

COMMISSIONING AND PROCUREMENT SUB-COMMITTEE – 13.07.16

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|--|---|---------------------------|--|
| Subject: | Re – procurement Adults Healthy Lifestyles Service. | | |
| Corporate Director(s)/ Director(s): | Candida Brudenell, Assistant Chief Executive Alison Challenger, Interim Director of Public Health Katy Ball, Director for Commissioning and Procurement | | |
| Portfolio Holder(s): | Councillor Alex Norris, Portfolio Holder for Adults and Health | | |
| Report author and contact details: | Gayle Aughton, Commissioning Manager 0115 876 2812 Gayle.Aughton@nottinghamcity.gov.uk John Wilcox, Insight Specialist, (Public Health) 0115 8765110 John.Wilcox@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 checked="" 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: £7.8 million (£1.3 million per year) | | | |
| Wards affected: All | Date of consultation with Portfolio Holder(s): 22 nd June, 2016 | | |
| Relevant Council Plan Key Theme: | | | |
| Strategic Regeneration and Development | | | <input type="checkbox"/> |
| Schools | | | <input type="checkbox"/> |
| Planning and Housing | | | <input type="checkbox"/> |
| Community Services | | | <input type="checkbox"/> |
| Energy, Sustainability and Customer | | | <input type="checkbox"/> |
| Jobs, Growth and Transport | | | <input type="checkbox"/> |
| Adults, Health and Community Sector | | | <input checked="" type="checkbox"/> |
| Children, Early Intervention and Early Years | | | <input type="checkbox"/> |
| Leisure and Culture | | | <input type="checkbox"/> |
| Resources and Neighbourhood Regeneration | | | <input type="checkbox"/> |
| Summary of issues (including benefits to citizens/service users): | | | |
| <p>This report seeks approval to procure and award contracts to deliver a revised adult Adult Healthy Lifestyle service model following a full commissioning review of the current model as approved by this Committee in July, 2016.</p> <p>These services will contribute to the city’s aims to reduce inequalities in premature mortality and healthy life expectancy. The services support adults to stop smoking, improve their diet and physical activity, and reduce weight and assess the risk of cardiovascular disease (NHS Health Checks).</p> <p>The planning of the Healthy Lifestyles services will be undertaken jointly with the Nottingham City Clinical Commissioning Group to enable the development of a more integrated pathway and seamless service for citizens</p> | | | |

Exempt information:

State 'None' or complete the following.

None.

Recommendation(s):

1
To approve the procurement of Healthy Lifestyle services as outlined in Appendix 1

2
To delegate authority to the Director of Public Health in consultation with the Portfolio Holder for Adults and Health, to allocate funds for the above expenditure and secure best value for Nottingham citizens.

3
To delegate authority to the Director for Public Health in consultation with the Portfolio Holder for Adults and Health to approve the outcome for tenders, agree final values and award contracts for the services detailed in Appendix 2, providing it does not exceed the maximum values indicated.

4
To delegate authority to the Head of Contracting and Procurement to sign the final contracts in respect of the services detailed in Appendix 1, following the approval by the Director of Public Health to the agreed contracts.

1 REASONS FOR RECOMMENDATIONS

1.1 To ensure that the Public Health funding allocations are utilised to commission and procure services in an appropriate way and in accordance with the correct legislation. The re-procurement of these Healthy Lifestyle services will seek to ensure the delivery of high quality services, at the best possible value for money. Appendix 1 sets out the proposed maximum service values, contract duration and details of efficiencies.

1.2 To allow for relevant and mandatory commissioning activity to continue in order to maintain service provision for citizens and meet identified local need, including meeting the recommendations from the Nottingham City Joint Strategic Needs Assessment. Commissioning activity will contribute to ensuring delivery of the Council Plan, Joint Health and Wellbeing strategy, CCG strategy as well as the Tobacco Control strategy, Healthy Weight strategy and, relevant Public Health Outcomes Framework indicators.

1.3 To enable contracts to be issued in a timely manner to ensure continuity of service delivery from April 2017, when the current contractual arrangements time expire. The current combined value of the current services is £2.0m/year and contracts are ending March 2017 with no option to extend contracts with external providers.

