Joint Public Health Board

Bournemouth, Poole and Dorset councils working together to improve and protect health

Date of Meeting	19 November 2018
Officer	Acting Director of Public Health
Subject of Report	**Community Health Improvement Services Procurement**
Executive Summary	Contracts for a range of community health improvement services are due to expire at the end of March 2019. This paper presents options for procurement and recommends a preferred approach that seeks to maximise efficiency and effectiveness of the services. The paper covers: • Background and rationale for change; • Options; • The Framework Model; • Risks and Mitigation plans; • Budget and timelines; • The preferred procurement option; • A recommendation to procure and award following successful completion of tender (delegated authority to the acting DPH to work with Portfolio holders to agree award).
Impact Assessment:	Equalities Impact Assessment: An equalities impact assessment screening tool has been completed. A full equalities impact assessment is not required.
	Use of Evidence: The commissioning update uses • Internal performance and data monitoring information • Evidence base for best practice guidance • Financial and service review recommendations

	• Risk assessment tools
	Budget: The annual budget for Community Health Improvement Services is £2,204,000.
	Risk Assessment: The financial risk is low. The main risks include building effective engagement with primary care and ensuring an effective invitations process and delivery across Dorset. Current performance in Dorset, Bournemouth and Poole is below national expectations for the programme. There is a reputational risk from continued poor performance in providing a mandated public health service, NHS Health Checks. Current Risk MEDIUM Residual Risk LOW
	Other Implications: None.
Recommendation	The Joint Public Health Board is asked to: • Approve the preferred option for procurement and award of the Framework Agreement for the provision of community Health Improvement Services; • Approve delegated authority to the Acting Director of Public Health Dorset in consultation with the Joint Public Health Chairs and Portfolio holders to award to appropriate providers. • Note that the Framework includes NHS Health Checks as per the recommendation of September 2018 Board. • Approve the procurement and award though Open Tender for provision of weight management support within the community • Note the risk and mitigating plans from cost and volume contracts • Agree to share these recommendations with the two Unitary Councils' Shadow Executive Committees.
Reason for Recommendation	To enable service continuation and transformation through procurement.
Appendices	Community Provider Health Improvement Services Business Case
Background Papers	None.
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1. Background

1.1 In 2014/15 Public Health Dorset developed a dynamic purchasing framework for procuring community health improvement services. Most services with the exception of Health Checks were procured using an Any Qualified Provider (AQP) approach. Providers could apply for a specific public health contract, subject to meeting the essential criteria they were guaranteed a contract.

1.2 The dynamic purchasing system (DPS) has largely worked well. However, there are challenges and risks in managing some of the cost and volume contracts, including contraceptive services and smoking cessation.

1.3 The DPS and all associated contracts ends in March 2019 and these services will need to be procured under the Public Contract Regulations 2015. There is an opportunity to further improve how services can be delivered and engage providers to increase accessibility and activity where it is needed, within agreed budgets.

2. Options appraisal

2.1 The CHIS Services comprise of seven areas or Lots:

- NHS Health Checks
- Emergency Hormonal Contraception (EHC)
- Long-Acting Reversible Contraception (LARC)
- Needle exchange
- Supervised consumption of methadone and buprenorphine
- Smoking Cessation Services
- Weight management (to be discussed separately as there is a competitive market)

2.2 The Business Case for these Services in Appendix One outlines the strategic context and highlights the mandated contract regulations or national guidance which underpins the delivery of the different CHIS services in more detail for the Board. The business needs for these services are mainly to improve take up of evidence-based interventions, equity of service provision and quality of access.

2.3 Four possible procurement options are summarised below. The RAG system in the table has rated each option based on the principles of effectiveness, efficiency and equity, as follows:

- Red: Does not satisfy this principle
- Amber: Satisfies the principle to some extent
- Green: completely satisfies this principle

2.4 The local market for community services is generally from primary care and/or pharmacy providers. In choosing a preferred option the Board is asked to consider a which procurement approach most benefits effective delivery of these public health services.

2.5 Option 1: No change. Radical change is not required for most of the CHIS services. Therefore, for supervised consumption, LARC, EHC and smoking cessation no change could be an attractive option, because coverage across the county for these areas is comprehensive, and performance is good.

