



Report of: Public Health Business Manager

Report to Ian Cameron, Director of Public Health

Date: 12th January 2016

Subject: Public Health Contracts Strategy with GPs and pharmacies for 2016-17

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 part of this process, the Council has been provided with a ring fenced public health grant which is to drive local efforts to improve health and wellbeing by tackling the wider determinants of poor health.
2. As part of the transfer to the Council, the contracts held with the GPs and pharmacies were reviewed and new contracts were awarded based on Department of Health/Local Authority terms and conditions. These contracts commenced on 1st April 2014 for one year with the provision to extend for a further period of 2 x 12 months (maximum of 3 years in total). This is the final extension period available for these 6 contracts and the extension is worth £1.63 million per annum.
3. These contracts provide locally enhanced services (LESS) directly to support people with their substance misuse, smoking cessation and sexual health. These services are required to support the mandatory and statutory public health responsibilities of the Council, and to contribute towards meeting the outcomes set out in the health and wellbeing strategy.
4. These contract extensions provide service continuity, whilst Public Health continue to work with PPPU and the provider of Integrated Sexual Health Service to implement the Directorate's strategic commissioning priorities and undertake a structured and staged approach to re-commissioning, which can be resourced effectively in order to obtain the best quality and value for money solution for the Council and the citizens of Leeds.

Recommendations

5. It is recommended that the Director of Public Health approves

- a 12 month extension to the public health contracts with the existing GP and pharmacy providers from 1st April 2016 in accordance with CPR 21.1 as per the contracts defined in Appendix 1.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval from the Director of Public Health to extend the GP and pharmacy public health contracts detailed in this report for a further 12 months expiring on 31st March 2017 (the second extension). This will be the third and final year of these existing contracts. The future commissioning intentions for these contracts is provided within this report.

2 Background information

- 2.1 On 1st April 2013, the Leeds Primary Care Trust (PCT) ceased to exist and the Public Health function transferred to Leeds City Council as set out in the Health and Social Care Act 2012. Through a Statutory Instrument under the Act functions, resources, ring-fenced budget and assets and liabilities, including contracts, transferred to the Council via two Transfer Schemes.
- 2.2 In order to ensure service continuity and compliance with the Council's Contracts Procedure Rules, Public Health worked with PPPU to ensure all contracts were reviewed and GPs and pharmacies were formally awarded contracts based on Department of Health/Local Authority terms.
- 2.3 These contracts, which are detailed in Appendix 1, were for one year from 1st April 2014 with the option to extend for a further period of 2 x 12 months (maximum of 3 years in total). This report is seeking approval for the second and final extension for these contracts.
- 2.4 These contract extensions provide service continuity, whilst Public Health continue to work with PPPU and the provider of Integrated Sexual Health Service to implement the Directorate's strategic commissioning priorities and undertake a structured and staged approach to re-commissioning, which can be resourced effectively in order to obtain the best quality and value for money solution for the Council and the citizens of Leeds.

3 Main issues

- 3.1 Current GP and pharmacy contracts provide locally enhanced services (LESs) to support people with their substance misuse, smoking cessation and sexual health. These services are required to support the mandatory and statutory public health responsibilities of the Council, and to contribute towards meeting the outcomes set out in the health and wellbeing strategy.
- 3.2 The future strategy to deliver these services is being developed through Public Health's on-going service reviews and re-procurements (Integrated healthy living service and drug and alcohol services) and discussions with the provider of the new Integrated Sexual Health Service (Leeds Community Healthcare).
- 3.3 These contracts will be reviewed in line with the expected cut to the Public Health grant over the next 5 years.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Consultation about the contract extensions has been undertaken with public health staff and the Executive Member for Health & Wellbeing.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 As part of the strategic procurement process, each new public health contract will go through an Equality Impact Assessment. There are no issues with respect to this report.

4.3 Council policies and City Priorities

- 4.3.1 Continuity of the local enhanced services supports the delivery of the outcomes of the Leeds Health and Wellbeing Strategy (for example people will live longer and have healthier lives).

4.4 Resources and value for money

- 4.4.1 These contract extensions are required to provide continuity of the locally enhanced services, whilst the Public Health directorate works with PPPU on the on-going service reviews and re-procurements (Integrated healthy living service and drug and alcohol services) and continues to undertake discussions with the provider of the new Integrated Sexual Health Service (Leeds Community Healthcare).
- 4.4.2 This approach ensures that the re-commissioning work can be resourced effectively in order to obtain the best quality services and value for money solution for the Council and the citizens of Leeds in the long term. This approach is also supportive of the Public Health strategic commissioning priority plan.
- 4.4.3 The cost of these services will be met from the Public Health ring fenced grant.
- 4.4.4 These contracts are activity based and payment is made based on the activity levels provided by GPs to meet the demands of services users therefore there is a level of uncertainty with regards to both under and over activity.
- 4.4.5 These contracts will be reviewed in line with the expected cuts to the Public Health grant over the next 5 years.
- 4.4.6 There is no increase in the unit price for these activity based services. These contracts are financially monitored quarterly based on performance returns from the pharmacy providers and information inputted onto System One by the GP providers. This means that these historic contracts have a limited ability to generate efficiency savings (e.g. there are no mobilisation costs to be removed). Officer resources have been targeted at the procurements for new integrated services, which will generate savings and efficiencies in the longer term.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Contracts Procedure Rule 21.1 allows a contract to be extended before the expiry date in accordance with its contract terms, as long as Contracts Procedure Rules have been complied with and it continues to deliver value for money to the Council.
- 4.5.2 Although there is no overriding legal obstacle preventing the extension of these contracts, the contents of this report should be noted. In making the final decision,

the Director of Public Health should be satisfied that the course of action chosen represents best value for money.

- 4.5.3 This is a key decision and is subject to Call In, there are no grounds for treating the contents of this report as confidential under the Council's Access to Information Rules.

4.6 Risk Management

- 4.6.1 There are no specific risks with respect to this report. If the contract extensions are not awarded, there would be disruption to service users, the delivery of the Council's Public Health responsibilities and the outcomes of the Leeds Health and Wellbeing Strategy.

5 Conclusions

- 5.1 The public health contracts for locally enhanced services with GPs and pharmacies (please see Appendix 1 for the full list) need to be extended for a further year in accordance with the current Department of Health / Local Authority standard terms and conditions. This will ensure continued service delivery during the on-going public health service reviews and re-procurements (Integrated healthy living service and drug and alcohol services) and negotiations with the provider of the new Integrated Sexual Health Service (Leeds Community Healthcare).

6 Recommendations

- 6.1 It is recommended that the Director of Public Health approves
- a 12 month extension to the public health contracts with the existing GP and pharmacy providers from 1st April 2016 in accordance with CPR 21.1 as per the contracts defined in Appendix 1.

7 Background documents¹

Appendix 1 – List of public health contracts with GPs and pharmacies that require a 12 month extension from April 2016

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.