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. The CCG have a responsibility to deliver a Tier 3 service, (Specialist weight assessment and management service (Royal College of Surgeons, 2014 Commissioning Guide)

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.

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 current contracts relating to Healthy Lifestyle services expire on 31/03/2017, with no option to extend. Re-procurement will be undertaken to commission services from 01/04/2017. Six services are currently contracted with external providers with one service commissioned initiative provided by NCC Sport and Leisure. See Appendix 2.

2.4 The outcome of reviewing evidence, NICE guidelines, good practice and consultation with citizens, providers and professional as part of this review has concluded the following:

To procure one smoking cessation behaviour change service for citizens who are motivated to quit, which has a particular focus on groups with a high smoking prevalence.

To procure one weight management behaviour change and outcomes service for citizens who have a level of obesity that put their health at risk who are motivated to lose weight.

The weight management service should form a pathway with Clinical Commissioning Group commissioned services for citizens with more complex needs.

The “front door” of the weight management service should signpost citizens with lower level needs to wider provision and opportunities for physical activity and healthy living in the city in partnership with Nottingham City Council Sport and Leisure Services.

Services should utilise council assets such as Leisure Centres where it is economical to do so.

Community NHS Health Checks should be provided as part of the weight management service to increase accessibility to complement core provision through GP practices.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Do nothing – This option was rejected as this would mean that when existing contracts end in April 2017 this would leave the city without support for adult citizens at high risk of diseases due to smoking, physical activity and obesity and poor diet.
- 3.2 Re - procure current services – this option was rejected as current contracts would not be viable due to the efficiencies required in the overall budget.

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

- 4.1 The total contract cost detailed in Appendix 1 is £7.8 million (£1.3 million per year) for the maximum life of the contracts via a 3+3 option.
- 4.2 The funding of the contracts can be contained within the Public Health grant. The services referred to in Appendix 1 have been identified as being reduced to contribute towards the budget savings challenge from 2016-onwards. The decision will contribute to annual budget savings of £0.237m and an annual reduction on the call on the Public Health Reserve of £0.467m.
- 4.3 Additional funding circa £0.045m will be used to support the cost of the triage function of the weight management services. The funding for this will be aligned to the length of the contracts detailed in Appendix 1. However, this additional funding has only been secured via the CCG for the first three years of contract life. If the option to extend is taken and this additional CCG funding is not further confirmed, any budget pressure would need to be mitigated within the Public Health grant allocation.
- 4.4 The Public Health grant is ring-fenced to 2017/18 only.

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

- 5.1 Procurement has been fully involved in the review process and will continue to assist in helping to ensure procurement regulations are adhered to.

The intention is to align commissioning and procurement closely with the Nottingham City Clinical Commissioning Group to develop a more efficient new model. The precise details need to be fully developed to ensure contractual controls compliance is adhered to.

Legal Comments - This report does not raise any significant legal issues. The new contracts will be procured through a competitive tender to ensure compliance with UK procurement regulations. There are likely to be transfers of staff from the existing contractors to the new contractor which may be complicated by the redesign of the delivery of the services and the Legal Services Team is assisting

the Commissioning Team to understand the potential impact of the 'TUPE' transfer for the procurement process.

6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE (STRATEGIC REGENERATION COMMITTEE REPORTS ONLY)

6.1 Not applicable.

7 SOCIAL VALUE CONSIDERATIONS

7.1 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 under the Business Charter.

8 REGARD TO THE NHS CONSTITUTION

8.1 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

9 EQUALITY IMPACT ASSESSMENT (EIA)

9.1 Equality Impact Assessments are being undertaken or will be undertaken for those services to be tendered.

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

10.1 None

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

11.1 Assessment and Weight Management, Commissioning Guide, Royal College of Surgeons 2014.

12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

12.1 Rachel Sokal, Consultant in Public Health
Nicola Harrison, Lead Procurement Officer
Rachel Doherty, Lead Contract Manager
Andrew James, Team Leader Contracts and Commercial
Adisa Djan, Equality and Diversity Consultant
Tania Clayton – Perez, Senior Finance Assistant