

HEALTH AND WELLBEING BOARD

12 DECEMBER 2013

Title:	Delegated Authority Request for Public Health Service Contracts		
Report of the Director of Public Health			
Open Report	For Decision		
Wards Affected: ALL	Key Decision: YES		
Report Author: Ross Kenny, Principal Public Health Specialist Health Care	Contact Details: Tel: 0208 227 2799 Email: Ross.Kenny@lbbd.gov.uk		
Sponsor: Matthew Cole, Director of Public Health			
Summary: <p>Approval is sought from the Health and Wellbeing Board to delegate authority to the Corporate Director of Adult and Community Services, on the advice of Director of Public Health and the Chief Finance Officer to award the Public Health service contracts to the chosen General Practice and Pharmacy providers. Due to the unique position of General Practice and Pharmacy to delivery these programmes more cost and clinically effectively than alternative providers, a request will be made to waive the council tender process.</p> <p>As part of the transition of Public Health to the Local Authority, a number of programmes delivered through General Practice and Pharmacy (formally referred to as Locally Enhanced Services) were rolled over for 2013/14 under existing terms and conditions. These contracts have been refreshed to incorporate updated guidelines, best practice and to enhance local delivery models to be offered to providers for 2014/15.</p> <p>It is not intended or envisaged that one provider will be able to provide services up to £400,000 in value, however due to the aggregate value of the contracts (over £1million) and the request to waive the tender process, approval is being sought from the Health and Wellbeing Board.</p>			
Recommendation(s) <p>The Health and Wellbeing Board is recommended to:</p> <ol style="list-style-type: none">1) Waive the requirement to tender the contracts for the health services noted in this report.2) Agree that the Corporate Director of Adult and Community Services, on the advice of the Director of Public Health and the Chief Finance Officer awards the contracts to the providers identified, and in accordance with the procurement strategy outlined, in this report.			

Reason(s)

The services outlined below are currently not compulsory for General Practice and Pharmacy to deliver under their core contracts. It is therefore essential that these important preventative and early intervention programmes continue to be commissioned by the Council in order for the population of Barking and Dagenham to access the services from their primary sources of health care provision (General Practice and Pharmacy).

1. Background and Introduction

Prior to the transition of Public Health in April 2013, Public Health teams in Primary Care Trusts (PCTs) would commission General Practice and Pharmacy to deliver programmes beyond their mandatory 'core' functions. The contracts were commonly known as Locally Enhanced Services (LES) and covered a broad spectrum of programmes determined by the need and health outcomes of the population. These contracts have been refreshed (now referred to as Public Health Service Contracts) to incorporate updated guidelines, best practice and to enhance local delivery models to be offered to providers for 2014/15. The Council intends to continue to commission in 2014/15 the Health Check Programme, Chlamydia Screening, Smoking Cessation, contraceptive Intrauterine Devices (IUDs) and Contraceptive Implants, drugs shared care, supervised consumption and Pharmacy sexual health.

It is not intended or envisaged that one provider will be able to provide services up to £400,000 in value, however due to the aggregate value of the contracts (over £1million) and the request to waive the tender process, approval is being sought from the Health and Wellbeing Board.

2. Proposal and Issues

2.1. Rationale for tender waiver request

General Practice and Pharmacy are the preferred providers for the programmes due to the availability of patient data (for targeting and invitation), clinical expertise, patient trust and relationship and following up and management of any subsequently diagnosed conditions. These are all key requirements of the programmes which render alternative (non primary care) providers unsuitable.

Current legislation prevents any other provider viewing the patient's clinical record and inviting them for activities except for the national screening programmes or when the patient's explicit consent has been obtained. Hence, other providers could offer opportunistic testing of patients in libraries, shops, supermarkets etc but only GPs can use the patient's record to risk assess them and invite them for testing. Furthermore, alternative providers would have to return patient outcomes back to their respective GP which can (and historically has) resulted in delays in patient follow up and potential loss of information.

To replace the non GP-list based services a number of providers would need to be recruited to replicate the spread across borough. Each would be of relatively low volume and value which may prove difficult to attract alternative providers. Alternatively, larger volumes could be commissioned through non primary care providers but ensuring sufficient uptake is difficult due to securing suitable venues across the borough as well as gaining population trust in the provider. It is anticipated

that coverage would drop should alternative providers be commissioned while they became established in different configurations and venues. It is also important to note that the commercial rate for some of these interventions if delivered through an alternative provider may be 25 to 100% higher with no guarantee of greater population coverage.

