

PWYLLGOR ADNODDAU CYNALIADWY SUSTAINABLE RESOURCES COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	22 August 2022
TEITL YR ADRODDIAD: TITLE OF REPORT:	Healthcare Contracting, Commissioning and Outsourcing Update
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Shaun Ayres, Assistant Director of Commissioning

**Pwrpas yr Adroddiad (dewiswch fel yn addas)
Purpose of the Report (select as appropriate)**

Ar Gyfer Trafodaeth/For Discussion

ADRODDIAD SCAA SBAR REPORT

Sefyllfa / Situation

Long-Term Agreements (LTAs) during 2021/22 were subject to a block arrangement between Health Boards in Wales. This arrangement was implemented at the beginning of the COVID-19 pandemic and continued for the remainder of 2021/22. The purpose of the arrangement was to ensure that there was a collective focus on operational recovery. Moving forward into 2022/23, the block arrangements have been deemed inappropriate and, therefore, a hybrid approach has been adopted.

In addition to the financial implications, this report will provide a focus on the waiting times, performance metrics and the outsourcing requirements with the independent sector, which is funded through Welsh Government (WG) monies.

Cefndir / Background

The All Wales Directors of Finance forum established a Financial Flows Workstream sub-group, with the task of developing an approach to LTAs for 2022/23. It is recognised that, whilst the NHS is still emerging from the pandemic in 2022/23, there is a requirement to establish an interim arrangement for one year, which supports the need to return to business as usual, and to facilitate discussions to agree a longer term approach from 2023/24 onwards.

Key Principles agreed by DoF against which the sub-group developed its options are:

1. Requirement to move away from the Blocks
2. The contract model needs to incentivise patient treatment
3. 2022/23 is a transition year
4. The NHS policy is to return to 2019/20 levels of activity
5. Requirement for a realistic assessment of the deliverability of activity (tolerance levels)
6. Requirement to minimise the risk from activity variations and recognition of the cost of Recovery

Agreement

The table below set out the decisions reached at the All Wales Director of Finance with regards to outpatient appointments, emergency and planned care.

Type	Contract Model	Activity/Cost	Activity Tolerances	Marginal Rates	Recovery activity
Non-Admitted/Outpatient incl. Regular Day Attenders and Ward Attenders	Block	19-20 Activity Baseline <ul style="list-style-type: none"> Actual Activity Actual Cost Plus LTA inflation to 22-23 	N/A	N/A	N/A
Non-Elective	Cost & Volume	19-20 Activity Baseline <ul style="list-style-type: none"> Actual Activity Actual Cost Plus LTA inflation to 22-23 	10% Tolerance	Extant marginal rates for activity below tolerance	70% Marginal Rate for Recovery Activity (or extant if greater)
Elective	Cost & Volume	19-20 Activity Baseline <ul style="list-style-type: none"> Actual Activity Actual Cost Plus LTA inflation to 22-23 	10% Tolerance	Extant marginal rates for activity below tolerance	70% Marginal Rate for Recovery Activity (or extant if greater)

In conjunction with the on-going work between health boards, a collective effort is being undertaken between directorates to support the recovery work within HDdUHB. One of the key areas of recovery is the outsourcing of activity to the independent sector. This report will also articulate the current position relating to outsourcing and next steps.

Asesiad / Assessment

The three main areas of focus will be on the contractual delivery, waiting lists within the Health Board's main providers, and the contracts that the Health Board has in place with the Independent Providers.

LONG TERM AGREEMENTs (LTA)

2022/23 – LTA position.

All LTAs were signed by the deadline of 30th June 2022 and HBs have started to report their performance against contract. The total value of LTAs for 22/23 is £46.15m with Welsh Health Specialised Services Committee (WHSSC) being £117.15m.

LTA Contract	LTA Value	Performance	FY Outturn
Aneurin Bevan	£280,173		£280,173
Betsi Cadwalladr	£292,275	£21,061	£313,336
Cardiff & Vale	£6,097,338	£136,456	£6,233,794
Cwm Taff Morgannwg	£489,846	-£96,782	£393,064
Powys	£197,345		£197,345
Swansea Bay	£37,492,958	-£770,434	£36,722,524
Velindre	£1,298,124	-£41,395	£1,256,729

TOTAL LTA: Non WHSSC	£46,148,059	-£751,093	£45,396,966
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WHSSC	£117,154,175	-£1,879,413	£115,274,762
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TOTALS:	£163,302,234	-£2,630,506	£160,671,728
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2022/23 – MONTH 3 (M3) LTA position.

