

Cabinet Member delegated decision**Decision Due: 5 March 2018****Report title:** Public Health Services Contract Extension Waiver**Wards:** All**Report Authorised by:** Strategic Director, Adults and Health: Helen Charlesworth-May**Portfolio:** Cabinet Member for Healthier and Stronger Communities: Councillor Mohammed Seedat (job share)**Contact for enquiries:**Michelle Binfield, Associate Director, Public Health mbinfield@lambeth.gov.uk 020 7926 6394**Report summary**

From April 2013, the responsibility for population based health improvement (through the provision of Public Health specialist advice, strategic responsibility and commissioning) transferred to local authorities along with a Public Health grant to pay for these responsibilities. More than 150 contracts were transferred to the Council from Lambeth Primary Care Trust at that time and were subsequently extended to give time for council commissioners to review and re-commission services. The majority of the transferred services have been reviewed and re-commissioned and new contracts have been put in place. Some are subject to a current retendering process and require a further extension while work continues, whilst others cannot be retendered at this time due to the type of service. This report seeks permission to extend the contracts listed in Section 2 for a further period.

Finance summary

The expected Public Health grant for the council in 2018/19 is £31,409,000. For 2019/20, it is expected to be £30,550,000. These figures are net of the cuts already announced by the Department of Health. According to recent announcements, this grant is expected to remain ring-fenced until 31 March 2020.

The Public Health grant paid to the council has been subject to Government reductions and much of the re-commissioning work undertaken has been against a backdrop of needing to make savings. Since 2015/16, the Public Health grant has reduced by over £4m with further cuts to come. The extension period sought will enable further consideration of how to deliver these savings within existing contracts.

The total spend that this waiver covers is £2,317,946 which is an annual value of £1,158,973 over 1+1 possible years and this is within the overall grant funding available. The individual contract values in Section 2 represent an intended maximum as the majority of the listed contracts are activity-based and demand-led.

Recommendations

- (1) To waive clause 9.2 of the Lambeth Contract Standing Orders (Competition requirement for purchases and partnership arrangements).
- (2) To extend the Public Health contracts for the primary care and HIV care and support services outlined in Section 2 at a maximum combined annual value of £1,158,973 for a period of one plus one years from 1st April 2018 and ending 31st March 2020 for a total maximum combined value of £2,317,946.

1. Context

- 1.1 Following implementation of the Health and Social Care Act 2012, improving the health of the population and reducing health inequality and the professional expertise to inform, lead and advise on the same have become a responsibility of London Borough of Lambeth. In practical terms, the council now not only provides the professional expertise in population health to the health economy but also leads the commissioning of specific health services that were formerly commissioned and contracted by Primary Care Trusts.

A list of the Public Health services that Lambeth is responsible for commissioning includes but is not limited to the following service areas;

- Stop smoking services
- NHS Health Checks
- Weight management/healthy weight services (adults)
- Lifestyle interventions such as Health Trainers, Expert Patient Programme, health promotion
- National child measurement programme (NCMP)
- Childhood obesity and community nutrition services
- Health visiting, school nursing and breastfeeding
- Substance misuse and alcohol services
- Mental health promotion and wider public mental health activities
- Sexual health services

- 1.2 Local Authorities are responsible for delivery against the National Public Health Outcomes Framework and they are expected to work in partnership with health and other sectors to achieve the outcomes using the Health and Wellbeing Board to drive improvements.

- 1.3 Since the transfer of these contracts to the council, Public Health commissioners have been reviewing, recommissioning and redesigning services either to improve outcomes or to deliver savings or both. A significant proportion of the transferred services now have new contracts and service specifications in place but a proportion require a further period of contract extension either to enable the completion of recommissioning work or because the service type and contracting model does not enable procurement to occur at this point. The commissioning intentions are included alongside the contract extension values in Section 2.

