

Recommissioning Drug and Alcohol Services

To: Adults and Health Committee

Meeting Date: 5 October 2022

From: Director of Public Health

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2022/066

Outcome: The Committee is asked to consider the options, along with their context and rational, for the recommissioning of Integrated Drug and Alcohol Treatment Services and agree the approach for the development and procurement timeline for the new services.

Recommendation: Adults and Health Committee are asked to agree:

- a) That the current providers of both the adult and children and young people's drug and alcohol treatment service continue to provide services for a further two years after the end of their contracts on March 31, 2024, until March 2026; in line with Public Contract Regulations (2015)) and advice received from the Head of Procurement and Commercial and Peterborough Legal Services.

If Committee does not support these extended contractual arrangements, it is asked to agree the following:

- a) A competitive procurement to commission adult and children and young people's Drug and Alcohol Treatment Services
- b) Subject to approval by Peterborough City Council; to jointly commission the Drug and Alcohol Treatment Services with Peterborough City Council.
- c) Subject to approval by Peterborough City Council; to jointly commission the adult and children and young people's Drug and Alcohol Treatment services as an integrated service.
- d) A contract start date of the 1 April 2024, a duration of 5 years plus 1 plus 1-year options; up to a total value of £59,539,368 (CCC&PCC joint contract).

- e) Subject to approval Peterborough City Council to Delegate Authority to Cambridgeshire County Council to act as lead commissioner and undertake the procurement and ongoing contract management.
- f) Authorisation of the Director of Public Health, in consultation with the Chairman and Vice Chairman of the Adult and Health Committee to award a contract to the successful provider subject always to compliance with all required legal processes.
- g) Authorisation of Pathfinder Legal Services Ltd. to draft and complete the necessary contract documentation.

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1. Background

- 1.1 The current adult and Children and Young People's (CYP) Drug and Alcohol treatment service contracts in Cambridgeshire will end on March 31, 2024. All possible contract extensions will have been exhausted and therefore services will require re-commissioning.
- 1.2 Currently Cambridgeshire County Council (CCC) and Peterborough City Council (PCC) commission these services through separate contracts. Historically the ambition has been to align the endpoints of the contracts in both areas to enable a joint commissioning exercise across the two local authorities.
- 1.3 The current CCC Adult Integrated Drug and Alcohol Treatment provider is Change Grow Live (CGL), a large third sector organisation and one of the market leaders in this sector. The contract commenced on the 1st of October 2018 and ends 31 March 2024. The contract has been extended by 2 years within the terms of the contract (3.5+1+1).
- 1.4 The Service provides all elements of substance misuse treatment including early intervention advice and support, pharmacological treatment, harm reduction services, pharmacy delivered services (including needle and syringe programmes), psychosocial support, recovery support, community/inpatient detox, and residential rehabilitation. Under the last recommissioning exercise in 2017/18, the Cambridgeshire adult treatment service was completely re-modelled to include a psychology led therapeutic delivery component as well as an innovative co-produced peer led community recovery service.
- 1.5 The Cambridgeshire Children and Young People's substance misuse service is contracted via a Section 75 agreement with the Cambridgeshire and Peterborough NHS Foundation Trust (CPFT). The Section 75 agreement commenced on 1st July 2019 for an initial 3-year term with the original expiry date of 30th June 2022, the Section 75 has been extended to bring the contract in line with the adult drug and alcohol treatment contracts which terminate on 31 March 2024. The service known as CASUS, provides specialist substance misuse treatment for children and young people across Cambridgeshire, delivering an integrated model of treatment (mainstream and criminal justice provision).
- 1.6 PCC also commissions CGL to provide the Drug and Alcohol Service in Peterborough through a contract that commenced on April 1, 2016, for an initial five-year term with three one-year extension periods (total 8 years). All the extension clauses will have been utilised on the 31 March 2024. This is an 'all age' service providing all elements of substance misuse treatment to children, young people, and adults across Peterborough
- 1.7 Historically the ambition has been to align the endpoints of the CCC and PCC contracts in both areas to enable a joint commissioning exercise and contract across the two local authorities, which has been achieved. However, there are recent contextual funding and contractual changes that demand a review of the commissioning/contractual options to determine the commissioning timeline and approach. In addition it has been recognised that a new needs assessment was desirable as the last one was undertaken in 2016.

