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| <b>Decision Maker:</b>  | Executive  |           |         |
| <b>Date:</b>            | <b>For Pre-Decision Scrutiny by the Care Services Policy Development and Scrutiny Committee on the 23<sup>rd</sup> September 14<sup>th</sup> October 2015</b>                              |           |         |
| <b>Decision Type:</b>   | Non-Urgent   | Executive | Non-Key |
| <b>Title:</b>           | <b>PUBLIC HEALTH COMMISSIONING INTENTIONS 2016/17</b>  |           |         |
| <b>Contact Officers</b> | Mimi Morris-Cotterill, Assistant Director, Public Health<br>E-mail: mimi.morris-cotterill@bromley.gov.uk<br>Kay Spurrier, Procurement Officer, ECHS<br>E-mail: kay.spurrier@bromley.gov.uk |           |         |
| <b>Chief Officer:</b>   | Dr Nada Lemic, Director of Public Health   |           |         |
| <b>Ward:</b>            | (All Wards);   |           |         |

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1. Reason for report

This report sets out the Public Health commissioning intentions for 2016/17.

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**2. RECOMMENDATION(S)**

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

2.2 Subject to corporate savings decisions, the Executive are asked to:

- (i) approve the extension of the Public Health Framework for two years until 31 March 2018.
- (ii) note the intention to continue to use the commissioning arrangements with Bromley Clinical Commissioning Group (CCG) through section 75 for provision of community services by Bromley Healthcare.
- (iii) note that the Public Health lead for sexual health has pursued a cross-London solution for the commissioning of Genito-Urinary Medicine (GUM) services as agreed by Executive in Nov 2014.
- (iv) approve the exemption of acute GUM contracts from tendering in line with CPR 13.

- (iv) approve the continued use of Service Level Agreements for services offered by General Practitioners for 2016/17 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 (2015/16)
  5. Source of funding: Department of Health; Public Health Grant
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### Staff

1. Number of staff (current and additional): 25 FTE
  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. In terms of administration of Public Health contracts, 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. A paper on 2014/15 performance of Public Health Contracts is to be presented to the Care Services Policy Development and Scrutiny Committee on 17 September 2015.

3.3. This paper sets out, for Members' approval, Public Health commissioning intentions for 2016/17. It recognises that the proposed contractual arrangements discussed in this paper will depend on the corporate savings decisions. Members' approval at this stage merely provides public health commissioners the ability to respond flexibly according to those saving decisions.

3.4. With contractual arrangements put in place during 2013/14, there are few changes to the method of procurement.

#### Contract Type A: Standard Contracts

3.5. Substance misuse contracts will account for the majority of the Category A Standard Contracts spend in 2016/17, with a total annual value of £1.6m. They were subject to a recent tendering process which was presented in a separate paper to the Executive.

3.6. Another group of 21 Category A Standard Contracts have been called off from the Council's Public Health Framework in 2015/16. The Framework was put in place in April 2014 with an estimated annual value of £800,000. The actual value of these 21 Framework contracts totalled £502k with an actual spend of £503k in 2014/15.

3.7. Commissioning intentions for these services are subject to corporate savings decisions. 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 the wider corporate savings decisions.

3.8. The Framework expires on 31 April 2016 with an option to extend for further two years. Given its flexibility in responding to corporate saving decisions, it is proposed to extend the Framework for two years.

#### Contract Type B: Bromley CCG Community Block Contract

3.9. The Community block contract with Bromley Healthcare includes the following service lines which Public Health has responsibility for:

- Contraception and Reproductive Health
- Health Improvement
- Smoking Cessation
- School Nursing
- The National Childhood Measurement Programme
- Child Healthy Weight Programmes
- Health Visiting (from October 2015)

- 3.10. The services have been managed by the Director of Public Health through a Section 75 agreement with the CCG. However, in practice, the Public Health team has assumed commissioning responsibility of these services by direct contract negotiations with Bromley Healthcare and separate quarterly performance monitoring of these services.
- 3.11. The CCG has extended the community block contract with Bromley Healthcare until 31 March 2017. The intention is to continue with this arrangement subject to corporate savings decisions until 31 March 2017. Subject to Members' decision, this will provide the potential for a joint procurement exercise with the CCG during 2016/17 for the relevant community services post saving decisions.
- 3.12. The total value of these services has increased from £3m per annum to £4.9m for 2015/16 with a recurrent value of £6.8m per annum. This change reflects the addition of Health Visiting, which falls under the remit of Public Health in October 2015. The annual value for this service is £3.8m. The Health Visiting service specification has been developed nationally and is 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.

