

WIRRAL COUNCIL

CABINET 14 MARCH 2013

SUBJECT:	TRANSITION OF PUBLIC HEALTH CONTRACTS
WARD/S AFFECTED:	ALL
REPORT OF:	DIRECTOR OF POLICY PERFORMANCE AND PUBLIC HEALTH
RESPONSIBLE PORTFOLIO HOLDER:	CLLR CHRIS JONES
KEY DECISION?	YES

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide Cabinet with a description of the current schedule of Contracts and Service Level Agreements currently managed by the Department of Public Health of the Wirral Primary Care Trust; to seek agreement on the proposed transfer of this schedule of Contracts and Service Level Agreements to the Council on the 1st of April 2013; to seek agreement for these contracts and service level agreements to run until the 31st of March 2014 in the first instance; and to describe the implications for the Council of the level of the ring-fenced Public Health Grant announced on the 10th of January 2013.
- 1.2 Under the Health and Social Care Act, local authorities have been given new statutory duties across three 'domains' of public health, described in the Public Health Outcomes Framework. In brief, these duties cover the following elements:
- Health improvement – including reducing lifestyle related ill-health and inequalities in health, and addressing the underlying determinants of health
 - Health protection – including ensuring that comprehensive plans are in place across the local authority, NHS and other agencies to respond to infectious disease outbreaks and other public health emergencies
 - Health service improvement – by providing NHS Commissioners, including Clinical Commissioning Groups, with expert advice and support to improve and evaluate the quality and efficiency of health services.
- 1.3 At this current time, the services commissioned by the Department of Public Health ensure that the significant majority of duties contained within the Public Health Outcomes Framework are achieved. However, to comply fully with the Framework, there are a number of statutory duties which will require further development and investment. For example, the Council will have a role, alongside others such as 'Public Health England', to ensure the effective management of the outbreak of hospital and community based infections.
- 1.4 There is one Appendix attached to this report. It describes the current schedule of contracts, formal NHS service level agreements and contract letters (58 separate forms in total) which are managed by the Department of Public Health. The Appendix indicates the nature of the contract, the name of the supplier/provider and it describes in very broad terms the key element of the service, as described by the Public Health Outcomes Framework.
- 1.5 The schedule of contracts described in Appendix One forms the basis of the Transfer Order which will be signed by the Secretary of State for Health in March 2013. This

transfer order will transfer these Contracts and Agreements along with the responsibility for the delivery of the Public Health Outcomes Framework from the Primary Care Trust to the Council. Wirral Borough Council is the contracting party on some of the contracts listed (numbers 11, 12, and 15 in the Appendix) and these will effectively cease when the transfer occurs though the funding for the service for the relevant period will, of course, remain in place.

- 1.6 It is important to stress that this report seeks agreement for the existing contracts and service level agreements to transfer from the Primary Care Trust to the Council, in their current form, for 12 months to the 31st of March 2014 in the first instance. During 2013-14, as the normal process of contract review is undertaken, the Council will be in a position to set future commissioning and procurement policy and approve future expenditure options in order to achieve the outcomes and duties described in the Public Health Outcomes Framework.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Health and Social Care Act 2012 states that Public Health is a part of the health service and will remain so once the transfer to the Council has been completed in April 2013. Responsibility for the health service rests with the Secretary of State and he is accountable to Parliament for the delivery of a comprehensive health service, which includes Public Health.
- 2.2 The financial allocations for the Health Service are made from the Secretary of State and administered by the Department of Health. The function of the Secretary of State is then devolved to regional and local NHS bodies and, with regard to the delivery of a Public Health service from the 1st of April 2013, to local authorities.
- 2.3 In September 2012 the Department of Public Health was required to submit to the Department of Health a baseline request figure which would be required to maintain those public health services currently commissioned and in contract with the PCT. The figure submitted by the department was £25,342,721 (minor adjustments may be made to this number as greater clarity is provided concerning the transfer of responsibilities).
- 2.4 At the current time, the Department of Public Health sets aside an investment budget for each area of public health responsibility. In broad terms, this is described in the table below (figures are accurate at the time of writing and refer to expenditure in 2012-13):

Table one

Category	Current expenditure
Administration of the function and overhead	£2,494,009
Alcohol	£2,977,944
Children 5-19	£2,342,085
Drug misuse	£7,004,969
Health improvement	£1,173,073
Health inequalities/social exclusion	£2,297,448
Health protection	£337,014
Nutrition, obesity and physical activity	£1,244,234
Sexual health	£3,510,979
Tobacco control	£1,769,442
Public health collaborative shared service	£191,524
Total current investment	£25,342,721

- 2.5 The allocations for the Wirral Public Health Grant, as released by the Department of Health on the 10th of January 2013, for the next two years is:
- 2013-14 - £25.72 million
 - 2014-15 - £26.44 million
- 2.6 For 2013-14 and 2014-15, the Wirral Council will be provided with a Public Health Grant, as stated in paragraph 2.5. There are duties placed upon the Council associated with this Grant, which are in accordance with the Public Health Outcomes Framework, described in paragraph 1.1. Additionally, the Health and Social Care Act 2012 requires that the Joint Strategic Needs Assessment and the Joint Health and wellbeing Strategy should both inform and influence the commissioning plans of the Council and so influence how the Public Health Grant is attributed.
- 2.7 The reporting of the Grant expenditure will be done in line with existing Local Authority reporting mechanisms, i.e. Revenue Accounting (RA) and Revenue Outturn (RO) forms.
- 2.8 Following the announcement of the Public Health Grant for the next financial year, 2013-14, a provisional budget option has been suggested by the Department of Public Health for each area of responsibility described to satisfy the requirements of the public health outcomes framework. This is set out in the table below:

