



*Wigan Borough
Clinical Commissioning Group*

Market Management and Procurement Strategy



DOCUMENT CONTROL PAGE	
Title	Market Management and Procurement Strategy (Oct '14)
Supersedes	Procurement Strategy November 2013
Minor Amendments	Strategy has been entirely re-written based on CCG strategy
Author	Julie Ashurst - Assistant Chief Finance Officer
Ratification	Governing Body
Application	Policy will be used by any CCG employees who are responsible for procurement
Circulation	All CCG Employees
Review	April 2016
Date Placed on the Intranet/Sharepoint: Following Approval	EqIA Registration Number 53/14

Contents

Section	Contents	Page
1	Introduction	3
2	Strategic Context - The New Landscape	3
3	Our Approach to the Healthcare Provider Selection and Procurement Strategy	4
4	How will the CCG deliver this active procurement approach?	5
5	Accountability and Authorisation	7
6	Equality, Diversity & Human Rights Impact Assessment	7

1 Introduction

1.1 This strategy document is intended to inform provider selection and procurement decisions of the CCG. It is designed to support the delivery of the Wigan Borough Clinical Commissioning Group's (WBCCG) Commissioning Plan.

1.2 This strategy has been written with current competition and procurement rules in mind and will be updated in line with any changes to UK and EU legislation. It is written in accordance with NHS procurement guidelines.

1.3 Delivery of integrated services will require a flexible approach to procurement, therefore, the CCG intend to be innovative in the way in which procurement of services is approached, whilst remaining within the current legislation and guidelines.

1.4 In line with our Commissioning Plan, we will *actively* implement provider selection and procurement processes as a means to deliver:

- Our vision for transforming healthcare in Wigan;
- The best quality services for our patients;
- The best possible value for the public purse and the budget we manage;
- More and better integration of services for the benefit of our patients;
- More care closer to home in Wigan with associated moves from secondary to primary care locations;
- An environment where providers of healthcare services;
 - Understand and embrace our vision of healthcare for the people of Wigan;
 - Work together with each other and with us for the benefit of the people of Wigan;
 - Continuously improve the quality of the services they deliver;
 - Are innovative and open to change;
- Mechanisms for closing the funding challenge we face over the next 5 years.

1.5 The strategy document must be read in conjunction with the CCG's Procurement Policy that contains the current detailed operational approach to procurement.

2 Strategic Context - The New Landscape

2.1 The CCG recognise that the delivery of integrated care for patients across Wigan Borough will require a new landscape, which covers a growing market of providers and a wider range of contracting options. Continuing to purchase like for like services from existing providers is no longer an option available to the CCG.

2.2 All parties in the health economy recognise the financial challenge ahead and the resulting need to find ways to provide services in innovative and cost effective ways, keeping in mind all current legislation.

2.3 To be an effective commissioner of health services, we have to now consider all capable providers, including both existing provider partners and new emerging

providers. This may include, but is not limited to, GP federations, the third sector, independent and voluntary sector providers of healthcare.

2.4 Through decommissioning, re commissioning and procurement, we intend to take a transformational approach to the delivery of healthcare services. This will require actively managing the development of the local provider market.

2.5 We also recognise that new ways of contracting may provide better outcomes for our transformational agenda. This could include, but is not limited to, alliance contracting (where there may be multiple commissioners or providers), sub-contracting, risk and gain share contracting and outcomes based contracting rather than traditional price and activity based contracts.

2.6 We are keen to explore and consider opportunities for utilising new and emerging contracting options and will work with our available market to develop solutions that best fit the health needs of the CCG population.

2.7 We consider that collaborative and close partnership working with potential providers is the most effective way to achieve our transformational agenda. This will require procurement options that draw on the skills of a range of providers, some of which may be new to the market.

3 Our Approach to the Healthcare Provider Selection

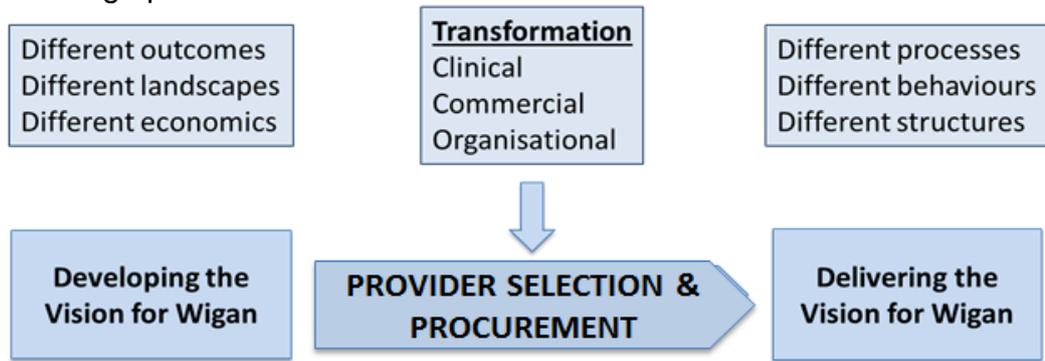
3.1 There is a clear vision for the future of health and care services for the people of Wigan:

