

Meeting: Cabinet	Date: 11 September 2013	Classification: Unrestricted	Report No: CAB 28/134
Report of: Corporate Director: Anne Canning; Interim Corporate Director, Education, Social Care and Wellbeing Originating officer(s): Somen Banerjee, Interim Director of Public Health		Title: <u>Public Health Procurement Plan , 2014-15</u> Wards Affected: All	

1. **SUMMARY**

- 1.1 Approximately 200 live public health contracts were transferred to the Council in April 2013 along with the transfer of public health commissioning responsibilities. (Appendix E summarises the range of services.) Most of the current contracts which are funded through public health grant were extended to 31st March 2014 before the transfer but will need to be reprocured in time for new contracts to start on 1st April 2014. Procurement needs to commence as soon as possible to enable this timetable to be met. For one current contract – which includes the School Health Service and other maternity and early years services – a longer review period is recommended and an extension of the existing contract by six months to allow for this.

The Council's Public Health team have reviewed all the current contracts to (i) ensure there is a strong strategic fit with Council priorities (ii) identify where financial savings can be sought from the procurement process, and (iii) ensure alignment with the Mayor's procurement priorities.

The procurement plan for 2014-15 is set out in detail in Appendix B. The Mayor in Cabinet is recommended to approve the recommendations set out in section 2 below.

2. DECISIONS REQUIRED

The Mayor in Cabinet is recommended to:-

- 2.1 Consider the contract summary at Appendix A, and
 - 2.1.1 Confirm that contracts set out in Appendix A can proceed to contract award after tender subject to the relevant Corporate Director who holds the budget for the service area consulting with the Mayor and the relevant lead member prior to contract award, and
 - 2.1.2 Identify any contracts about which specific reports – relating to contract award – should be brought before Cabinet prior to contract award by the appropriate Corporate Director for the service area, and
 - 2.1.3 Authorise the Assistant Chief Executive (Legal Services) to execute all necessary contract documents in respect of the awards of contracts referred to at recommendation 2 above and
- 2.2 In addition to the above, and in order to allow for a comprehensive review of the School Health Service to take place, to approve a six month continuation of the current contract for the **Child Health and Nutrition Services** either by extension of the contract or an interim six month contract, in either case to end on 31st September 2014.

3. REASON FOR DECISIONS

- 3.1 Public health contracts, which were transferred from the NHS Primary Care Trust through the Public Health transition process, end on 31st March 2014. The contracts require reprocurement, generally through a competitive tender process.
- 3.2 For community pharmacy public health services there is no competitive marketplace as it is considered essential that these services are provided through local pharmacies situated in Tower Hamlets and it is considered important that as many of the pharmacies as possible participate in delivery of these services to create maximum benefit for the health and wellbeing of the residents of the borough.
- 3.3 For one service area – Child Health and Nutrition Services – a comprehensive review of the School Health Services element is recommended, and for this to be carried out thoroughly and with appropriate levels of stakeholder consultation – a six month extension of the existing contract which is held by Bart's Health NHS Trust or an interim contract with Bart's Health to continue the service to 30 September 2014 would be required.

4. ALTERNATIVE OPTIONS

- 4.1 The Mayor in Cabinet could require officers to consider alternative approaches to, or timescales for, the procurement plans set out in this report. This option is not recommended as it would lead to delays in the award of new contracts that may lead to discontinuity of service delivery.
- 4.2 The Mayor in Cabinet could instruct that specific contracts not be reprocured. However, this would be likely to lead to a deterioration of health of the population particularly amongst the most vulnerable groups and those most at highest risk of poor health. It would also be in breach of the Council's duties under the Health and Social Care Act 2012. For this reason this alternative option is not recommended.

5. BACKGROUND

- 5.1 Public health roles and responsibilities were transferred to the Council on 1st April 2013 as required by the Health and Social Care Act 2012. A team of 42 staff, led by the interim Director of Public Health transferred across to an interim location in the Education, Social Care and Wellbeing Directorate.
- 5.2 A public health grant budget of £31,382,000 has been allocated to Tower Hamlets for 2013-14 and a budget of £32,261,000 for 2014-15. This budget includes DAAT public health grant funding and a significant element of DIP funding that was previously grant funded through the national DTP. The public health budget is ring fenced for delivery of the public health responsibilities that now rest with local authorities, including the cost of public health staff that are directly employed and the various service contracts that deliver public health services and health improvement interventions. The public health activities that are eligible expenditure for the public health grant are described in **Appendix A**.
- 5.3 There were roughly 200 public health contracts in place in the Primary Care Trust in 2012-13 (including a significant number of small pharmacy contracts) and in order to enable a manageable process for the transfer of contracted activity to the Council most of the existing PCT public health contracts were extended until 31 March 2014 and transferred to the Council on 1 April 2013.
- 5.4 All the contracts have an end date of 31st March 2014 and there is therefore an urgent need to develop a procurement plan for 2014-15.
- 5.5 Developing a procurement plan for 2014/15 and subsequent years presents new opportunities:
- to build on what has worked
 - to look at things in a fresh way

- to explore synergies with other commissioning across the Council
- to plan public health commissioning based on council procurement processes and timelines
- to secure increased value and improved outcomes from public health investment.

5.6 This report sets out how this is being approached and the key elements of the recommissioning programme which are:

- Review of current public health commissioning
- Developing a strategic approach to public health commissioning in consultation with officers across the Council
- Setting out the procurement plans and key timelines for the new contracts to be in place for 1st April 2014

The Mayor in Cabinet is recommended to agree that in order to achieve the required timelines the contract procurement process can commence.

