

Decision Maker: **Executive**
For Pre-Decision Scrutiny by Care Services PDS Committee on

Date: **11th November 2014**

Decision Type: Non-Urgent Executive Non-Key

Title: **PUBLIC HEALTH COMMISSIONING 2015/16**

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Chief Officer: Dr Nada Lemic, Director of Public Health

Ward: (All Wards);

1. Reason for report

This report sets out the Public Health commissioning intentions for 2015/16.

2. **RECOMMENDATION(S)**

2.1 **Care Services PDS are asked to note and comment on the contents of this report.**

2.2 **The Executive are asked to:**

- (i) **note the intention to continue to use a number of previously approved procurement mechanisms for the delivery of the Public Health Commissioning plan, including individual contracting, use of a framework agreement, service level agreements with local general practice and partnership arrangements with our local Bromley Clinical Commissioning Group.**
- (ii) **note that Public Health take on a new commissioning responsibility for Health Visiting from October 2015 as advocated nationally by the Department of Health. This service, like a number of others, will continue to be provided by Bromley Healthcare, the commissioning arrangements of which have been made through a Section 75 agreement with Bromley Clinical Commissioning Group.**

- (iii) approve the Public Health lead for sexual health's intention to pursue a cross-London solution for the commissioning of Genito-Urinary Medicine (GUM) services and enter into an arrangement with North East London Commissioning Support Unit which proposes to negotiate the local tariff on behalf of 20 London Boroughs. Any such arrangement will therefore be exempt from the Council's contract procedure rules.**
- (iv) approve that if a cross-London solution proves not to be viable, the Council continues with its current arrangement of procuring GUM services through Bromley Clinical Commissioning Group using a Section 75 agreement for 2015/16. This arrangement will require a continuation of the existing exemption from the Council's contract procedure rules for the next financial year.**
- (v) approve the continued use of Service Level Agreements for services offered by General Practitioners for 2015/16 by granting an exemption as per sections 3 and 13 of the contract procedure rules.**

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Children and Young People Excellent Council Supporting Independence
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Financial

1. Cost of proposal: Within existing officer capacity
 2. Ongoing costs: Recurring Cost:
 3. Budget head/performance centre: Director of Public Health
 4. Total current budget for this head: £12.9million (2014/15)
 5. Source of funding: Department of Health; Public Health Grant
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Staff

1. Number of staff (current and additional): 23FTE
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory Requirement Non-Statutory - Government Guidance:
 2. Call-in: Applicable:
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Borough Wide
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments:

3. COMMENTARY

3.1. The services commissioned by Public Health were captured in the 'Public Health Contracts – Annual Update' report to Executive in July 2014 (CS14067) which set out details and performance of the existing contracting framework for the Council's Public Health services. In terms of administration of these third party services they are divided into four types:

- Contract Type A: Standard Contracts
- Contract Type B: Bromley CCG Community Block Contract with Bromley Healthcare
- Contract Type C: Sexual Health Clinical Contracts with acute hospital providers
- Contract Type D: Service Level Agreements with General Practitioners

3.2. Public Health are seeking to build on the progress made in commissioning services on behalf of the Council since responsibility for Public Health was transferred to the Council in April 2013. With contractual arrangements put in place during 2013/14 there are few changes to the method of procurement. However, this report seeks to highlight changes to the commissioning strategy for GUM and to make Members aware of a new service that the Department of Health is moving across from the NHS to Local Authority: Health Visiting. Below is a brief account of each of the contract types with further detail where there are changes to commissioning plans.

Contract Type A: Standard Contracts

3.3. Commissioning intentions for these services remain unchanged subject to corporate savings decisions. During 2014/15 there have been 19 contracts put in place covering 11 services valued at £800,000. These have all been called off from the Council's Public Health Services Framework since it was put in place in April 2014. The framework approach gives flexibility to commissioners as there is no commitment to call off any services from the appointed providers. All of the initial framework contracts were awarded for a 1 year term. This has allowed the service budgets to be included for consideration as part of wider corporate savings decisions. Subject to any such decisions, Public Health officers will seek to extend or call off new framework contracts in line with terms of the Framework Agreement and the Council's contract procedure rules.

