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Swansea Bay University
Health Board



Meeting Date	17 November 2022	Agenda Item	6.1
Report Title	Update on Voluntary Sector Recommissioning		
Report Author	Joanne Abbott-Davies, Assistant Director of Insight, Engagement & Fundraising, DICE Nicola O’Sullivan, Head of Engagement, DICE		
Report Sponsor	Nick Samuels, Director of Communications Siân Harrop-Griffiths, Director of Strategy Darren Griffiths, Director of Finance		
Presented by	Joanne Abbott-Davies, Assistant Director of Insight, Engagement & Fundraising		
Freedom of Information	Open		
Purpose of the Report	This paper outlines the progress made with implementing voluntary sector recommissioning, highlights some key risks and challenges faced and proposes how these can be addressed.		
Key Issues	The Health Board is undertaking recommissioning of all its voluntary sector services for the first time. Whilst significant progress has been made on implementing the initial stages of this programme, risks have been identified which mean that the process and timescales for the next stages need to be revised. This paper outlines the risks and proposed revisions which have been developed jointly by Procurement and the leads within the Health Board and which should mitigate the risks identified.		
Specific Action Required (please choose one only)	Information	Discussion	Assurance
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recommendations	Members are asked to: <ul style="list-style-type: none"> • Note the progress made to date with the Voluntary Sector recommissioning • Note the risks identified in relation to the programme and the mitigations being applied to reduce these risks • Endorse the revised process proposed for the programme • Endorse the revised timescales proposed for the programme • Endorse the approach to funding outlined for the programme. 		

UPDATE ON VOLUNTARY SECTOR RECOMMISSIONING

1. INTRODUCTION

This paper outlines the progress made with implementing voluntary sector recommissioning, highlights some key risks and challenges faced and proposes how these can be addressed.

2. BACKGROUND

The Health Board is undertaking recommissioning of all its voluntary sector services for the first time. This is a complex process and requires development of a novel approach for both Procurement and the leads within the Health Board as well as needing to coproduce this process with the sector.

Whilst significant progress has been made on implementing the initial stages of this programme, risks have been identified which mean that the process and timescales for the next stages need to be revised.

This paper outlines the risks and proposed revisions which have been developed jointly by Procurement and the leads within the Health Board and which should mitigate the risks identified.

3. PROGRESS TO DATE

The Health Board decided to recommission voluntary sector services as most of the existing arrangements were historic and had not been subject to a market testing process which left it open to challenge regarding demonstrating value for money.

The recommissioning was initially planned in 2017 but had to be postponed due to the implications of Bridgend Boundary Change and the need to disaggregate commissioned services. The process restarted in early 2020 but again had to be paused due to the pandemic. In January 2021 the Health Board agreed to a revised timescale for the recommissioning process with it planned for completion by end March 2023.

We have worked closely with the voluntary sector and engaged extensively and will continue to do so to ensure the process is as voluntary sector friendly as possible, while still offering a compliant assured process for the Health Board.

Feedback from the sector informed the decision to proceed with a Dynamic Purchasing System (DPS). This offers a two stage process where providers initially apply to get on the framework (Phase 2) subject to passing the due diligence test, ensuring they have adequate systems and processes in place to enable them to do business with the Health Board. Organisations on the framework are then able to respond to service specifications (Phase 3) and participate in the mini competition process (Phase 4) where they complete applications to tender for services within particular lots. All submitted applications will be evaluated and organisations will be advised as to whether or not their submission was successful.

Phase 1 – Re-establish Governance Processes

Implementation of **Phase 1** of the programme was achieved as planned with a Steering Group established with representation from all Delivery Groups and service leads for particular service areas (e.g. cancer, sexual health etc.). Voluntary sector representatives were also elected to attend on behalf of the sector (and not their own individual organisations) along with the 2 Councils of Voluntary Services. Attendance at the Steering Group has been impacted by wider pressures on the system around winter pressures and the pandemic.

