

Agreement to Award of Contracts for Health & Wellbeing Services into Atkinson Secure Childrens Home 2025 – 2029

Report of the Interim Director of Children's & Young People's Futures

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

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1 Recommendation

- 1.1 That the Cabinet be asked to agree the award of the following contracts for the benefit of young people living in the Atkinson Secure Childrens Home:
 - a. Combined services of childrens and adolescent mental health services (CAMHS), nursing and speech and language therapy (SaLT) to Livewell Southwest as identified through the Provider Selection Regime (PSR*) Most Suitable Provider (MSP*) Process.
 - b. General Practice (GP) service to Mount Pleasant Health Centre through the PSR Direct Award Process C.
 - c. Occupational Therapy (OT) service to Sensory Connections through the PSR Direct Award Process C.

*These are terms used in the commissioning of health services

2 Background / Introduction

2.1 Health & Wellbeing Services and Current Arrangements

2.1.1 The Health & Wellbeing Services provided for Atkinson Secure Childrens Home offers therapeutic and clinical support to the young people who live there and clinical supervision for staff. They include the following contracts:

- Children and Adolescent Mental Health Services (CAMHS)
- General Practice (GP) Services
- Nursing Services over and above the Children in Care Nursing duty
- Occupational Therapy (OT) Services
- Speech and Language Therapy (SaLT)

2.1.2 The services that are the subject of this paper will expire on the 31st March 2025 as the current extensions end and the incumbent provider is withdrawing from delivery of the CAMHS service. Due to the financial and staffing pressures that the

previous provider has experienced through the life of the contracts it would be challenging to achieve further significant extensions to these arrangements. Exceptions to this are:

- **Nursing:** the longer-term provider gave notice on their contract for this service in April 2024 with the end of provision 1st October 2024. The GP provider has agreed an extended interim service offer with us to cover this additional service area for the period to 31st March 2025.
- **SaLT:** the longer-term provider gave notice on their contract for this service in April 2024 with the end of provision 1st October 2024. A local consultancy, Psychology Associates, are providing an interim SaLT offer to cover the period to 31st March 2025.

2.2 Procurement Activities

2.2.1 As clinical health services, these contracts are procured under the NHS Provider Selection Regime (PSR) processes¹. These came into effect from January 2024 and include processes to:

- direct award to new and existing providers under specific circumstances.
- award contract to Most Suitable Provider (MSP) identified via a streamlined tender process.
- award contracts via a full competitive tender process.

2.2.2 The marketplace for these services is limited and the timescales have been very restricted. Advice has also been taken from NHS England Health & Justice who fund the services through a section 75 agreement, in terms of recent procurement experience for other similar services. The procurement strategy is to:

- Direct award contracts to existing providers where delivery has been robust and where the context is compliant with the direct award processes under PSR (OT and GP services).
- Award a combined contract for the CAMHS, Nursing and SaLT services to a single provider who reflects the MSP for these services.

2.3 Next Steps

2.3.1 Following a compliant procurement process under PSR, it has been possible to identify Livewell Southwest as the MSP to deliver CAMHS, Nursing and SaLT services into the Atkinson Secure Childrens Home from the earliest date on or before 1st April 2025. This contract will run for 4 years to the 31st March 2029 with the potential to extend the contract annually for a further 3 years (4+1+1+1). If as a consequence of the reorganisation of local government the responsibility of Atkinson transfers to another authority the contract would novate.

2.3.2 Under this same procurement regime it has also been possible to identify that the incumbent providers for the GP and OT services are suitable for direct award of

¹ <https://www.england.nhs.uk/long-read/the-provider-selection-regime-statutory-guidance/>

individual service contracts under Direct Award Process C to continue deliver from 1st April 2025 to 31st March 2029 with the potential to extend the contracts annually for a further 3 years.

2.3.3 To ensure robust governance of the procurement process and in line with the financial governance required by Devon County Council for contract lifetime costs over £1 million, Cabinet Members are requested to review the information presented in this paper to agree to the formal award of the contracts.

3 Options / Alternatives

3.1 Option 1 - Do Nothing

3.1.1 With no further action, all of the services that are the subject of this paper will stop provision on Monday 31st March 2025. Without these services the secure childrens home will need to close.

3.1.2 The impact for Devon young people will be:

- For those living in the home – they will be moved further away from home and their communities and/or placed in unregistered arrangements if a place at another secure welfare home cannot be found. The secure estate runs a referral list for beds and so is already oversubscribed.
- For those not currently living in the home – a secure childrens home will not be available in Devon so secure placements will always be out of county in the future (the next nearest home for this cohort of young people is Hampshire)

3.1.3 The impact for employees will be:

- All DCC staff working in the home will be subject to redeployment or redundancy
- These staff may or may not be able to find equivalent employment in the area so may need to leave the county leading to the loss of experienced and skilled workforce to other areas of the country.

