

**COMMISSIONING AND PROCUREMENT SUB-COMMITTEE/STRATEGIC
REGENERATION COMMITTEE – 15th July 2015**

Subject:	Re-procurement of Stop Smoking Services and Adult Healthy Lifestyle Services		
Corporate Director(s)/ Director(s):	Alison Challenger – Interim Director of Public Health Alison Michalska - Corporate Director Children and Adults Candida Brudenell - Strategic Director Early Intervention		
Portfolio Holder(s):	Councillor Alex Norris, Portfolio Holder for Adults and Health		
Report author and contact details:	John Wilcox – Insight Specialist - Public Health 0115 8765110 John.Wilcox@nottinghamcity.gov.uk Gayle Aughton, Commissioning Manager Tel: 0115 87 62812 Gayle.Aughton@nottinghamcity.gov.uk Lynne McNiven – Consultant in Public Health 0115 876 5429 Lynne.McNiven@nottinghamcity.gov.uk		
Key Decision	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Subject to call-in
			<input checked="" type="checkbox"/> Yes
			<input type="checkbox"/> No
Reasons:	<input type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision
			<input checked="" type="checkbox"/> Revenue
			<input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City	<input checked="" type="checkbox"/> Yes		
	<input type="checkbox"/> No		
Total value of the decision: £1,927,054			
Wards affected: All	Date of consultation with Portfolio Holder(s): Chairs Briefing 24 th June, 2015		
Relevant Council Plan Strategic Priority:			
Cutting unemployment by a quarter	<input type="checkbox"/>		
Cut crime and anti-social behaviour	<input type="checkbox"/>		
Ensure more school leavers get a job, training or further education than any other City	<input type="checkbox"/>		
Your neighbourhood as clean as the City Centre	<input type="checkbox"/>		
Help keep your energy bills down	<input type="checkbox"/>		
Good access to public transport	<input type="checkbox"/>		
Nottingham has a good mix of housing	<input type="checkbox"/>		
Nottingham is a good place to do business, invest and create jobs	<input type="checkbox"/>		
Nottingham offers a wide range of leisure activities, parks and sporting events	<input type="checkbox"/>		
Support early intervention activities	<input checked="" type="checkbox"/>		
Deliver effective, value for money services to our citizens	<input checked="" type="checkbox"/>		
Summary of issues (including benefits to citizens/service users):			
This report seeks approval to extend the contracts for a number of existing public health services (detailed in Exempt Appendix 1) for one year. These extensions will enable the completion of the strategic review of Adult Healthy Lifestyle services and will ensure that recommendations to improve value for money can be implemented in the subsequent re-procurement of these services. Dispensation from financial regulations is sought in respect of 3 services that do not have an existing option to extend.			

Exempt information:**State 'None' or complete the following.**

Appendix 1 is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial affairs of a particular person (including the authority holding that information) and having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it is commercially sensitive and may jeopardise contract negotiations.

Appendix 2 is exempt from publication under paragraph number 5 of Schedule 12A to the Local Government Act 1972 because it contains information relating to information in respect of which a claim to legal professional privilege could be maintained in legal proceedings; and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Recommendation(s):

1. To enable a commissioning review to be completed prior to re-procurement **approval** is given to:
 - (a) Extend those Public Health contracts listed in the **exempt Appendix 1 Tables A & B**, for up to 1 year, at a cost not exceeding their current contract values.
 - (b) Dispensation from sections 5.1.1 and 5.1.2 of the Council's Contract Procedure Rules, in accordance with section 3.29 of the Council's Financial Regulations, in respect of the Public Health contracts indicated in **exempt Appendix 1, Table B**. The Chief Finance Officer has been consulted on and agrees to this request.
- 2 **Delegate** authority to the Director of Public Health in consultation with the Portfolio Holder of Adults and Health, to agree the final values and award contracts for the services listed in **exempt Appendix 1, Tables A and B**, providing these do not exceed their current values.
- 3 **Delegate** authority to the Head of Quality and Efficiency to sign the final contracts and contract extensions in respect of all services detailed in **exempt Appendix 1 Tables A and B** following approval by the Director of Public Health to the agreed contract awards.
- 4 **Approval** to spend the budget to support the contractual values set out in **exempt Appendix 1 Tables A and B**. If the contractual values are over and above current indicative values a separate report will be presented for approval.

1. REASONS FOR RECOMMENDATIONS

- 1.1. Extending the contracts listed in exempt Appendix 1, Table A and B, for one year will ensure that continuity of service provision is maintained and that recommendations arising from the Healthy Lifestyle commissioning review can be implemented in a timely manner. It will also enable procurement of the new model of provision to be undertaken during 2016/17 to ensure that service and cost improvements can be achieved from April 2017 onwards.
- 1.2. A commissioning review is required to ensure that health and wellbeing benefits for citizens from these service areas are maximised, and that the services provide the best value for money. There are several service configuration options that need to be considered and appraised, including integration with and utilisation of relevant existing council services, and there is insufficient time to undertake such a review and procure, and mobilise new service models before current contracts end in March 2016.