2. Proposal and Reasons

- 2.1 This report proposes a 1 +1 year contract extension via waiver for the Public Health Services listed below:

Service provider	Service name	Current contract pa	18/19 contract	19/20 contract
Pasante (Shared by Lambeth and Southwark)	GP insti kits and condoms	£30,000 £25,000 (L) £5,000 (S)	£30,000 £25,000 (L) £5,000 (S)	£30,000 £25,000 (L) £5,000 (S)
Metro (Shared by Lambeth, Southwark and Lewisham)	Positive parenting service	£223,773 £84,452 (La) £70,645 (S) £68,676 (Le)	£223,773 £84,452 (La) £70,645 (S) £68,676 (Le)	£223,773 £84,452 (La) £70,645 (S) £68,676 (Le)
Metro	HIV Peer Support service	£129,000 £49,063 (La) £40,904 (S) £39,033 (Le)	£129,000 £49,063 (La) £40,904 (S) £39,033 (Le)	£129,000 £49,063 (La) £40,904 (S) £39,033 (Le)

Service provider	Service name	Current contract pa	18/19 contract	19/20 contract
Cranstoun	City Roads detox	£120,000	£120,000	£120,000
Equinox	Brooke Drive detox	£200,000	£150,000	£150,000
Baba Chemist	Range of PH interventions	£10,000	£13,700	£13,700
Boots Brixton	Range of PH interventions	£3,000	£18,000	£18,000
Boots Clapham	Range of PH interventions	£3,000	£6,400	£6,400
Boots Lower Marsh	Range of PH interventions	£3,000	£4,700	£4,700
Boots Streatham	Range of PH interventions	£2,500	£3,500	£3,500
Boots Waterloo	Range of PH interventions	£3,000	£6,200	£6,200
Boss Pharmacy	Range of PH interventions	£6,500	£8,600	£8,600
Cam Pharmacy	Range of PH interventions	£6,500	£5,700	£5,700
Copes Pharmacy	Range of PH interventions	£15,500	£8,000	£8,000
Day Lewis (Mokwell)	Range of PH interventions	£8,500	£3,500	£3,500
Day Lewis (Hillrise)	Range of PH interventions	£5,000	£2,000	£2,000
Day Lewis (Stockwell)	Range of PH interventions	£3,500	£3,000	£3,000
Day Lewis (Streatham)	Range of PH interventions	£6,500	£1,500	£1,500
Day Lewis (Foxley)	Range of PH interventions	£500	£2,700	£2,700
Day Lewis (Gipsy Rd)	Range of PH interventions	£4,300	£2,600	£2,600
Deejay Chemists	Range of PH interventions	£10,000	£14,000	£14,000
Elmcourt Pharmacy	Range of PH interventions	£7,000	£13,000	£13,000
Fairlee Pharmacy	Range of PH interventions	£1,000	£2,000	£2,000
Halls Chemist	Range of PH interventions	£1,500	£1,000	£1,000
Harfleur Chemist	Range of PH interventions	£7,000	£20,000	£20,000
Herne Hill (Dulwich Ltd)	Range of PH interventions	£8,140	£6,100	£6,100
Hills Pharmacy	Range of PH interventions	£11,500	£18,000	£18,000
Jackson Chemist	Range of PH interventions	£8,000	£6,000	£6,000
Junction Pharmacy	Range of PH interventions	£10,500	£13,500	£13,500
Kamsons Pharmacy	Range of PH interventions	£10,500	£2,800	£2,800
Kingshield Pharmacy	Range of PH interventions	£22,500	£25,000	£25,000
Lloyds Pharmacy	Range of PH interventions	£2,400	£2,600	£2,600
Medimex Pharmacy	Range of PH interventions	£6,500	£10,000	£10,000
Medirex Pharmacy	Range of PH interventions	£6,500	£8,000	£8,000
Millennium (Brixton Rd)	Range of PH interventions	£11,000	£13,000	£13,000
Millennium (Lothian Rd)	Range of PH interventions	£1,000	£5,000	£5,000
Millennium (Loughborough)	Range of PH interventions	£1,000	£1,400	£1,400
Millennium (Ramsay Hse)	Range of PH interventions	£2,448	£2,400	£2,400
New Park Pharmacy	Range of PH interventions	£11,000	£7,800	£7,800
Orbis Pharmacy	Range of PH interventions	£11,000	£6,000	£6,000
Pascoe Pharmacy	Range of PH interventions	£3,779	£2,300	£2,300
Paterson Heath and Co	Range of PH interventions	£4,200	£4,200	£4,200
Pavilion Pharmacy	Range of PH interventions	£13,000	£12,000	£12,000
Paxton Pharmacy	Range of PH interventions	£1,000	£1,200	£1,200
Peace Pharmacy	Range of PH interventions	£20,000	£15,000	£15,000
Pearl Pharmacy	Range of PH interventions	£5,500	£1,200	£1,200
Phillips Pharmacy	Range of PH interventions	£6,500	£2,600	£2,600
Pulse Pharmacy	Range of PH interventions	£6,500	£5,000	£5,000
Queens Pharmacy	Range of PH interventions	£1,000	£2,000	£2,000
Reenas Pharmacy	Range of PH interventions	£5,000	£4,500	£4,500