External workshops have taken place where we have seen excellent stakeholder attendance from voluntary sector organisations:

- 7 July 2021 – focusing on how we work together to expand the support available to the NHS from the voluntary sector
- 20 October 2021 – updating on progress so far, as well as sharing health board priorities, bringing together recommissioning and new commissioning and the early introduction of the lots / categories
- 10th February 2022 – a progress update and reviewing the Due Diligence list.

The workshops have provided opportunities for feedback to influence the process and have been well received by the sector who have appreciated being involved in the development of the process and the regular updates around progress.

The Steering Group has agreed, based on this, and in collaboration with the voluntary sector, the range of “lots” which require specifications (often multiple ones), and these are outlined in **Appendix A**.

Phase 2 – Due Diligence Process

We have continually engaged with the sector to seek their views on the due diligence process (sometimes referred to as a Pre-Qualification Questionnaire PQQ) to ensure the process is as voluntary sector friendly as possible, while still offering a compliant assured process for the Health Board.

The due diligence process commenced on 28 March 2022 and ended on 9 May 2022. Additional funding was provided to the Councils of Voluntary Services to ensure required support was available for organisations in the sector to be able to successfully complete the due diligence process.

A total of 91 organisations applied to join the Health Board’s framework, with 56 of these needing some level of clarification prior to decisions being made on whether they could join the framework. On 4th July 2022 it was confirmed to the sector that **all 91 organisations** had met the due diligence requirements.

Each organisation applying to join the framework had to indicate which “lots” they would be bidding for. A mapping of organisations on the framework against the lots and specifications indicated a few areas where few / no organisations were likely to apply. A small number of organisations also alerted the Councils of Voluntary Services that they had missed the deadline for applications because of absences of key staff or other reasons. Due to these factors the due diligence process was reopened for the month of August to enable any organisations who had missed out

and to encourage additional organisations in areas under-represented to apply. By the end of September these had been evaluated and a further 5 organisations were added to the framework – making a total of **96 organisations**.

Phase 3 – Specification Development

Lots were developed / generated based on feedback regarding current services provided, new opportunities for voluntary sector involvement and Health Board priorities reflecting Changing for the Future. Currently based on current services provided there are **31 specifications** required. There will be opportunities for organisations to tender as individual organisations or as part of a partnership approach, which the Health Board would encourage. The sector requested workshops were scheduled to encourage consortia / partnership working arrangements. The approach to the development of specifications also needs to be refined to enable the voluntary sector, service users and carers to be involved in the development of specifications with Health Board services

Engagement from service leads from within the Health Board continues to be a challenge and the appetite to participate in the task and finish groups originally proposed to complete the specifications is very limited. This needs to be addressed in order to develop the right specifications to support health board priorities and patient needs and to ensure no disruption in provision

