

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cabinet Member for Children and Education, Cllr Alex Sanderson

Date: 23rd March 2023

Report Title: Approval of procurement strategy to procure CAMHS Contracts for 2023-26 via direct award

Report author: Paul Triantis, Programme Lead Children' Commissioning

Responsible Director: Jacqui McShannon, Strategic Director of Children's Services

SUMMARY

Hammersmith & Fulham became part of the 8 borough Intergrated Care System (ICS) in 2022 as part of changes in the health and social care landscape. The ICS has an emphasis on collaborative working arrangements between organisations, with a move away from provider-commissioner relationships within the NHS towards partnership ways of working. As a part of the ICS, the Local Authority maintains a responsibility for contributing towards jointly funded and commissioned services, including Children and Adolescent Mental Health Services (CAMHS).

This report seeks to approve the Local Authority's funding contribution towards the provision of local Child and Adolescent Mental Health Services (CAMHS) for a further 2 years with an optional additional 1-year period.

Within the context of the ICS partnership, and in the absence of alternative providers which can deliver to sufficient scale, clinical expertise and safety standards, a direct award will be made to the current, local NHS provider of CAMHS within the Intergrated Care Partnership (ICP) – West London Trust.

RECOMMENDATIONS

The Cabinet Member for Children and Education:

1. Approves the procurement strategy for the award of contracts 1-3 in Table 1 below by way of direct award.

Table 1 – CAMHS Contracts

Contract	Provider	Total Annual Value
1. Community CAMHS (CCAMHS)	West London NHS Trust	£242,005
2. Children Looked	West London NHS Trust	£194,925

After CAMHS (CLA CAMHS)		
3. Intensive Therapeutic Behavioural Support Service (ITBSS)	West London NHS Trust	£90,666
4. Kooth	Xenzone (funded via ICB)	£9,599
	Total	£537,195

2. Approves the award of these 3 contracts to the West London NHS Trust
3. Approves the payment of the funding contribution set out above to Kooth via the ICB
4. Approves the financial contribution for the jointly commissioned services above, as per Table 1 for a period of 24 months from 1st April 2023 to 31st March 2025, with the option to extend funding for a further 12 months until 31st March 2026. The total value of the contracts over a 3-year period is £1,611,585.

Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	Providing services that enable children and young people to reach their full potential.
Creating a compassionate council	Supporting critical services which will support local young people and their families.
Doing things with local residents, not to them	Maintaining high standards of existing contracts.
Being ruthlessly financially efficient	Providing early intervention support to reduce demand to specialist, high cost services.
Taking pride in H&F	A high-quality service supporting some of our most vulnerable residents to access services.
Rising to the challenge of the climate and ecological emergency	Funding the provision and delivery of local support.

Financial Impact

Table 3 – Contract Values & Spend		22/23	23/24
Contract Value	Community CAMHS	£227,407	£242,005
	Children Looked After CAMHS	£187,163	£194,925
	ITBSS	£84,790	£90,666
	Kooth	£9599	£9599
Total		£508,959	£537,195
Actual spend		£324,535	
Budget			£521,900
Underspend		(£184,424)	
Budget Pressure			£10,295

The total contract value for 23/24 is £537,195. This is an increase of £28,236 against last year's contract value of £508,959. The increase will be partly funded by £23,200 additional corporate funding for inflationary increase.

There is potential overall budget pressure against the contracts for 23/24 of up to £10,295. This mainly consists of:

- The ICB contribution to Children Looked After CAMHS (£10,000 per annum). Although a £5,000 contribution has been confirmed to date, covering April - October 2023 the approval for the remaining funding is still pending. The uncertainty over the ICB's ongoing contribution also presents a risk of budget pressure for 24/25 and 25/26. ICB colleagues report that it is the centralisation of budgetary arrangements within the ICS which has led to uncertainty over previous local funding agreements, and the need to resubmit internal business cases to ensure ongoing funding of them.
- Additional pressure has come from the NHS pay award which exceeds inflation allowed in the 2023/24 base budget which presents a pressure of £5,295. The value of the contracts in 24/25 and 25/26 may further vary according to inflationary pay awards in future years.

The overspend will need to be mitigated via increased partner contributions or mitigating reductions in expenditure outside of the West London NHS Trust contract. It should be noted that there has been an underspend versus contract budget in 2021/22 and 2022/23 as a result of management vacancies held by the provider.

There may be further variances in future years between the Local Authority's corporate inflation award, versus inflation arising in connection with annual NHS agenda for change pay awards, which will need to be managed.