Service provider	Service name	Current contract pa	18/19 contract	19/20 contract
Rosendale Pharmacy	Range of PH interventions	£5,000	£2,600	£2,600
Sefgrove Ltd	Range of PH interventions	£11,500	£4,000	£4,000
SG Manning Pharmacy	Range of PH interventions	£11,500	£9,500	£9,500
Shacklock Chemist	Range of PH interventions	£1,500	£1,200	£1,200
Springfield Pharmacy	Range of PH interventions	£1,500	£3,000	£3,000
Streatham Pharmacy	Range of PH interventions	£9,581	£10,000	£10,000
Superdrug Brixton	Range of PH interventions	£5,500	£9,500	£9,500
Superdrug Clapham	Range of PH interventions	£2,692	£7,300	£7,300
Superdrug Streatham	Range of PH interventions	£9,500	£1,200	£1,200
Superdrug Norwood	Range of PH interventions	£2,662	£2,700	£2,700
Tesco Kennington	Range of PH interventions	£6,116	£2,200	£2,200
Unipharm Pharmacy	Range of PH interventions	£10,000	£14,000	£14,000
Vitelow	Range of PH interventions	£6,500	£7,500	£7,500
Watts Pharmacy	Range of PH interventions	£4,862	£4,000	£4,000
Westbury Chemist	Range of PH interventions	£85,000	£105,000	£105,000
X-Pharm t/a Touchwood	Range of PH interventions	£21,708	£4,800	£4,800
TOTAL		£1,196,161	£1,158,973	£1,158,973

(Please note that the pharmacy contract values in 18/19 and 19/20 are based on forecast spend in 17/18 plus a 20% contingency so as to allow for activity growth).

- 2.2 This waiver is sought on the basis of urgency, the exigencies of the service and demonstrable best interest. While the majority of the existing Public Health contracts have been reviewed and new contracts put in place, the commissioning team has not had the resources to review and recommission all of the fixed value contracts by the end of the current contract periods. It is not possible to manage without these services given the important role they play in meeting both statutory and non-statutory need.

There are also difficulties with recommissioning some services linked to the market being under-developed and the complexity associated with working across borough boundaries to deliver shared services.

Specifically, the waiver is requested so that:

- The two HIV care and support services delivered by Metro can be reviewed during 2018/19 with a view to determining if there is scope to redesign or retender the services to improve outcomes and value for money. The services are jointly funded by Lambeth with Lewisham and Southwark CCGs and both CCGs have indicated that they do not favour making significant changes to the services or the provider. This inhibits our ability to proceed as we are only partial funders of the services and we need time to progress discussions and offer assurances to the CCGs of what is possible.
- The two detox services delivered by Cranstoun and Equinox can be reviewed and a new options appraisal produced. Both services were intended to be subject to a retendering exercise led by LB Southwark with a view to developing a framework of detox (and rehab) providers shared by Lambeth, Lewisham and Southwark councils. LB Southwark ended this retendering process late in 2017 on account of the fact that there was an insufficiently diverse market within London to make the exercise worthwhile and, as a result, we need to extend these contracts so as to review and reconsider our approach going forward. We have also been asked to consider developing a bespoke Tier 4 detox/rehab offer for young people in partnership with Children's commissioners.
- The contracts for pharmacies delivering contraception activities will be reviewed as part of the implementation plan for the new Lambeth, Southwark and Lewisham Sexual Health Strategy. The pharmacy contract offer around contraception will be changed in

Lambeth through working in partnership with Southwark and Lewisham to trial new contract types (outcomes rather than activity-based) and to reduce the number of pharmacies delivering interventions whilst also building the expertise of the remainder. The intention is to consider changing pathways and sitting pharmacy contracts with the main sexual health clinical providers from 2019/20 onwards and adding an online contraceptive offer to reduce building-based demand.

