

Report of: The Office of the Director of Public Health

Report to: Ian Cameron, Director of Public Health

Date: 17th April 2014

Subject: Request approval for a contract variation under Contracts Procedure Rules 21.7 for the reduction of funding associated with the STI testing, treatment and microbiology service from the Public Health block contract held with Leeds Teaching Hospitals NHS Trust.

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. In April 2013 Local Authorities took the lead from the NHS for improving the health of their local communities. As responsibilities have transferred so have the budgets contracts and staff. Public Health budgets have been protected in order to drive local efforts to improve health and wellbeing by tackling the wider determinants of poor health. The funding allocations support the Governments vision of helping people live longer, healthier and more fulfilling lives and tackling inequalities in health. The Councils Office of Director of Public Health is responsible for a ring-fenced budget of £36.8m 2013/14 and £40.5M 2014/15.
2. In January 2014 a decision was taken to award an extension of the second year of the block contracts. This included the contract held with Leeds Teaching Hospitals NHS Trust. This decision was agreed as part of the Council's key decision making process.
3. The existing block contract held with Leeds Teaching Hospitals NHS Trust (LTHT) consists of a number of services. One of these services is for provision of a STI testing, treatment and microbiology valued at £4,594,820 for 2013-14 and £4,190,345 for 2014-15. It has recently been identified that a proportion of this funding is required for the provision of out of area STI testing, treatment and microbiology.

4. Through agreement with Leeds Teaching Hospitals Trust the contract has been reduced by £404,475 in order to have the correct value within the contract with Leeds Teaching Hospitals Trust and for the Local Authority to have budget to fund the out of area STI treatment, testing and microbiology. This service is provided by a range of providers across the country for Leeds residents.

Recommendations

That the Director of Public Health approves the contract variation under Contracts Procedures Rules 21.7 for the reduction of funding for the STI treatment, testing and microbiology service from Leeds Teaching Hospitals NHS Trust (LTHT) contract held with Public Health.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval from the Director of Public Health to formalise the contract variation for the reduction of the value of the STI testing, treatment and microbiology service from the Local Authority block contract with Leeds Teaching Hospitals NHS Trust.

2 Background information

- 2.1 The STI Testing, treatment and microbiology service as part of the LTHT block contract that transferred to the Council as part of the due diligence process, the Council has commissioned and funded this service during 2013-14.
- 2.2 It has been identified that this service requires a reduction in funding due to the requirement that the Local Authority process and fund its own out of area costs for STI testing, treatment and microbiology due to the NHS reforms.

3 Main issues

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Consultation has been undertaken with Leeds Teaching Hospitals NHS Trust who are in agreement that this reduction take place.

4.2 Council policies and City Priorities

- 4.2.1 This service will continue so there is no risk to patient care.

4.3 Resources and value for money

- 4.3.1 This agreement with Leeds Teaching Hospitals NHS Trust means that there are no risks to the Public Health Local Authority budget or the Leeds Teaching Hospitals NHS Trust. Both organisations will receive no financial benefit or loss due to the reduction in funding this contract.

Revenue Effects

4.4 Legal Implications, Access to Information and Call In

- 4.4.1 This decision is a key decision due to the amount of funding involved in the variation to this contract.
- 4.4.2 The provider has agreed to the variation but the due governance process is required to be completed before the actual variation can be formalised and issued.

Risk Management

- 4.4.3 There are no specific risks identified with this decision.

5 Conclusions

- 5.1 The Local Authority is currently commissioning a service which should have a reduced value due to it now being responsible for funding out of area service provision.
- 5.2 Leeds Teaching Hospitals NHS Trust has agreed that the funding should be reduced in line with the contract requirements.
- 5.3 Agreement has been reached with Leeds Teaching Hospitals NHS Trust for a reduction in the contract value from 1st April 2014.
- 5.4 Leeds Teaching Hospitals NHS Trust has been consulted and are in full agreement of this change.

6 Recommendations

That the Director of Public Health approves the contract variation under Contracts Procedure Rules 21.7 for the reduction in funding for the STI testing, treatment and microbiology service by £404,475 from the Leeds Teaching Hospitals NHS Trust block contract.