At Month 3, the forecasted underperformance for LTAs is £751k. Swansea Bay University Health Board (SBUHB) accounts for the majority of the underperformance within the Health Board to Health Board LTAs. However, between Month 2 and Month 3, SBUHB reported an increase in activity for ITU, reducing the M2 reported underperformance by £225k and demonstrating recovery in this area.

WHSSC under performance increased in month by £1.2m forecast outturn. The main drivers of the slippage were prior year developments in Cardiff and Vale University Health Board (CVUHB) and the release of secured reserves into the forecast position.

As organisations respond to the Ministerial targets, planned care recovery and the removal of many

Waiting Times – Month 3, 2022-23

of the Infection Prevention and Control (IPC) constraints, future months (subject to COVID-19 prevalence) are expected to see a higher level of activity and a reduction in the current forecasted underperformance.

As at the end of June 2022, there were 8,344 HDdUHB residents awaiting treatment in other Welsh NHS Organisations within all stages of outpatient/diagnostic pathway. The volume and percentage change over the last 6 months is provided below for each provider.

Provider Health Board	Jan	Feb	Mar	Apr	May	Jun	Qty Change	% Change
Aneurin Bevan University Local Health Board	83	73	66	66	77	79	-4	-4.82%
Betsi Cadwaladr University Local Health Board	23	21	25	28	25	23	0	0.00%
Cardiff and Vale University Local Health Board	1,163	1,181	1,201	1,194	1,237	1,211	48	4.13%
Cwm Taf Morgannwg University Local Health Board	110	102	100	94	92	95	-15	-13.64%
Powys Teaching Local Health Board	12	10	9	10	12	15	3	25.00%
Swansea Bay University Local Health Board	6,910	6,926	7,103	6,844	6,939	6,921	11	0.16%
Grand Total	8,301	8,313	8,504	8,236	8,382	8,344	43	0.52%

The table above shows that there had been an 2.45% increase from January to end of March 2022 with this decreasing by 1.88% by the end of June. In the latest month, there had been a 0.45% decrease from the previous month. Overall, the period between January to June 2022 has seen an increase in demand of 0.52% for HDdUHB residents waiting at other health boards. The majority of HDdUHB patients awaiting treatment at other Welsh health boards are with SBUHBCVUHB.

CVUHB Waiting Times New Outpatient (All waits)

The table below shows the latest position, as of June 2022, for all patients waiting for a new outpatient appointment by speciality within CVUHB:

Specialty	Jan	Feb	Mar	Apr	May	Jun
Clinical Immunology And Allergy	181	185	193	190	201	206
Trauma & Orthopaedics	82	86	85	86	84	86
Neurosurgery	79	83	78	74	71	65
Paediatrics	39	42	42	34	35	36
Neurology	30	37	36	30	34	35
Ophthalmology	31	28	27	29	31	32
Paediatric Surgery	47	40	32	33	29	26
General Surgery	30	28	28	21	23	21
Cardiology	3	8	10	13	10	16
ENT	11	17	21	23	17	15
Dermatology	9	7	8	8	7	9
Gastroenterology	9	9	3	7	8	8
General Medicine	5	6	5	6	9	8
Oral Surgery	7	7	7	7	7	8
Clinical Pharmacology	6	5	5	6	7	7
Dental Medicine Specialties	12	10	9	9	7	7
Clinical Haematology	6	5	5	4	3	6
Cardiothoracic Surgery	4	4	4	3	3	5
Geriatric Medicine	3	4	4	3	2	5
Gynaecology	9	6	4	5	3	3
Paediatric Dentistry	3	4	4	4	2	3
Orthodontics	1	1	1	1	1	1
Pain Management	0	0	0	1	1	1
Rehabilitation Service	0	1	1	1	1	1
Respiratory Medicine	0	0	1	0	1	1
Restorative Dentistry	0	0	0	0	0	1
Urology	3	2	5	4	5	1
Anaesthetics	0	1	1	3	3	0
Nephrology	2	1	1	1	3	0
Paediatric Neurology	4	3	3	1	1	0
Grand Total	616	630	623	607	609	613
% Month on Month Change	1.15%	2.27%	-1.11%	-2.57%	0.33%	0.66%
% Jan to Jun Change						-0.49%

The above table demonstrates that the majority of HDdUHB patients waiting for a new outpatient appointment at CVUHB are waiting for Clinical Immunology and Allergy. They account for 33.6% of the June 2022 waiting list. Allergy referrals have continued increasing month on month over the last 6 months aside from a very slight drop in April.

