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Award

## **NHS South Yorkshire ICB Sheffield Place : Musculo-Skeletal (MSK) Service**

NHS South Yorkshire ICB

F15: Voluntary ex ante transparency notice

Notice identifier: 2022/S 000-031171

Procurement identifier (OCID): ocids-h6vhtk-037f05

Published 4 November 2022, 9:02am

### **Section I: Contracting authority/entity**

#### **I.1) Name and addresses**

NHS South Yorkshire ICB

722 Prince of Wales Road

Sheffield

S9 4EU

#### **Contact**

Tony Squires

#### **Email**

[t.squires@nhs.net](mailto:t.squires@nhs.net)

#### **Country**

United Kingdom

#### **Region code**

UKE3 - South Yorkshire

**Internet address(es)**

Main address

<https://www.southyorkshire.icb.nhs.uk>

Buyer's address

<https://www.southyorkshire.icb.nhs.uk>

**I.4) Type of the contracting authority**

Body governed by public law

**I.5) Main activity**

Health

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**Section II: Object**

**II.1) Scope of the procurement**

**II.1.1) Title**

NHS South Yorkshire ICB Sheffield Place : Musculo-Skeletal (MSK) Service

Reference number

SYPS/SHEFF/TS/22/93

**II.1.2) Main CPV code**

- 85100000 - Health services

**II.1.3) Type of contract**

Services

**II.1.4) Short description**

NHS South Yorkshire ICB (the 'Authority'), formerly NHS Sheffield CCG, intends to extend the contract for the Sheffield Musculoskeletal (MSK) Service without competition

until 30th September 2024 to the incumbent providers as detailed below:

Sheffield Teaching Hospitals NHS Foundation Trust, Northern General Hospital, Herries Road, Sheffield, S7 5AT

The service includes elective acute and community musculo-skeletal services and uses an outcomes-based commissioning approach for service delivery. The model includes a single point of access where patients are triaged into the appropriate service. The model also uses a separately commissioned piece of software to allow patients to make appointments, submit feedback and provide outcomes data.

#### **II.1.6) Information about lots**

This contract is divided into lots: No

#### **II.1.7) Total value of the procurement (excluding VAT)**

Value excluding VAT: £76,248,243

### **II.2) Description**

#### **II.2.3) Place of performance**

NUTS codes

- UKE32 - Sheffield

Main site or place of performance

Sheffield, South Yorkshire

#### **II.2.4) Description of the procurement**

The Authority is of the view that it is in the best interest of Sheffield residents to make a direct award of contract to Sheffield Teaching Hospitals NHS Foundation Trust for a further 18 months for three reasons:

- The South Yorkshire Integrated Care System continues to go through a period of significant transition as a direct consequence of Covid-19 and due to legislation changes in the National Health Service
- A service change during this period is very likely to destabilise the current provider organisation and have significant negative impact on Elective Recovery
- The prolonged impact of Covid 19 and subsequent service recovery efforts have

prevented adequate collection of the Outcomes Data required to enable a thorough assessment of the service model.

Further rationale supporting these points:

#### Transition

On 1st July 2022 the original contracting Authority, NHS Sheffield CCG, ceased to exist and was replaced with NHS South Yorkshire ICB. All CCG responsibilities and liabilities were transferred to the new organisation, including the Sheffield MSK Service. The ICB will continue to operate as four places, each with a funding allocation and a strategy to meet the needs of the local people. However, the legislative changes have a significant impact on how decisions are made, including stronger partnership working across the system. As the decision-making structures are in development, the Authority feels it is not appropriate to make a decision on the future MSK model until these structures are in place.

Under COVID-19 Directives the MSK contract, and the main contract for acute and community services with Sheffield Teaching Hospitals, were not in place for the 20/21 and 21/22 financial years. STH were paid a nationally mandated monthly block payment which was based on 19/20 income levels and therefore included the budget for MSK. Local contracts were reinstated from 1st April 2022, however in line with national guidance for 22/23 the South Yorkshire ICB has agreed an Aligned Payment and Incentive (API) contract with the Trust which, like the previous two years, includes a non-tariff based fixed contract value that incorporates most of the activity commissioned, including the MSK service. Further work is required to understand the impact of these changes on the MSK service before the service can be reviewed.

