

**Health Directorate**
**Report to Ian Cameron, Director of Public Health**
**Date: September 2019**

**Subject: To request approval to waive Contracts Procedure Rules 9.1 and 9.2 to purchase two FibroScan machines from Echosens UK Limited to the value of £179,929.00, to support the Leeds Community Hepatology Programme using the authority set out in Contracts Procedure Rules 1.3.**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<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
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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**Summary**
**1. Main issues**

- In November 2018, Public Health England announced the availability of up to £6 million capital funding for alcohol treatment services in 2019-20. The funding was made available to help local authorities better meet the needs of individuals requiring alcohol treatment. The Public Health team in Leeds City Council has been successful in their grant application.
- The capital investment will be used to purchase two portable FibroScan machines, to be loaned, free of charge, to Humankind Charity, until the end of their current contract (DN210921) with Leeds City Council to provide Leeds integrated drug and alcohol service. The machines will be used to screen service users for early stage liver disease, to improve identification and referral into appropriate treatment services. There will be a loan agreement in place between Leeds City Council and Humankind Charity, as this sits outside of their existing contract, under separate terms and conditions – as advised by PACS Procurement.
- The development of such provision is a key priority in the forthcoming Leeds Drug and Alcohol Strategy and Action Plan 2019-24 and has the support of commissioners in the Adults and Health Directorate.
- Echosens UK Limited are the only company who manufacture FibroScan machines.

**2. Best Council Plan Implications** (click [here](#) for the latest version of the Best Council Plan)

- The Community Hepatology Programme that the FibroScan machines will support directly contributes to the Best Council Plan, particularly in relation to priorities around reducing health inequalities.

### **3. Resource Implications**

- As the capital investment was an award from Public Health England, there are no additional resources implications.

### **Recommendations**

- a) The Director of Public Health is recommended to approve the waiver of Contracts Procedure Rules 9.1 and 9.2 - High Value Procurements using the authority set out in Contracts Procedure Rules 1.3, and to award Echosens UK Limited an order for the purchase of two FibroScan machines to the value of £179,929.00, to be loaned to Humankind Charity (Leeds integrated drug and alcohol service), until contract (DN210921) end (30 June 2023), to support the Leeds Community Hepatology Programme. The anticipated start date of the purchase order is on or around 1 October 2019 and the anticipated end date of the purchase order is 30 June 2023.

#### **1. Purpose of this report**

- 1.1 The purpose of this report is to seek approval to waive Contracts Procedure Rules 9.1 and 9.2 to award Echosens UK Limited an order for the purchase of two portable FibroScan machines, to the value of £179,929.00, to be loaned to Humankind Charity (Leeds integrated drug and alcohol service), until contract (DN210921) end (30 June 2023), to support the Leeds Community Hepatology Programme.

#### **2. Background information**

- 2.1 In November 2018, Public Health England announced the availability of up to £6 million capital funding for alcohol treatment services in 2019-20. The funding was made available to help local authorities better meet the needs of individuals requiring alcohol treatment. The Public Health team in Leeds City Council has been successful in their grant application.
- 2.2 Bids for funding were sought from local authorities that demonstrate joint working between adult alcohol services and wider health and care providers who come into contact with dependent drinkers.
- 2.3 Expressions of interest were submitted from local authorities. Bids were required to demonstrate that funding would be used to improve access to alcohol treatment.
- 2.4 Funding was allocated to the host local authority in which the successful service provider is based and the local authority has agreed to hold the funds on behalf of the service provider.
- 2.5 Leeds City Council were successful in applying for funding to expand the Community Hepatology Programme in Leeds.