An alternative commissioned pathway proposal is being undertaken for Clinical Immunology and Allergy. An Allergy Equality (AE) working group has been established to identify pathway

opportunities throughout HDdUHB for allergy care. The intention is to have a service which works for all allergy anaphylaxis patients regardless of the allergen. The AE group met recently, and a business case is being worked up.

In the interim, University Hospitals, Birmingham have confirmed that they should be able to support. The preference of the Cardiff team is for Birmingham to take the whole patient pathway for a sub cohort of HDdUHB patients rather than part of a commissioned pathway. Referral copies of the top 25 longest waiting patients have been sent to Birmingham. A draft patient pathway has been shared, which includes the use of digital technology and local provision (where possible) to limit the number of patient journeys to Birmingham. The pathway has also been shared internally with Consultant Paediatrician (special interest in allergy), who is content that the pathway seems sensible, acknowledging that Birmingham may make amendments.

Next steps – agree pathway and to communicate with Community Health Council (CHC), patients and GP. The intention is to run this as a pilot in the first instance, and if successful transfer a further cohort of patients from the CVUHB waiting list (capacity permitting).

CVUHB Waiting Times New Outpatient Appointments (>36 weeks) – Top 5 Specialties

Specialty	Jan	Feb	Mar	Apr	May	Jun
Clinical Immunology And Allergy	110	115	119	110	114	124
Trauma & Orthopaedics	32	33	34	35	34	36
Ophthalmology	11	12	10	11	12	19
Neurology	6	8	9	8	8	8
Dental Medicine Specialties	3	2	3	3	3	5
Total (Top 5)	162	170	175	167	171	192
% Month on Month Change	7.28%	4.94%	2.94%	-4.57%	2.40%	12.28%
% Jan to Jun Change						12.73%
Grand Total (all Specialties > 36 wks)	178	187	191	184	191	211

The table above shows the correlation between overall numbers on the waiting list and those waiting >36 weeks. Based on the aforementioned Referral to Treatment Times (RTT) metrics, the main >36 challenges remain Clinical Immunology and Allergy, which has the greatest number of patients waiting over 36 weeks and accounts for 64.6% of the >36 week June 2022 waiting list. Based on the action above, a medium term solution is anticipated, however, the team is being guided by Birmingham with regards to their model of care and any subsequent available capacity within the Allergy Service.

SBUHB Waiting Times New Outpatient (All waits)

The table below shows the latest position as at June 2022 for all patients waiting for a new outpatient appointment by speciality within SBUHB.

Specialty	Jan	Feb	Mar	Apr	May	Jun
Oral Surgery	1,435	1,510	1,578	1,615	1,658	1,680
Trauma & Orthopaedics	525	534	611	613	625	643
Orthodontics	560	576	608	608	632	640
Plastic Surgery	469	480	389	346	335	329
Cardiology	87	99	116	116	108	119
General Surgery	103	97	93	101	94	94
Ophthalmology	80	76	79	77	82	81
Neurology	253	198	112	62	69	74

ENT	45	45	50	53	51	55
Cardiothoracic Surgery	44	34	47	56	54	50
Rehabilitation Service	42	48	44	44	48	49
Gynaecology	49	48	41	45	42	45
Urology	28	28	37	36	35	29
Paediatrics	24	20	13	11	16	22
Restorative Dentistry	38	33	34	23	21	21
Gastroenterology	11	10	4	5	8	10
Endocrinology	5	5	5	5	8	9
Dermatology	12	10	9	9	11	8
Nephrology	6	8	11	8	13	7
Paediatric Neurology	3	3	4	5	4	4
Rheumatology	2	2	3	3	3	4
Geriatric Medicine	2	3	4	4	3	3
Clinical Haematology	3	6	5	5	4	2
Respiratory Medicine	5	3	1	1	3	2
General Medicine	5	3	6	5	3	1
Pain Management	0	0	0	0	0	1
Dental Medicine Specialties	0	12	6	0	0	0
Grand Total	3,836	3,891	3,910	3,856	3,930	3,982
% Month on Month Change	-0.88%	1.43%	0.49%	-1.38%	1.92%	1.32%
% Jan to Jun Change						3.81%