3.1.4 The financial impact for the Authority will be:

- The cost of redundancy if the home were to close as per employee terms and conditions.

3.1.5 This is not the preferred option as it represents a significant financial impact both in the short and long terms and is not in the interests of Devon's Children in Care.

3.2 Option 2- In-House Health & Wellbeing Services to Devon County Council

3.2.1 To continue service delivery without direct award or procuring external services would require in-housing all of these services. This would involve the TUPE² of eligible NHS staff into the DCC staffing establishment under Agenda for Change terms and conditions. For other posts recruitment would be required to fill vacant positions where staff are not eligible for TUPE transfer. To provide a sense of scale, there are currently five (3.5 full time equivalents) CAMHS professionals, a locum psychiatrist, a nurse, a speech and language therapist and separate contracts with a GP and Occupational Therapist.

3.2.2 Once transferred or recruited healthcare staff would also require appropriate clinical supervision either through the procurement of this service from a provider or through further recruitment of appropriate staff. NHS England has already communicated that they do not support this option and as the fund holder this makes it difficult to pursue this option further.

3.2.3 The risks of this approach are:

- The council would be liable for the financial and HR responsibilities of employing healthcare staff on Agenda for Change terms and conditions including clinical salaries, pensions, supervision and professional development.
- There is a staff retention risk if NHS staff are asked to leave the NHS to join the local authority.
- Managing staff sufficiency if long term absence or vacancies occur as this would need to be sourced externally and cannot be backfilled from the rest of the establishment.
- There is a risk to quality as DCC is not a healthcare provider.

3.2.4 This option is not recommended

3.3 Option 3 - Procurement for External Provider

3.3.1 As clinical health services, the health and wellbeing services for Atkinson Secure Childrens Home are procured under the NHS PSR. DCC as a local authority is a relevant authority and is able to procure these types of services under these processes. According to the PSR guidance³:

“The regime makes it possible to continue with existing arrangements for service provision where those arrangements are working well and there is no value for people who use the service in seeking an alternative provider.”

3.3.2 Where applicable, we are pursuing direct award contracts to existing service providers (GP and OT). For the CAMHS, Nursing and SaLT services direct award is not applicable due to the intended withdrawal of the existing provider of all three services. DCC commissioning and procurement, with approval from NHS England,

² Transfer of Undertakings (Protection of Employment)

³ <https://www.england.nhs.uk/long-read/the-provider-selection-regime-statutory-guidance/>

have pursued procurement of these three services under one contract via the MSP process.

- 3.3.3 A compliant MSP process has been undertaken and Livewell Southwest have been identified as the most suitable provider for this combined CAMHS, Nursing and SaLT service delivery. This provider is a local NHS health provider with existing expertise in a wide range of healthcare services including acute mental healthcare for young people.
- 3.3.4 Option 3 is the recommended option because it presents the lowest risk for the Council and ensures the continuity of services by an established NHS provider within the financial envelope agreed with the fund holder.

4 Consultations / Representations / Technical Data

- 4.1 In preparation for the procurement of the health and wellbeing services into Atkinson Secure Childrens Home, market engagement was undertaken in September 2023. This demonstrated that there was limited interest from the market. For the CAMHS, Nursing and SaLT no one provider indicated firm interest in all services. Those engaging were interested in one or two services only and 6 organisations in total engaged.
- 4.2 We work closely with NHS England Health & Justice colleagues and the recent experience of procurement for similar services in other areas of the country supports that there is limited interest to bid for services in this specialist marketplace and a failed procurement is possible.
- 4.3 We have contacted out to NHS providers in Devon and neighbouring authority areas to try and ensure market awareness of this opportunity but responses were scarce. These activities included initial engagement with Livewell Southwest. The first stage of the MSP process also opens the opportunity to the market for registration of interest. The interest in this opportunity was consistent with these earlier engagement activities.

5 Strategic Plan

- 5.1 Contract award of these CAMHS, Nursing and SaLT services to Livewell Southwest will support the council to deliver on the vision and priorities in the Council's Strategic Plan 2021-2025 (<https://www.devon.gov.uk/strategic-plan>):
- **be ambitious for children and young people:** this award will continue the high quality of care that young people from across England can receive in an outstanding secure welfare setting. For Devon young people in particular it will continue to ensure that there is capacity in the secure estate for young people close to home.
 - **improve health and wellbeing:** the home plays an important role in ensuring that some of the nation's most vulnerable young people are able to improve access to health and wellbeing services. This addresses health inequalities experienced by our young people in care and impacts not only the health of these individuals but

also contributes to the public health of the communities these young people come from and will return to.