#### **3. Main issues**

- 3.1 A new Community Hepatology Programme has been established in Leeds to identify individuals with alcohol-related liver disease (ArLD), through a collaboration between public health, primary care and the Leeds Liver Unit. It has allowed GPs and alcohol workers to screen patients who are at high risk, and provides hepatology services in GP practices.
- 3.2 Early results from this programme have been encouraging. Compared to standard pathways, it has increased screening and referral rates of hazardous drinkers, and identified several new cases of significant disease that would otherwise have gone undetected.
- 3.3 At present, this can only be provided in three GP practices and in one of the three Humankind Charity (Leeds Integrated Drug and Alcohol Service) hubs.
- 3.4 The capital investment will be used to purchase two portable FibroScan machines, to be loaned to Humankind Charity (Leeds integrated drug and alcohol service), until contract (DN210921) end (30 June 2023), in order to expand the current service and extend the programme citywide, enabling screening and treatment for ArLD in primary care into other areas of Leeds, such as York Street Health Practice (a GP practice for the homeless – where patients have high rates of alcohol abuse), and the remaining Humankind Charity hubs.
- 3.5 The development of such provision is a key priority in the forthcoming Leeds Drug and Alcohol Strategy and Action Plan 2019-24 and has the support of commissioners in the Adults and Health Directorate.
- 3.6 Echosens UK Limited are the only company who manufacture FibroScan machines, as they are the only manufacturer of the vibration control technology used in this specialist equipment, in the world. Consequently, it is not possible for another company to provide the machines – with all of the councils in the country who have been awarded funding from PHE for FibroScan machines purchasing the machines from Echosens UK Limited.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 Informal consultation took place, via discussions with partners directly involved in the delivery of alcohol treatment across the city, about the role of the Community Hepatology Programme.

### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 Equality screening is not required by Leeds City Council, as it has been agreed by Public Health England.

### **4.3 Council policies and the Best Council Plan**

- 4.3.1 The funding for this programme was agreed by Public Health England, and meets their ambitions and priorities.
- 4.3.2 The Community Hepatology Programme directly contributes to the Best Council Plan, particularly in relation to priorities around reducing health inequalities.

## Climate Emergency

- 4.3.3 Officers recognise the ambition to tackle the Climate Emergency in Leeds, as declared at the Council meeting in March 2019.
- 4.3.4 Partners will be encouraged to look at sustainable travel options when using the FibroScan machines in the community and attending project meetings.
- 4.3.5 Commissioned services will work with commissioners, through established contract management processes, to ensure the service is proactively seeking to minimise its carbon footprint and thereby support the Council in achieving its ambition to be carbon neutral by 2030.

### **4.4 Resources, procurement and value for money**

- 4.4.1 The two FibroScan machines will cost £179,929.00 and have been assessed as showing value for money by Public Health England. All capital funding is provided by Public Health England. However, there are potential minor budgetary implications after three years.

### **4.5 Legal implications, access to information, and call-in**

- 4.5.1 The value of the purchase order detailed in this report is below the level for key decisions as prescribed within the council's constitution and therefore is a Significant Operational Decision and not subject to call-in.
- 4.5.2 The value of the purchase order detailed within this report is below the threshold for the application of the Public Contracts Regulations 2015 for the procurement of public supply contracts and therefore it is not subject to the full EU procurement rules. However, the Contracts Procedure Rules 9.1 and 9.2 require competition for procurements valued over £100K and the invitation of at least four written tenders. A waiver of these Contracts Procedure Rules is required to award a purchase order direct to this particular provider. Giving the work to this provider without competition 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 Contracts Procedure Rules 9.1 and 9.2 require that contracts of this value should be subject to a degree of advertising. It is up to the Council to decide what degree of advertising is appropriate. In giving the work to this provider without competition there is a potential risk of challenge from other providers who have not been given the chance to tender for this opportunity.
- 4.5.3 Whilst there is no legal obstacle preventing the waiver of CPR 9.1 and 9.2 using the authority set out in CPR 1.3, by awarding a direct purchase order to this particular provider without seeking competition, the above comments should be noted when making the final decision, and 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 fact that without the FibroScan machines Leeds City Council would not be able to deliver the KPIs agreed with Public Health England, there are no specific risks.

## **5. Conclusions**

- 5.1 Echosens UK Limited are the only company who manufacture FibroScan machines, as they are the only manufacturer of the vibration control technology used in this specialist equipment, in the world. Consequently, it is not possible for another company to provide the machines – with all of the councils in the country who have been awarded funding from PHE for FibroScan machines purchasing the machines from Echosens UK Limited.

## **6. Recommendations**

- 6.1 The Director of Public Health is recommended to approve the waiver of Contracts Procedure Rules 9.1 and 9.2 - High Value Procurements using the authority set out in Contracts Procedure Rules 1.3, and to award Echosens UK Limited an order for the purchase of two FibroScan machines to the value of £179,929.00, to be loaned to Humankind Charity (Leeds integrated drug and alcohol service), until contract (DN210921) end (30 June 2023), to support the Leeds Community Hepatology Programme. The anticipated start date of the purchase order is on or around 1 October 2019 and the anticipated end date of the purchase order is 30 June 2023.

## **7. Background documents<sup>1</sup>**

- 7.1 None.

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<sup>1</sup> The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.