BODY OF THE REPORT

6. RATIONALE FOR PUBLIC HEALTH COMMISSIONING

- 6.1 Tower Hamlets has the highest premature death rates in London. This is caused by socio-economic deprivation and very high smoking rates, poor diet, low levels of physical activity and high levels of problem drinking in those who drink.
- 6.2 Despite major improvements in educational attainment, reduction in overcrowding and improving physical space the combination of unhealthy lives and deprivation leads to very high premature death rates from heart disease and stroke, cancer (particularly lung cancer), lung disease, liver disease and mental health problems.
- 6.3 Public health commissioning seeks to address both short term risk factors helping people to live healthier lives, avoid premature death or disability and also longer term structural factors through evidence based interventions, both universal and targeted. The objective is to support activity that has the greatest impact on improving the health of people in Tower Hamlets within the available resources.
- 6.4 Significant investment in public health by the primary care trust has led to improving outcomes in some health indicators, but there are significant challenges and the borough remains in the bottom quartile on a significant number of health measures included in the new national indicator set, the Public Health Outcomes Framework. **Table A** shows the indicators where the borough is currently doing well and not so well.

Table A The National Public Health Outcomes Framework – Tower Hamlets Performance Summary

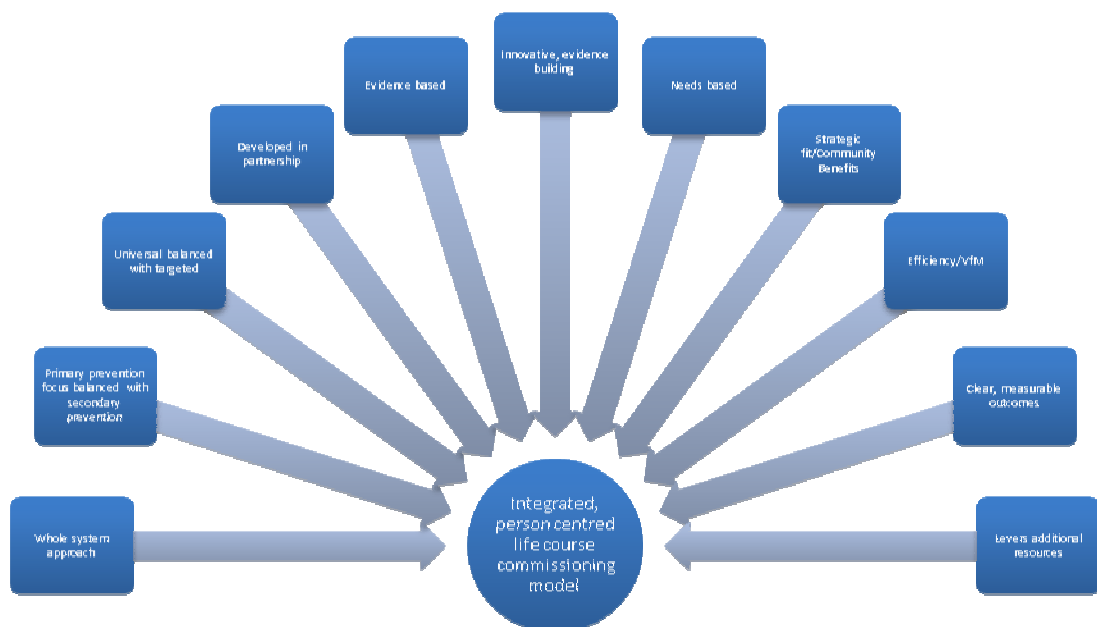
	Prebirth/early years/children	Young people	Adults	Older People	Cross cutting
Wider determinants	<p>Children in poverty <i>School readiness</i> <i>Pupil Absence</i></p>	<p>Entrants to youth justice 16-18 year old NEET</p>	<p>LD in stable accommodation MH service uses in stable accommodation <i>Prison with mental health problems</i> <i>Employment with LT health conditions</i> <i>Sickness absence</i> <i>Domestic abuse</i> Violent crime Reoffending Statutory homeless</p>	<p><i>Perception of community safety in older people</i></p>	<p>Killed or seriously injured on road Population affected by noise Utilisation of outdoor space for exercise/health reasons <i>Social isolation</i> <i>Fuel poverty</i></p>
Health Improvement	<p>Low birth weight Infant mortality <i>Breastfeeding initiation</i> Breast feeding 6-8 weeks Smoking status at delivery <i>Under 18 conceptions</i> <i>Child development at 2-2.5 years</i> Excess weight (4-5) Excess weight (10-11) Admissions injury in under 18s Wellbeing of looked after children <i>Smoking prevalence 15 year olds</i></p>	<p><i>Self harm</i></p>	<p><i>Diet</i> <i>Excess weight in adults</i> <i>Physically active adults</i> Smoking prevalence Successful completion of drug treatment Substance dependence in prison Recorded diabetes <i>Alcohol related admissions</i> Cancer diagnosed at stage 1/2 Cancer screening coverage – breast Cancer screening coverage - cervical Non cancer screening access Take up of NHS Health Check Self reported wellbeing</p>	<p>Injuries due to falls in 65 plus</p>	
Health protection	<p>Population vaccination coverage (childhood imms)</p>	<p><i>Chlamydia diagnoses (15-24)</i></p>	<p>HIV at a late stage of infection Treatment completion for TB Flu vaccination at risk</p>	<p>Flu vaccination 65 plus</p>	<p>Mortality air pollution Sustainable development plan <i>Interagency emergency plan</i></p>
Healthcare	<p>Infant mortality Tooth decay in children aged 5</p>		<p>Mortality rate from preventable causes Under 75 mortality cardiovascular Under 75 mortality cancer Under 75 mortality liver disease Under 75 mortality respiratory disease <i>Mortality rate from infectious diseases</i> Under 75 mortality rate in adults with SMI Suicide</p>	<p>Admission within 30 days Preventable sight loss <i>Health-related quality of life</i> Hip fractures in 65+ <i>Excess winter deaths</i> <i>Estimated diagnosis rate dementia</i></p>	

