

REPORT TO:	CABINET 16 July 2018
SUBJECT:	Proposed direct award of a joint contract for children's speech and language therapy and occupational therapy
LEAD OFFICER:	Sarah Warman, Interim Director Commissioning and Procurement Amanda Tuke Joint Head of Children and Maternity Integrated Commissioning
CABINET MEMBER:	Councillor Flemming, Children, Young People and Learning and Cllr Hall, Finance and Resources
WARDS:	ALL

CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON

Include here a brief statement on how the recommendations address one or more of the Council's Corporate Plan priorities: [Corporate Plan 2015-18](#)

Service planning Priority 5:

Health and social care integration

Corporate Plan 2015-18 Priorities:

Independence

To help families be healthy and resilient and able to maximise their life chances and independence

To help people from all communities live longer, healthier lives through positive lifestyle choices

FINANCIAL IMPACT

It is recommended that Croydon Health Services (CHS) should be directly awarded a single joint contract for children's Speech and Language Therapy (SLT) and Occupational Therapy (OT) – including additional capped CCG funding of £30,000 per annum to cover what is currently OT non-contract equipment – for a duration of three years from 1st August 2018 with the option to extend for up to a further two years.

The total Council financial commitment would be £2,467,584 over 3 years and £4,112,640 over 5 years.

The CCG commitment over 3 year will be £5,445,917 and over 5 years will be £9,093,195. The total NHS contract value will be £13,205,835.

FORWARD PLAN KEY DECISION REFERENCE NO.: 1918CYPL

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This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.

The Leader of the Council has delegated to the Cabinet Member for Children, Young People and Learning the power to make the decisions set out in the recommendations below

1. RECOMMENDATIONS

- 1.1 The Cabinet Member for Children Young People and Learning is recommended to approve the award in accordance with Regulation 18a (a waiver Single Sourcing (Sole Supplier) of the Council's Contracts and Tenders Regulations for a joint contract with Croydon CCG for children's speech and language therapy and occupational therapy to Croydon Health Services NHS Trust for a contract term of 5 years (include the extension period) for a maximum Council contract contribution of £4,112,640 (including the extension period value). The total joint contract value will be £13,205,835.

2. EXECUTIVE SUMMARY

- 2.1 It is recommended that Croydon Health Services (CHS) should be directly awarded a single joint contract for children's Speech and Language Therapy (SLT) and Occupational Therapy (OT) – including additional capped CCG funding of £30,000 per annum to cover what is currently OT non-contract equipment – for a duration of three years from 1st August 2018 with the option to extend for up to a further two years.
- 2.2 The total council financial commitment would be £2,467,584 over 3 years and £4,112,640 over 5 years.

3. DETAIL

- 3.1 The commissioning strategy for these services recommends that the joint CCG and Local Authority commissioning strategy for speech and language therapy (SLT) continues and that this approach is also taken for occupational therapy (OT), given the evidence that the current commissioning and procurement strategy and arrangements have been fundamental to improving the quality, effectiveness and efficiency of the SLT service. This has enabled the best possible education and health outcomes for children to be achieved within the available resources.
- 3.2 It is recommended that Croydon Health Services (CHS) should be directly awarded a single joint contract for children's SLT and OT– including additional

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CCG capped funding of £30,000 per annum to cover what is currently OT non-contract equipment – for a duration of three years from 1st August 2018 with the option to extend for up to an additional two years.

- 3.3 The CCG will be the lead commissioner on behalf of the Council.
- 3.4 The following CCG procurement guidance would support direct award in this case;

Principle 3 of the CCG contestability framework

- 3.5 Any decision not to contest a service should be supported by clear and transparent evidence to demonstrate which of the “qualifying conditions” have been met in an individual case.
- 3.6 There are a range of circumstances in which the CCG may be justified to adopt a preferred provider approach to the identification of a future service provider. These “qualifying conditions” may include;
- Where the service to be procured has such strong service alliances with an existing service that an extension to existing arrangements is appropriate
 - Where procurement for an individual service would compromise proposals or plans for more strategic approaches to services change, e.g. larger system prime contractor or outcomes based commissioning approaches which cover more than one speciality.
- 3.7 Under the CCG Contestability Framework Principles, commissioners are encouraged to secure delivery of health services in an integrated way, including with other health services, health-related services or social care services.
- 3.8 All the jointly commissioned services are located in the Crystal Development Centre and delivered by the same, current service provider, Croydon Health Services. Moving to a new provider could destabilise this integration and jeopardise the value for money that has already been achieved. The objective of the Crystal Development Centre, which is a core element of current service delivery for children with SEN and disabilities, is to enable provision for children with SEN and disabilities to be delivered in a holistic and more integrated way with the child and family at the centre and in a family friendly setting.
- 3.9 This option is being recommended as it will;
- Maintain the essential integration of services for children with SEND to support the development of a seamless offer to children and families in the context of the Child Development Centre model;
 - Allow the levels of integration achieved to date to be strengthened over time.
 - Allow a new contractual arrangement to be put in place in a timely fashion;

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- Strengthen the focus on outcomes rather than activity already established for these services;
- Provide an opportunity to negotiate cost benefit including added social value of staying with the current provider.