There is currently a partnership arrangement in place with West London Trust (WLT) which means that the Local Authority does not pay for vacant posts. Due to a difficulty in recruiting staff at a national level, there have been staffing vacancies in

recent years, which have resulted in underspends within the CAMHS budget. WLT has a plan in place to improve recruitment and retention of mental health staff at a local level.

Drafted by: Barbara Ncube, Finance Manager, Children's Services, 17/03/2023

Verified by Tony Burton, Head of Finance Children's Services and Education, 22/03/2023

Legal Implications

The Council has duties to provide and support mental health services for children and adolescents. These are statutory requirements under legislation including the Children Act 1989.

These contracts will fall under the regime for "social and other specific services" under regulation 74 of the Public Contracts Regulations 2015 (PCR). These are to be let as three separate contracts. The threshold for contracts of this type is £663,540. It is therefore anticipated that the Community CAMHS contract (including the extension) will be slightly above the threshold. The remaining two contracts will be below it.

In the case of the CCAMHS contract there are good grounds for awarding this under the negotiated procedure without prior publication under regulation 32 of the PCR. This is on the basis that competition is absent for technical reasons in that there is no satisfactory alternative available in the market. Since no reasonable alternative exists the use of the negotiated procedure is justified.

The other two contracts fall below the relevant threshold and there are therefore no statutory provisions governing their procurement.

These are high value contracts for the purposes of the Council's Contract Standing Orders and CSO 18 would normally require them to be subject to competition. A waiver of the relevant standing order has been given on the basis that there is no alternative provider.

Following the award formal contracts will be drawn up setting out the services to be provided by the Trust.

The award of these contracts is a key decision under the Council's constitution and therefore needs to be published on the key decision list on the Council's website.

The funding for Kooth is in the nature of a grant. This enables the Council to fulfil its statutory duties referred to above. As it is to another public body to carry out statutory functions it does not constitute subsidy under the Subsidy Control Act 2022.

*John Sharland, Senior solicitor, Contracts and procurement
Dated 21 March 2023*

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

Proposals and Analysis of Options

Child and Adolescent Mental Health Services (CAMHS)

1. Hammersmith & Fulham's Child and Adolescent Mental Health Services (CAMHS) provide multi-disciplinary assessment, and therapeutic and psychopharmacological interventions for children and young people up to the age of 18 years. The offer is intended to ensure joined up emotional wellbeing and mental health services that provide equitable access and the best possible outcomes for H&F's children and young people. A summary of the services is given in Table 2.

Table 2

CAMHS Contracts		Changes in 22/23	Plans for 23/24
Children Looked After CAMHS <i>(CLA CAMHS)</i>	Serves Children looked after and care experienced young people, experiencing emotional distress and/or mental health needs. Inc. 'step up' and 'step down' support for children in out of area CAMHS services	Model has been reviewed and decision made to remain with WLT and current consultation-led approach	Improvements to data reporting and sharing to better demonstrate impact for children & young people (Consultative based service) Ensure requests for IFAs (individual funding arrangements) are flowing through to Joint Funding and Accountability panel where out of borough (OOB) private psychotherapy is clinically appropriate Seek to commission UASC therapeutic group work, and integrate Adult MH Practitioner into Leaving Care team
Intensive Therapeutic Behavioural Support Service <i>(ITBSS)</i>	Jointly commissioned behavioural support service for children & young people with LD &/or Autism who are at risk of Tier 4 hospital admission or residential placement	Formalising service specification in place, referral processes and KPIs Team structure agreed and signed off	Continued contract monitoring
Community CAMHS <i>(CCAMHS)</i>	Jointly commissioned early intervention service offering assessment, short-term therapeutic work, early help and targeted services to children & young people (0-18)	Contract monitoring	Create new up to date specification Input into, and integrate principles from NWL alignment of Community CAMHS Explore interface / integration with family hubs
Kooth	Online text-based counselling service for adolescents	Contract monitoring by ICB	