The table illustrates a number of specialities experiencing challenges, which are demonstrating a deterioration in position. Although it is acknowledged that all health boards are experiencing challenges, it is prudent to understand the current position for HDdUHB patients awaiting a first outpatient appointment within SBUHB. Oral Surgery accounts for the majority (42%) of the overall waits in June 2022 and has been increasing month on month.

SBUHB Waiting Times New Outpatient Appointments (>36 weeks) – Top 5 Specialties

The below table illustrates that the majority of specialties with long waiters correlate to those with the overall number of patients waiting.

Specialty	Jan	Feb	Mar	Apr	May	Jun
Oral Surgery	742	794	869	910	921	935
Orthodontics	281	290	312	317	340	339
Trauma & Orthopaedics	189	208	224	244	260	268
Plastic Surgery	86	74	69	77	84	78
General Surgery	35	33	30	31	30	36
Total (Top 5)	1,333	1,399	1,504	1,579	1,635	1,656
% Month on Month Change	5.54%	4.95%	7.51%	4.99%	3.55%	1.28%
% Jan to June Change						24.23%
Grand Total (all specialties > 36wks)	1,434	1,510	1,608	1,684	1,730	1,748

Areas of Collaborative Work and Review

Paediatric Neurology

HDdUHB has a Service Level Agreement (SLA) with SBUHB for the provision of Consultant Paediatric Neurology visiting sessions. Due to the retirement of the Consultant, SBUHB has served notice on the SLA, which will cease at the end of October 2022.

HDdUHB also has a small LTA with SBUHB for HDdUHB paediatric neurology patients to be seen in Swansea; the understanding is that this outpatient activity is primarily carried out by another SBUHB Consultant. However, following the above retirement, this Consultant will no longer have the required capacity to fulfil the LTA. Consequently, SBUHB have further served notice on the LTA, which will end at the same time as the aforementioned SLA.

From 1st November 2022, WHSSC will commission the tertiary care element from CVUHB/Bristol, with any secondary care provision remaining the responsibility of HDdUHB. An assessment is currently being undertaken to determine how much of the current service comes under the tertiary service heading vs secondary service. In the interim, HDdUHB service managers are currently working through a plan to identify options for the future delivery of secondary care paediatric neurology services.

With regards to the tertiary service, CVUHB has yet to advertise and recruit to posts, therefore there is a risk that there may potentially be a temporary service change (outsourcing to England, virtual appointments). WHSSC has escalated to Cardiff requesting detailed planning timelines. WHSSC is currently planning for differing scenarios (plan A-D) dependent on the success of this recruitment campaign and will apply any emergency service change equitable across the region.

Monthly meetings have been setup (until the 1st November) between WHSSC and all affected HBs, to maintain communication and momentum. HDdUHB CHC has also been notified of this service change and attendance at their August 2022 meeting to discuss the engagement with service users has been requested. Furthermore, on-going work is being undertaken to ascertain if the non-tertiary work can be undertaken within HDdUHB.

Pancreatic

The commissioning team has successfully clarified an issue relating to the management of acute pancreatic conditions. There had been confusion between the SBUHB Pancreatic Unit and supporting HDdUHB both in terms of advice on and the transferring of patients with severe acute pancreatitis. There was confusion around the Pancreatic Unit being in receipt of funding and the misguided belief that there was no funding in place. However, it has been clarified that the funding is received via the LTA arrangements across the points of delivery (daycase, elective, emergency). The commissioning team have consequently reached out to Swansea to reaffirm the position and have requested confirmation that this is discussed with the Morriston Pancreatic Unit to avoid future blocks/delays.

Next Steps

- Draft a clear service specification to ensure there is no confusion in the future. This will set out the activity planning assumptions, points of delivery with an inclusion and exclusion criterion
- The Commissioning team, in conjunction with HDdUHB clinical colleagues, will review the MDS activity data that is received from Swansea, to understand the case-mix and ascertain what can be carried out locally.