Proposed Way Forward

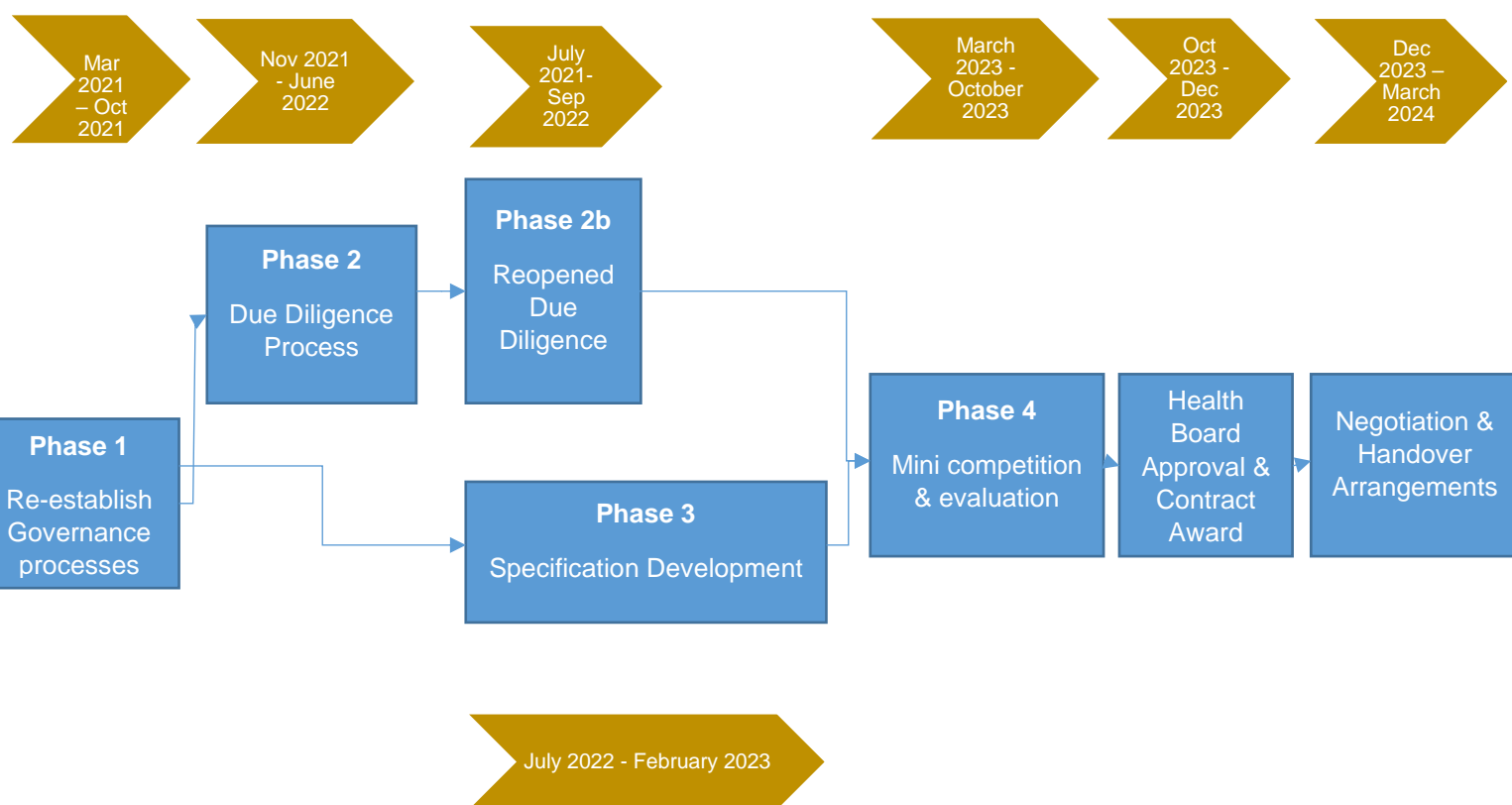
(a) Revised Timescale

Due largely to the decision to concentrate on Phase 2, due diligence, prior to development of specifications (rather than parallel running these processes as originally planned), and the extended period which has proved necessary to complete the due diligence process, the programme is now running 10 months behind the original timeline agreed by the Health Board. This would result in transfers of services (where providers change) needing to be planned over the Christmas / New Year period, and would result in SLAs running from 1st February 2024 which is likely to be problematic for the sector and in ensuring continuity of services. It is therefore proposed that the new timescale run until end of March 2024 (rather than end of March 2023) to alleviate these issues.

In order to support operational services which are continually under pressure an alternative process has been developed. This involves specifications being drafted centrally by procurement and the DICE team (acting for Strategy) in discussion with service / clinical leads and then engaged on across the Health Board and with service users / carers and the voluntary sector. It is proposed that the proposed Commissioning Board be included as part of this process (or Management Board in the meantime) to ensure there is senior oversight of the specifications to avoid gaps in provision. Finally, once specifications have been revised accordingly it is proposed that they will be subject to a Check and Challenge process to ensure that there are no gaps / inconsistencies across the specifications collectively.

For July – October 2022 additional project management input had been secured to support the Assistant Director of Insight, Engagement and Fundraising to continue to lead this project. From 1st November until end of March 2023 this is being reduced to some part-time project administration support and additional input from the Head of Engagement to allow DICE to continue to lead this programme.