It is therefore recommended that the contracts are offered to Barking and Dagenham primary care providers uncontested, waiving a full tender process.

2.2. Programmes 2014/15

Total Public Health Service contract value for 2014/15 = **£1,051,000 per annum.**

2.2.1. Health Check Programme (mandatory council function from April 2013)

- General Practice contract amount (should target be met) = £306,000 per annum.

Across the anticipated 40 providers, the payment per provider will range between £3,000 – £19,000 based on the number of checks provided with the median cost per provider being £6,800. Please note – these amounts are based on the expected number of providers choosing to deliver the service – should fewer providers take part then the those delivering will be set higher targets and therefore have increased earning potential. Furthermore, should a model be adopted whereby one provider delivers the service on behalf of other potential providers, the earning potential will be substantially higher than the figure quoted above. Until the contracts are offered to providers and provider capacity to deliver is established, more accurate figures cannot be provided.

- Pharmacy contract amount (should target be met) including required testing kits = £50,000 per annum

Across the anticipated 8 providers, the earning potential per provider is expected to be circa £6,250 (including payment for consumables). Please note – these amounts are based on the expected number of providers choosing to deliver the service – should fewer providers take part then the those delivering will be set higher targets and therefore have increased earning potential. Furthermore, should a model be adopted whereby one provider delivers the service on behalf of other potential providers, the earning potential will be substantially higher than the figure quoted above. Until the contracts are offered to providers and provider capacity to deliver is established, more accurate figures cannot be provided.

Total Health Check Programme contract cost = **£356,000 per annum**

2.2.2. Primary Care Level 2 Smoking Cessation (in addition to the smoking cessation service)

- 1000 validated quitters to be achieved through Primary Care (General Practice and Pharmacy) = £83,000
- Associate prescribing costs (responsibility of LBBD from April 2014) = £231,000

Across the anticipated 62 providers (pharmacy and general practice), the average earning potential (including remuneration and reimbursement for prescribing costs) is expected to be circa £5065. Please note – these amounts are based on the expected number of providers choosing to deliver the service – should fewer providers take part

then the those delivering will be set higher targets and therefore have increased earning potential. Furthermore, should a model be adopted whereby one provider delivers the service on behalf of other potential providers, the earning potential will be substantially higher than the figure quoted above. Until the contracts are offered to providers and provider capacity to deliver is established, more accurate figures cannot be provided.

- Total Primary Care Smoking Cessation cost = **£314,000 per annum**

2.2.3. Intrauterine Devices (IUDs) and Contraceptive Implants (General Practice only)

- Long Acting Reversible Contraception (LARC), which includes IUDs and Contraceptive Implants, provides an alternative to barrier and oral contraception which is less dependent on daily compliance. While LARCs can be accessed through sexual health clinics, it is most cost effective and better for patient access for the service to be delivered through General Practice.
- Anticipated contract cost based on 2012/13 and modelling data from 2013/14 = **£60,000 per annum**

Across the anticipated 29 providers (based on 2012/13) the average earning potential will range from £100 to £15,000. Please note – these amounts are based on the expected number of providers choosing to deliver the service – should fewer providers take part then the those delivering will undertake more procedures and therefore have increased earning potential. Furthermore, should a model be adopted whereby one provider delivers the service on behalf of other potential providers, the earning potential will be substantially higher than the figure quoted above. Until the contracts are offered to providers and provider capacity to deliver is established, more accurate figures cannot be provided.

2.2.4. Shared Care (Drugs)

- The purpose of this programme is to deliver integrated care involving primary care teams, community pharmacists, dedicated clinical staff, and other health professionals to manage people with ongoing drug misuse problems. The implementation of this scheme will ensure that patients with drug misuse problems are effectively managed within the community setting and that they will have greater choice of and access to treatment services.
- Anticipated contract cost based on 2012/13 = **£77,000 per annum**

Across the anticipated 17 providers (based on 2013/14), the average earning potential is expected to be circa £4500. Please note – these amounts are based on the expected number of providers choosing to deliver the service as well as the number of patients requiring the service. Furthermore, should a model be adopted whereby one provider delivers the service on behalf of other potential providers, the earning potential will be substantially higher than the figure quoted above. Until the contracts are offered to providers and provider capacity to deliver is established, more accurate figures cannot be provided.