Cancer

In line with reviewing and co-chairing the longer-term Cancer Strategy between Health Boards, HDdUHB continues to actively engage and understand the pressures on Cancer Services at Singleton Hospital to ensure that a full understanding of the pressures by tumour site can be collectively addressed.

May 2022 position / tumour site:

Tumour Site	Total No. of patients treated	No. of patients treated within target	%	Tumour Site	Total No. of patients treated	No. of patients treated within target	%
Head and neck	11	2	18%	Breast	22	4	18%
Upper Gastrointestinal	21	6	29%	Gynaecological	13	6	46%
Lower Gastrointestinal	24	8	33%	Urological	47	16	34%
Lung	23	13	57%	Haematological	8	4	50%
Sarcoma	1	1	100%	Acute Leukaemia	3	2	67%
Skin(c)	50	40	80%	Children's cancer	0	0	N/A
Brain/CNS	3	1	33%	Other	4	4	100%

- At the end of May 2022, the total volume of active patients on pathway was 1% (35) lower than compared with the same week in 2021. Primarily this is seen with Gynaecological – 20%; Urological - 17% lower. However, an increase in volume is noted in the following tumour groups: Breast 31%; Upper GI% 37%; Skin 27% higher.
 - Lower GI accounts for 20% of all patients on pathway and is the tumour site with the largest proportion of patients.
- Volumes at Diagnostic stage have risen since April.
- Total treatment wait volumes fell since mid-April. However, over time, the trend is fairly stable.

Main Issues:

- Continued impact of COVID-19 on the services and cancer pathway.
- Staffing deficits have been an issue due to sickness, COVID-19, annual leave and vacancies.
- Hospital sites are very busy and impacted by significant unscheduled care pressures.

Mitigating actions to improve performance:

- Revision of up to top 5 actions across tumour sites and services are being revised for submission to the Chief Executive Officer (CEO).
- Systemic anti-cancer treatment (SACT) Quality Improvement (QI) Practitioner has commenced in post.
- Cancer Performance and Information team has appointed 2.8 WTE Band 3s, who will, amongst other duties, assist in processing information in a timelier manner to help identify patients with a suspicion of cancer sooner. Three appointments have commenced in post. SBU HB has not been able to recruit to a Band 4 post on two occasions and have therefore advertised for an additional Band 3, 1.0 WTE post for 12 months, with a view to train from within.
- Gynaecology - A Senior Clinical Fellow commenced in July 2022.
- Breast
 - One new Breast surgeon has joined the team along with a Breast radiologist.
 - An onco-plastic surgeon will start mid-August 2022.
 - Plans to install and commission the 2nd mammogram machine at Singleton are being worked through with the aim to make this serviceable as soon as possible.
- Further WLIs agreed and held across services including urology, plastic surgery
- Radiology - Continue to outsource scans for reporting

South West Wales Cancer Centre (SWWCC) Regional Strategic Programme (RSP)SWWCC

RSP was established in Q1 21/22 to support the development and delivery of regional cancer services in South West Wales. The SWWCC RSP agreed to develop a Strategic Programme Case (SPC), the overall purpose of which is to describe and re-affirm the Health Board's regional commitment to developing (and securing investment as required) to make the SWWCC on par with Velindre Cancer Centre, ensuring patients in the south west region of Wales have equitable access to, and outcomes from, oncology treatments and services.

The latest SWWCC RSP meeting took place at the end of July 2022. The key discussions were as follows:-

- Progress / actions agreed by Radiotherapy 5th Linac working group, established 11th July;
- Progress/ actions agreed by 2nd Computed Tomography Simulator (CT Sim) working group, established 11th July;
- Key issues and next steps required to progress with development of Oncology Outpatients regional service model;
- Progress with developing main 'product', the SWWCC SPC;
- Proposal to amend final completion/ approval of SPC (through formal HB governance) from September to December 2022 - **requesting approval by A Regional Collaboration for Health (ARCH) Strategic Development Group (SDG) in terms of approach.**

Radiotherapy

1. 10 Year RT Infrastructure Plan to WG

Submitted to WG on 1st July 2022 as one submission from SWWCC (i.e. on behalf of both HBs); approved by SBUHB Management Board 29th June 2022 and HDdUHB Executive Team 29th June 2022

2. 5th Linac Working Group

Purpose to define the approach for inclusion in the SPC. The group would not be answering the question about the 5th Linac site at this point. Group agreed indicative timescales for the 5th Linac and actions as follows:

- *Confirm the Site Options (the shortlist)* - broadly four options for sites
- *Develop Assessment Criteria*
- *Develop 'proposals' for the development and each of the options*

3. 2nd CT Sim Working Group

Quantify the revenue impact of 2nd CT Sim development (indicated as required in 2023/24), for agreement by both HBs before development is included as regional capital priority in next IMTPs/3 year HB Plans or progression to business case stage. Site of the 2nd CT would be in the SWWCC due to the need for the development to be in situ (as close as possible to) 2023/24, and this does not align with the 5th Linac development timelines. Actions as follows:

- *Initially work up 2nd CT Sim service model requirements*
- *Significant **non pay tail**, needs to be considered and included in the proposal.*
- *Quantifying revenue / **determining contributions from Health Boards***

Oncology Outpatients

Key issues

- Increasing demand for oncology services and challenges in meeting the current demand
- Scale of geographical challenge – regional delivery across entire South West Wales area to provide 'care closer to home' using 'visiting' consultant oncologists from SBUHB to HDdUHB (in high volume tumour sites).
- Physical capacity limitations of existing clinic space on acute sites.
- Unsustainable model and ways of working – significant workforce fragilities and service inequities becoming increasingly clear.

Future model (big ticket opportunities)

- **Location** - Need to expand clinic space– explore 'off site' clinics geographical challenges. agreed current model unable to continue to deliver the same across ALL hospital sites across region as this is unsustainable.
- **Workforce** - increase clinical oncology consultant workforce to provide additionally/ cross cover opportunities and to aid succession planning. Bolster workforce/address capacity shortfall through adoption of new roles/ scope of roles.
- **Digital/Equipment** - Continue to offer flexible clinic options for all patients. Also adopt one single digital dictation system.

Service Planning

Detail provided by tumour site groups on plans required to deliver future visions, on basis of Years 1-3, Year 4-5 and Years 6-10. Limited responses to Year 6-10 planning, this reflects challenges in horizon scanning for oncology services due to the rapid pace of change. Key messages from tumour site groups:-

- Change needs to happen
- Workforce Planning - KEY
- Digital can be an enabler

Next Steps

- Need to agree clear model for oncology outpatients regional delivery. SPC should be used to set out approach
- Approach to be informed by learning from other cancer centres with similar geographic profile
- Significant programme of engagement/ consultation likely required due to major service changes anticipated for HDdUHB patients particularly. Requires specific engagement with CHC (particularly for Hywel Dda area) as soon as possible.
- Proposed approach discussed – establish rolling programme for developing model by tumour site, to be clinically/ operationally led with key support from strategic planning, workforce planning and colleagues with expertise in demand and capacity modelling. Lung suggested as first tumour site priority due to operational pressures compounded by imminent retirement of consultant clinical oncologist (in December 2022)

Developing the Strategic Programme Case (SPC)

- Draft SPC document commenced with first review. Agreed for aim to fully populated Strategic Context and Case for Change sections by 31st August.
- Stakeholder Engagement Session taking place 10th August – clinically led session, invites sent to Velindre Cancer Centre (VCC), WG/ NWSPP, CHC reps for SBUHB/HDdUHB/Powys and Assistant Directors of Planning (ADOP) representatives from HBs.
- Final approval through ARCH/ HB governance by September 2022.
- Further work required to inform Radiotherapy and Oncology Outpatient sections of SPC – limited capacity to fully complete over summer period due to scope/ scale of work in addition to operational pressures impacting on ability of clinical/ managerial colleagues to support this.

OUTSOURCING/INSOURCING – Independent Sector Contracts

2022/23 Contracts post June

As mentioned in previous reports, the contracts are drawing to a close, however the intention is that outsourcing will continue as soon as funding is made available from WG.