Taking these changes into account and bearing in mind the delays in completing Phases 2 and 3 a revised timeline is proposed as outlined below:



This will mean that the new commissioning arrangements will come into operation from 1st April 2024 rather than 1st April 2023 as originally proposed, but will ensure that the risks below are addressed.

4. GOVERNANCE AND RISK ISSUES

Overall a number of risks / issues have been identified during the implementation of Phases 1-3 of the programme. These are outlined overleaf.

Risk	Likelihood	Consequence	Risk Score	Mitigating Action	Post MA Risk Score
Documentation is not clear / appropriate for voluntary sector, leading to organisations not participating / meeting standards	5	4	20	Additional time built into timetable to enable documentation to be drafted & shared with sector for views which are then included in amended documentation	2x4 8
Operational service leads do not have time / skills to develop service specifications which will ensure service / patient needs are met	5	4	20	Service specifications are drafted by Procurement / HB leads and shared within HB and then with sector via engagement process to ensure no gaps / questions are not addressed.	3x4 12
Service specifications do not adequately describe services to be provided, leading to gaps in service provision / patients or carers not receiving services	5	4	20	Roadshows held with voluntary sector, service users and carers to check content. Once specifications have been redrafted, Check & Challenge Panel of Executive representatives ensure pattern of services outlined in specifications ensures gaps are addressed / opportunities not missed.	3x4 12
Cyber / Information Governance requirements mean that majority of voluntary sector organisations would be excluded from process	5	5	25	HB leads have agreed a bespoke approach to managing Cyber / IG risks jointly with these departments to minimise impact on organisations while ensuring standards met.	2x4 8
Lack of support for the sector to achieve the requirements of due diligence mean that insufficient organisations are successfully included on the Framework to provide the range of services provided	5	5	25	DoS agreed additional funding for Councils of Voluntary Services to provide dedicated time to support sector organisations to meet minimum standards	2x4 8
Original timescales do not give sufficient time for specifications to be developed, engaged on and quality assured to make sure that services are not withdrawn from patients / citizens unintentionally	4	5	20	Revised process involving engagement across HB & with sector, plus Check & Challenge process should minimise these risks	2x5 10
Allocation of funding to lots is insufficient to allow services to be provided to current levels (because of cost of living increases)	4	5	20	All voluntary sector organisations have had no uplift to funding for at least 5 years. Some organisations are already saying they may choose	4x2 8

Risk	Likelihood	Consequence	Risk Score	Mitigating Action	Post MA Risk Score
				not to bid for services if insufficient funding is provided. Need to consider uplift of baseline funding – if agreed risk will be mitigated. If not, risk will remain.	
Funding not available within current envelope for areas of increased priority for Health Board (e.g. Lifestyle Change / Population Health, Green initiatives, Transport)	5	4	20	Consider additional funding being made available as part of IMTP for 2023-26 by developing proposals as part of overall IMTP approach.	2x4 8

Most of these risks can be mitigated as outlined in the section above. Addressing the last two risks is covered in the following section. Whilst there is a reputational risk to the Health Board of delaying the process, which has already been paused twice before, informal discussions with the sector indicate that they are primarily concerned with ensuring the process is right and gives the sector every opportunity to participate appropriately, rather than necessarily adhering to the original timeline.

5. FINANCIAL IMPLICATIONS

As outlined above, there are significant pressures being experienced by the voluntary sector, as with all sectors, in relation to cost of living rises. However, this is exacerbated by the long-time flat funding for services in spite many of them now having to pay the living wage in Wales which has increased their baseline costs. A lot of these organisations are small and have few options about how to achieve efficiencies. Therefore it is proposed that an uplift of funding for the sector in 2023-24 of 3-4% should be applied from underspends in the existing voluntary sector budget; the budget will not overspend as a result of this proposal. To align with the new timeline for recommissioning from April 2024, existing service level agreements with voluntary sector organisations will need to be extended to end at this time rather than April 2023 as was originally agreed.