2. Main Issues

- 2.1 All adult and CYP drug and alcohol treatment services contract end dates commissioned by Cambridgeshire County Council and Peterborough City Council have been aligned to end on the 31 March 2024. The intention being that a joint procurement across both local authorities that included adult and CYP services could be undertaken with a new service commencing on April 1, 2024.

However, the landscape has been altered by three key changes that driving the recommendation to delay the recommission and new contract start date until 1 April 2026. :-

- 1) Additional central government grant funding
- 2) Changes to the Procurement Regulations
- 3) A recently commissioned Drug and Alcohol Needs Assessment

These changes are described in more detail below.

2.2 Additional Grant Funding

The funding for Drug and Alcohol services is complex and includes not just core funding from the Public Health Local Authority Grant but additional local and national funding. The additional funding from different sources reflects the high and complex needs of service users. Table 1 details the complexity of the funding. The additional local funding for Family Safeguarding and Prevention is for dedicated staff to work with the families of service users to prevent children and other family members engaging in substance misuse and to identify any safeguarding issues. The Office of the Police and Crime Commissioner provides funding to enable closer working and stronger pathways between the Criminal Justice System and the services.

In addition there have recently been numerous grants from Central Government that have increased the value of the contracts significantly. The value of the original CGL contract for the full 5.5-year term was £26,730,660. The contract variations made during the life of the contract total £4,149,338. Most recently this has included the new national Office for Health Improvement and Disparities (OHID) Supplementary Grant and Rough Sleeping treatment grants. With these added the total contract value is £30,879,998 million.

Table 1 does not include the CYP CASUS contract. Its annual contract value is £394,933 per annum, with a value of £1,184,637 for the first three years of the Section 75. Its extension until March 31, 2024, gives a total value of £1,908,680 for the whole period.

Table1: Funding Profile for Drug and Alcohol services in Cambridgeshire

Funding streams	2022/23 (£)	2023/24	2024/25	2026/27	Assumptions
Local Funding Streams					
Core Public Health (inc CYP)	5,076,787	5,076,787	5,076,787	5,076,787	No savings uplifts
Family Safeguarding & Prevention	229,605	229,605	Ongoing funding not confirmed	Ongoing funding not confirmed	No change
Office of the Police and Crime Commissioner	94,000	94,000	Ongoing funding not confirmed	Ongoing funding not confirmed	No change
Additional Government Funding					
Rough Sleeper Treatment Grant (S31) Cambridge City only	480,317	459,805	Ongoing funding not confirmed	Ongoing funding not confirmed	There is some uncertainty around ongoing funding
Supplementary Treatment Grant (STG)	580,583	591,915	1,098,415	Ongoing funding not confirmed	Significant funding that would cross over new contract in 2024
STG Probation Grant	37,750	75,500	Ongoing funding not confirmed	Ongoing funding not confirmed	Funding for 24/25 not confirmed
Annual totals	6,499,042	6,527,612	6,175,202	5,076,787	

In terms of re-commissioning this creates an added complexity if the current contract end date is adhered to, as the short-term funding will cut across different contracts. The Supplementary Treatment Grant (STG) is especially challenging as the Terms and Conditions of this grant has very demanding deliverables requiring significant service developments, some involving partners. A recommission two thirds of the way through the grant term will disrupt the services both through the current provider preparing to tender and the potential of new provider which usually brings a period of instability and fall in performance. There are very precise requirements on how the grant is spent and there is caveat that it will be withdrawn if there is any reduction in drug and alcohol investment during the grant period.

2.3 Changes to the Procurement Regulations

In a local authority the usual approach to tendering for a commission of this scale would be a competitive procurement. However there will be new regulations for the commissioning of health services that will apply to both the NHS and local authority commissioning of public health services. These will have implications for both the approach and timing of the re-commission. They were scheduled to be introduced during 2022/23 but have been delayed. Currently not all of the details are available but there are implications and expectations governing local authority public health commissioning. The new regulations have been discussed with procurement and legal services as there are concerns relating to potential challenges and a lack of clarity regarding the details of the new Regulations that cannot be fully answered until the full Regulatory Guidance is released. Appendix 1 provides summary of the new Regulations.

2.4 Drug and Alcohol Needs Assessment

A Drug and Alcohol needs assessment has been commissioned and is underway. This will provide insights into not just the needs but the impact of the different service models. Also as with any service recommission service user a provider consultation will take place as part of the recommission. To complete the needs assessment, undertake the consultation, and develop a report to inform the new service will be challenging as it is a complex procurement that will take up to a year to eighteen months to complete.

