

Report of Public Health Manager

Report to Director of Public Health

Date: 20th December 2016

Subject: Request to enter into interim contracts with existing Third Sector, GP and Pharmacy providers of Public Health services in accordance with Contracts Procedure Rules 8.1, 8.2, 9.1 and 9.2

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, public health budgets transferred and were initially protected in order 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 third sector, GPs and pharmacies were reviewed and new contracts were awarded based on the Local Authority/ Department of Health standard terms and conditions all of which 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). The contracts with third sector organisations deliver a range of services including older people, women's, street workers, travelers and for public mental health. The pharmacy and GP contracts provide locally enhanced services (LES) to directly support people with their substance misuse and sexual health.
3. Since the transfer, Public Health has worked with the Projects, Programmes and Procurement Unit (PPPU) to develop and implement its strategic commissioning priorities in order to 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.

4. So far, comprehensive service reviews and competitive procurements for new drugs and alcohol and integrated sexual health services have been completed and the services are already in operation. The new arrangements for Locality Community Health Development and Improvement Service and Domestic Violence and Abuse Service are in their contract mobilisation periods. The procurement for the new Integrated Healthy Living Service is reaching the final stage. The Public Health commissioning priorities for healthy child pathway, public mental health, health protection (infection control), community pharmacy supervised consumption scheme and long term conditions (NHS Health checks) are at the initial stage of scoping. There are also wider Council reviews of the commissioned services for street workers and older people locality services. Approvals to initiate formal projects for these service reviews will be obtained as required.
5. Many of the public health contracts that were transferred into the Council form part of the reviews that are nearing completion, however there are several that are within the strategic reviews that have just started or are due to. This report is seeking approval for new contracts to be awarded to existing third sector, pharmacy and GP providers to provide additional time for public health to participate in these strategic reviews of these outstanding commissioning priorities.
6. New contracts for the GP providers of the sexual health LESs are required as there needs to be a review of these services now that the Integrated Sexual Health Service (Leeds Community Healthcare NHS Trust) is operation, and this review will inform future commissioning responsibilities and service provision.
7. In addition, as a direct result of the Public Health grant cuts announced by the Government in 2015, this report also seeks a reduction in the contract value of all these contracts in line with the Public Health contracts strategy.

Recommendations

8. The Director of Public Health is recommended to approve the waiver of CPRs 8.1 and 8.2 (intermediate value procurements) and 9.1 and 9.2 (high value procurements) to award new contracts to commence on 1st April 2017 to the existing third sector, GP and pharmacy providers for the delivery of the following
 - (i) older people services in the sum of £10,300 for one year;
 - (ii) targeted sexual health services for street workers in the sum of £36,520 for one year;
 - (iii) mental health and wellbeing services (Community Development worker service and services to support BME communities) in the sum of £297,050 per annum for 6 months (with the option to extend for a period of up to 6 months);
 - (iv) health and wellbeing services for women in the sum of £60,630 per annum and support for Women's Health Matters organisation at £19,405 per annum for one year;
 - (v) travellers and gypsy services in the sum of £37,450 for one year;
 - (vi) locally enhanced services – substance misuse in the sum of £600,000 for one year;
 - (vii) sexual health locally enhanced services – Implants in the sum of £550,000 for one year and Intrauterine Contraceptive Devices (IUCD) (inc. long-acting reversible contraception (LARC)) in the sum of £365,580 for one year.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to waive Contracts Procedure Rules (CPRs) 9.1 and 9.2 (high value procurements) and 8.1 and 8.2 (intermediate value procurements) in order to enter into new contracts from 1st April 2017 with the current third sector, GP and pharmacy providers as defined in Appendix 1.
- 1.2 The new contracts are required to prevent service disruption as there are no further contract extensions available on the existing contracts and the Council's service reviews have yet to be completed.

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 CPRs, Public Health have worked with the PPPU to ensure all contracts were reviewed and providers were formally awarded contracts based on Local Authority terms and conditions.
- 2.3 The 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). Both of these extension periods have been taken up and the contracts are due to expire on 31st March 2017. The contracts with third sector deliver a range of services including older people, women's, street workers, travellers and for public mental health community support. The GP and pharmacy contracts provide LESs to directly support people with their substance misuse and sexual health.
- 2.4 As a direct result of the Public Health grant cuts announced by the Government in 2015, the Public Health Directorate has developed a contracts strategy to make the required cuts. A 5% cut was made to all Public Health directly commissioned contracts with third sector providers, which were extended using the last available extension provision from 1st April 2016 until 31st March 2017. This report also proposes a further 5% cut in the value of the interim third sector contracts.