- While this service is part of the Public Health service contract, the management and payment is overseen by the Adult Commissioning team and not directly by the Public Health team.

2.2.5. Chlamydia Screening

- The programme aims to increase the number of 15-24 year olds screened for Chlamydia through General Practice to promote early identification and treatment.
- Anticipated contract cost based on 2012/13 delivery = **£20,000 per annum**

Across the anticipated 47 providers (GP and Pharmacy based on 2013/14), the average earning potential is expected to be circa £400. Please note – these amounts are based on the expected number of providers choosing to deliver the service as well as the number of patients requiring the service. Furthermore, should a model be adopted whereby one provider delivers the service on behalf of other potential providers, the earning potential will be substantially higher than the figure quoted above. Until the contracts are offered to providers and provider capacity to deliver is established, more accurate figures cannot be provided.

2.2.6. Pharmacy Sexual Health Service

- The objective of the service is to improve the sexual health of young people by integrating Emergency Hormonal Contraception (EHC), Chlamydia screening and provision of free condoms. This approach provides a bundle of complimentary services, with each component reinforcing a sexual health message that aims to prevent unplanned conceptions and subsequent abortions, screen for Chlamydia and provide free condoms.
- Anticipated contract cost based on 2012/13 = **£200,000 per annum**

Across the anticipated 17 providers (based on 2013/14), the average earning potential is expected to be circa £11,800. Please note – these amounts are based on the expected number of providers choosing to deliver the service as well as the number of patients requiring the service. Furthermore, should a model be adopted whereby one provider delivers the service on behalf of other potential providers, the earning potential will be substantially higher than the figure quoted above. Until the contracts are offered to providers and provider capacity to deliver is established, more accurate figures cannot be provided.

2.2.7. Pharmacy supervised consumption (Methadone and Buprenorphine)

- The aim of service is to provide a supervised environment (pharmacy) for those receiving treatment for drug addiction to have managed doses of Methadone and Buprenorphine.
- Anticipated contract cost based on budget and delivery in 2012/13 and 2013/14 = **£24,000 per annum**

Across the anticipated 16 providers (based on 2013/14), the average earning potential is expected to be circa £1500. Please note – these amounts are based on the expected number of providers choosing to deliver the service as well as the number of patients requiring the service. Furthermore, should a model be adopted whereby one provider delivers the service on behalf of other potential providers, the earning potential will be substantially higher than the figure quoted above. Until the contracts are offered to providers and provider capacity to deliver is established, more accurate figures cannot be provided.

3. Consultation

The Director of Public Health has consulted with both the Local Medical Committee and the Local Pharmaceutical Committee during the process of establishing the commissioning intentions.

4. Mandatory Implications

4.1. Joint Strategic Needs Assessment

The health topics addressed by the programmes above (Cardiovascular disease/diabetes detection, smoking, sexual health and contraception and substance misuse) are all outlined in the JSNA as areas where improvements can be made in Barking and Dagenham in terms of early detection and reducing prevalence. The above programmes play a significant role in improving outcomes across these key population health topics.

4.2. Health and Wellbeing Strategy

All of the programmes discussed in this paper for commissioning through Primary Care for 2014/15 and 2015/16 contribute to achieving the priorities of the Health and Wellbeing Strategy: Health Check programme (Prevention Theme priority 5), Smoking Cessation (Prevention Theme priority 1), Sexual Health (Protection Theme priority 5) and Substance Misuse (Prevention Theme priority 3).

4.3. Integration

The General Practice and Pharmacy prevention programmes are key elements of an integrated health care approach to tackling key health and wellbeing issues within Barking and Dagenham and provide wider access to services.

4.4. Financial Implications

(Implications completed by Roger Hampson Group Manager Finance, Adults and Community Services)

The total of anticipated contract costs is £1,051,000 in 2014/15 as set out in the table below and is within the available budget.

Contract	Anticipated Cost (£)
Health Check Programme	356,000
Primary Care Level 2 Smoking Cessation	314,000
IUDs and Contraceptive Implants	60,000
Shared Care (Drugs)	77,000
Chlamydia Screening	20,000

Pharmacy Sexual Health Service	200,000
Pharmacy supervised consumption	24,000
Total	1,051,000

4.5. Legal Implications

(Implications completed by Eldred Taylor-Camara, Legal Group Manager)

This report is seeking that the Health and Wellbeing Board (the “HWB”) waive the requirement, under the Council’s Contract Rules, to tender contracts noted in this report.