“Health and social care services should support people to be well and independent and to take control of their own care, services should be provided at home, in the community or in primary care , unless there is a good reason why this should not be the case. All services in our Borough should be safe and of a high quality and part of an integrated sustainable system led by primary care.”

3.2 The CCG recognises provider selection and procurement as one of the tools that can drive the transformation of health services for our residents.

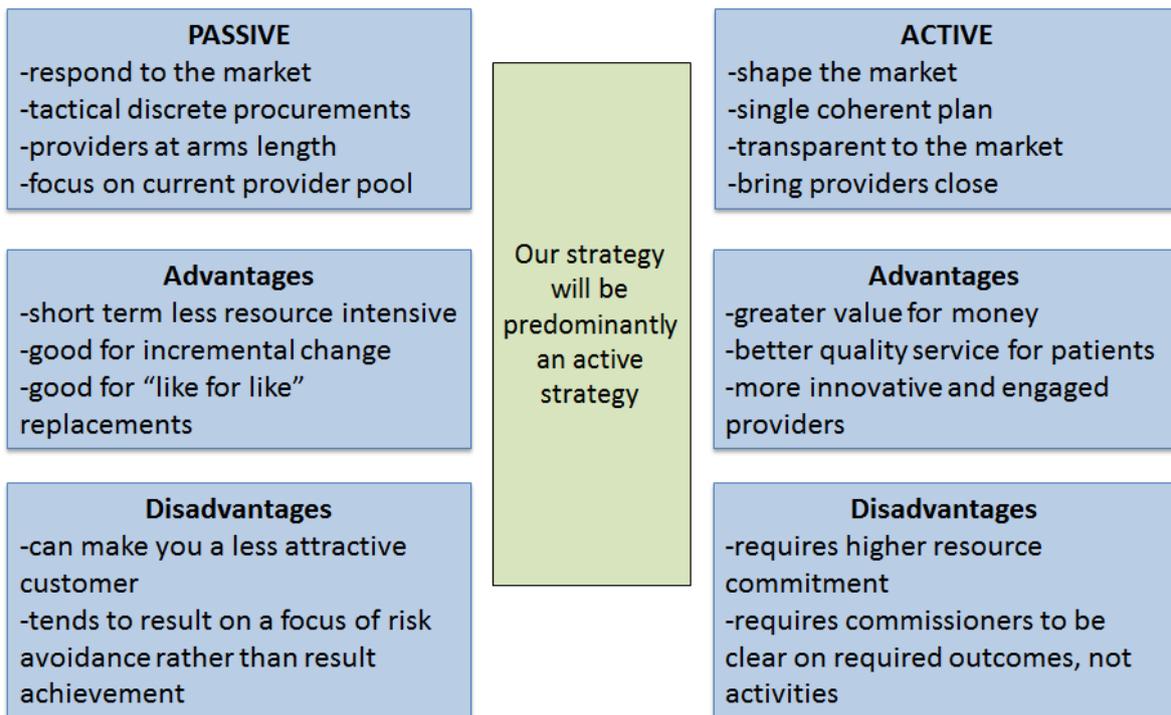
3.3 We understand that bringing major improvement and change in the way healthcare services are delivered in Wigan will require substantial and sustainable changes in the way providers operate and how we engage with them. Procurement has a key part to play on this journey.

3.4 The diagram below summarises the need for change and how this can be secured through procurement.



3.5 We are clear that provider selection and procurement is not just about running tenders. De-commissioning and re-commissioning services through a range of procurement options has the ability to transform the way services are delivered to the residents of Wigan.

3.6 **The CCG will adopt an active approach to procurement** as opposed to the passive approach. These approaches are captured in the table below.



4 Delivering an active procurement approach

4.1 To deliver the four key features of this active approach, the CCG will adopt the following behaviours.

4.2 We will work closely with our provider market, sharing plans and visions with them, regularly seeking their timely input on service redesign and reconfiguration across the whole of the provider market. Dialogue, whether competitive or none

competitive, will be a key feature of our strategy.

