

Log No: XX

AWARD OF CONTRACT WITHOUT COMPETITION

1. PROPOSER	
Lead Manager	Cath Granger
Lead Director	Jane Pike
Date	24 January 2014

2. SERVICE
Weldmar Hospice Care Trust Contract

3. BACKGROUND AND STRATEGIC CONTEXT
<p>The contract for Weldmar Hospice Care Trust expires 31st March 2014.</p> <p>Background</p> <p>The hospice has 14 beds of which we commission 4; however in practical terms NHS Dorset tend to use all the beds for the majority of the time. Weldmar Hospice Trust has the occasional patient from NHS Somerset. The contract includes funding for :</p> <ul style="list-style-type: none"> • Day Hospital (2,000 day care sessions) • Hospice care (4 beds equivalent to 1,460 bed nights) • Community Specialist Palliative Care Nurses (4FTE) • Education of other professionals <p>Dorset, Bournemouth and Poole</p> <p>The East Dorset Specialist Palliative Care Services – Christchurch Macmillan Unit and Forest Holme, provide care for residents of East Dorset District Council, Christchurch Borough Council, Bournemouth Borough Council, the Borough of Poole and Purbeck District Council serving a population of approximately 491,000.</p> <p>Weldmar Hospice care provides specialist palliative care services for residents of North Dorset District Council, West Dorset District Council, Weymouth and Portland Borough Council serving a population of circa 224,000 (Census, 2010).</p> <p>In addition St Margaret’s Hospice, Yeovil, provides services to a small number of North Dorset residents, while Shaftesbury residents can choose to use Salisbury Hospice and Forest Holme, again these are small numbers.</p> <p>A review of Specialist Palliative Care services provided for residents in East Dorset completed in December 2011 was followed by a review of the Bournemouth and Poole Generalist Palliative Care service which recommended a Dorset wide approach be taken to determine the model of end of life care provision to be commissioned for adults.</p> <p>Strategic Context</p> <p>The End of Life Care Review commenced in September 2013 as a priority for the Cancer and End of Life Clinical Commissioning Programme. The recommendations are to be finalised at the end of February 2014 and presented to the CCP for approval March 2014.</p>

Re-design work and procurement/contracting of end of life care provision across Dorset are prioritised for 2014/15/16 of which the specialist and community service offered by Weldmar will be an element.

4. PROPOSED CONTRACT

Proposed Provider(s)	Weldmar Hospicecare Trust
Proposed length of contract	1 year
Proposed start date	1 April 2014

5. FINANCIAL IMPACT

The CCG currently provides financial support of approximately 30% of Weldmar’s overall cost of providing the service to Dorset residents. The contractual cost in 2013/14 is:

Total £1,696,978

In addition the CCG pays prescribing costs of approximately £50,000 per annum.

6. REASONS FOR NOT SEEKING COMPETITON

The end of life care review will report in February 2014, seek approval of the Cancer and End of Life Clinical Commissioning Programme in March with the intention of progressing re-design, re-procurement in 2014/15/16.

The future model of provision will be influenced by the outcomes of the end of life care review, and the tariff pilot reporting early in 2014/15. Future provision will be looking for the integration of services and greater efficiency and co-ordination across services. The new model of end of life care provision is expected to impact across specialist and generalist palliative care providers. A better understanding of the current gaps in provision and future population needs suggest it may be advisable that the contract is extended for a further period.

At this time the market is unlikely to stimulate capacity in terms of additional hospices and could hinder quality and productivity if patients are delayed in receiving effective care through setting up another provider to work with Weldmar Hospice. It would be both costly and a lengthy process for other providers to purchase/build premises and recruit/train staff and create the good will and loyalty from volunteers which enable Weldmar Hospice to maintain their costs.

There are unlikely to be any providers who could provide the total package of hospice and community specialist palliative care at this time.

The Health Overview and Scrutiny Committee have indicated that it will be taking significant interest in the tendering process following the presentation of the Weldmar Quality accounts 2011/12. An award of contract without competition will ensure the robust review of current provision and market management to shape capacity.

7. DUE DILLIGENCE OF PROPOSED PROVIDER (ARE THEY SAFE AND FINANCIALLY STABLE)

Performance and Quality monitoring system established and in place.

8. RISKS IDENTIFIED AND MITIGATION PLANS

There is strong engagement in the end of life care review from across the health and social care community including specialist palliative care, generalist palliative care, community, primary care and the acute hospital sector. The impact of going out to tender at this stage ahead of the recommendations would negate the input of a number of providers including Weldmar having:

- Financial implications – 1/3rd current cost versus full cost of delivering service with loss of charitable contribution
- Adverse publicity – implications for patients and families, corporate image
- Loss of ‘known certainties’ – quality, staff to patient ratios, additional services, volunteers
- Loss of goodwill
- Loss of local knowledge
- Fragmentation of services/clinical communication worsen
- Competition versus co-operation/joint working and partnerships
- Capacity and workforce issues – a failure to deliver

If these services were contested other providers in the market place could offer to provide palliative care in the community. Such providers as BUPA, Healthcare at Home and Macmillan would be able to provide the specialist nursing in the home and the education however the smooth flow of information regarding the patient may be impaired and delays occur.

The risk in splitting the contract into provision of hospice care and palliative care in the community could result in discord between the hospice and the CCG and may mean that the hospice is not as supportive and co-operative when the patient enters the community. Weldmar Hospice Care Trust is extremely aware of their position as sole provider and is likely to increase costs. They are also committed to a more integrated model of provision.

9. STAKEHOLDER ENGAGEMENT AND INVOLVEMENT

The community is likely to be in favour of the contract remaining with Weldmar Trust as it is hugely supported by the residents of Dorset. There has also been considerable stakeholder engagement in the end of life care review and an expectation that this will be taken into consideration in any future procurement.

10. PROVIDER INPUT AND MARKET RESEARCH

Providers delivering end of life care are aware and engaged in the end of life care review, await the outcome and recommendations and there are unlikely to be any providers who could provide the total package of hospice and community specialist palliative care at this time.

11. INDEPENDENT SCRUTINY

The End of Life Care Review Project Board includes independent clinical advice. This has not been taken to Health and Wellbeing Board, Overview and Scrutiny at this stage.

12. CONFLICTS OF INTEREST

The lead commissioners for the service Cath Granger/ Margaret Allen have no conflict of Interest. The Deputy Chair of the Cancer and End of Life Programme - Dr Matt Phelan and Macmillan GP – Dr Paul Barker are clinical associates of Weldmar. Their interests are declared at each Cancer and End of Life CCP meeting.

APPROVAL	NAME & SIGNATURE	DATE
Approved/Rejected <£250k Chief Finance Officer <£500k Authorised Officer >£500k CCG Governing Body		5/2/14
Comments		
Further Action		

DRAFT