Red = bottom ten in London, **Green** = top ten in London, *italics* = measurement of indicator yet to be established or no da

7. REVIEW OF CURRENT COMMISSIONING AND FUTURE COMMISSIONING INTENTIONS

7.1 Section 1 above sets out why it is necessary to re-commission public health services from 1st April 2014. The legal and procedural requirements of re-procuring services for April 2014 mean that the time available to conduct an in-depth re-evaluation of public health commissioning intentions is limited. However, it is the intention to use the time available to review the current commissioning portfolio, identify whether it is delivering the required outcomes and start the process of redesign to ensure that we use the resources available as effectively as possible to deliver public health outcomes.

7.2 Our vision for public health commissioning in Tower Hamlets is that we will work towards **an integrated, person-centred and life course based commissioning model**. The diagram below sets out the principles applied to redesigning services to deliver this.



7.3 At the strategic level our commissioning is driven by the priorities set out in the borough's **Health and Wellbeing Strategy** and high level strategic plans and priorities. We started our review with a discussion involving a wide ranging group of senior officers across the Council about the objectives and principles of public health commissioning. Based on this discussion officers within the public health team were tasked with reviewing current contracts to identify whether they should be:

- re-procured in the current form,
- be re-procured with some significant revisions,
- whether a different type of intervention should be procured to deliver the outcomes, or
- whether there is no priority need to commission in this area.

7.4 The Team were also asked to identify any new proposed interventions that would contribute to achieving priority outcome targets. The views of commissioners were then discussed with the Public Health Commissioning Reference group, a sub group of the Competition Board, which includes senior representation from other Council directorates – ESCW, CLC, D and R and Chief Executives – and also Healthwatch, Legal Services and the corporate procurement function. This enabled identification of where there are significant synergies and/or alignments of service delivery with other Council commissioned or directly provided services that would enable provision to be more cost effective and any potential duplication to be eliminated.

7.5 This is a set of initiatives that will address key outcomes in the Strategic Plan and the Health and Wellbeing Strategy. In the Strategic Plan key targets are:

- All age, all-cause mortality rate
- Number of people who have stopped smoking
- Proportion of children in reception who are obese
- Under 18 conception rate

In the Health and Wellbeing Strategy the priority outcomes are:

Maternity and Early Years Priorities

- Improved maternal health
- Low child mortality /good health in early years
- Early detection and treatment of child disability and illness
- Reduced levels of obese and overweight children
- Reduced dental decay in young children
- Continue the reduction in under 18 conceptions

Healthy Lives Priorities

- Reduced levels of child obesity and overweight
- Reduced prevalence of smoking, substance misuse, hazardous and harmful drinking
- Higher rates of physical activity
- Reduced prevalence of sexually transmitted infections

Long Term Conditions Priorities

- Reduced premature mortality from cardiovascular diseases, diabetes, hypertension, respiratory disease and cancer

The commissioning programme described here is a major contributor across all the priority targets listed above.

- 7.6 Discussions about public health commissioning have been taking place with the Mayor and Lead Members. Members have particularly stressed:
- the importance of providing robust community outreach in key service areas;
 - the need to ensure that a wider range of community organisations are able to participate in the delivery of public health interventions, and
 - The need to ensure that value for money is secured from all service providers, particularly on high value contracts.

We will ensure that contract specifications and terms and conditions reflect these requirements. In respect to community outreach and participation public health has close contacts with the voluntary sector and has historically commissioned a wide range of activity from local community bodies. It is a procurement priority to maintain and increase community based delivery of public health interventions.

There is an emphasis on achieving value for money for the investment of public health grant across all the service areas and a commitment to securing additional delivery outcomes for the same or where possible reduced levels of public health funding. For some services a unit cost comparison can be benchmarked against national cost targets or cost comparisons with other areas. For example successful smoking quits achieved by Tower Hamlets GP and pharmacy services work out at £350 per quitter which is within the national guidelines. It is more cost effective than hospital based services as well as representing a massive saving to the personal budget of the individual concerned and potentially to the public purse in respect to downstream treatment costs for cardiovascular or respiratory disease. Other types of community-based early intervention such as for cancer can be delivered for as little as £20 per person which is very strong vfm. Some clinical services are based on national payment by results tariffs that have been negotiated nationally by commissioners and providers to provide value for money for public funding.