4. CONSULTATION

- 4.1 An engagement process with children, young people and families on therapy services was led in 2014/15 by the Integrated Commissioning Unit working with Croydon Parents in Partnership. Engagement included: a focus group and user-lead service feedback session with children and young people at St Giles special school; drop-in engagement sessions for families, electronic and physical surveys for families and a telephone line. A total of 48 family members were engaged (28 parents/carers and 20 CYP).
- 4.2 A further survey of settings and families to get feedback on therapy services was carried out at the end of 2017. The findings are included in the report at Appendix 1.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

Revenue and Capital consequences of report recommendations

Details	Internal		External		Total joint funding	Period of funding
	Capital	Revenue p.a.	Capital	Revenue p.a.	Revenue p.a.	
CCG funding of SLT				1,200,000		1 st Aug 2018 –to 31 st July 2023
Council funding of SLT		620,528				1 st Aug 2018 –to 31 st July 2023
CCG funding of OT				588,639		1 st Aug 2018 –to 31 st July 2023
Council funding of OT		202,000				1 st Aug 2018 –to 31 st July 2023
CCG funding of OT equipment				30,000		1 st Aug 2018 –to 31 st July 2023
Total		822,528		1,818,639	2,641,167	

The effect of the decision – The recommendation requires a 5 year funding commitment from the CCG and the Council, however the funding outlined above is no increase to the existing contract value, and no additional resource is required.

Risks

- *Financial Risk:* that CCG does not manage any risk to the Council and that service user needs are not met

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Mitigation: This contract will be managed by joint commissioners working to safeguard both the Council and CCG interests to ensure financial probity and to meet service user's needs.

Future savings/efficiencies

The current service has taken steps to improve value for money through the existing agreement but due to increasing demand for this service it is unlikely any major cost savings could be applied to this contract.

Approved by: Lisa Taylor Director of Finance, Investment and Risk (Deputy S151 Officer).

6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 6.1 The Solicitor to the Council confirms that the procurement process as detailed in this report is in accordance with the requirements of the Council's Tenders & Contracts Regulations and meets the Council's duty to secure best value as provided under the Local Government Act 1999.
- 6.2 Approved by: Susan Hadida, Lawyer on behalf of the Council Solicitor & Director of Democratic & Legal Services.

7. HUMAN RESOURCES IMPACT

- 7.1 This report recommends a direct award to Croydon Health Services (CHS), who currently deliver the services outlined in this paper on behalf of the Council and the CCG. This means the service provisions would remain unchanged and there are no TUPE or HR implications for Croydon Council staff.
- 7.2. Approved by: Debbie Calliste Head of HR (People) N/A

8. EQUALITIES IMPACT

- 8.1 The proposed award will contribute to the corporate equality objective of improving health and wellbeing by reducing health inequalities and fulfil statutory obligations to provide services to children and young people with SEND.
- 8.2 An engagement process with children, young people and families on therapy services was led in 2014/15 by the Integrated Commissioning Unit working with Croydon Parents in Partnership. Engagement included: a focus group and user-lead service feedback session with children and young people at St Giles special school; drop-in engagement sessions for families, electronic and

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physical surveys for families and a telephone line. A total of 48 family members were engaged (28 parents/carers and 20 CYP).

- 8.3 A further survey of settings and families to get feedback on therapy services was carried out at the end of 2017. The findings are included in the report at Appendix 1.
- 8.4 The recommendation is this report proposes no change to how these services are provided to children with SEND and their families. It is proposed that during the first 6-12 months of this direct award a full needs analysis and forecasting for this population to ensure services are being targeted in the most effective way will take place. At this point a full equalities assessment and analysis will take place.

9. ENVIRONMENTAL IMPACT

- 9.1 N/A

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 N/A

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 It is recommended that Croydon Health Services (CHS) should be directly awarded a single joint contract for children's Speech and Language Therapy (SLT) and Occupational Therapy (OT) – including additional capped CCG funding of £30,000 per annum to cover what is currently OT non-contract equipment – for a duration of three years from 1st August 2018 with the option to extend for up to a further two years.
- 11.2 All the jointly commissioned services are located in the Chrystal Development Centre and delivered by the same, current service provider, Croydon Health Services. Moving to a new provider could destabilise this integration and jeopardise the value for money that has already been achieved. The objective of the Crystal Development Centre, which is a core element of current service delivery for children with SEN and disabilities, is to enable provision for children with SEN and disabilities to be delivered in a holistic and more integrated way with the child and family at the centre and in a family friendly setting.
- 11.3 This option is being recommended as it will;
 - Maintain the essential integration of services for children with SEND to support the development of a seamless offer to children and families in the context of the Child Development Centre model;
 - Allow the levels of integration achieved to date to be strengthened over time.

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- Allow a new contractual arrangement to be put in place in a timely fashion;
- Strengthen the focus on outcomes rather than activity already established for these services;
- Provide an opportunity to negotiate cost benefit including added social value of staying with the current provider.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 The aim is to have a model of integrated services for children and young people with SEND joining up pathways of care and delivery of seamless services. It is believed the recommendation in this report contributes to this aim.

Options considered

1. Go out to tender

Option 1 above is not recommended. It is considered that this would risk the essential integration of services for children with SEND that has been achieved with the current provider to date. This integration has helped to support the development of a seamless offer to children and families in the context of the Child Development Centre model and has allowed a focus on outcomes rather than activity.

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BACKGROUND DOCUMENTS: None

APPENDICES TO THIS REPORT

Appendix 1 - Proposed joint commissioning and procurement strategy for children's speech and language therapy and occupational therapy