The overall voluntary sector budget will neither be uplifted for inflation nor subject to cost improvement requirements. The intention for this model is that it will incentivise the assessment of existing services and whether they can be more effectively delivered by voluntary sector services. Any decommissioned service funding will then transfer to the voluntary sector budget allowing the budget to grow and deliver efficiencies for further developments.

Recognising the funding model, in preparing the IMTP for 2023-26 Service Delivery Groups and the sector will work with the Strategy Directorate's Commissioning Directorate to identify services which can be transferred from the Health Board to the

voluntary sector, supporting the principle that the Health Board should focus on providing services and staff which only it can. As part of this it is believed that efficiencies of a minimum of 3% can be realised from these transfers due to differential pay rates between the public and voluntary sectors.

As future services will be commissioned for three years, it will be necessary for an uplift each year to be incorporated into the recommissioning process with the financial model above being used to create the financial headroom to incorporate this.

6. RECOMMENDATION

Members are asked to:

- **Note** the progress made to date with the Voluntary Sector recommissioning
- **Note** the risks identified in relation to the programme and the mitigations being applied to reduce these risks
- **Endorse** the revised process proposed for the programme
- **Endorse** the revised timescales proposed for the programme
- **Endorse** the approach to funding outlined for the programme.

Governance and Assurance		
Link to Enabling Objectives <i>(please choose)</i>	Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities	
	Partnerships for Improving Health and Wellbeing	<input checked="" type="checkbox"/>
	Co-Production and Health Literacy	<input checked="" type="checkbox"/>
	Digitally Enabled Health and Wellbeing	<input checked="" type="checkbox"/>
	Deliver better care through excellent health and care services achieving the outcomes that matter most to people	
	Best Value Outcomes and High Quality Care	<input checked="" type="checkbox"/>
	Partnerships for Care	<input checked="" type="checkbox"/>
	Excellent Staff	<input type="checkbox"/>
	Digitally Enabled Care	<input checked="" type="checkbox"/>
	Outstanding Research, Innovation, Education and Learning	<input type="checkbox"/>
Health and Care Standards		
<i>(please choose)</i>	Staying Healthy	<input checked="" type="checkbox"/>
	Safe Care	<input checked="" type="checkbox"/>
	Effective Care	<input checked="" type="checkbox"/>
	Dignified Care	<input checked="" type="checkbox"/>
	Timely Care	<input checked="" type="checkbox"/>
	Individual Care	<input checked="" type="checkbox"/>
	Staff and Resources	<input checked="" type="checkbox"/>
Quality, Safety and Patient Experience		
This procurement process and implementation of the Strategic Framework will ensure that services are provided to a high quality, are safe and patient experience is monitored.		
Financial Implications		
These are outlined above		
Legal Implications (including equality and diversity assessment)		
Legal guidance on procurement will be followed		
Staffing Implications		
None.		
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)		
The actions outlined in the report support the five ways of working outlined in the Act. Swansea Bay UHB is working collaboratively with partner organisations to identify improved ways of working to support the longer term strategic vision of the organisations involved.		
Changes to services should reflect the needs of the local population and so should have positive impacts for future generations.		
Report History	The Board considered a previous report in January 2020, September 2020 and February 2022	
Appendices	Appendix B – List of Lots / Specifications	

Current Position with Lots & Specifications

Description	Contact	Template	Spec	No of Specs
1. Admission, Avoidance & Discharge Support				3
2. Adult Mental Health				4
3. Cancer & Palliative Care including Young People				2
4. Carers				1
5. Children & Young People				9
6. Emergency Response				No funding currently
7. General Information, Advice, Support & Counselling				5
8. Learning Disabilities				No funding currently
9. Lifestyle Change & Population Health				No funding currently
10. Older People Mental Health & or Dementia				1

11. Participation, Coproduction and Facilitation				4
12. Stroke				1
13. Substance Misuse				Agreed lead will be APB Commissioning Team
14. Violence Against Women and Men, Domestic Assault, Sexual Violence & Sexual Health				1
15. Green initiative				No funding currently
16. Transport				Historic funding transferred to WAST No funding currently
17. Amplifying quiet voices				No funding currently