8. SERVICE AREAS TO BE COMMISSIONED

- 8.1 Some immediate priorities were identified through the review of existing commissioning:
- 8.1.1 Child Health and Nutrition - This is a group of services, currently provided by Bart's Health, that includes School Health, Breastfeeding Support, Public Health Dietitians & School Nutritionist, Access to Healthy Start Vitamins and Child Weight Management. We want to test the market for possible alternative providers. It is also a useful opportunity to review the service specification for the School Health service to ensure that it meets the changing needs of local schools and also to update the other service specifications to ensure that they are based on the most up to date evidence and needs analysis and to get best value. *It is therefore proposed to implement a longer review period for the School Health Service, which means that we are proposing a six month extension of the current contract.. Following the consultation and*

service review the revised service specifications will take into account the fact that responsibility for commissioning Health Visting and the Family Nurse Partnership (currently commissioned by NHS England) is expected to transfer to the Council in April 2015.

Key outcomes from these services include:

- 41,223 school children at over 100 primary and secondary schools benefit from the School Health service
- 2,800 4-5 year olds in reception and 2,500 10-11 year olds in year 6 are screened for height and weight each year.
- HPV vaccination is provided for approximately 2,000 12-13 year olds in year and school leavers booster and Meningitis C for approximately 2,000 14-15 year olds in year 10
- 800 children and 200 pregnant women are referred to the child weight management service of which 450 and 100 will commence a weightmanagement programme; at least 140 children and 30 women achieve a BMI reduction
- Breast feeding support will be provided to all women resident in Tower Hamlets delivering their baby (average 4,500 per year)
- Healthy start vitamins will be freely available to all women during pregnancy and to all children under 5
- 16 Cook 4 Life courses will be provided for parents with young children

8.1.2 Health Trainers: Health Trainers work on an individual and group basis with people within their local community. They conduct an assessment of all aspects of an individuals' life, help individuals set goals to improve their health and help them achieve those goals through specific health trainer activities (e.g. group fitness/sports activities, healthy walks, and healthy eating advice) or referral to other local services e.g. local leisure services, smoking cessation, specialist weight management, alcohol counselling, debt advice, self-help groups. The service has been running for five years. It has been commissioned on a locality basis with one provider organisation per locality. In order to develop outreach into the community the service is commissioned from local community organisations situated in the locality. Each organisation has five health trainers (wte) recruited from the community including a team leader. In addition, there is a volunteer programme of health champions from the community who are provided with training and support.

Based on five years` experience of the programme we now wish to develop the service by giving a wider range of community organisations the opportunity to participate in delivery. We also want to make sure there is equitable delivery across all areas of the borough and will have a health trainer based in each ward, working in 'clusters' reflecting natural communities.

Key outcomes from the Health Trainers service are:

- 7,300 residents each year will be engaged through the Health Trainer programme, of which 4000 will be involved in healthy lives activities organised by health trainers, and 1400 involved in additional healthy eating activities.
- 800 people will be referred on to Level 2 or Level 3 tobacco cessation services;
- 1,400 will be screened for levels of alcohol consumption

8.1.3 Adult Obesity, Nutrition and Physical Activity (Fit 4 Life) - *Over the past five years public health have commissioned a range of weight management and physical activity programmes from community organisations, leisure services and Bart's Health. Based on this experience we wish to significantly redesign the service to improve targeting, use resources more efficiently and target those with greatest need and capacity to benefit.*

Fit 4 Life Tower Hamlets will provide assessment, goal setting and motivational coaching supported by healthy eating, physical activity and weight management programmes for adults at high risk of, or with, diabetes and cardiovascular disease as well as severely obese people with other long term conditions (e.g. chronic breathing difficulties). All of these conditions can be improved through sustained improvements to diet and exercise which can only be achieved if the client is motivated to change and has the opportunity to change. The programme will be re-designed to ensure that people make full use of existing services in the community to reach their goals.

National evidence and local commissioning show we can achieve better health gain and value for money by refocusing local provision to:

- *Target adults* at greatest health risk.
- *Personalise* action plans for behaviour change so they are specific to individual health needs, clients' daily lives (e.g. culture, income and locality) *and* individual motivation, confidence and skills to change
- *Provide accessible local opportunities in the community* for exercise and healthier eating which capitalise on what is already available (e.g. leisure centres, walking groups, dancing) balanced by specialist programmes
- *Sustain* improvements in diet and physical activity for at least a year through motivational and practical support from the Fit4Life Centre.
- *Provide a cost effective and culturally competent skill mix* which captures the best from across the local community, voluntary sector, the NHS and the fitness industry.
- *Work as one system* from the client and GP perspectives

Key outcomes from the Fit 4 Life service are:

- At least 1400 adult clients a year will start a physical activity or other weight

reduction programme tailored to their needs ; at least 75% of clients who start a programme will complete their agreed action plan

- 50% of clients will have sustained at least one change to physical activity levels and diet 1 year after starting an action plan

8.1.4 Community Tobacco Cessation - Given the priority to help people stop smoking in the borough, we have developed a range of services to ensure access to accredited smoking cessation services (including through GP and pharmacy services see 4.1.6 and 4.1.7 below). We know that 1 in 2 Bangladeshi men smoke so we have specifically commissioned the Bangladeshi Stop Smoking Service to focus on this group (commissioned from Queen Mary's University). This service has been particularly successful and innovative (e.g. providing successful clinics in mosques). For people who find it particularly hard to stop, we also commission a specialist service located at the Royal London site (commissioned from Queen Mary's University).

We know that smoking prevalence is particularly high in people with mental health problems so as part of the mental health strategy we want to commission services through the community mental health teams. Smoking in pregnancy is another priority as it harms both mother and baby and so we also commission a service to help mothers stop smoking during and after pregnancy.