3 Main issues

Reason for contracts procedure rules waiver

- 3.1 ***Older people services***
Public Health has 1 contract with Age UK, which delivers an information and advice service for older people. The nature of these services and vulnerability of the service users means that the future long term plans for this service are still being developed and it could possibly be aligned to other service reviews (including possibly neighbourhood networks). Therefore, a further one year interim contract is required for this review to take place.
- 3.2 ***Targeted Sexual Health Services for Street Workers***
Public Health has a contract with Basis to provide support and outreach services to improving the health of women involved in the commercial sex scene. Public Health is reviewing all their investment in contracts, which support women who are sex working. This includes the contracts managed by the Sexual Health team and Strategy and Commissioning. This work

will review options to jointly commission and develop a robust case for a conferencing approach to support women to access services such as sexual health, housing and drug and alcohol treatment, with the overall aim to keep women safe and help them to exit sex working where women wish to. Therefore, a further one year interim contract is required for this review to take place.

3.3 **Public mental health services**

Public mental health services are currently delivered by two separate contracts with Touchstone. They deliver the community development worker service, which promotes health and wellbeing of people with mental health problems and a service to improve health and wellbeing of people with mental health problems from BME communities. These services are part of the service review and procurement for a new public mental health service, with the intention to undertake a competitive procurement in line with local need. This project is currently at an early stage and is expected to take at least 9 months to complete. New six month contracts are therefore required for these services (see Appendix 1 for further information) as an interim measure including an option to extend up to a further 6 months (if necessary) to finalise the procurement process or cover any additional mobilisation period in order for service continuity before the new service is fully mobilised and operational.

3.4 **Women's services**

Women's Health Matters are commissioned through one contract to deliver an information and enquiry service for all women across Leeds, the SEEN, Enabled, Empowered & Noticed service provides health education and promotion for disabled women, and BME group work. The nature of these services and vulnerability of the service users means that the future long term plans for this commission are still being developed and could possibly be aligned to the current service reviews. Therefore, a further one year contract is required for this review to take place.

Public Health also currently funds a grant for provider infrastructure to Women's Health Matters. The funding is used to cover service delivery, management salaries and overheads, and Public Health does not receive any performance monitoring in respect to funding. This is a historical funding arrangement and the plan is to phase this arrangement out gradually, which will provide the opportunity for Women's Health Matters to identify and obtain alternative funding or develop different management arrangements. Therefore an interim one year contract with a reduced contract value is required and this has been discussed with the provider (see Appendix 1 for further information).

3.5 **Traveller and gypsy services**

Leeds Gate are commissioned through one contract to deliver community health development activity for the Gypsy and Traveller community. The nature of these services and vulnerability of the service users means that the future long term plans for these services are still being developed and could possibly be aligned to the current service reviews, and therefore a further one year interim contract is required for this work to take place.

3.6 **Locally enhanced services - substance misuse**

Under this contract, pharmacies across the city provide a supervised consumption service to ensure the safe and consistent consumption of substitute medications for opiates by patients under a medical prescription. This service is being reviewed now that the new drugs and alcohol service is operation and therefore a further one year interim contract is required. As part of this review, there will be a cost improvement plan including a review of current pricing schedule benchmarked across the region and core cities.

3.7 **Locally enhanced services - sexual health**

The Council has 2 sexual health contracts with GPs for the fitting, monitoring, checking and removal of contraceptive implants and IUCDs. These GP services require a service review as the Council's new Integrated Sexual Health Service (ISHS) is now operational. New 1 year contracts are therefore required to enable this review, which will inform future commissioning responsibilities and service provision. This will also allow time to identify any cost improvement plans, as from April 2018 these services will transfer to Leeds Community Health Care as part of the Integrated Sexual Health service contract.

Consequences if the proposed action is not approved

- 3.8 Continuity of these services is necessary to maintain progress towards meeting the public health responsibilities of the Council, and towards meeting the priorities set out in the health and wellbeing strategy. If these services do not continue, there would be disruption to service users and a risk that vulnerable service users do not receive the support and services that they need. The new services will not be in operation until their service reviews and procurements are complete and therefore this decision is sought to ensure there is no disruption to these services until the new longer term arrangements are finalised and implemented.