2.5 An additional supporting factor for delay in the procurement is the performance of the adult and CYP services. Drug and Alcohol Treatment services for both adults and CYP have wide ranging national and local performance reporting requirements. These are varied but core are indicators that relate to completion of treatment/recovery and proportion of service users who return to the services. There are also indicators that capture wider physical and mental health, criminal justice, employment, and housing issues. The Services also play a role in supporting the Health and Wellbeing Board mental health strategic priority. Overall CGL and CASUS performance is good and is not a barrier to these organisations continuing to provide the services for an extended period.

2.6 As described above, the initial timeline for re-procurement would see a contract award in October 2023 with a new contract starting on April 1 2024. However, this timeline is compromised by, in summary:

- the complexities and uncertainties of the new grant awards that would cut across two contracts which would exacerbate the destabilisation of the services associated with procurements
- the changes in the Procurement Regulations with implications that are as yet not clarified
- the completion of the needs assessment and identification of any implications for the new service
- the absence of any concerns relating to performance of the services.

These factors support current contractual arrangements being maintained for a further two years with a new service starting on April 1, 2026. This recommendation is supported by the good performance record of the all services that would be included

2.7 The feasibility of continuing to contract with the current provider has been discussed with the Head of Procurement and Commercial who has confirmed that it is line with Procurement Regulations.

2.8 An options appraisal has been undertaken (using the criteria below) where a delay in commencing the procurement had the highest score.

1. Support the delivery and maximisation of the drug and alcohol treatment service deliverables
2. Services better able to address need and creatively develop quality services to address them
3. Supports collaborative working across the system to improve service and wider outcomes

4. Support services that are cost effective
5. Will not prompt any legal and/or procurement challenges

Below are three tables that appraise the different options using the above criteria. Options are scored 1-5 against the criteria. With 1=lowest score and 5= highest score.

Table 2 Procurement Timeline options

	Appraisal Criteria	Re-commission for a new service to commence April 2024	Score	Delay competitive tendering process with a new contract commencing April 2026	Score
1.	Support the delivery and maximisation of the drug and alcohol treatment service deliverables	Unable to fully demonstrate the impact of additional funding and the additional opportunities it affords.	2	Able to develop new models of working through use of the grant funding through a prolonged period of stability	4
2.	Services better able to address need and creatively develop quality services to address them	New grant funding contributes to understanding of need and how it is best addressed. Disruption for service users and staff mid-grant will impact on service development and evaluation. Risk of low staff retention.	2	This would give the grant period to consistently assess and evaluate the impact of the grant funding and meet its terms.	4
3.	Supports collaborative working across the system to improve service and wider outcomes	Drug and Alcohol Services revolve around partnership collaborative working. The grant funding supports greater partnership working and this would disrupt these developments. The new interventions will not have been fully evaluated and opportunities to improve services through collaborative working would not be fully realised. Risk of not meeting terms of the grant	2	The grant funded developments related to partnership working could be fully evaluated without the disruption created by a procurement	4
4.	Financial: Support services that are cost effective and will prompt any financial challenges	Cost-effective evaluation of the grant funded services would be interrupted through different costing models.	2	Enables impact of grant funding to undergo a full cost-effective analysis. There would be greater clarity about what is now an uncertain funding landscape after 2025. Ability to develop new service model based on a stable consistent funding envelope.	4
5.	Will not prompt any legal and/or procurement challenges	A new contract established through a competitive procurement would fit current local authority regulations and avoid the risk of challenge through any extension Realisation of savings Opportunity for transformation	4	The new legislation relating to the procurement of health services has been delayed but likely to be enacted during the procurement period. A later procurement would enable a fuller understanding of the implications and opportunities arising from the new procurement legislation	2
	Score totals		12		18

2.9 Recommissioning a new contract with start date April 1, 2024

However there are other decisions that require Committee approval prior to a recommission. They are considered here as they will require sign off if Committee does not approve the delay in recommissioning with a new contract start of April 2024.

- 2.10 As described above strategic commissioning direction was to jointly commission Drug and Alcohol Treatment services jointly with PCC. In view of changing commissioning landscape an options appraisal approach was adopted using the same criteria used for the procurement timeline. The outcome was that they had similar scores as shown in Table 3 below.
- 2.12 The separate CGL contracts in CCC and PCC have some scope and delivery differences. The most significant difference is that in Cambridgeshire the CYP Service is provided by Cambridgeshire and Peterborough Foundation Trust (CPFT), whilst in Peterborough CGL provides an integrated service that includes CYP and adult services. A similar options appraisal approach has been adopted to review the different models for delivering CYP and adult services. Table 4 shows that the commissioning of CYP services jointly scored more highly than a separate service.

