

## **Cabinet – 19 March 2014**

### **Award of Public Health contracts 2014/15**

**Portfolio:** Councillor Zahid Ali, Public Health & Protection

**Related portfolios:** Councillor Rachel Andrew, Children's Services

**Service:** Public Health

**Wards:** All

**Key decision:** Yes

**Forward plan:** Yes

#### **1. Summary**

This report seeks approval for the extension of existing contracts or to award new contracts for Public Health services exceeding £500,000 for either one or two years (as indicated in Table 1) to ensure continuity of services until the timetable for re-procurement of these services can be completed.

#### **2. Recommendations**

- 2.1 That Cabinet approve the extensions or award of the contracts set out in Table 3 for the periods indicated either one or two years, until either 31 March 2015 or 31 March 2016 to allow time to undertake a retendering process.
- 2.2 That Cabinet delegate authority to the Director of Public Health in consultation with the portfolio holder to vary the existing contracts or enter into new contracts for Public Health Services as set out in Table 1 of this Report by using the most appropriate procedures and to subsequently sign or authorise the signing or sealing of any deeds, contracts and other related documents in relation to such services, provided that the total value remains within the Council's Public Health funding allocation for 2014/15.

#### **3. Report detail**

- 3.1 In order to discharge Public Health responsibilities that transferred to local authorities on 1 April 2013, the Council has received a ring-fenced Public Health grant. The financial value and conditions attached to such grants are set out in a Local Authority Circular (LAC(DH)(2013)1). The categories for reporting local authority Public Health spend are set out in Annex C of the Local Authority Circular and attached at **Appendix A** for information. The Council's allocation for 2014/2015 is £15,827,300.

- 3.2 This Report updates Cabinet about progress for in-year management of Public Health contracts and proposals for contracts and competitive tendering in 2014/15.

### **Competitive procurement of Public Health services**

- 3.3 Public Health Walsall has committed to put all appropriate Public Health contracts out to competitive tendering within three years of transition to Walsall Council, that is, by 31 March 2016.
- 3.4 The purpose of competitive procurement is to ensure that contracts are awarded in a fair, open and transparent way to obtain 'Best Value' for the Council. The evaluation on the impact and effectiveness of EU public procurement legislation has shown that social and health services have specific characteristics which may make them inappropriate for the application of the regular procedures for the award of public service contracts. Public Health services are typically provided within a specific context, either service scope or individual user's needs, which vary widely due to different administrative, organisational and legislative circumstances. The Council should therefore apply significant discretion to organise the choice of procurement process and to secure the most appropriate service providers that meets the wider needs of the individual service user. Simply using a traditional procurement process where there is a lack of a range of appropriately qualified providers in the market to deliver the service will not deliver competition and may be an ineffective use of resources.
- 3.5 The Public Health contracts with a contract value exceeding £500,000 are shown in Table 1, below.
- 3.6 Cabinet is asked to approve the extension of these existing contracts or award of new contracts for these services as appropriate for a one or two year period (as set out in Table 1) and to approve for retendering of contracts for 2014/15.

**Table 1: Public Health contracts exceeding £500k and timetable for competitive tendering**

Contract	Provider	Commissioner	Public Health Programme	Annual Value 2013/14	Proposed contract duration	Timetable for retendering service	Approx Total value over proposed contract term*
Open access substance misuse service	Addaction	Adrian Roche/Dave Neale	Substance Misuse	£1,100,892.00	1 year contract	2014/15	£1,100,892.00
Adult Drug and Alcohol Treatment	Dudley and Walsall Mental Health Trust	Adrian Roche/Dave Neale	Substance Misuse	£1,966,850.00	1 year contract	2014/15	£1,966,850.00
Healthy Child Programme (HCP) 5-19: School Nurses	Walsall Healthcare Trust	Uma Viswanathan	Children 5-19	£1,292,993.00	1 year contract	2014/15	£1,292,993.00
Healthy Weight Services	Walsall Healthcare Trust	Barbara Watt/Susie Gill	Nutrition, Obesity & Physical Activity	£512,420	2 year contract	2015/16	£1,024,840.00
WISH - Sexual Health	Walsall Healthcare Trust	Barbara Watt	Sexual Health	£1,109,562.00	2 year contract	2015/16	£2,219,124.00
WISH - Chlamydia screening	Walsall Healthcare Trust	Barbara Watt	Sexual Health	£184,507.00	2 year contract	2015/16	£369,014.00
WISH - GUM	Walsall Healthcare Trust	Barbara Watt	Sexual Health	£1,043,525.00	2 year contract	2015/16	£2,087,050.00