- **help communities be safe, connected and resilient:** this award will also continue to provide a secure welfare setting for young people aged 10-17 in Devon so that there is more opportunities for these vulnerable young people to remain within the wider Devon community and support connections with their families.

6 Financial Considerations

6.1 The costs of the health and wellbeing services and their commissioning and procurement is entirely funded by NHS England Health & Justice through a Section 75 funding agreement. Devon County Council receives funding for the commissioning and procurement resources used to support the delivery and continuation of these services.

6.2 In accordance with NHS England criteria, annual increments are applied to budgets in line with NHS Agenda for Change annual negotiations implemented through the application of NHS Business Rules which are intended to drive efficiency over time. These increases will be cumulative over the life of the agreement.

6.3 The total annual envelope per service are as follows:

Service	Annual Envelope (2025/26)
CAMHS, Nursing and SaLT	£380,032
GP	£38,390
OT	£34,320

6.4 All service costs will remain within the agreed financial envelope and any price increases negotiated over the life of the contract will require agreement prior agreement from NHS England and will be funded by them through amendments to the section 75 agreement.

6.5 The existing section 75 agreement began in April 2024 and will continue to the end of March 2029. In support of this we are proposing to establish a 4+1+1+1 years total contract lifetime for all new contracts where possible to align with these plans and ensure consistency of provision throughout this timeline. The current service contract established that, should the NHS England funding cease prematurely, then the council are not liable for any future costs.

7 Legal Considerations

7.1 The lawful implications of the proposals have been considered and taken into account in the preparation of the report. The process used to procure the CAMHS, SaLT, GP, and OT services was done in accordance with the Health Care Services (Provider Selection Regime) Regulations 2023.

8 Environmental Impact Considerations (Including Climate Change, Sustainability and Socio-economic)

8.1 Not applicable in this case.

9 Equality Considerations

9.1 Where relevant, in coming to a decision the Equality Act 2010 Public Sector Equality Duty requires decision makers to give due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding

9.2 In relation to the protected characteristics (age, disability, gender reassignment, marriage and civil partnership (for employment), pregnancy and maternity, race/ethnicity, religion or belief, sex and sexual orientation). This Council also treats care experience as if it were a protected characteristic.

9.3 A decision maker may also consider other relevant factors such as caring responsibilities, rural isolation or socio-economic disadvantage.

9.4 In progressing this particular scheme / proposal, an Impact Assessment has been prepared which has been circulated separately to Cabinet Members and also is available on the Council's website at <https://www.devon.gov.uk/impact/published>

9.5 Members will need to consider the Impact Assessment for the purposes of this item.

10 Risk Management Considerations

10.1 The procurement processes comply with national regulations (PSR) and all necessary safeguards or actions have been taken / included to safeguard the Council's position.

10.2 The key risks for consideration are:

- Doing nothing at this point will lead to the closure of the Atkinson Secure Childrens Home. Significant impacts of this are provided in the options appraisal above.
- Bringing the service in house is not agreed with NHS England Health & Justice and would entail taking on significant financial burden associated with pensions and supporting the delivery of the services.
- External procurement through direct award and MSP processes would be the lowest risk option provided that it can be agreed in time to complete the transfer of the CAMHS provision to Livewell Southwest by 1st April 2025.

10.3 Therefore the best means to manage these risks is to procure external NHS providers with the expertise and means to employ and support staff teams of healthcare professionals.

11 Summary / Conclusions / Reasons for Recommendations

11.1 The health and wellbeing services currently delivering in the Atkinson Secure Children's Home are due for recommissioning. The recommended course of action laid out in this paper constitutes the lowest risk option for Devon Young People needing secure accommodation, for council staff s working in the home, for the council Devon County Council in terms of continuation of services at the lowest cost to the council and in order to build a strong foundation for the future of the Atkinson Secure Childrens Home.

11.2 The recommended option is the award of the following contracts to the named providers as identified through the nationally recognised PSR procurement processes for healthcare services:

- a. Combined services of CAMHS, nursing and SaLT to Livewell Southwest as identified through the PSR MSP Process.
- b. GP service to Mouth Pleasant Health Centre through the PSR Direct Award Process C.
- c. OT service to Sensory Connections through the PSR Direct Award Process C.

Name

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Electoral Divisions: All

Cabinet Member for [Children and Young People's Futures](#): Councillor Andrew Leadbetter

Local Government Act 1972: List of background papers

Section 75 Agreement: NHS England Health & Justice: Devon County Council – 1st April 2024 – 31st March 2028



Atkinson s75 s10
Agreement 24-28 - FL

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