In reprocurring tobacco cessation services our priority is to ensure that we extend the service reach to all parts of the community where there is high smoking prevalence and to involve wider range of community organisations. (Please also refer to sections 4.1.6 and 4.1.7 below as the GP smoking cessation and pharmacy smoking cessation services are also core elements in the provision of locally delivered tobacco cessation support.)

Key outcomes from community tobacco cessation services are:

- 600 Bangladeshi cigarette smokers will be engaged by smoking outreach services of which 320 will achieve a 4 week quit; 400 smokeless tobacco users will be engaged of which 200 will quit use
- 600 smokers having difficult quitting will be referred to the Specialist Stop Smoking Service of which half will quit
- See also GP and community pharmacy

8.1.5 Sexual Health - To address historically high rates of teenage pregnancy and increasing rates of both STIs and HIV a partnership sexual health strategy has been implemented over the last five years that seeks to increase access to sexual health services. Service levels are:

- Level 1 services provide sexual health advice, basic contraception, STI screening and are available in all GPs,

- Level 2 provide treatment, more complex diagnostic services and full range of contraception from Mile End Hospital and satellite clinics and
- Level 3 from The Royal London works with the most complex cases.

TH Teenage Pregnancy rates have halved through concerted efforts across health, education and the third sector. More work needs to be undertaken to prevent STIs and to target services to high need groups e.g. young people, gay/ bisexual men and people from black ethnic minorities.

The re-procurement of sexual health services will increase the focus on prevention and enable greater focus to be placed on shifting activity to more cost effective lower service levels (eg primary care, community based sexual health services), enabling better access and improving the patient environment. In particular we wish to further strengthen prevention services with the long term objective of reducing demand for acute services.

Key outcomes from sexual health services are approximately:-

- 27,000 first appointments in sexual health services providing advice on prevention of further infection and contraception as well as an offer of sexually transmitted infections (STIs) screening and HIV testing
- 14,500 follow up appointments for treatment and on-going advice
- 5000 STIs diagnosed and treated
- 2,000 people per year from high risk groups will receive prevention interventions including access to information and advice, counselling, 1:1 support, workshops and a range of other support through sexual health promotion services
- For 2013 additional screening, brief advice and referral is being introduced for substance misuse
- (To note – the prevention activity outlined above is in addition to planned public health investment in schools and youth services to promote sexual health)

8.1.6 Pharmacy public health services - Community pharmacies are an important setting to promote public health programmes due to high footfall, widespread coverage across the borough and the opportunity to access those at high risk and existing disease.

For 14/15 we propose to develop two of the existing services:

- *Stop smoking services - to provide structured tobacco cessation support to smokers or users of oral tobacco who wish to stop.*
- *sexual health - to provide emergency hormonal contraception to prevent unwanted pregnancies and additional pharmacy services for residents including chlamydia testing.*

In recommissioning these services we would be respecifying the service requirements and ensuring value for money.

Key outcomes from the Pharmacy services are:

- 2,700 smokers set a quit date of which 1,200 will achieve a 4 week quit
- Pharmacists will conduct up to 6,000 consultations on sexual health matters including providing emergency contraception in 5,500 cases and condoms in 4,000 cases.
- 700 women will be provided with long action contraception;

8.1.7 GP Public Health Services – this was agreed through the Quarter 2 Forward Plan report approved at Cabinet on 31st July 2013.

8.2 It is proposed that the current contract with Bart's Health that includes School Nursing service and other maternity and child services should be extended by six months to enable the School Nursing service in particular to be fully reviewed. This will now be shown in the Quarter 3 Forward plan. There is, however, a desire to press on as soon as possible with the other procurement of other services so that new contracts can be in place by 1 April 2014.

8.3 Outside the level 5 Tollgate contracts there are approximately 10 other contracts with an aggregate current value of £500,000 that it is proposed to reprocur and these will also need to start procurement soon to meet the Mayor's requirement to recommission as early as possible. These are shown in Appendix B.

8.4 In addition there are 9 services that are currently commissioned internally from LBTH directorates – both within ESCW and other directorates – with a total budget of around £1 million. It is proposed to continue these and to potentially commission 2 new initiatives at a cost in region of £200k. These are shown in a separate **Appendix C** as they are not listed on the Forward Procurement Plan (**Appendix B**).

8.5 The draft Public Health Procurement Plan is attached as **Appendix B**.

9.0 MANAGING THE PROCUREMENT PROCESS

9.1 There is a considerable volume of procurement to be undertaken this year and the procurement timelines are very tight for services to complete the procurement process in time for April 2014. The time pressure is especially acute for the level 5 contracts with a lifetime value over £250,000. The calculation is that level 5 contracts will need to be advertised by mid-September at the latest to be able to complete the Council procurement process, including Cabinet award report and call in period. The Tollgate forms have now been discussed at the Competition Planning Forum on 25th July and at Competition Board on 8th July. In order to manage the Tollgate process contracts have been bundled under 9 public health programme themes so that each Tollgate might

cover a single contract or several different lots. One of the Tollgates – Child Health and Nutrition – requires a longer review period for reasons set out in 4.1.1 above and procurement is likely to start later. This means that the current contract may need to be extended for a period up to six months.