Under the Public Contract Regulations (the “Regulations”) health care services are classified as Part B services and therefore are not subject to the strict tendering regime set out in the Regulations. The Council however still has a legal obligation to comply with the relevant provisions of the Council’s Contract Rules and with the EU Treaty principles of transparency, equal treatment of bidders and non-discrimination.

Paragraph 4.7 of this report states that the waiver is sought on the grounds that the services to be procured are specialist services and that due to the current immaturity of the market limited alternative providers are available.

Contract Rule 4.2.1 states that the Council can waive the requirement to tender contracts, while Contract Rule 4.2.2.1 provides that a waiver may be granted where the services to be procured are of a specialist nature, and the Chief Officer considers that no satisfactory alternative is available. Furthermore, Contract Rule 4.2.2.3 provides that a waiver of the Council’s tender requirements can be granted on the direction of Cabinet/the HWB.

In deciding the geographic remit within which a contract should be tendered, guidance under the EU Treaty Principles require that procuring authorities consider whether the value of the procurement is likely to attract cross border interest from potential bidders. Officers have suggested in paragraph 2 of the Report that there would be no cross border interest due to the relatively low volume and value of the contracts and the need for the services to be delivered by local GPs and Pharmacies.

Information provided also in paragraph 2 of this report indicates that the projected aggregate values of each of the services range from £20,000 to over £300,000. These are the aggregate values available to all prospective providers. Contracts with individual providers will be in the region of £100 to £19,000, therefore the likelihood of cross border interest is minimal. The fact that the contracts are to be offered to all GPs and Pharmacies in the borough addresses the issues of transparency and equal treatment and therefore minimises the likelihood of a challenge by a potential bidder.

In agreeing the Recommendations the HWB needs to satisfy itself that reasons and grounds stated by officers in this Report satisfy the requirement for the issuing of a waiver.

4.6. Risk Management

There is a risk that should the programmes not be delivered through General Practice and Pharmacy this will effect delivery and subsequently the Health Premium

payments in 15/16 due to the reduced clinical effectiveness of delivery through an alternative provider as well as the limited number of alternative providers available.

4.7. Procurement Implications

4.7.1. Health Check Programme

(Implications completed by Martin Storrs, Strategic Procurement Manager)

Health check programme will be procured from the Boroughs GPs and Pharmacies on a voluntary take up basis. GPs will be offered Contracts via the Local Medical Committee and Local Pharmaceutical Committee and will be contractually committed to deliver an agreed number of Health Checks on a monthly basis.

GP's and Pharmacies will be contracted with utilising the Departmental of Health Contract that has been reviewed by LBBB Legal

This series of contracts is being let for a period of one year in order for Public Health to review the market place and consider alternative options e.g. Public and Private blend.

Due to the value and Part B nature of this contract a formal invitation to tender including an advert would be required however due to the nature of the service being procured a Waiver will be sought to waive the required Contract rules.

A Waiver would be sought on the following grounds:

- a) Boroughs GP's and Pharmacies are best placed to deliver these specialist services
- b) GP's and Pharmacies have the advantage of holding the necessary patients records
- c) GPs and Pharmacies are best placed to collect and share the necessary patient information
- d) Currently an immature market with limited private and voluntary sector providers exists

4.7.2. Primary Care Level 2 Smoking

Primary Care Level 2 smoking will be procured from the Boroughs GPs and Pharmacies on a voluntary take up basis. GPs and Pharmacies will be offered Contracts via the Local Medical Committee and Local Pharmaceutical Committee and will be contractually committed to deliver an agreed number of smoking quitters on a monthly basis.

GP's and Pharmacies will be contracted with utilising the Departmental of Health Contract that has been reviewed and agreed by LBBB Legal

This contract is being let for a period of one year in order for Public Health to review the market place and consider alternative options e.g. Public and Private blend.

Due to the value and Part B nature of this contract a formal invitation to tender including an advert would be required however due to the nature of the service being procured a Waiver will be sought to waive the required Contract rules.

A Waiver would be sought on the following grounds:

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- b) GP's and Pharmacies have the advantage of holding the necessary patients records
- c) GPs and Pharmacies are best placed to collect and share the necessary patient information
- d) Currently an immature market with limited private and voluntary sector providers exists

4.7.3. Intrauterine Devices (IUDs) and Contraceptive Implants

Intrauterine Devices and Contraceptive Implants will be procured from the Boroughs GPs on a voluntary take up basis. GPs will be offered Contracts via the Local Medical Committee and will be contractually committed to deliver to an agreed service level.