Table 3: Options for single or joint LA contracts

	Appraisal Criteria	CCC/PCC separate contracts	Score	Joint contract	Score
1.	Support the delivery and maximisation of the drug and alcohol treatment service deliverables	Competition for resources. Separate contracts enable delivery and reflect needs in local communities.	3	Advantage of one pool of staff, flexibility, and consistency. One governance system, avoiding duplication. Loss of granularity of need and inability to address specific requirements.	4
2.	Services better able to address need and creatively develop quality services to address them	Easier to resource according to local need and complexity.	4	More challenging to address specific needs in local communities	2
3.	Supports collaborative working across the system to improve service and wider outcomes	Separate arrangements can cause duplication and confusion	2	Enables collaborative working across the system	4
4.	Financial: Support services that are cost effective and will prompt any financial challenges	Loss of efficiencies but finance envelope can be developed to meet local needs.	3	Efficiencies achievable but risk of services being too being too stretched would require careful management.	3
5.	Will not prompt any legal and/or procurement challenges	Not applicable		Not applicable	
	Score totals		12		13

Table 4: Inclusion of CYP Treatment Services in the Re-commission

	Appraisal Criteria	Adult and CYP Services integrated	Score	Adult and Children services commissioned separately	Score
1.	Support the delivery and maximisation of the drug and alcohol treatment service deliverables	Meets the needs of CYP and their families, supports safeguarding and working with children affected by substance misusing parents	4	Current provision in Cambridgeshire aligns with specialist children's mental health provision (dual diagnosis service). This would need to be built into any contract.	3
2.	Services better able to address need and creatively develop quality services to address them	CYP needs can be lost in an adult dominated service.	2	Bespoke service specification to address specialist CYP needs	4
3.	Supports collaborative working across the system to improve service and wider outcomes	Enables collaborative working across the system through links with a wide range of services.	4	Separate arrangements can cause duplication and confusion	2
4.	Financial: Support services that are cost effective and will prompt any financial challenges	CYP services require strict ring-fenced budgets which can be difficult to scrutinise.	3	Dedicated budgets according to local need and complexity	4
5.	Will not prompt any legal and/or procurement challenges	Not applicable		Not applicable	
	Scope totals		13		13

- 2.13 If the services are recommissioned for a start date in April 2024 the value of contracts would include the additional grants as detailed in Table 1. Table 5 describes the differing contract values between a 2024 and 2026 contract start and the procurement value for a five year plus 1 plus 1 contract. If the national grant funding ends the contract value will reflect the Public Health grant allocation and any local funding streams. The grant funding currently continues into 2025. If the Service is commissioned to start in 2024 the contract will contain the caveat that the contract value could fall in 2025/26.

Table 5: Contract values

	CCC Adult (Including local funding)	CCC CYP	Total	Total PCC Adult& CYO funding (Including local funding)	CCC & PCC Integrated Contract
	£	£	£	£	£
New service April 2024	36,635,924	2,764,531	39,400,455	20,138,913	59,539,368
New service April 2026	35,537,509	2,764,531	38,302,040	19,022,038	57,324,078

3. Alignment with corporate priorities

3.1 Environment and Sustainability

The following bullet point sets out details of implications identified by officers:

- The contracting decisions involved in the commissioning of these services will consider net zero to reduce carbon emissions, and include environmental criteria

3.2 Health and Care

The following bullet point sets out details of implications identified by officers:

- The services described in this paper support the delivery the four Health and Wellbeing Board Strategy priorities
- The aim of services is to improve outcomes and combat health inequalities informed by needs assessment and based on population health management across the county

3.3 Places and Communities

The following bullet point sets out details of implications identified by officers:

- The needs assessment and the procurement process will include consultation with communities, stakeholders, and service users . Any service developments will reflect the findings.

3.4 Children and Young People

The report above sets out the implications for this priority in 1.6, 2.3. Table 4

3.5 Transport

The following bullet point sets out details of implications identified by officers:

- The contracting decisions involved in the commissioning of these services will include requirements to minimise travel that involves transport.

4. Significant Implications

4.1 Resource Implications

The report above sets out details of significant implications in 2.2, 2.13

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The following bullet point sets out details of significant implications identified by officers:

The proposed contract extension is permitted under Regulation 72 of the Public Contract Regulations (2015). The current contracts are performing well and the proposed extension will allow for a procurement that is fully compliant with the changed procurement processes under the Health Care Act 2022.

