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Legal experts from Mills & Reeve continue their focus on neighbourhood health, with partner **Rob Day** examining the new contractual models and the opportunities for private healthcare providers to work with the NHS



Understanding the **new routes** to market in **neighbourhood health**

Most health and care providers are now familiar with the term 'neighbourhood health'. However, a key question remains: what does it mean for commissioning, contracting and market access for independent sector providers?

Neighbourhood health aims to shift care from hospitals into communities, organise services around populations in defined geographical areas, and bring together multidisciplinary teams across primary care, community services, social care and the voluntary sector. Its ambition goes beyond service integration. It seeks fundamentally to reshape how care is commissioned and delivered.

For independent providers, understanding the emerging contractual models that aim to deliver this shift matters just as much as understanding the policy itself. The providers that recognise early how neighbourhood models are likely to be commissioned, funded and governed will be better placed to participate in future delivery arrangements and avoid finding themselves on the outside of increasingly integrated local systems.

Emerging contracting approach

The direction of travel is away from activity-driven commissioning and towards population-based, place-based models that focus on outcomes, prevention and collaboration between organisations. The neighbourhood health framework envisages neighbourhoods becoming the primary unit of delivery, supported by integrated teams working across organisational boundaries.

This shift has significant implications for providers. Rather than commissioning individual episodes of care from separate organisations, commissioners are increasingly exploring arrangements that bring multiple services

together around defined populations and shared objectives. End-to-end pathways, outcomes, prevention and system performance are becoming more prominent considerations than organisational silos.

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Implications for the independent sector

Independent and voluntary sector organisations often possess the local presence, specialist expertise and flexibility that will support the delivery of the emerging neighbourhood health service.

However, participation is likely to depend on providers showing how these strengths advance wider neighbourhood objectives. They may also need to develop broader capabilities that support a more holistic model of care and extend beyond direct service delivery.

Partnership working, shared gov-

ernance structures, workforce integration, data sharing and collaborative decision-making are likely to become increasingly important commercial differentiators. Together, these arrangements will ensure that independent sector providers work seamlessly with other organisations to deliver integrated services.

Providers will also need to adjust their commercial approach to arrangements involving shared financial risk and reward, longer planning horizons and greater accountability for population-level outcomes.

Contracting models

A particularly important development for independent providers is the current consultation by NHS England over the types of contracts that will support the delivery of neighbourhood health.¹ The consultation proposes the creation of:

- **Integrated Health Organisation (IHO)** contracts, under which designated advanced foundation trusts would coordinate care and capitated budgets across defined populations.
- **Multi-Neighbourhood Provider (MNP)** contracts, held by a trust, GP organisation or other capable provider to coordinate services across several neighbourhoods.
- **Single Neighbourhood Provider (SNP)** contracts, potentially held by a GP practice, Primary Care Network vehicle, federation or other provider to deliver additional services for a neighbourhood of around 50,000 people, alongside existing core NHS GP contracts.

In all cases, and while there may be restrictions on who can and can't hold



the relevant contracts, there appears to be no proposed restrictions on how service will be delivered. Consequently, to the extent that independent sector providers are unable to hold these contracts directly, there will seemingly be no prohibition on them supporting in the delivery of services.

What are the opportunities?

There is a genuine desire for collaborative working, and the neighbourhood health model requires a multifaceted approach to service delivery and closer integration with the independent sector. Opportunities include:

- new population-based contracts.
- greater local commissioning flexibility.
- potential for outcomes-based incentives.
- a stronger role for primary care-led providers in the wider health and care system.
- a greater role for independent providers in delivering services and end-to-end pathways, including diagnostics and preventive care.

What are the challenges?

Four issues are likely to be particularly significant:

- Lack of detail on funding, governance and accountability.
- Procurement processes could favour larger providers.
- The relationships between MNPs, SNPs, GP practices and providers in the wider health system are likely to be complex, and contractual arrangements alone will not be enough to realise the necessary collaborations.
- Existing contractual arrangements may limit efforts to deliver on the ambitions of the MNP and SNP models.

For independent providers, access to neighbourhood opportunities may increasingly depend on local relationships, established partnerships and the ability to demonstrate strategic value within an integrated delivery model. The risk is that providers that have not developed the capabilities needed for collaborative working and partnership arrangements may be excluded from holding emerging contracts.

Collaborative pathways

One of the clearest themes emerging from neighbourhood health policy is that collaboration is becoming a key delivery mechanism.

Integrated pathways, provider collaboratives, alliance arrangements,

lead-provider models and neighbourhood partnerships are all likely to play an increasingly prominent role in organising services. The objective is to create structures capable of coordinating care across primary, community, social care and specialist services while supporting the broader shift from treatment to prevention.

For independent providers, this creates both challenges and opportunities. Success may depend less on securing an individual contract and more on becoming an indispensable participant within a wider delivery ecosystem. Providers that can demonstrate specialist expertise, innovation, strong community reach, digital capability or support for prevention may become valuable partners within neighbourhood arrangements.

The independent sector has a particularly important role to play in areas such as community diagnostics, primary care support, digital health, preventative services, social care integration and pathway redesign.

While the contractual landscape continues to evolve, providers that understand emerging commissioning models, embrace collaboration and position themselves within local partnerships are likely to be best placed to benefit from the opportunities ahead.

NOTE

1 <https://www.engage.england.nhs.uk/consultation/mnp-snp-neighbourhood-provider-models/>