Advertising

- 3.9 There is no proposal to undertake a formal tendering exercise for these services due to the reasons set out in this report.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Consultation has been undertaken with the providers, Public Health staff and the Executive Member for Health, Wellbeing & Adults in regard to entering into interim contracts based on reduced contract values.

4.2 Equality and diversity/cohesion and integration

- 4.2.1 The service reviews will be subject to an equality and diversity assessment at each project stage, and therefore there are no issues in relation to this report.

4.3 Council policies and best council plan

- 4.3.1 Continuity of the identified services will support the delivery of key public health priorities, which will help to deliver:

- Vision for Leeds 2011 to 2030
- Joint Health and Wellbeing Strategy 2013 – 15
- Best Council Plan 2015 – 20
- The NHS Five Year Forward View and NHS Planning Guidance

4.4 Resources and value for money

- 4.4.1 The costs for the interim contracts are met by revenue funding (the Public Health Grant). In the light of the cuts to the Public Health grant, there will be a reduction in funding of these interim contracts (full details are provided in Appendix 1).

4.5 Legal implications, access to information and call-in

- 4.5.1 This is a key decision and is subject to Call In, there are no grounds for treating the contents of this report as confidential with the Council's Access to Information Rules.
- 4.5.2 Awarding the new contracts direct to third sector providers in this way could leave the Council open to a potential claim from other providers, to whom this contract could be of interest, that it has not been wholly transparent. In terms of transparency it should be noted that case law suggests that the Council should always consider whether contracts of this value could be of interest to contractors on other EU member states and, if it could, the opportunity should be subject to a degree of European wide advertising. It is up to the Council to decide what degree of advertising would be appropriate. In particular, consideration should be given to the subject-matter of the contract, its estimated value, the specifics of the sector concerned (size and structure of the market, commercial practices, etc) and the geographical location of the place of performance.
- 4.5.3 The Director of Public Health has considered this and, due to the nature of the services being delivered, the relatively low contract value and the requirement to be physically located in Leeds, is of the view that the scope and nature of the services is such that it would not be of interest to providers in other EU member states.
- 4.5.4 There is a risk of an ombudsman investigation arising from a complaint that the Council has not followed reasonable procedures, resulting in a loss of opportunity. Obviously, the complainant would have to establish maladministration. It is not considered that such an investigation would necessarily result in a finding of maladministration however such investigations are by their nature more subjective than legal proceedings.
- 4.5.5 Although there is no overriding legal obstacle preventing the waiver of CPRs 8.1, 8.2, 9.1 and 9.2, the above comments should be noted. In making their final decision, the Director of Public Health should be satisfied that the course of action chosen represents best value for the Council.

4.6 Risk management

- 4.6.1 Aside from the risk of service disruption and the risk of challenge detailed in section 4.5 above, which is mitigated by the circumstances described, there are no specific risks with respect to this report.

5. Conclusions

- 5.1 Since 2013, Public Health has worked with PPPU to develop and implement its strategic commissioning priorities in order to undertake a structured and staged approach to re-commissioning of Public Health Services.
- 5.2 Many of the public health services delivered by the contracts that were originally transferred into the Council form part of the on-going or completed service reviews; however there are several services that form part of the strategic reviews that have just started or are due to. This report is seeking approval for new interim contracts to be awarded to the existing third

sector providers who deliver a range of services including older people, women's, street workers, travellers and for public mental health community support. In addition, new contracts to the existing GP and pharmacy providers of LES to directly support people with their substance misuse and sexual health.

- 5.3 In addition, as a direct result of the Public Health grant cuts announced by the Government in 2015, this report also seeks a reduction in the contract value of all the third sector contracts in line with the Public Health contracts strategy.
- 5.4 These new contracts will be offered on Local Authority or Local Authority / Department of Health standard terms and conditions, a review of performance measures will take place and implemented to ensure robust performance monitoring takes place in order to ensure the Council receives value for money.

6 Recommendations

- 6.1 The Director of Public Health is recommended to approve the waiver of CPRs 8.1 and 8.2 (intermediate value procurements) and 9.1 and 9.2 (high value procurements) to award new contracts to commence on 1st April 2017 to the existing third sector, GP and pharmacy providers for the delivery of the following
- (i) older people services in the sum of £10,300 for one year;
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7. Background documents

Appendix 1 – Contract details