- The Pasante contract can be reviewed with LB Southwark in consideration of the Social Impact Bond work programme delivered in partnership with the Elton John AIDS Foundation and NHS England. The intention was to end the Pasante contract when it expired as the expectation was that testing would be funded and delivered through the Social Impact Bond but this is delayed and the outcomes are not assured so we need to extend Pasante while decisions are taken by the partnership.
- Rationalise and improve the remaining pharmacy-based service interventions around substance misuse and smoking so as to improve outcomes and expertise whilst not spreading the service offer so thinly across so many different pharmacies. The retendering work regarding smoking is almost complete and will lead to the number of pharmacies delivering this intervention reducing from 70 to 20 but this procurement exercise will not be completed before the end of March so there is a need to extend contracts as is for now while we consider the changes that need to be made.

3. Finance

- 3.1 The contracts to be extended within this report totalling £1,158,973 per year (for 1+1 years) are funded from the Public Health ring-fenced grant or partly from other Local Authorities and CCGs. The expected Public Health grant for the council in 2018/19 is £31,409,000. For 2019/20, it is expected to be £30,580,000. These figures are net of the cuts already announced by the Department of Health. According to recent announcements, this grant is expected to remain ring-fenced until 31 March 2020.
- 3.2 The Public Health grant paid to the council has been subject to Government reductions and much of the recommissioning work undertaken has been against a backdrop of needing to make savings. Since 2015/16, the Public Health grant has reduced by over £4m with further cuts to come. The extension period sought will enable further consideration of how to deliver these savings within existing contracts.
- 3.3 The Public Health budget will be monitored closely in 2018/19 and beyond in order to ensure that the contractual commitments are adjusted so that expenditure remains within the available resources.

4. Legal and Democracy

- 4.1 The Council has delegated the authority to enact this report's recommendations to the Cabinet Member Healthier and Stronger Communities. Before exercising that authority, the approval of the Procurement Board should be obtained.
- 4.2 The EU procurement rules apply to the contracts listed in this report by virtue of the Public Contracts Regulations 2015. Contracts for goods and for services set out in Schedule 3 of the Regulations ('social, health and other specific services'), are not subject to the full rigour of the Regulations but instead the less prescriptive 'light touch' procurement regime applies. The Regulations allow contracting authorities to negotiate contract extensions where additional services are required from the contractor that through unforeseen circumstances were not included in the original contract. It must be the case that the additional services cannot be technically or economically separated from the original contract without great inconvenience to the contracting authority, or although separable, are strictly necessary for the completion of the original contract. The difficulties encountered in agreeing changes with the clinical commissioning groups and partner boroughs are relevant.

- 4.3 This proposed key decision was entered in the Forward Plan on 02 February 2018 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5 Consultation and co-production

- 5.1 Co-production is a core underlying principle to ensure appropriate design and delivery of Public Health services to meet the needs of the population of Lambeth. This approach has been integral to the service reviews and service re-design and recommissioning to date. The changes to the pharmacy-led smoking cessation offer, for example, have been developed in partnership with the Local Pharmaceutical Committee and the Lambeth, Southwark and Lewisham (LSL) Sexual Health Strategy refresh – which will underpin the changes to the pharmacy-led sexual health services, the Metro services and the Pasante service – has been undertaken with the full involvement of community organisations and affected residents across LSL.

6 Risk management

- 6.1 The health services for which the council is responsible involve an element of clinical delivery in most instances. They must be delivered by appropriately trained, accredited, experienced and supervised professionals to meet the standards required of the NHS and professional regulatory bodies, as well as nationally recognised clinical guidelines. Commissioners let and manage contracts to ensure that this is the case.
- 6.2 All providers are subject to regular contract monitoring and Dunn and Bradstreet checks will be undertaken as necessary.
- 6.3 A challenge to the waiver could be submitted - however as we are requesting short-term contract extensions with a clear direction of travel towards reprocurring/recommissioning, this seems unlikely. All local pharmacies benefit from the opportunity to deliver activity-based, demand-led Public Health interventions and the pharmacy offer across sexual health, smoking and substance misuse will be restricted only via an open competitive process.