PUBLIC HEALTH COMMISSIONING AND PROCUREMENT TIMELINE 2013-14

Key Milestone	Timeline
Establish Commissioning Support	Completed
Establish PH Commissioning Advisory Group	Completed
Review commissioning intentions/service redesign options	1.04 – 30.06.2013
Draft Procurement Plan and Tollgate 1 Forms (over £250k)	Completed
Competition Planning Forum	Completed
Competition Board	Completed
CMT	Completed
Procurement Plan discussed with MAB	31.07.13
Report to Cabinet	11.09.13
Contracts advertised	20.09.13
Supplier events	30.09.13
Invitation to Tender issued	15.10.3
Review of Public Health Function and Commissioning Completed	31.10.13
Tollgate 2 Report to Competition Board	23.12.13
Mayoral Briefing /Contract recommendations to Cabinet	10.01.14
Contracts awarded	15.02.14
Contracts start date	01.04.14
Tollgate 3 report to Competition Board	TBC

- 9.2 Slightly more flexibility is available in respect to smaller value contracts (level 2 or level 3) but Lead Members have indicated that contracts should be recommissioned as early as possible so it is proposed to commence procurement of these at an early stage.
- 9.3 To help meet the challenging timetable extra support is being provided by corporate Procurement and Legal Services. This is including a short programme of bespoke training sessions of the public health leads on the Council procurement process with a focus on completion of Tollgate forms, writing specifications and pricing contracts and evaluation.

10. ENGAGEMENT AND CONSULTATION

- 10.1 Improving public health outcomes is not just the task of public health professionals and we recognise that other commissioners will also be delivering services and interventions that impact on the public health outcomes. Part of our task is to make sure that how we use our resources is effectively aligned with our partners, adding value and enhancing positive impact and not duplicating or wasting resources. We have therefore taken care to engage with a range of stakeholders particularly:
- The Mayor and Lead Members
 - Other services within the Council
 - Community organisations and the CVS
 - The CCG and other commissioning bodies across the health economy.
- 10.2 Public health being led by the Council particularly gives a chance to work with the Mayor and elected councillors and with Council colleagues to address the wider determinants of health. In line with the Council's procurement imperatives there is a requirement to realise a range of community benefits including creating the opportunity for local organisations to compete to provide public health services. It is anticipated that the opportunities for local groups will continue to expand and the public health service is committed to working with and supporting the development of local capacity to successfully deliver appropriate services. At the next procurement stage we will be encouraging consortia delivery to create more opportunities for smaller local community organisations to get involved.
- 10.3 We recognise that other community benefits can derive from these contracted services and we are developing a bespoke check list to include new employment opportunities, apprenticeships, work placements and links with schools and colleges, business supply opportunities, training sessions, sponsorship, active travel and environmentally friendly practices.
- 10.4 Public health grant funded services are diverse in nature and range from very large contracts with a life time value of several £ million to relatively small contracts, including several under £5k. The current providers of services are also diverse ranging from very large NHS acute trusts with

a several hundred million pound budget to medium level voluntary sector organisations and smaller, more local community groups. With the exception of pharmacy contracts – which only qualified pharmacies are accredited to provide - very few contracts are currently held in the private sector.

- 10.5 At the same time there are some specialist service areas delivering medical and pharmacological treatments that can only realistically be delivered by appropriately qualified and equipped service providers. In some cases the services are tariff-based so the basis for market completion is limited but the Council will still need to apply a quality threshold and use its procurement tools to ensure that the best quality, value for money services are delivered for Tower Hamlets residents.
- 10.6 It is recommended that further work is undertaken in the short and medium term to develop and strengthen the market place for public health service provision at the local borough level. This market strengthening work would focus particularly on capacity building the voluntary sector to be even more capable of competing strongly for public health commissioned contracts in future.

11. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 11.1 The Public Health Service transferred from the NHS to the Council on the 1st April 2013 and to fund these services the council received a grant allocation of £31.382m in 2013/14. An allocation of £32.261m has also been confirmed for 2014/15, however, beyond this no further announcements have been made.
- 11.2 The services transferred are provided through approximately 200 contracts which have been novated to the Council at point of transfer and, in most cases, extended to 31st March 2014 to ensure continuity of service.
- 11.3 As the majority of contracts are due to expire on the 31st March 2014 there is an urgent need to develop and implement a procurement plan for 2014/15 and beyond.
- 11.4 This report sets out the procurement plan and key timelines for the new contracts to be in place for the 1st April 2014.
- 11.5 Should the procurement plan not be agreed or if the process is delayed, it may be necessary to further extend current contracts beyond March 2014. This is likely to delay the service and contract efficiencies desired.
- 11.6 On the basis that funding levels are currently only confirmed till 2014/15, the procurement plan assumes that new contracts will be let for an initial period of 1 year with options to renew annually for up to a further two years as funding allocations for future years is confirmed. The annual cost of these new contracts is expected to be maintained within current

funding envelopes. However, there is a degree financial risk attached to the open access contracts in that future demand for services within these contracts and thus spend on the contracts cannot be accurately predicted and are difficult to control. This risk is being mitigated, as much as possible, through measures detailed in the risk register attached as appendix D.

12. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 12.1 Following the passing of the Health and Social Care Act 2012 by parliament the Council received both the power and the obligation to provide Public Health services from 1st April 2013 of the types detailed in the body of this report. As is usual with the Council we are seeking to purchase these services from providers who will deliver the services to the wider Tower Hamlets community
- 12.2 Also the Council has a duty under the Local Government Act 1999 to ensure that it achieves Best Value in the purchases it makes and therefore must subject these purchases to varying levels of competition
- 12.3 Whilst some of these procurements are high value and above the relevant EU Threshold, all of the services are classified as Part B. This means that the European advertising requirements are relaxed so they don't have to be advertised in Europe. However, it should be noted that the law requires that these procurements are nevertheless subjected to a "reasonable" level of advertising. Also for the above threshold contracts a standstill period prior to award must be observed and a final award notice placed in OJEU.
- 12.4 The greatest risk to the Council from a procurement perspective is with those services that are described as "open access". This means that any resident of the borough may access these services with little or no control by the Council. Therefore, cost certainty is limited. Also, this contradicts the essence of the procurement process.
- 12.5 However, the Council also has a duty, when contracting with an organisation providing services to the community to engage in a certain amount of checking. For example, have the organisations employed staff of suitable knowledge and experience, are they financially viable and do they carry the appropriate registrations?. The proposal for these contracts is that we will advertise and receive the basic information of the type found in a Pre Qualification Questionnaire and then a contract will be awarded on Council terms to all suppliers who pass this test.
- 12.6 A number of contracts have been identified as being suitable to provide local benefits. These will be included up to a maximum of 5% of the evaluation criteria for quality (in line with Counsel's opinion) and form part of the contractual obligations to which winning bidders are committed.

12.7 One further area of risk is that the Council must be aware that it has a duty to pay for a number of these services (for example, sexual health related services) where the recipient resides within the borough but receives the services out of borough. Again, cost control is an issue but Public Health has identified the main out of borough partners and is working to negotiate agreements to provide cost certainty. Also the Council has engaged with NHS England in order to assist with the monitoring and bill payment for out of borough services in order to ensure that the Council only pays for those individuals who are resident in the borough

13. ONE TOWER HAMLETS CONSIDERATIONS

An Equalities Impact Screening Assessment for each of the contracts covered is being completed, and service specifications reviewed and amended as required to address any equalities issues identified.

14. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

A number of the services provided under the contracts covered by this report contribute to the improvement of the environment as well as improving the health and wellbeing of the population. Examples of these include smoking cessation services, and services that promote healthier travel, and services which promote healthier eating (local produce).

15. RISK MANAGEMENT IMPLICATIONS

Key risks are described in Appendix D. The major risk to the process is from time delays in the commissioning review and/or procurement process. There is no contingency time available for slippage so it is important to take procurement of services forward as soon as possible.

Risks are reviewed regularly through the Public Health Commissioning Advisory Group.

16. CRIME AND DISORDER REDUCTION IMPLICATIONS

Reducing hazardous, harmful drinking and substance misuse will reduce anti-social behaviour, crime and disorder.

17. EFFICIENCY STATEMENT

The procurement programmes outlined in this report (section 8 above) will be managed in full compliance with the Council's Financial Regulations and Procurement Rules, and individual tenders will be designed to ensure that contracts are awarded to the bidder or bidders submitting the most economically advantageous tender(s), taking account of economy, efficiency and effectiveness.

18. APPENDICES

Appendix A–Public Health Contracts Over £250,000 value to be procured for 2014-15

Appendix B - Public Health Procurement Plan 2015-15

Appendix C- Public Health Services Provided by London Borough of Tower Hamlets

Appendix D–Risk Register

Appendix E – Summary of Public Health Grant Funded Services

Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012

Background Papers	Web address
Report to Cabinet 9 th January 2013 entitled, Future Commissioning Arrangements for Public Health Services	http://moderngov.towerhamlets.gov.uk/documents/g3784/Public%20reports%20pack%2009th-Jan-2013%2017.30%20Cabinet.pdf?T=10
Tower Hamlets Health and Wellbeing Strategy (Draft)	http://www.towerhamlets.gov.uk/search.aspx?cx=008280465879053608327:251xeiiz6ey&cof=FORID:11;NB:1&ie=UTF-8&q=health%20and%20wellbeing%20strategy
Tower Hamlets Strategic Plan	http://www.towerhamlets.gov.uk/search.aspx?cx=008280465879053608327:251xeiiz6ey&cof=FORID:11;NB:1&ie=UTF-8&q=health%20and%20wellbeing%20strategy
Local Authority Circular, Ring Fenced Public Health Grant, (Gateway Reference 18552), Department of Health, updated 19 th April 2013.	https://www.gov.uk/government/publications/ring-fenced-public-health-grants-to-local-authorities-2013-14-and-2014-15

Appendix A

Public Health Contracts Over £250,000 Value to be Reprocured for 2014-15

Directorate Contract	Contract Value	Scope of Contract	Length of New Contract, or Contract Extension	Funding	Planned Date for Invitation to Tender or * Contract signature.	Category
ESCW(AHW B) 4462	£900,000 (six months)	<u>Child Health and Nutrition – extension of current services</u> that provide services for 0-5 and 5-11 age groups. Includes breast feed support work, child weight management and the School Health and Immunisation Service which includes school nursing.	6 months	Public Health Grant	Contract to commence 1 st April 2014	Care and Commissioning
ESCW(AHW B) 4463	£4,444,712 per annum £13,334,136 over three years	<u>Community Sexual Health Services</u> Procurement of a range of mandatory sexual health diagnosis and treatment services including Tower Hamlets community sexual health clinics and the in borough acute Genito Urinary Medicine. GUM service is PBR tariff based. Also includes community-based HIV Counselling service and pharmacy emergency contraception.	1 year + extensions up to a max 3 years	Public Health Grant	Contract to commence 1 st April 2014	Care and Commissioning
ESCW(AHW B) 4464	£1,054,521 per annum £3,163,563 over three years	<u>Smoking Cessation Services</u> Includes smoking cessation services, targeted smoking cessation services and smoking cessation support provided through community pharmacies.	1 year + extensions up to a max 3 years	Public Health Grant	Contract to commence 1 st April 2014	Care and Commissioning