4.3 Statutory, Legal and Risk Implications

The following bullet point sets out details of significant implications identified by officers:

- Any implications for procurement/contractual/Council contract procedure rules will be considered with the appropriate officers from these Departments and where necessary presented to the Adult and Health Committee before proceeding.

4.4 Equality and Diversity Implications

The following bullet point sets out details of significant implications identified by officers:

- The Drug and Alcohol services are commissioned as universal services. Many services users are vulnerable and experience health inequalities. Staff in the services are especially aware of diversity and inequalities. They are trained to understand some of the barriers that some groups face.

4.5 Engagement and Communications Implications

- The needs assessment and procurement consultation will inform service developments will include consultation with stakeholders and the CYP Committee.
- The CYP Committee will be asked to approve the commissioning related to CYP services.

4.6 Localism and Local Member Involvement

The following bullet point sets out details of significant implications identified by officers:

- We will work with local members to champion and promote the service at a local level and to identify any barriers to access and uptake.

4.7 Public Health Implications

- The report above sets out details of significant implications in 1.4, 1.5, 1.6

4.8 Environment and Climate Change Implications on Priority Areas (

4.8.1 Implication 1: Energy efficient, low carbon buildings.

Status: Neutral

Explanation: Not influenced by the Service

4.8.2 Implication 2: Low carbon transport.

Status: Positive

Explanation: Contracts will include a requirement to use energy efficient forms of transport and active travel

4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats, and land management.

Status: Neutral

Explanation: Not influenced by the Service

4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Status: Neutral

Explanation: Not influenced by the Service

4.8.5 Implication 5: Water use, availability, and management:

Status: Neutral

Explanation: Not influenced by the Service

4.8.6 Implication 6: Air Pollution.

Status: Positive

Explanation: Contracts will include a requirement to use energy efficient forms of transport and active travel

4.8.7 Implication 7: Resilience of our services and infrastructure and supporting vulnerable people to cope with climate change.

Status: Positive

Explanation: These services are accessed by large numbers of vulnerable people and the contracts will require that they support their clients to understand climate change impacts and how they can minimise impact upon themselves.

Have the resource implications been cleared by Finance? **Yes**

Name of Financial Officer: **Justine Hartley 29/09/22**

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement? **Yes**

Name of Officer: **Clare Ellis 21/09/2022**

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal? **Yes**

Name of Legal Officer: **Fiona McMillan 20/09/2022**

Have the equality and diversity implications been cleared by your EqIA Super User? **Yes**

Name of Officer: **Jyoti Atri 23/09/22**

Have any engagement and communication implications been cleared by Communications? **Yes**

Name of Officer: **Matthew Hall 23/09/22**

Have any localism and Local Member involvement issues been cleared by your Service Contact? **Yes**

Name of Officer: **Jyoti Atri 23/09/22**

Have any Public Health implications been cleared by Public Health? **Yes**

Name of Officer: **Jyoti Atri 23/09/22**

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer?

Yes

Name of Officer: **Emily Bolton 22/09/22**

5. Source documents guidance

5.1 Source documents N/A

Appendix 1

Changes to the Regulations Governing the Commissioning and Procurement of Health Services

1. Introduction.

These regulations are scheduled to be introduced during 2022/23 but have been delayed. Currently not all of the details are available but there are implications and expectations governing local authority public health commissioning. This new Provider Selection Regime information is based on DHSC webinars and consultation documents to date along with advice and information from CCC Procurement (Sarah Fuller) and PCC legal (Natalie Moulton). There are concerns relating to challenges or detailed criteria etc. that cannot be fully answered until the full Regulatory Guidance is released.

2. Organisations and services subject to the new regulations

It will apply to any provider delivering healthcare services and will apply to healthcare services commissioned by local authorities as well as those commissioned by the NHS.

The new Provider Selection Regime will govern:

- integrated care boards (ICBs) when commissioning healthcare services for the purposes of the health service (whether NHS or public health)
- NHS England when commissioning healthcare for the purposes of the health service (whether NHS or public health)
- local authorities and combined authorities when arranging healthcare services as part of their public health functions
- local authorities and combined authorities when arranging NHS healthcare services as part of section 75 partnership arrangements with the NHS
- NHS trusts and foundation trusts when arranging the provision of healthcare services by other providers

The Provider Selection Regime is not intended to apply to:

- social care services when not procured alongside healthcare services in a single contract
- essential and advanced pharmaceutical services arranged under the terms of the community pharmacy contract framework (CPCF)
- procurement of goods or medicines
- non-healthcare services (for example, business consultancy, catering, hospital bedding services, public health marketing campaigns)

3. Proposed procurement options

A number of procurement options have been proposed. These will require criteria to enable any decisions to be made.

