



**Cambridgeshire and Peterborough  
Clinical Commissioning Group**

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## **MEDIA RELEASE**

**10 March 2016**

### **Review of procurement, operation and termination of the OPACS contract published**

Today, the independent internal investigation on the termination of the Older People's and Adult Community Services (OPACS) contract held between Cambridgeshire and Peterborough Clinical Commissioning Group and UnitingCare LLP has been published.

The Review finds that the procurement process and financial evaluation undertaken by the CCG was robust, but that there are lessons to be learned for the CCG and for all organisations involved.

The Review concludes that the main reason for the early termination of the contract was a mismatch in the expectations of the CCG and the Lead Provider over the cost/value of the contract.

The Review makes a number of recommendations, based on its findings, for areas which should be strengthened for future procurements. These findings apply to the CCG, its advisers and other organisations involved in the procurement and evaluation. The report is intended to provide learning for the wider NHS.

Dr Neil Modha, Chief Clinical Officer at Cambridgeshire and Peterborough Clinical Commissioning Group said,

“We welcome the Review and would like to thank West Midlands Ambulance Service for undertaking the investigation.

“We are glad to see that the Review has acknowledged that the procurement process and financial evaluation undertaken by the CCG for this innovative contract was of a high standard. We have carefully considered the lessons and recommendations the Review makes. It has identified a number of lessons to be learned, by us and by the wider NHS.

“We will reflect on the findings of this Review, as well as the NHS England review when it is published, and will build the learning into our Procurement Policy.

“The innovative new model of care, which was based on seeing improvements to people’s health outcomes, and the type of organisation that was chosen to deliver services were different from the traditional NHS models. This meant that there were areas that needed additional questions to be asked or types of reassurance to be sought which were new to the CCG. However, we accept the report’s view that there was a mismatch between the CCG and UnitingCare’s assumptions relating to the finances.

“We are proud of the achievements that have already been delivered for older people’s and adult community services, for example establishing Joint Emergency and Neighbourhood Teams who can see patients quickly and support them in the community. This is the model we want to build on and we are working closely with our partners in the NHS, Local Authorities, Healthwatch and patient groups to ensure that we have a good quality, sustainable model of care moving forward. We are also working with Healthwatch organisations to contribute their community learning event in May.

“We hope that today’s Review will provide useful learning for the wider NHS, and other organisations conducting complex, high value procurements.”

Tracy Dowling, Chief Operating Officer at Cambridgeshire and Peterborough Clinical Commissioning Group said,

“Since the ending of the contract on 3 December 2015 we have been working constructively with our partners in the NHS, Local Authorities, Healthwatch and patient groups on the model for the future.

“We are committed to the model of an integrated and outcomes-based approach as we believe this delivers benefits for patients and the health system. Conversations with our partners have reiterated their support for an integrated model of care. We continue to work with our partners and staff to ensure we are able to deliver a good quality service to our patients within the resources available to us.”

Ends

### **Media bids**

There are limited interview slots between 2.15pm and 5pm on Thursday 10 March 2016. Interviews will be with Dr Neil Modha, Chief Clinical Officer.

### **Notes to Editors**

1. The Review was conducted by West Midlands Ambulance Service who are the CCG's internal auditors.
2. The Review was commissioned by Cambridgeshire and Peterborough Clinical Commissioning Group.
3. The Review is an independent report, published by West Midlands Ambulance Service.
4. The Review looked at the circumstances that led to the termination of the older people's and adult community services (OPACS) contract.
5. The CCG asked West Midlands Ambulance Service to identify learning points for the CCG and wider NHS.
6. The objective of the review was to document and evaluate the CCG's systems, processes and controls used during the procurement and management of the contract with UnitingCare in order to identify any systemic weaknesses that may have contributed to termination of the contract and to identify learning points for future procurements.
7. The Review was conducted by reviewing documents and processes held by the CCG, as well as by interviewing members of the CCG Executive Team, Governing Body and Chair. The Review also takes into account the views of local Healthwatch.
8. The Review sets out a number of contributory factors which provide opportunities for learning for future procurements. These are:
  - The timing of regulatory approval of bidders' business case and associated conditions prior to approval (Section 3.3.2)
  - Rigorous application of controls within the procurement including re-assessment of all bidders where the nature of the bidders had changed during the process (Section 3.1.6);

- No re-assessment of the particular risks proposed by the change in legal entity of the successful bidder to a Limited Liability Partnership (LLP) and not being aware of the details of the ownership agreement between the partners; Cambridge and Peterborough NHS Foundation Trust (CPFT) and Cambridge University Hospital NHS Foundation Trust (CUH) (Section 3.1.5);
- The failure to obtain Parent Company Guarantees from CPFT and CUH prior to the signing of the contract despite the engagement of external procurement and legal advisers (Section 3.1.10);
- The design of the evaluation process leading to a lack of knowledge of the of the legal entity and nature of the bidder at the time of evaluation by some of the work streams (Section 3.1.9);
- The CCG was not able to triangulate the bid with income assumptions contained within the business plan submitted by the Foundation trusts to the regulator (Monitor) (Section 3.2.4);
- Need to identify flags of concern in particular lack of access to the bidders business case, the inconsistency of the first invoice with the contract sum (Section 3.2.3);
- Ensuring early flagging of the seriousness of concerns with NHS England (Section 3.3.7); and
- Enhancements to the reporting to the Governing Body (Section 3.4.1).

The full report will be published on the CCG's website at 12pm at <http://www.cambridgeshireandpeterboroughccg.nhs.uk/pages/older-peoples-programme.htm>

### **About Cambridgeshire and Peterborough CCG**

Cambridgeshire and Peterborough Clinical Commissioning Group (CCG) is a clinically led organisation with 106 GP practices as members across Cambridgeshire, Peterborough and parts of Hertfordshire and Northamptonshire. We are the third largest CCG in England and responsible for ensuring that high quality NHS services are provided to our 929,926 patient population.

The CCG is organised into eight local groups (known as Local Commissioning Groups or LCGs). The eight LCGs are part of the wider Clinical Commissioning Group.