Framework Agreement for the Provision of Insourcing / Outsourcing Clinical, Surgical and Diagnostic Procedures

The current All Wales framework agreement was established by NHS Wales Procurement Shared Services Partnership (NWSSP) as a means of supporting HBs to achieve the Referral to Treatment (RTT) targets of 26 weeks and/or provide additional capacity to meet service demand in a compliant and timely manner. The scope of the framework covers a wide range of major diagnostic and clinical services potentially required by Health Board. There are 26 providers on the framework, which are split into the following Lots:

- Lot 1 Outsourcing.
- Lot 2 Insourcing which is sub-divided (Lot 2a) with equipment/infrastructure (Lot 2b) without equipment and infrastructure

The framework commenced on 1 August 2018 and was due to expire on 31st July 2022, however as a result of the complexities in the amendments required it was not possible to deliver the new agreement by 1 August 22 and so additional time is required before the tender can be issued. As such, the existing agreement has been extended at risk, in line with regulation 72 (1)(b), until 31st March 2023.

A project team was established in April 2021 which consists of representatives from all Health Boards including procurement, finance, clinical colleagues. The project team came to a consensus agreement that a renewal exercise should be undertaken whilst also allowing for some modifications to the way in which these services are commissioned.

Preliminary Market Engagement

A virtual Market Engagement event was held in October 2021 in which existing framework providers and potential bidders were in attendance along with representatives from the HBs. A presentation was given to advise the market of the intentions to renew the agreement with a view of obtaining feedback.

Areas of discussion that were covered at the event included;

- Pricing model
- Updated lotting structure
- Call off process

Modifications to the Framework Agreement

Facility Only

The project team identified a need to include a “facility only” lot in which NHS staff could utilise the premises of the private healthcare providers to increase capacity. Welsh Risk Pool have been involved in discussions to ensure that NHS staff are covered in terms of indemnity when carrying out procedures in a private healthcare setting. Due to the number of variables that may come with using this lot, it has been sub-divided into:-

Lot 3 - the use of the facility, equipment and consumables

Lot 3+ - same as lot 3 with additional requirements, such as clinical staff, admin staff, high-cost consumables, and specialist equipment, being specified at call of stage.

ISO27001 Accreditation

The HBs requested the ability of framework providers, in particular Outsourcing providers, to have greater access to update NHS patient records to reduce the transfer of paper files. Going forward there will be an inclusion within the tender for bidders to demonstrate they have ISO27001 accreditation and will set up a code of connection at call of stage to allow them access to NHS systems in a secure manner.

Pricing Model

Lot 1 Outsourcing – Different pricing models for different routes to market. For the mini competition route, the existing pricing model will remain in place. To enable a direct award, bidders will be required to submit a set percentage to National Tariff for each discipline area; this will lock in their prices at call off stage and enable bidders to be ranked on pricing to enable a direct award.

Lot 2 Insourcing - Different pricing models for different route to market. For the mini competition route, bidders will be required to submit pricing at tariff level or a minus percentage. Prices will then be evaluated at call off against the agreed evaluation criteria. To enable a direct award, bidders will be requested to submit the same detail as above – Lot 1 direct award pricing mechanism.

Lot 3 Facility including all equipment and consumables - a daily rate for their theatre space, this can be ranked based on pricing and allow a direct award as well as a mini competition.

Lot 3+ Facility plus clinical staff, admin staff, high-cost consumables, and specialist equipment - determined at call off stage, therefore the only option will be mini competition.

Framework Refreshes

To remain as annual refreshes

Social Value

Bidders will be required to submit responses in relation to the following areas;

- Well-Being of Future Generations Act
- Foundational Economy
- Carbon Footprint

It has been agreed that a 15% weighting will be applied to the Social Value criteria with successful providers scores being carried over to the mini competition stage. Framework providers will be given an opportunity to improve their social value position on an annual basis.

Community Benefits

Facilities proposed are required to be within a reasonable proximity to Wales. A provider must consider the ability of the patient to travel to the facility, the proximity of any support required from the family and/or clinical support staff from NHS Wales. The project team will look to incorporate some elements of non-core community benefits within the Social Value criteria to ensure, where possible, it is captured.

Contract Analysis / Proposal

Tender Type

- Lot 1 Outsourcing.
- Lot 2 Insourcing which is sub-divided (Lot 2a) with equipment/infrastructure (Lot 2b) without equipment and infrastructure.
- Lot 3 Facility lot which will be subdivided into Facility - including all equipment and consumables (Lot 3) and Lot 3+ which is all services covered under Lot 3 plus clinical staff, admin staff, high-cost consumables, and specialist equipment to be determined (priced) at call off stage (Lot 3+).

Term of Contract

Proposal that the framework agreement will have an initial term of 4 years commencing on 1st April 2023 with an option to extend for up to an additional 4 years.