\* These figures will be subject to amendment as contract negotiations are not yet concluded

- 3.7 Further, in reviewing the full range of Public Health services, those in Table 2 below have been assessed jointly by the Council's Public Health commissioners and Procurement Team as meeting the criteria for direct contract awards because the suppliers hold exclusive rights of supply and no generic equivalent markets of suppliers exist or the services are integrated with existing service arrangements:

**Table 2: Contracts assessed as meeting criteria for direct contract awards**

<b>Service</b>	<b>Annual Value (£)</b>	<b>Explain for decision for 'single source'</b>
Infection Prevention and Control Service	338,780	Integral to inpatient and community services provided by Walsall Healthcare Trust
Breastfeeding Service	273,391	Integral to Maternity Services provided by Walsall Healthcare Trust
GP Locally Enhanced Services contracts	375,000	Integral to range of services provided by GPs to residents in Walsall
Pharmacy Locally Enhanced Services contracts	152,000	Integral to range of services provided by Pharmacists to residents in Walsall
Food Dudes	360,000	Exclusive programme designed and delivered by Food Dudes
Dynamic Dudes (one year pilot)	180,000	New programme to provide behaviour change intervention around physical activity from the developer of Food Dudes programme

The total value of the above services for 2014/15 is £1,625,000 which is about 10% of the total value of the ring-fenced Public Health allocation to the Council in 2014/15.

- 3.8 The timetable for the competitive tendering of the other Public Health contracts is shown in Table 3, below.

**Table 3: Proposed timetable for competitive tendering of Public Health Contracts**

Year 1 – 2013/14	Year 2 – 2014/15	Year 3– 2015/16
Smoking cessation	Substance Misuse Services	Lifestyle services
	Level 2 & 3 weight management services	Mental Health Promotion
	Falls prevention	Sexual Health contracts
	Healthy Child Programme	

- 3.9 In July 2013 Cabinet approved the process for the re-procurement of stop smoking services and in December 2013 Cabinet delegated the authority for the award of contracts to the successful bidders, so that these services have already been retendered and new Council contracts will commence on 1 April 2014.
- 3.10 All Public Health contracts include service specifications and performance indicators which are regularly reviewed to ensure that providers and Public Health Commissioners can demonstrate that these services deliver against:
- The needs of the people of Walsall as set out in the:
    - (i) Joint Strategic Needs Assessment; and
    - (ii) Health and Wellbeing Strategy approved by the Council on 20 May 2013
  - The Public Health Outcomes Framework

Prior to agreeing contract values for 2014/15 the Commissioners responsible have engaged in contract negotiation with existing providers where modifications to service specifications, key performance indicators and contract values for 2014/15 have been agreed.

#### **4. Council priorities**

In September 2012 the Council adopted the Marmot Objectives as objectives for improving Health and Wellbeing and reducing inequalities for the people of Walsall. These objectives have provided the framework for the Joint Strategic Needs Assessment, the Health and Wellbeing Strategy, the Sustainable Communities Strategy, and “The Walsall Plan”. Existing and new Public Health expenditure for 2014/15 are planned against these priorities.

#### **5. Risk management**

- 5.1 Some Public Health contracts are demand-led, tariff based contracts where a cap on activity would result in an unacceptable impact on the health and wellbeing of individuals denied timely access to the necessary services. Commissioners

responsible for these services will monitor activity closely and adjustments made through other parts of the Public Health allocation to ensure that overall expenditure does not exceed the total ring-fenced Public Health allocation.