4.3 We will seek to involve patients, carers, clinicians and others in the design of service specifications and the selection of providers whenever possible or appropriate.

4.4 We will drive the development of our markets. To enable this we will encourage and facilitate cooperation between providers of all types and size to reduce inefficiencies and nurture new providers and provider configurations or organisations where they bring benefit to the people of Wigan.

4.5 We will utilise the full spectrum of procurement options including frameworks and competitive tendering processes that reflect best practice and legal compliance, at all times considering what is proportionate and appropriate for Wigan.

4.6 We will be transparent, fair, non-discriminatory, consistent and open.

4.7 By implementing proportionate and effective processes the CCG will make it easy for providers to engage with us, to understand our needs and to propose compelling solutions.

4.8 We will enable the participation of a wider network of providers including the third sector, local and small and medium sized enterprise (SME) suppliers. The opportunity to participate will be enabled by increasing visibility of procurement plans and by actively their participation wherever possible.

4.9 We will use competition wisely, appropriately and with rigour to improve quality, choice and value for money.

4.10 We will actively explore all possible contracting options for the delivery of services, such as alliance contracting, where this provides benefits to the delivery of the service.

4.11 We will go through a clear process for each procurement decision we make. As part of that process an appropriate tool will be used to support procurement decisions. These are detailed in the Procurement Policy.

4.12 Although this strategy covers healthcare commissioning, it does not mean that the CCG is required to tender all existing healthcare contracts. The main contracts with the CCG NHS providers go through a nationally driven contracting procedure annually, which will continue.

4.13 However, we will consider this strategy when considering whether to put certain aspects of a healthcare contract through a procurement process, if it is believed that there is a competitive market and that service delivery can be enhanced or costs reduced as a result. In these cases we will decide whether the needs are best met through a competitive tendering process or if the service can be commissioned by another means.

4.14 We will always consider proportionality when making procurement decisions, looking at the value of the contract over its life, compared to the cost, time and risk of

a full competitive procurement. This will also be balanced against the potential benefits that can be realised from procurement.

4.15 We will be mindful of the impact of our procurement decisions on the health economy as a whole. We will always ensure that decisions are in the best interests of the patient and the health economy that serves them.

4.16 All decisions on procurement will go through a full governance process culminating in Governing Body sign off. These decisions will be documented at all stages.

5 Accountability and Authorisation

5.1 The Governing Body is the authorising body for this strategy and any changes made to it.

5.2 Our Governing Body will retain ownership of procurement decisions although we may source procurement expertise and resources from outside the CCG to guide us and operationally deliver our procurement work plans.

5.3 At each stage in the procurement process the CCG will ensure that the project is authorised in accordance with the CCG's Governance arrangements which are overseen by the Audit Committee. These arrangements include the Prime Financial Policies (Standing Financial Instructions), the Scheme of Delegation and the Standing Orders.

5.4 In order to develop out of hospital services, we may wish to commission from GP providers which may present a real or perceived conflict of interest.

5.5 There is clear governance and due process within the CCG to identify and manage conflicts of interest throughout our activities but we specifically recognise the potential conflict that might arise when CCG members partake in procurement processes of the CCG as a provider of healthcare.

5.6 Any such conflicts will be managed in accordance with the CCG Conflict of Interest Policy. These will be dealt with in a transparent manner and proportionate and appropriate actions will be taken to mitigate any such conflicts which arise.

6 Equality, Diversity & Human Rights Impact Assessment

6.1 The CCG is committed to promoting Equality, Diversity Strategy 2013- 2016.

6.2 It is important to address, through consultation, the diverse needs of our community, patients, their carers and our staff. This will be achieved by working to the values and principles set out in the CCG's Equality, Diversity and Human Rights Strategic Framework.

6.3 To enable the CCG to meet its legislative duties and regulatory guidance, all new and revised procedural documents, services and functions are to undertake an impact assessment to ensure that everyone has equality of access, opportunity and outcomes regarding the activities. Contact the Governance Team for support to complete an initial assessment. Upon completion of the assessment, Governance will

assign a unique EqIA Registration Number. The CCG undertakes Equality Impact Assessments to ensure that its activities do not discriminate on the grounds of:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

6.4 Before any committee, group or forum validate a strategy, policy or procedural document an EqIA Registration Number will be required. This policy has been impact assessed EqIA 53/14.