3.4. Existing non-Framework substance misuse contracts will account for the majority of the Category A Standard Contracts spend in 2015/16, with a total annual value of £1,861,576. The majority of these contracts will expire before the end of 2015 and any proposed re-commissioning of services will be subject to Member scrutiny in line with the Council's contract procedure rules.

Contract Type B: Bromley CCG Community Block Contract

3.5. The July report to Executive provided a brief summary of the Community block contract with Bromley Healthcare and the five service lines which Public Health has responsibility for. The five service lines are:

- Contraception and Reproductive Health
- Health Improvement
- Smoking Cessation
- School Nursing
- The National Childhood Measurement Programme

3.6. The total value of these services for 2014/15 was £2.9million per annum. The services have been managed by the Director of Public Health through a Section 75 agreement with the CCG which is due to expire on 31 March 2015 whilst the contract will continue until 31 March 2016. Because the contractual processes (monitoring, invoicing, payment, etc.) for the services are

already undertaken by the Council, the Director of Public Health will be seeking to implement a Memorandum Of Understanding between the Council and the CCG, subject to legal approval, which will cover the management of the contract for the final year of its term.

- 3.7. The main change in this area is the addition of Health Visiting, which falls under the remit of Public Health in October 2015. The exact annual value has yet to be finalised, but is expected to be £3.5million. The Health Visiting service specification has been developed nationally and will be mandated in five key areas (antenatal health promoting reviews, new baby reviews, six to eight week assessments, one year assessments, and two to two and a half year reviews) by the Department of Health. The future commissioning arrangements for these six service lines is dependent on wider Council decisions around health services.

Contract Type C: Sexual Health Clinical Contracts (Acute)

- 3.8. Under 'The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2012' the Council has a duty to provide open access sexual health services. The term 'open access' refers to the fact that such services are available to anyone requiring treatment, irrespective of their personal characteristics, place or residence or GP registration, without referral. These services are known as Genito-Urinary Medicine (GUM) Services.
- 3.9. In 2013/14 the actual spend on GUM services was £1.6m funded directly by the Council's Public Health Grant. The commissioning arrangements with two of the Council's main GUM service providers (Kings College Hospital NHS Foundation Trust and Guys and St Thomas NHS Foundation Trust) have been covered for the last two years by a Section 75 agreement with Bromley CCG which is due to expire on 31 March 2015. These two providers accounted for £1,173,752 of the 2013/14 total spend.
- 3.10. It has widely been recognised that there are difficulties for individual local authorities to negotiate effectively with GUM service providers as each Council's individual spend makes up a very small proportion of their overall spend on acute service and there is no ability to take our business elsewhere. Subsequently pan London discussions have taken place over the last two years, considering options for a collective commissioning approach which would enable sufficient leverage in contract negotiations and setting effective local tariffs. Discussions are ongoing with a potential collective solution to negotiations being led on by 20 London Boroughs through the North East London Commissioning Support Unit.
- 3.11. Specific detail on the scope of the negotiations has not been finalised but is likely to include a number of London providers whose GUM services are used by Borough residents. The lead for sexual health services is subsequently seeking to pursue the following:
- (1) To continue discussions with other London Boroughs and the North East London Commissioning Support Unit with a view to collaborating on contracting arrangements with London providers. This option will require payment in support of the work done around the negotiations, so will be subject to the outcome offering clear value for money. All data validation and service monitoring will be undertaken internally. Any such collaboration will also be subject to legal agreement of any proposed terms and conditions.
 - (2) If a cross-London solution proves not to be financially or operationally viable, the sexual health lead will continue with the current arrangement with Bromley Clinical Commissioning Group to include GUM services within their wider acute contract. This arrangement will be covered by a Section 75 agreement which will be renewed for 2015/16.

(3) In order to pursue either of the above two options, an exemption from the Council's contract procedure rules is necessary.

3.12. The sexual health lead proposes that for any remaining GUM service provision, payable by the Council as Non-Contractual Activity, the Council takes the position of paying rates no higher than those negotiated by the providers host Local Authority commissioner.

Contract Type D: Service Level Agreements with General Practitioners

3.13. In June 2013 Executive approved an exemption of the contract procedure rules in order that the Council could enter into one year Service Level Agreements (SLAs) with GPs to support the delivery of:

- Sexual Health Services
- Substance Misuse Services
- NHS Health Checks

3.14. The implementation of these SLAs has streamlined the commissioning activity of these services as well as improving the contract and budget monitoring processes and payment arrangements. All 45 registered GP Practices in the Borough have signed up to deliver one or more elements of these services during 2014/15 which have an estimated total value of £561,750.