This is not true of health checks and needle exchange services. The current delivery of health checks is well below national expectations and will remain so without a new

approach (see previous paper, September Board). The current provision of needle exchange is reliant on a complicated payment system and poorly tailored equipment distribution for service users, both of which need simplifying. There is also the legal risk of being non-compliant with PCR 2015 when these contracts expire in March 2019. Therefore this option is not recommended.

2.6 Option 2: Single provider – award of contract to a single provider for all lots, or by activity area. This option could be effective in accomplishing an adequate scale of provision. However, a single approach may not be possible to achieve due to the complexities of adequate coverage and consistent quality of provision for Dorset to meet the varied population needs.

A single provider model might deliver some efficiency, but not necessarily the best outcomes for those trying to access services. A single provider model would not offer equity as it is likely that services would be complex and difficult to mobilise effectively across Dorset within budget.

2.7 Option 3: Locality based lots – potentially a different provider for each area of service, with tailored specifications. This option could be effective as it would tailor the offer. However, this may lead to issues around equity and quality for different population groups, as each locality may be set up with different provision. The known provider market are independent contractors and so this model may be too complicated to achieve equity. The use of competition at locality level could further fragment services. NHS health checks is one example of this challenge. This procurement option raises efficiency and management concerns, as it would be an intensive procurement and contract management process, with a significant number of locality lots required to ensure equitable coverage across 13 locality areas for each Lot.

2.8 Option 4: Any Qualified Provider (AQP) under an agreed framework. This means that any provider can deliver the service (provided they meet specific criteria), and will be paid according to activity. This model would offer a high level of efficiency, as it is a simple process, developed as a single framework with all six lots included. This framework is open to any qualified provider, and places the power in the hands of the end user to access services where they choose. This is a good fit with strategic objectives for Alcohol and Drugs and similarly with user choice and access for EHC and LARC contraception services. Given that all providers will offer the same service, according to the specifications, there would be providers across the county to deliver an equitable provision, leading to a highly accessible service.

There is the potential for this model to increase costs. However, the activity streams within most Lots are relatively straightforward. Some Lots have remained relatively stable and are not expected to increase. Those lots such as smoking cessation and NHS Health Checks need to increase and the projected budget should be able to accommodate this as the current spend is low.

2.9 Preferred Option: of the options under consideration, only Option 4 (AQP) increases the effectiveness, efficiency, and equity of current provision (see summary table, page 5). While options 2 and 3 both have a high potential for effectiveness, this is not matched by efficiency or equity, when option 4 is likely to be considerably more efficient. Option 4 includes no ‘Low’ scores for any of effectiveness, efficiency or equity.

Given the pressures on staff time and commissioning budgets being experienced at present, Option 4 simultaneously offers the potential to improve service and efficiency gains. For all service areas, it scores highest on efficiency.

3. Summary Table

	Option 1: No change			Option 2: One provider			Option 3: Locality lots			Option 4: Any qualified provider		
	Effectiveness	Efficiency	Equity	Effectiveness	Efficiency	Equity	Effectiveness	Efficiency	Equity	Effectiveness	Efficiency	Equity
Health Checks	Low	Medium	Low	Low	High	Medium	Medium	Low	Medium	Medium	High	Medium
Needle Exchange	Medium	Low	Medium	High	Medium	Medium	High	Low	Medium	Medium	High	Medium
Supervised Consumption	Medium	Medium	High	High	Low	Low	Medium	Low	Medium	Medium	High	High
Long-Acting Reversible Contraception	High	Medium	Medium	High	Low	Low	Medium	Medium	Medium	High	High	Medium
Emergency Hormonal Contraception	High	High	Medium	High	Low	Low	Low	Low	Medium	High	High	Medium
Smoking Cessation	Medium	High	Medium	High	Low	Low	High	Medium	Medium	Medium	High	Medium
Total*	7	7	6	10	3	2	7	2	6	8	12	7
	20			15			15			27		

4. The AQP Framework

4.1 The overall benefit of an ACP framework is that it is permissible under a light touch regime, which applies to Health Services where markets are known. It is flexible with a fixed price and allows for new entrants to be added at any time. The framework is not a competitive process, it is fair and is supportive, which will engage providers.