	delivered via an app provided by Xenzone.	
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2. The ICB commission all in-borough specialist and highly specialist CAMHS services via the West London NHS Trust. The long-standing, partnership arrangements mean that there are no alternative providers in the local market which have the clinical expertise, capacity and risk management capabilities to provide such services as an alternative to the NHS. H&F continue to work in partnership with the ICB and WLT and jointly fund the above targeted support to prevent escalation and manage demand to specialist services. The use of WLT to deliver all these services enables a whole system approach to mental health support for children and young people.
3. As detailed in the Financial Implications there have been significant underspends in the CAMHS budget in recent years. This is due to a difficulty in recruiting staff at a national level. The ICB partnership arrangement in place with West London Trust (WLT) means that the Local Authority does not pay for vacant posts, resulting in a sizeable rebate for the Local Authority in 21/22 and 22/23. WLT has a plan in place to improve recruitment and retention of mental health staff at a local level.
4. A longer contracting period of 2+1 years will allow West London Trust to convert interim posts into permanent ones, improving retention and stability. This is particularly the case within the CLA CAMHS service which has run with significant vacancies over the last year.
5. Continuing these arrangements whilst ensuring that as a Local Authority we meet our duties to deliver social value in line with social value commitments has been challenging. This is due to the strain in which the NHS currently operates in and therefore officers have spent considerable time working with colleagues in WLT to identify opportunities that meet the social value requirements without having a detrimental impact on the service being delivered.
6. Furthermore, the uncertainty over the future of the ICB's contributions has led to delays in confirming funding arrangements for 2023/24 onwards. This has been challenging due to the national context in which the provider, as an NHS trust, currently operates in. Given these challenges, officers are therefore proposing to secure arrangements for an extended period of time.

Option 1: Agree to the financial contributions for the jointly funded commissioned services of the CAMHS provision as listed in Table 1 (Recommended)

7. This will secure existing provision, enabling providers to continue to provide critical and vital support to vulnerable children, young people and families.

8. A 2 + 1 year contract will allow WLT to forward plan and recruit to permanent posts, improving retention within the context of national understaffing and shortage of professionals within this sector.
9. There are unlikely to be viable alternative providers as mental health services are delivered by NHS trained professionals via the local trust covering H&F, in partnership with the ICB.

Option 2: Do not agree the financial contributions for the jointly funded commissioned services of the CAMHS provision as listed in Table 1 (Not recommended)

10. Due to the lack of alternative providers in the market, not awarding would result in most of services outlined in table 1 either ceasing or significantly reducing its capacity to deliver. This would have a detrimental impact on children and young people in need of mental health support.

Reasons for Decision

11. The decision to direct award the contracts will enable the providers to continue to provide vital support to vulnerable children, young people and families.
12. Competition remains absent due to the extensive resources and specialised mental health expertise required to fulfil the volume of services the Council requires.

Equality Implications

13. There are no negative equality implications for groups with protected characteristics, under the Equality Act 2010, arising from the approval of these proposals. The direct award of contracts outlined in this report help to secure continuity of provision supporting vulnerable children, young people and their families.

Lesley Bell, Head of Programmes, Children's Commissioning 16 March 2023

Risk Management Implications

14. The value of the Service and continuing need has been clearly defined within the report in accordance with the council's Ruthlessly Financially Efficient priority, furthermore a course of action has been outlined that ensures continuity of service following engagement with partners to review and develop the offer in line with strategic objectives. Whilst it is unclear what the medium to longer term impacts will be following the Covid pandemic, the Council will secure existing provision through the providers. It will also enable providers to continue to provide critical and vital support to vulnerable children, young people and families.

Implications verified by David Hughes, 21 March 2023

Climate and Ecological Emergency Implications

15. There are no climate or ecologic emergency implications as a result of this report.

Implications verified by: Hinesh Mehta, Head of Climate Change, 17 March 2023

Local Economy and Social Value Implications

16. It is a requirement that all contracts let by the council with a value above £100,000 provide social value commitments that are additional to the core services required under the contract. In addition, the evaluation of social value should account for a weighting of a minimum of 10% of the overall score.
17. Of the eight contracts recommended to be awarded, four are above £100,000 as detailed in tables 1 and 2 above. These four contracts are recommended all to be awarded to West London NHS Trust and total £803,590. Therefore, the social value contribution should be a proxy value of at least 10% of this total.
18. West London NHS Trust currently directly employs two Hammersmith & Fulham residents who are expected to work on the contracts over their durations. Together, they work 1.85 x full-time equivalent hours. Therefore, the proxy value of these contributions to local employment is 17.95% of the total contract values.
19. The project lead should monitor these social value key performance indicators over the duration of the contract (Social Value Portal will not be employed to do so and the contractor need not pay their monitoring fees). It is recommended that, should the contractor require support to retain or employ local staff, the project lead will work closely with the council's Social Value Officer and the contractor to agree on a delivery plan.
20. It is advised that the commissioner works with Legal to ensure appropriate social value clauses are included in the contract so that the council can enforce its right to compensation if social value commitments are not delivered.

Implications completed by: Oliur Rahman, Head of Employment and Skills 22/03/23

LIST OF APPENDICES

None.