#### Contract Type C: Sexual Health Clinical Contracts (Acute)

- 3.13. 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.
- 3.14. In 2014/15 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 by Section 75 agreement with Bromley CCG. These two providers accounted for £1.14m of the 2014/15 total spend.
- 3.15. Following Members' approval (Executive on 12 June 2013 (Item 193), Executive on 16 July 2014 (Report CS14067), and Executive on 26 November 2014 (Report CS14101)), the Sexual Health lead has pursued a collaborative commissioning approach with 25 London Boroughs in contract negotiations with London GUM providers. A Collaboration Agreement, approved by each borough legal team, is in place between all participant Boroughs.
- 3.16. While contracts are yet to be finalised with every GUM provider involved, the Collaborative has achieved an overall reduction in the 2015/16 published GUM Tariff and a set of more advantageous terms than those that could have been negotiated by individual commissioning authorities. The opening offer of these terms include tariff at £131 for first attendance and £80.77 for follow up attendance compared with the NHS published GUM tariff of £131 for first and £103 for follow-ups. No inflation (NHS recommended inflation of 1.93%), efficiency of 5%, marginal rates for growth (growth of 0-5% at 60% of full price and growth of 5-10% at 40%), replace Market Forces Factor (an allowance imposed on the published NHS national tariff to reflect geographical differences which for some inner London provider could be as high as 29.39%) with a lower geographical allowance of 20% for inner London and 17% for outer London.

- 3.17. The sexual health lead proposes that for any Out of London 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.
- 3.18. The proposal is to continue with these arrangements into 2016/17 and that an exemption from the Council's procedure rules be granted. This proposal is made in line with CPR 13.1, regarding authorisation to exempt these services from tendering.

#### Contract Type D: Service Level Agreements with General Practitioners

- 3.19. In 2014 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
- 3.20. 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 2015/16 which have an estimated total value of £565,350.
- 3.21. 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 2016/17. No significant changes will be made to these programmes apart from cessation of the substance misuse SLA as these services have been incorporated into a wider substance misuse contract with consequential savings. The estimated total value of GP SLAs for 2016/17 is £539,350.

## **4. POLICY IMPLICATIONS**

- 4.1. 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. The Public Health Grant is a central government grant which is ring-fenced until 2016/17. The Department of Health grant allocation for Bromley was £12,953,600 in 2015/16, although this has now been reduced by an estimated 6.2% which would take the grant down to broadly £12m.
- 5.2 Details of the exact reduction have not yet been given by the Department of Health. However, work is being conducted currently by Public Health officers to ensure savings will be identified to

compensate for the loss of grant in year. It is anticipated, at this stage that the reduction will likely continue into the 16/17 grant allocation.

- 5.3 This is in addition to any savings already identified as part of the 2016/17 budget. By extending the framework for another two years, this does not commit Bromley to a particular level of expenditure and Officers retain the manoeuvrability to adjust expenditure should the need occur.
- 5.4. 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 the Grant 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.
- 5.5. 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.
- 5.6. 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 the Council needs to evidence that it spends the Grant on public health activities across the Council.
- 5.7 2016/17 spending decisions are subject to Member approval as part of the Medium Term Financial Strategy/budget setting process. Therefore the 2016/17 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 Education, care and health services are subject to the application of the “light touch” regime under the Public Contracts Regulations 2015.

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| <b>Non-Applicable Sections:</b>                       | Personnel Implications   |
| Background Documents:<br>(Access via Contact Officer) | <p>Report CS14018 – Appointments to the Framework for Various Public Health Services, February 2014</p> <p>Report CS14067 – Public Health Contracts – Annual Update, July 2014</p> <p>Report CS14101 – Public Health Commissioning 2015/16, Nov 2014</p> <p>Report CS14134 – Gateway review of Substance Misuse Services, May 2015</p> |