Directorate Contract	Contract Value	Scope of Contract	Length of New Contract, or Contract Extension	Funding	Planned Date for Invitation to Tender or * Contract signature.	Category
ESCW(AHW B)4465	£827,285 per annum £2,481,855 over three years	<u>Health Trainers</u> Procurement of community based health awareness and health improvement programme delivered through four community anchor organisations with a string community outreach element.	1 year + extensions up to a max 3 years	Public Health Grant	Contract to commence 1 st April 2014	Care and Commissioning
ESCW (PH) 4509	£645,891 per annum £1,937,673 over three years	<u>Community Pharmacy Services</u> Procurement of services provided by community pharmacies across Tower Hamlets including smoking cessation and emergency contraception.	1 year + extensions up to a max 3 years	Public Health Grant	Contract to commence 1 st April 2014	Care and Commissioning
ESCW(AHW B)4470	£837,000 per annum £2,511,000 over three years	<u>Fit for Life</u> Assessment, goal setting and motivational coaching supported by healthy eating, physical activity and weight management programmes for adults at high risk of, or with, diabetes and cardiovascular disease as well as severely obese people with other long term conditions (e.g. chronic breathing difficulties).	1 year + extensions up to a max 3 years	Public Health Grant	Contract to commence 1 st April 2014	Care and Commissioning

B APPENDIX B - Public Health Procurement Plan (attached separately)

C APPENDIX C – Public Health Services Provided by LBTH Internally (additional to Appendix B)

LBTH – Services Funded through Public Health Grant			
(i) Existing Services			
Programme Theme	Service Area	LBTH Directorate Provider	Value p.a.
Maternity, Early Years and Children	Healthy Early Years Accreditation	ESCW	£75,000
	Healthy Lives Team	ESCW	£192,000
	Healthy Schools - Alcohol	ESCW	£50,000
	Healthy Families	ESCW	£30,000
Young People	Peer Education	ESCW	£92,164
	Aspire (Tobacco Cessation)	ESCW	£205,110
	Educational Psychology	ESCW	£40,000
Tobacco Cessation	Tobacco Control	CLC	£305,000
Obesity and Nutrition	Food for Health Award	CLC	£30,000
(ii) New Proposals			
Healthy Community	Healthy Lifestyles Referral Hub	CLC	£120,000
Healthy Community	Private Sector Housing – EHO Referral Pilot	CLC	£70,000

APPENDIX D RISK REGISTER

PUBLIC HEALTH COMMISSIONING AND PROCUREMENT RISKS				
Financial and Contract Risks	Risk level	Risk Type(s)	Contingency	Lead
Inadequate consultation with members	High	Member/Mayoral Decision	Engage Mayor and Lead Members at the earliest opportunity; Plan for early decisions and build in time contingency where possible.	SB
Not enough time to review services adequately before re-commissioning	High	Process/service delivery	Plan for incremental move towards service re-design; build in break clauses and contract review	KW
Upward cost pressures from open access services e.g. sexual health	High	Financial	Retain flexibility on use of tariffs where non-mandated; impose cap and collar where useful mechanism to control cost increases;	SB
Contract resources not fully directed at delivery of front line services	High	Financial Service Delivery	Very clear specification of services to be provided and performance measures; detailed financial breakdown and thorough contract financial monitoring	SB
New contracts are not in place by 01.04.14	Medium	Time Service Delivery Reputational	Develop contingency plan with Legal Services.	KW
Reductions in Public Health funding for commissioning in future	Medium	Financial	All contracts procured on a 1 year basis plus the ability to extend a year at a time	KW
Limited market for public health procurement	Medium	Procurement process	Advertise services in small lots; avoid block contract approach, allow consortia bids.	KW
Inadequate consultation of stakeholders	Medium	Legal/process	Work with Health Watch to develop a plan for service user engagement; use existing networks, service user feedback, service audits etc.	KW

APPENDIX E SUMMARY OF PUBLIC HEALTH GRANT FUNDED SERVICES

	Early years	Children/Adolescents	Adults
General services			
Promoting health in the community and awareness raising		School nursing	Health Trainers Programme Health Literacy (ESOL) Cancer awareness (small c)
Identifying highest risk			Health Checks Programme
Outreach proposal			Under discussion
Specialist services			
Tobacco	Specialist stop tobacco: •Smoking in pregnancy	Specialist stop tobacco: •Young people	Specialist stop tobacco: •Community based •GP practices •Community pharmacy
Nutrition/Physical activity	Breast feeding support Healthy Start Vitamins (egVit D) Active Play and Healthy eating Child weight early intervention Fluoride Varnish	Active Play Child weight management	Adult weight management, improving diet, physical activity •Targeted at highest risk (Fit 4 Life)

	Improving nutritional standards in food outlets (Food for Health Awards), increasing availability of fresh food and vegetables in local stores (Buywell), Grassroot promotion of physical activity/health eating (Can Do Grants), Food growing network support		
Sexual Health and HIV		Young people's service	Prevention and treatment in: <ul style="list-style-type: none"> • Community • Community pharmacists • GP practices • Community health services • Acute services

Bold = over £250k value