- 5.2 Failure to deliver demonstrable improvements in Public Health against key national performance indicators might mean that the Council fails to achieve further uplifts in Public Health allocation in future years.

## **6. Financial implications**

All Public Health contracts and other expenditure will be managed within the ring-fenced allocation of £15,827,300 for 2014/15.

## **7. Legal implications**

- 7.1 The proposals set out in this Report take into account the Council's responsibilities for Public Health that are set out in the Health and Social Care Act 2012, the associated guidance and the conditions of the Public Health grant made to the Council for 2014/15.
- 7.2 All contractual arrangements must be procured in compliance with the Public Contracts Regulations 2006 (as amended), if applicable; and with the Council's Contract Rules.
- 7.3 The Council's Legal Services Team will need to work with Public Health Commissioners and the Procurement Team and to extend or vary any existing Public Health contracts and/or develop new contracts and review existing arrangements.

## **8. Property implications**

None.

## **9. Health and wellbeing implications**

Reducing inequalities is an explicit objective of Joint Strategic Needs Assessment, Health and Wellbeing Strategy and Council's Corporate Plan. Public Health contracts seeks to maximise improvement in health and wellbeing including narrowing the gap in outcome between the most deprived and least deprived in the Borough.

## **10. Staffing implications**

There are no staffing implications for Council employed staff associated with this report.

## 11. Equality implications

Reducing inequalities is an explicit objective of Joint Strategic Needs Assessment, Health and Wellbeing Strategy and Council's Corporate Plan. Public Health contracts seeks to maximise improvement in health and wellbeing including narrowing the gap in outcome between the most deprived and least deprived in the Borough.

## 12. Consultation

None

## Background papers

Towards a Health and Wellbeing Strategy: Joint Strategic Needs Assessment  
Health and Wellbeing Strategy 2013-2016

Transition of Public Health Contracts. Report to Health Scrutiny and Performance Panel  
18 December 2012

Transition of Public Health contracts. Report to Cabinet 12 September 2012.

## Author

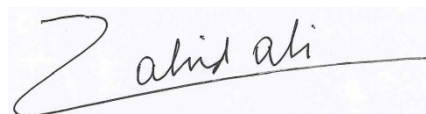
Dr Isabel Gillis  
Director of Public Health  
☎ 01922 653473  
✉ [gillisi@walsall.gov.uk](mailto:gillisi@walsall.gov.uk)

Jamie Morris  
Executive Director



12 March 2014

Councillor Ali  
Portfolio Holder



11 March 2014

### Categories for reporting local authority public health spend

#### ***Prescribed functions:***

- 1) Sexual health services - STI testing and treatment
- 2) Sexual health services – Contraception
- 3) NHS Health Check programme
- 4) Local authority role in health protection
- 5) Public health advice
- 6) National Child Measurement Programme

#### ***Non-prescribed functions:***

- 7) Sexual health services - Advice, prevention and promotion
- 8) Obesity – adults
- 9) Obesity - children
- 10) Physical activity – adults
- 11) Physical activity - children
- 12) Drug misuse - adults
- 13) Alcohol misuse - adults
- 14) Substance misuse (drugs and alcohol) - youth services
- 15) Stop smoking services and interventions
- 16) Wider tobacco control
- 17) Children 5-19 public health programmes
- 18) Miscellaneous, which includes:
  - o Non-mandatory elements of the NHS Health Check programme
  - o Nutrition initiatives
  - o Health at work
  - o Programmes to prevent accidents
  - o Public mental health
  - o General prevention activities
  - o Community safety, violence prevention & social exclusion
  - o Dental public health
  - o Fluoridation
  - o Local authority role in surveillance and control of infectious disease
  - o Information & Intelligence
  - o Any public health spend on environmental hazards protection
  - o Local initiatives to reduce excess deaths from seasonal mortality
  - o Population level interventions to reduce and prevent birth defects (supporting role)
  - o Wider determinants