report relating to the s75 Partnership Agreement which is being considered by Health and Wellbeing Overview Scrutiny Committee on 15th February 2019.

Appendix A

Homeless Discharge Service Procurement timetable

Outlined below is the indicative procurement timeline based on Open procurement route:

Governance Structure	Activity	Decision	Date
Procurement Panel	Paper	Procurement Procedure	10 Jan 2019
Procurement Panel	Meeting	Procurement Procedure	14 Jan 2019
CCG Board	Paper - Procurement Procedure and Approval to Advertise Tender	Procurement Procedure and Approval to Advertise Tender (endorse)	16 Jan 2019
Hull City Council CST	Paper - Procurement Procedure and Approval to Advertise Tender	Procurement Procedure and Approval to Advertise Tender (information / discussion)	17 Jan 2019
Hull City Council CST	Meeting - Procurement Procedure and Approval to Advertise Tender	Procurement Procedure and Approval to Advertise Tender (information / discussion)	22 Jan 2019
Planning & Commissioning Committee	Paper	Service Specification (approval)	23 Jan 2019
CCG Board	Meeting - Procurement Procedure and Approval to Advertise Tender	Procurement Procedure and Approval to Advertise Tender (endorse)	25 Jan 2019
Integrated Commissioning Officer Board (ICOB)	Paper – Procurement Procedure and Approval to Advertise Tender	Procurement Procedure and Approval to Advertise Tender (information / discussion)	24 Jan 2019
Hull City Council Cabinet Working Group	Meeting - Procurement Procedure and Approval to Advertise Tender	Procurement Procedure and Approval to Advertise Tender (endorse)	28 Jan 2019
Procurement Panel	Paper - ITT documentation and Tender Advert	ITT documentation (approve)	30 Jan 2019
Planning & Commissioning Committee	Meeting	Service Specification (approve)	1 Feb 2019
Integrated Commissioning Officer Board (ICOB)	Meeting - Procurement Procedure and Approval to Advertise Tender	Procurement Procedure and Approval to Advertise Tender (information / discussion)	1 Feb 2019
Procurement Panel	Meeting - ITT documentation and Tender Advert	ITT documentation (approve)	4 Feb 2019
Hull City Council Cabinet Working Group	Meeting - Procurement Procedure and Approval to Advertise Tender	Procurement Procedure and Approval to Advertise Tender (endorse)	4 Feb 2019
Committees in Common	Paper - Procurement Procedure and Approval to Advertise Tender	Procurement Procedure and Approval to Advertise Tender/Delegate Contract Award (approve)	18 Feb 2019

Governance Structure	Activity	Decision	Date
Committees in Common	Meeting - Procurement Procedure and Approval to Advertise Tender	Procurement Procedure and Approval to Advertise Tender/Delegate Contract Award (approve)	27 Feb 2019
	Publish ITT documents		28 Feb 2019
	Potential Provider Information Day		TBC
	ITT Deadline (min. 30 day timescale)		5 Apr 2019
	ITT Evaluation (incl. Bidder Presentations - Optional)		8-15 Apr 2019
	Meeting - ITT Moderation Quality sub-criteria (Service Delivery; Service Quality; Workforce; and Information & Technology) and Finance		16 Apr 2019
	Preferred Provider Nominated		16 Apr 2019
CCG Board (Extraordinary)	Paper - Contract Award	Contract Award	17 Apr 2019
CCG Board (Extraordinary)	Meeting - Contract Award	Contract Award	26 Apr 2019
	Award Letters		26 Apr 2019
	Alcatel period ends (midnight) - 10 days		7 May 2019
	Service Mobilisation - Starts		8 May 2019
	Service Commencement		1 Jul 2019