- 1.3. It is, therefore, proposed that fixed term arrangements be put in place with existing providers to ensure continuity of service for local citizens. Detail of all Public Health contracts pertaining to this review currently due to expire on 31 March 2016 are listed in exempt Appendix 1. In all cases contract performance will be monitored closely throughout the year to ensure that services are delivered effectively and best value is obtained.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 Under the provisions of the Health and Social Care Act (2012) Nottingham City Council (NCC) has a statutory responsibility to commission a range of public health services. These functions include services in relation to stop smoking services and interventions, wider tobacco control, obesity in adults and children, physical activity in adults and children, and nutrition initiatives (Department of Health, 2014) in line with priorities identified by the local authority.
- 2.2 Cancer and cardiovascular disease are the biggest causes of premature mortality in Nottingham City and have been the largest contributors to the gap in life expectancy between the city and England (Nottingham City JSNA, Public Health England Life Expectancy Segmentation tool, 2015). A significant proportion of deaths from cancer and cardiovascular disease are preventable and smoking, physical inactivity and diet are significant modifiable risk factors for premature mortality and disability in Nottingham from these conditions. Nottingham City has some of the highest rates of smoking in England and has similar rates of smoking to the England average 20 years ago. These preventable conditions also make a significant contribution to NHS and social care costs in the city, and intervening early to prevent risk factors is, therefore, a cost effective approach to improve the health and wellbeing of citizens, improve life expectancy and reduce downstream service costs.
- 2.3 The City Council currently commissions the New Leaf Stop Smoking services provided by Citycare Partnership and six other services listed in appendix 1 as part of an interdependent pathway. These services are funded by the Department of Health Public Health Grant and aim to provide early intervention support to help at risk citizens from developing and dying early from long term conditions to reduce their risk by; stopping smoking, increasing their physical activity, improving their diet and reducing obesity.
- 2.4 Healthy Lifestyle services have never been fully reviewed together. Undertaking such a review presents opportunities for a service pathway and individual services to be redesigned to meet the current health and wellbeing need of vulnerable citizens through a model that is cost effective, intervenes early, and fits with wider pathways, and council services and priorities.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Do nothing – This option was rejected as this would mean that existing contracts for these services expire, leaving the city without stop smoking and healthy lifestyle services meaning there would be no support infrastructure to support citizens to reduce their risk of diseases for which smoking, physical activity and obesity and poor diet are a risk.
- 3.2 Re-procuring all services in October 2015 for new contracts to commence in April 2016. This option was rejected as it would allow insufficient time to implement the recommendations of the commissioning reviews, and it is essential that procurement is not undertaken before the long term strategy for these services is agreed.

- 3.3 Re-procuring the stop smoking services in October 2015 for new contracts to commence in April 2016, whilst extending other contracts for one year was rejected. This option would allow insufficient time to implement the recommendations of the commissioning reviews, and the potential for different models to be considered that may provide better value for money. Also, it will not allow potential integration of stop smoking with other services such as a central referral hub to be considered.

4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 The maximum cost of the contract (one year only) is detailed in exempt Appendix 1.
- 4.2 Savings from the Public Health budget of £0.429m, to be achieved in 2015-16, have been agreed in the Medium Term Financial Plan (MTFP). This decision will deliver £0.189m of savings towards the MTFP. **Table 1** shows breakdown of how this will be achieved.

Table 1

Service	Budget 1516	Contract Value	Saving
Lifestyle Referral & Support Hub: Healthy Change	454,800	427,800	27,000
Best Foot Forward	8,000	8,000	-
Active for Life: Physical Activity on Referral	347,800	328,792	19,008
Slimming World Weight Management on Referral	125,000	100,000	25,000
Public Health Nutrition Service - Healthy Eating Intervention	340,512	306,462	34,050
New Leaf Smoking Cessation Service	840,500	756,000	84,500
TOTAL	2,116,612	1,927,054	189,558

- 4.3 Approval is given to award the contract up to its current annual cost. Any increase in contract value above that level will require further approval to be gained through the appropriate process.
- 4.4 Contract performance will be closely monitored to ensure the outcomes align to the City Councils framework to achieve value for money and deliver on the principles of economy, efficiency and effectiveness.
- 4.5 The decision will align contract expiry dates and gives an opportunity to increase the integration of the services and explore options for delivery and maximise use of resources

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

Legal and procurement comments are made in Exempt appendix 2.

6 SOCIAL VALUE CONSIDERATIONS

Social Value is inherent in the subject matter of this procurement, as an open access health service for citizens. However the possibility for creating additional social value (for example generating employment and training opportunities) will be considered as part of the procurement process.

7 REGARD TO THE NHS CONSTITUTION

Local authorities have a statutory duty to have regard to the NHS Constitution when exercising their public health functions under the NHS Act 2006. In making this decision relating to public health functions, we have properly considered the NHS Constitution where applicable and have taken into account how it can be applied in order to commission services to improve the health of the local community.

8 EQUALITY IMPACT ASSESSMENT (EIA)

Risk Assessment and Equality Impact Assessments will be undertaken for those services to be tendered.

9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

Department of Health (2014). Local Authority Circular. Public Health Ring-Fenced Grant Conditions – 2015/16.

11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

Rachel Doherty – Lead Contract Manager, Early Intervention.
Andrew James, Senior Solicitor, Contracts and Commercial Team, Legal Services.
Dee Fretwell, Finance Analyst, Children and Families, Strategic Finance.
Dawn Cafferty - Procurement Category Manager – Community, Health and Education.
Antony Dixon, Strategic Commissioning Manager, Early Intervention.