Supplier Selection

Respondents to the contract notice will complete an open tender process which will require the completion of the qualification, technical and commercial envelopes within the Bravo e-Tender portal.

NWSSP Procurement Services will undertake an initial review of the qualification responses; those bidders that pass all elements at qualification stage will then pass through to the technical evaluation. An evaluation panel will be formed to consist of representatives from the Health Boards to allow all bids to be scored in line with the evaluation criteria. All bids that pass this stage will be accepted on to the framework agreement

Award Criteria

Awards onto the framework agreement will be made to suitably qualified providers who will meet the requirements of the qualification and technical stages.

Evaluations will be undertaken at the tender stage to ensure that all bidders can meet the requirements as set out in the Invitation to Tender (ITT).

Evaluation Criteria	Weighting
Quality	
Facility / Resources	Pass / Fail
Clinical Performance/Regulatory requirement	Pass / Fail
Protocols	Pass / Fail
Service Levels	Pass / Fail
Compliance	Pass / Fail
Cyber Security	Pass / Fail
Social Value	15%
Price	Not scored

There are a series of pass / fail questions and elements of each evaluation area where the bidders must provide evidence that they can meet the requirement. Successful bidders would need to register a pass in all elements of the technical evaluation to be accepted onto the framework.

Social value is embedded within the evaluation criteria. The percentage attributed to a bidder's response at framework level will then be used at call off stage by the Health Board therefore 15% would have already been allotted due to the framework evaluation.

Commercial

As detailed above, the pricing model varies depending on the lot; however pricing will not be scored as such at framework level, although for lots 1, 2 and 3 providers can submit price by which they will be ranked to allow for a direct award at call of stage

Contract Management

Health Boards will be required to provide annual spend against the framework which will then be reported to WG.

Monitoring will also be undertaken to ensure that agreed service levels are safe and effective and that expected outcomes are being met.

The Health Boards will manage the call off contracts based on their Key Performance Indicators (KPIs) and reporting requirements determined at call off stage. The Commissioning team will

manage the overarching framework agreement ensuring that the providers maintain the certain level of insurances, Cyber Security, CQC / HIW registration.

Communications

A preliminary market engagement event was carried out in October 2021 in which new and existing providers were invited to a presentation to understand the intentions of the project team moving forward. There was then an opportunity for the market to feedback and raise any queries both in a public forum and on an individual basis. A Frequently Asked Questions (FAQ) document and recording of the event has been issued to all attendees. A final position, following the completion of the tender documents, will be communicated to all attendees in advance of the tender going live on the e-Tender Wales portal.

NWSSP Procurement Services will maintain regular communication with stakeholders to keep them informed of the process along the way. In addition, NWSSP PS will be on hand to offer support and advice to HBs at the call off stage.

Argymhelliad / Recommendation

The Sustainable Resources Committee is requested to discuss the content and note the mitigating actions detailed in the Healthcare Contracting, Commissioning and Outsourcing Update report.

Amcanion: (rhaid cwblhau)	
Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.3 Scrutinise the roll out of Value Based Health Care (VBHC) through outcome capability and costing assessment (PO 6B, 6D, 6E, 6F). 3.4 Scrutinise the delivery of the Health Board's approach to community wealth building and foundational economy opportunities (PO 6H). 3.7 Maintain oversight of, and obtaining assurances on, the robustness of key income sources and contractual safeguards. 3.8 Review major procurements and tenders, such as outsourcing, in relation to achieving Referral to Treatment targets. 3.9 Commission regular reviews of key contracts, suppliers and partners to ensure they continue to deliver value for money.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	5.1 Timely Access
Amcanion Strategol y BIP: UHB Strategic Objectives:	4. Improve the productivity and quality of our services using the principles of prudent health care and the opportunities to innovate and work with partners.

Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail dystiolaeth: Evidence Base:	Contained within the report
Rhestr Termiau: Glossary of Terms:	Contained within the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	A version of this report was shared with Quality, Safety and Experience Committee

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	The financial implications are contained herein
Ansawdd / Gofal Claf: Quality / Patient Care:	Not Applicable
Gweithlu: Workforce:	Not Applicable
Risg: Risk:	Not Applicable
Cyfreithiol: Legal:	Not Applicable
Enw Da: Reputational:	Not Applicable
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	Not Applicable