3.15. GP participation in these Public Health programmes remains vital as GP practices hold patient lists covering the local population and have direct access to those patients the Public Health programmes seek to target. Therefore this report proposes that an exemption from the Council's contract procedure rules be granted to support the continuation of these programmes by enabling the Director of Public Health to establish a new round of SLAs with GP Practices for 2015/16. No significant changes will be made to these programmes although a method of capping volume will be implemented to give a degree of flexibility to the provision of the services. The estimated total value of these services for 2015/16 remains at £561,750.

4. POLICY IMPLICATIONS

This report is in relation to the business processes that will be established or maintained to administer existing contracted services. Authorisation to commission these services remains with Members working within the stipulations and statutory responsibilities laid out in the Public Health grant. The work is in accordance with the Health and Social Care Act 2012 and The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2012.

5. FINANCIAL IMPLICATIONS

5.1. Public Health commissioners continue to work within the budget allocated for public health services. The Public Health Grant has been set by the Department of Health using estimates of public health baseline spending in 2011, along with a fair shares formula based on the recommendations of the Advisory Committee for Resource Allocation.

5.2. The Public Health Grant is a central government grant which is ring-fenced until 2015/16. The Department of Health grant allocation announced for Bromley is £12,953,600 in 2014/15 and will remain the same for 2015/16 plus the estimated £3.5million for Health Visiting referred to in 3.7.

5.3. The grant conditions require quarterly financial reporting to the Department of Health against a set of standardised budget reporting lines and the expenditure must be explicitly linked to the Health and Wellbeing Strategy, Public Health Outcomes Framework and the Joint Strategic Needs Assessment. The Council will need to show that it spends £12.9m on Public Health related

expenditure. The reporting categories are sufficiently flexible to allow local decisions about what services are commissioned to be reflected sensibly. The Grant can be used for both revenue and capital purposes.

- 5.4. The expectation is that funds will be utilised in-year, but if at the end of the financial year there is any under spend this can be carried over, as part of a Public Health Reserve, into the next financial year. In utilising those funds the next year, the grant conditions will still need to be complied with.
- 5.5. There is also a statement of assurance that needs to be completed and signed off by the Chief Finance Officer and Director for Public Health at year end. The expenditure for Public Health services will be included within the overall audit of the council's statement of accounts and we need to evidence that we spend £12.9m on public health activities across the Council.
- 5.6. 2015/16 spending decisions are subject to Member approval as part of the Medium Term Financial Strategy/budget setting process. Therefore the 2015/16 budgets for these contracts are indicative until that time.

6. LEGAL IMPLICATIONS

- 6.1. This report uses existing legal frameworks, such as the scheme of delegation, to manage and administer the responsibilities placed on the Council.
- 6.2. The need to follow the guidance in paragraph 13 of the Ring Fenced Public Health Grant letter is key:

“13. In giving funding for public health to local authorities, it remains important that funds are only spent on activities whose main or primary purpose is to improve the health and wellbeing of local populations (including restoring or protecting their health where appropriate) and reducing health inequalities.”

- 6.3. As is condition 3 of the Grant Conditions:

“the grant must be used only for meeting eligible expenditure incurred or to be incurred by local authorities for the purposes of their public health functions as specified in Section 73B(2) of the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012) (“the 2006 Act”).”

- 6.4. There is independent audit and provision for claw back if the money is not spent appropriately.
- 6.5. The Services are contained within part B of Schedule 3 to the Public Contract Regulations 2006 as amended, and as such aren't subject to the full EU procurement system. There is always a modest residual risk of challenge where contracts are let without competition. However given the overall strategy outlined in this and the previous reports, successful challenge on this issue is not considered to be a material risk at this stage.

7. PERSONNEL IMPLICATIONS

None

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	Report CEO1210 – Public Health Transfer of Contracts, November 2012 Report – Public Health Administration of Contracts, June 2013 Report CS13047 – Public Health Procurement Framework,

	November 2013 Report CS14018 – Appointments to the Framework for Various Public Health Services, February 2014 Report CS14067 – Public Health Contracts – Annual Update, July 2014
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