DHSC have provided some high-level criteria.

- Quality (safety, effectiveness, and experience) and innovation
- Integration, collaboration, and service sustainability
- Access, inequalities, and choice

- Value
- Social Value

More guidance is required, however it seems that decision making bodies must decide if and how they prioritise and balance the above criteria, to best reflect their intentions, and apply the regime proportionately to reflect the scale, cost and significance of the services being arranged.

4. Procurement Option 1

Continuation of existing arrangements:

This can be used in the following circumstances.

1A – the type of service means there is no realistic alternative to the current provider or group of providers

1B – alternative providers are already available to patients (for example, where patient choice arrangements allow patients to choose providers) including for core primary care services commissioned on the basis of continuous contracts (for example, where patients have the right to exercise choice at the point of registration with a GP surgery)

1C – the incumbent provider or group of providers is judged by the decision-making body to be doing a good job (in relation to the key decision-making criteria for this regime), is likely to continue to do so, and the service is not changing considerably. If decision-makers want to use circumstance 1C, they will need to establish that the service is not changing ‘considerably’, and that the incumbent provider is doing a good job.

However this route should not be used where services are new; are changing considerably; or where the incumbent is performing poorly, and other providers are available.

More guidance is needed about what this means in terms of how certain services will be classified and how to apply it in practice is required.

5. Procurement Option 2

A provider may be identified without a competitive procurement:

The commissioner would identify the most suitable provider when the decision-maker wants to use a new provider or for new or substantially changed arrangement. This is in circumstances where existing arrangements need to change considerably; where the incumbent is no longer able/wants to provide the service; or where the decision-making body wants to use a different provider and the decision-making body considers it can identify a suitable provider without running a competitive procurement process.

This will be challenge to LA procurement practice. The documentation defines the ‘health service’ as in section 1(1) of the National Health Service Act 2006 (NHS Act 2006):

“comprehensive health service designed to secure improvement in the physical and mental health of the people of England, and in the prevention, diagnosis and treatment of physical and mental illness.”

This definition refers to the NHS, and to the comprehensive health service that is provided in pursuance of the public health functions of local authorities under the 2006 Act.

In general terms, this means the rules will apply when:

- a decision-making body is commissioning or sub-contracting a healthcare service (whether NHS or public health) provided to an individual, to improve their physical or mental health
- the service is part of the NHS arrangements established under the NHS Act 2006

The intention is that this approach should be followed where the decision-making body is changing a service or existing contract, or where one of the following applies:

- a brand-new service is being arranged
- the incumbent no longer wants to or is no longer able to provide the services
- the decision-making body wants to use a different provider for any reason
- the decision-making body wants to reassess available providers (even where the services are not changing) without undertaking a competitive procurement

To use this route, decision-making bodies will need to:

- prioritise and weight the key criteria for the service in question
- use their established knowledge of available providers to give due consideration to how each performs with regard to each of the criteria
- be satisfied that they can justify that the provider they are proposing to select is the most suitable provider by reference to the key criteria
- If after doing this, the decision-making body has reasonable grounds to believe that one provider or group of providers is the most suitable (which may or may not be the incumbent), they will be able to proceed with the process to award the contract directly, in line with the transparency and scrutiny requirements

The statutory guidance will set out what constitutes a ‘considerable’ change to a service.

6. Procurement Option 3

Competitive procurement:

This is for situations where the decision-making body cannot identify a single provider or group of providers that is most suitable without running a competitive process; or to test the market.

When using this route, decision-making bodies must:

- establish what the key criteria are for the service in question, including any prioritisation and weighting

- develop these into a tender specification and formally advertise the opportunity to bid
- have regard to relevant best practice and guidance to ensure the tender process open and fair, conducted with integrity, aimed at delivering maximum benefit and value for money
- evaluate tender bids against key criteria and compare tender bids. Decision-making bodies will need to keep records of these considerations
- if after doing this, the decision-making body identifies a provider or group of providers they want to award a contract to, they may proceed with the process to award the contract in line with the transparency and scrutiny requirements