7 Equalities impact assessment

- 7.1 As service reviews and re-commissioning are undertaken, EIAs are being undertaken as part of that process as appropriate. Commissioners are already considering equalities issues such as access, appropriate service delivery for specific communities, and potential gaps in the data for new communities and emerging health and wellbeing issues. Given Lambeth's focus on addressing health inequality this is a critical component of the recommissioning work.
- 7.2 Broadly, the changes made to Public Health services in recent years have been about maintaining access (particularly for groups who experience the greatest inequity in terms of health outcomes) in the face of funding reductions and none of the proposals in this report fall into that category as the request is to extend contracts on current terms largely. Where future recommissioning work may lead to any equalities impact, EIAs will be prepared on a case by case basis.

8 Community safety

- 8.1 Commissioned Substance Misuse treatment services support the Council's duty under the Crime and Disorder Act 1998 (Section 17), to consider crime and disorder in all of its actions through the potential reduction in offending by those residents engaged in treatment.
- 8.2 The Public Health focus on addressing the wider determinants of health, supports the local authority in delivery of its duties under the Crime and Disorder Act. In addition a Public Health approach has been applied to the assessment of violent crime within the borough and is an emerging method developing evidence based approaches to the delivery of services and interventions.

9 Organisational implications

- 9.1 These services are commissioned in pursuance of the local authorities new duties related to the improvement of the health in the local population, the delivery of specialist Public Health advice and the continuation of health improvement services to the citizens of the London Borough of Lambeth.
- 9.2 Environmental
None
- 9.3 Staffing and accommodation
All staff are employed by contracted providers, the staff and on costs including accommodation are factored into the individual provider contracts.
- 9.4 Procurement
All contracts reflect Lambeth's Responsible Procurement objectives. Primarily, via a partnering approach, as outlined earlier in this document, which is considered integral to the strategic development of the service model and pursuit of continuous improvement in tandem with participating public and voluntary sector providers. The contract agreements contain Environmental and Social provisions and measureable outcomes which promote Lambeth's agenda and objectives. The providers will be required to ensure that where appropriate opportunities are provided for local residents to be engaged in the development and delivery of services via volunteering/employment or involvement service planning/design. All providers are compliant with paying the London Living Wage.
- 9.5 Health
The proposal supports delivery of the co-operative Health and Wellbeing strategy through the continuation of existing contracts allowing a stable basis for the local Public Health system to develop or implement new services based on evidenced based priorities.

All commissioned services contribute to the achievement of the Council's outcomes, including population health and reducing health inequalities as outlined in the priorities contained in the Joint Strategic Needs Assessment (JSNA). Lambeth has high rates of poor sexual health, higher risk drug and alcohol use and burden of long term health conditions in comparison to the London average.

10. Timetable for implementation

No	Item Description	Date
1	Report presented at Procurement Board	13.02.18
2	Decision Logged	19.02.18
3	Decision cleared	02.03.18
4	Scheme of Delegation Signatures	09.03.18
5	Contract extensions issued	19.03.18
6	Start dates for contract extensions	01.04.18
7	Ongoing contract management	April 2018 onwards

Audit trail				
Consultation				
Name/Position	Lambeth directorate/division or partner	Date Sent	Date Received	Comments in para:
Helen Charlesworth- May	Strategic Director, Adults and Health	05.02.18	13.02.18	All
Ruth Hutt	Director of Public Health	05.02.18	05.02.18	All
Pete Hesketh	Finance	05.02.18	07.02.18	All
David Thomas	Legal	05.02.18	08.02.18	4.0
Maria Burton	Democratic Services	05.02.18	07.02.18	All
Councillor Jim Dickson	Cabinet Member: Healthier and Stronger Communities	05.02.18	08.02.18	All
Procurement Board	13 February 2018			

Report history	
Original discussion with Cabinet Member	28.01.18
Report deadline	N/A
Date final report sent	N/A
Report no.	N/A
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	Yes
Date first appeared on forward plan	02.02.18
Key decision reasons	Expenditure, income or savings in excess of £500,000
Background information	https://www.gov.uk/government/topics/public-health
Appendices	None

APPROVAL BY CABINET MEMBER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board and taken account of their advice and comments in completing the report for approval:

Signature

Date 05 March 2018

Post Associate Director, Public Health and Disabilities
Michelle Binfield

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature _____ **Date** _____

Post Cabinet Member, Healthier and Stronger Communities (job-share)
Councillor Mohammed Seedat

Any declarations of interest (or exemptions granted): None

Any conflicts of interest: None

Any dispensations: None