4.2 The process is simple, has one set of terms and conditions and all six community provider public health contracts can go under one framework. This would ease the procurement and provider application process and release capacity for planning more complex procurements such as Public Health Nursing services and Integrated Sexual Health services. Both the Local Medical Committee (LMC) and the Local Pharmaceutical Committee (LPC) support the approach, and it has played a significant part in re-engaging GPs with the NHS Health checks programme delivery.

5. Risks

5.1 A full risk assessment is outlined in the business plan. Key risks are:

- **Financial risk:** To Public Health Dorset if activity significantly increases and demand is subject to user choice.
- **Strategic Risk:** All Lots have importance to public health as mandatory services or to meet strategic requirements and poor activity increases risks for performance.
- **Reputational risk:** The model must be accepted by key partners and users or delivery could be compromised.

6. Mitigation Plans

6.1 The following mitigation actions are proposed:

- Modelling of likely activity has been undertaken to understand expected spend and budgets have been allocated accordingly.
- An outline of actual figures for Dorset or locality areas last year can be placed in the specifications of each lot to support provider business planning.
- There is an option to close the lots at any time and reopen.
- All lots on the framework will be monitored to ensure appropriate coverage and effective performance
- Consultation and communication plans with stakeholders and the public will ensure any reputational risk is mitigated.

7. Weight Management Services

7.1 The only community health improvement service where a different approach is proposed is for tier 2 weight management service, which will be retendered via a competitive process. The current provision is shown to be effective, efficient and comparatively equitable when compared with other models across the region. There is no case for radical transformation or change but there will be small changes to further improve effectiveness and efficiency. These include changing the payment model to pay only for used sessions rather than paying upfront for a 12-week voucher pack. We also intend to move providers towards digital vouchers/receipts rather than a paper-based voucher scheme. To improve equity of the new provision we will lead a focused marketing campaign to encourage greater uptake of the service by men.

8. Budget and timeline

8.1 The consultation process will start this autumn and is in progress with the LMC and LPC to help with engagement of local providers in the framework approach. The framework will need to be in place for selection from January 2019 ready for delivery 1st April 2019. Further provider engagement can take place in February to ensure service equity in areas of potential low uptake.

8.2 Public Health Dorset will develop and procure a Flexible Framework Agreement, set out the terms and conditions, develop a clear pricing schedule for delivery of the Lots and agree the criteria to be used for the Any Qualified Provider approach by December 2018.

8.3 The table on page 7 shows the spend on community health improvement services in 2017/18, split by provider sector. We are not anticipating significant change in the spend on these services for the coming years, with the exception of NHS Health Checks, which has been performing below expectations for the past three years.

	2017-18 Spend			2018-19 Budget
	GP Practices	**Pharmacies**	**TOTAL**	**TOTAL**
Health checks	£162,232.00	£41,711.40	**£210,707.40**	**£600,000**
EHC		£116,311.92	**£116,311.92**	**£784,000**
LARC	£602,618		**£602,618**	
Supervised Consumption/Needle Exchange		£295,265.53	**£295,265.53**	**£300,000**
Smoking Cessation	£33,730.00	£322,553.91	**£356,283.91**	**£520,000**
Total	£415,294.88	£775,842.76	**£1,197,901.64**	**£2,204,000**
Weight Management				*£175,000*

9. Recommendations

9.1 The Joint Public Health Board is asked to:

- Approve the preferred option for procurement and award of the Framework Agreement for the provision of community Health Improvement Services;
- Approve delegated authority to the Acting Director of Public Health Dorset in consultation with the Joint Public Health Chairs and Portfolio holders to award to appropriate providers.
- Note that the Framework includes NHS Health Checks as per the recommendation of September 2018 Board.
- Approve the procurement and award though Open Tender for provision of weight management support within the community
- Note the risk and mitigating plans from cost and volume contracts
- Agree to share these recommendations with the two Unitary Councils' Shadow Executive Committees.

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Commissioning and Contracting Sponsor