GP's will be contracted with utilising the Departmental of Health Contract that has been reviewed and agreed by LBBB Legal

This contract is being let for a period of one year in order for Public Health to review the market place and consider alternative options e.g. Public and Private blend.

Due to the value and Part B nature of this contract a formal invitation to tender including an advert would be required however due to the nature of the service being procured a Waiver will be sought to waive the required Contract rules.

A Waiver would be sought on the following grounds:

- a) Boroughs GP's are best placed to deliver these specialist services
- b) GP's have the advantage of holding the necessary patients records
- c) GPs are best placed to collect and share the necessary patient information
- d) Currently an immature market with limited private and voluntary sector providers exists

4.7.4. Shared Care (Drugs)

Shared Care (Drugs) will be procured from the Boroughs GPs on a voluntary take up basis. GPs will be offered Contracts via the Local Medical Committee and will be contractually committed to deliver to an agreed service level.

GP's will be contracted with utilising the Departmental of Health Contract that has been reviewed and agreed by LBBB Legal

This contract is being let for a period of one year in order for Public Health to review the market place and consider alternative options e.g. Public and Private blend.

Due to the value and Part B nature of this contract a formal invitation to tender including an advert would be required however due to the nature of the service being procured a Waiver will be sought to waive the required Contract rules.

A Waiver would be sought on the following grounds:

- a) Boroughs GP's are best placed to deliver these specialist services
- b) GP's have the advantage of holding the necessary patients records
- c) GPs are best placed to collect and share the necessary patient information
- d) Currently an immature market with limited private and voluntary sector providers exists

4.7.5. Chlamydia Screening

Chlamydia Screening will be procured from the Boroughs GPs on a voluntary take up basis. GPs will be offered Contracts via the Local Medical Committee and will be contractually committed to deliver to an agreed service level.

GP's will be contracted with utilising the Departmental of Health Contract that has been reviewed and agreed by LBBB Legal

This contract is being let for a period of one year in order for Public Health to review the market place and consider alternative options e.g. Public and Private blend.

Due to the value and Part B nature of this contract a three documented quote process would be required however due to the nature of the service being procured a Waiver will be sought to waive the required Contract Rules.

A Waiver would be sought on the following grounds:

- a) Boroughs GP's are best placed to deliver these specialist services
- b) GP's have the advantage of holding the necessary patients records
- c) GPs are best placed to collect and share the necessary patient information
- d) Currently an immature market with limited private and voluntary sector providers exists

4.7.6. Pharmacy Sexual Health Service

Pharmacy Sexual Health will be procured from the Boroughs Pharmacy's on a voluntary take up basis. Pharmacy's will be offered Contracts via the Local Pharmacy Committee and will be contractually committed to deliver to an agreed service level.

Pharmacies will be contracted with utilising the Departmental of Health Contract that has been reviewed and agreed by LBBB Legal.

This contract is being let for a period of one year in order for Public Health to review the market place and consider alternative options e.g. Public and Private blend.

Due to the value and Part B nature of this contract a three documented quote process would be required however due to the nature of the service being procured a Waiver will be sought to waive the required Contract rules.

A Waiver would be sought on the following grounds:

- a) Boroughs Pharmacy's are best placed to deliver these specialist services

- b) Currently an immature market with limited private and voluntary sector providers exists

4.7.7. Pharmacy supervised consumption

Supervised Consumption will be procured from the Boroughs Pharmacy's on a voluntary take up basis. Pharmacy's will be offered Contracts via the Local Pharmacy Committee and will be contractually committed to deliver to an agreed service level.

Pharmacies will be contracted with utilising the Departmental of Health Contract that has been reviewed and agreed by LBBD Legal.

This contract is being let for a period of one year in order for Public Health to review the market place and consider alternative options e.g. Public and Private blend.

Due to the value and Part B nature of this contract a three documented quote process would be required however due to the nature of the service being procured a Waiver will be sought to waive the required Contract rules.

A Waiver would be sought on the following grounds:

- a) Boroughs Pharmacy's are best placed to deliver these specialist services
- b) Currently an immature market with limited private and voluntary sector providers exists