#### **II.2.5) Award criteria**

- Criterion: Direct award, No criteria applies

#### **II.2.11) Information about options**

Options: No

#### **II.2.13) Information about European Union Funds**

The procurement is related to a project and/or programme financed by European Union funds: No

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## Section IV. Procedure

### IV.1) Description

#### IV.1.1) Type of procedure

Award of a contract without prior publication of a call for competition in the cases listed below

- The procurement falls outside the scope of application of the regulations

Explanation:

The Authority is of the view that it is in the best interest of Sheffield residents to make a direct award of contract to Sheffield Teaching Hospitals NHS Foundation Trust for a further 18 months for three reasons:

- The South Yorkshire Integrated Care System continues to go through a period of significant transition as a direct consequence of Covid-19 and due to legislation changes in the National Health Service
- A service change during this period is very likely to destabilise the current provider organisation and have significant negative impact on Elective Recovery
- The prolonged impact of Covid 19 and subsequent service recovery efforts have prevented adequate collection of the Outcomes Data required to enable a thorough assessment of the service model.

#### Summary

The additional extension for 18 months will ensure that services remain in place for Sheffield patients while the Integrated Care System works to deliver Elective Recovery. It is the Authority's intention to review the service model during this time, with a decision to be made on the future service model by 30th September 2023 and any agreed changes transacted during the remaining contract term.

As above, the impact of COVID-19 and changes to NHS finance and contracting guidance has led to the agreement of an Aligned Incentive Payment contract between NHS South Yorkshire ICB and Sheffield Teaching Hospitals NHS Foundation Trust, which does not include a specifically agreed amount for the MSK service. The Authority has therefore estimated the value of MSK within the overall contract value using the 2019/20 agreed MSK contract value, adjusted in the same way (for inflation etc) as the overall block value was in 20/21, 21/22 and 22/23. Doing so gives an estimated 2022/23 annual value of £50,832,162. The equivalent for the 18 months 01/04/22 to 30/09/24 would be £76,248,243, excluding any uplifts that might be applied to the period 01/04/23 to

30/09/24 as and when 2023/24 and 2024/25 contract discussions are concluded.

#### **IV.1.8) Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: No

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### **Section V. Award of contract/concession**

A contract/lot is awarded: Yes

#### **V.2) Award of contract/concession**

##### **V.2.1) Date of conclusion of the contract**

26 October 2022

##### **V.2.2) Information about tenders**

The contract has been awarded to a group of economic operators: No

##### **V.2.3) Name and address of the contractor/concessionaire**

Sheffield Teaching Hospitals NHS Foundation Trust

Northern General Hospital Herries Road Sheffield South Yorkshire S5 7AU UK

Sheffield

S5 7AU

Telephone

+44 1142711900

Country

United Kingdom

NUTS code

- UKE31 - Barnsley, Doncaster and Rotherham

National registration number

RHQ

The contractor/concessionaire is an SME

No

#### **V.2.4) Information on value of contract/lot/concession (excluding VAT)**

Initial estimated total value of the contract/lot/concession: £76,248,243

Total value of the contract/lot/concession: £76,248,243

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## **Section VI. Complementary information**

### **VI.3) Additional information**

#### **Elective Recovery**

At time of writing MSK services have a significant backlog of patients with over 5,000 Sheffield patients waiting for treatment, 447 of which have been waiting over a year. The MSK single point of access model ensures that patients who have been waiting the longest are prioritised. Exiting the service model in April 2023 would result in:

- Additional pressure on already significantly challenged Primary Care services as there will be no single point of access
- Poorer patient experience as without the triage service patients will potentially be referred and re-referred to different specialties
- Increased health inequalities as new referrals could be sent directly to providers with the shortest waits while those already in the queue continue to wait 52+ weeks

Continuation of the current service affords the local system with much needed stability.

#### **Outcomes Data**

The CCG's decision to extend to March 2022 was in recognition of the positive findings of the review in relation to managing the clinical network, robust patient engagement, innovation and partnership working. A key priority for the initial contract extension term was to further develop the collection of outcomes data and its use in decision making. The activity delivered by the MSK service is Elective and therefore categorised as non-urgent. This means that clinical activity was significantly reduced during the COVID-19 response. Whilst contract standards such as the 18-week Referral to Treatment standard were still being monitored, a 'light touch' approach to contract management remained in place. Staff supporting the MSK pathways, including those responsible for contract management and provision of contract monitoring and outcomes data were redeployed to

support higher priority work. As a result, amount of outcomes data collected during this period was reduced, as was the availability of key people required to complete a review.

#### Summary:

The additional extension for 18 months will ensure that services remain in place for Sheffield patients while the Integrated Care System works to deliver Elective Recovery. It is the Authority's intention to review the service model during this time, with a decision to be made on the future service model by 30th September 2023 and any agreed changes transacted during the remaining contract term.

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## **VI.4) Procedures for review**

### **VI.4.1) Review body**

NHS Improvement

Wellington House, 133-155 Waterloo Rd

London

SE1 8UG

Country

United Kingdom

Internet address

<https://www.england.nhs.uk/london/>