Table two

Category	Current expenditure
Administration of the function and overhead	£2,105,373
Alcohol	£2,977,944
Children 5-19	£2,342,085
Drug misuse	£7,004,969
Health improvement	£2,019,635
Health inequalities/social exclusion	£2,297,448
Health protection	£251,014
Nutrition, obesity and physical activity	£1,244,234
Sexual health	£3,501,453
Tobacco control	£1,769,441
Public health collaborative shared service	£206,404
Total current investment	£25,720,000

- 2.9 It is important to emphasise that table one and table two represent the public health budget allocated to the Primary Care Trust and subsequently to the Council to enable the delivery of the duties described by the Public Health Outcomes Framework. Table two does not describe the expenditure of the budget in fine detail. For example, approximately £3.5 million has been set aside for investment in sexual health services; these services have recently been re-procured by the PCT and consequently, because the expenditure is dependent upon service activity, the entirety of the budget set aside may not be spent in the service. Additionally, of course, there will be investments currently made in certain public health services, particularly with regard to health improvement innovations, whose contract will expire at some point in 2013-14, thus accruing an uncommitted surplus and there will be services which will be reviewed and re-procured in year, thus accruing a potential surplus for investment in 2014-15.

Current contracted services and the contract transition process

- 2.10 As a part of the re-organisation of the NHS, whereby all the responsibilities, liabilities and assets of the Primary Care Trust are required to be transferred to an eligible receiving organisation, the Department of Public Health was required to participate in the process of NHS contract transition. This required the Department to audit all of the service and supply agreements it has in place in 2012-13, determine the precise costs of these services and then ensure that each contract and agreement was 'stabilised' by ensuring it was subject to a formal agreement – and depending upon the value of the agreement, this will be either a full standard NHS Contract, an abridged version of the standard NHS Contract (i.e. an agreement subject to the “NHS terms and conditions for the supply of services 2010”) or a formal grant letter.
- 2.11 This process had to be completed by January 17th 2013 in order to prepare the Transfer Order and so achieve the deadline set by the Secretary of State to sign the Order to transfer Public Health from the Primary Care Trust to Local Government. This has been achieved and the schedule of contracts and investments, as described in this report, are now in a condition to be novated to the Council.
- 2.12 Consideration of the information provided by the Department of Finance in the PCT and condensed in Appendix One demonstrates that in the current year (2012-13) the Department of Public Health has invested approximately £22,849,000 in public health service contracts and innovation programmes. In addition to this, the Department has invested approximately £2,494,000 on administration and overhead costs.
- 2.13 There are a number of current contracts contained within the schedule described in Appendix One which are required to be reviewed, renewed and/or re-procured and one new 'in-year' development whereby a contract is in the process of being let. These contracts being reviewed, renewed and procured at this current time are set out below and they are all being renewed on the basis of a one year contract in the first instance:

New contracts in the process of being procured

- Integrated health and wellbeing service (incorporating smoking cessation, physical activity, mental health and support for carers). The allocation set aside and approved by the PCT for this investment is £110,000 split into 3 lots none of which will exceed £50,000.

Existing contracts subject to review and re-commissioning

- The “Smoke Free Homes” programme (contract number 24). The allocation has been approved by the PCT and the contract value will not exceed £25,000
- A physical activity and health improvement service for older people living in deprived neighbourhoods (contract number 31). The allocation has been approved by the PCT and the value of the contract will not exceed £50,000
- A health improvement service for Black and Ethnic Minority communities (contract number 46). The allocation has been approved by the PCT and the value of the contract will not exceed £50,000

- 2.14 Consequently, of the £22,849,000 currently invested in service contracts, £235,000 is subject to either review and renewal or procurement (1.02% of the current total contract spend) and these processes will be complete by the 1st of April 2013.
- 2.15 As described in paragraph 2.12, in addition to the investment in public health service contracts and innovation programmes, approximately £2,494,000 has also been invested in administration, staff and overhead costs. This line of investment is also recurrent but the amount invested in administration, staff and overhead costs in 2013-14 will reduce to £2,105,373. This reduction is due, in large part, to a reduction in the number of staff employed by the Department and the expiry of certain core function costs of the PCT.
- 2.16 In summary, the Department of Public Health has invested approximately £25,342,721 recurrently, in services, supplies and infrastructure in order to fulfil the health improvement, health protection and health inequality duties described elsewhere in this paper. The Public Health Grant allocated to Wirral in 2013-14 is approximately £25.72 million. Options for future funding to continue to fulfil the duties of the Council will be presented to Cabinet at a later date.

The management of Public Health contracts and investments during and following transition.

- 2.16 In order to comply with the procedures of the Council it is proposed that, from the 1st of April 2013, all current public health service contracts are placed on the Local Authority Contract Register and are, from that point, managed in accordance with the Standing Orders of the Council.
- 2.17 Discussions are currently taking place between the PCT and the Council to find a suitable mechanism for the effective management of all contracts from the 1st of April 2013. The possibilities which are currently being discussed are:
- The Department of Health have been in negotiation with the Local Government Association in order to develop a specific Public Health Contract template which can be used by each local authority as a bona fide contract for the letting of future contracts, ie those that are to be renewed and/or re-commissioned. This contract template has been reviewed by the Council's legal services team and the advice received confirms that the contract is safe to use
 - The Public Health Department, as a part of the PCT, currently invests in contracts with the Cheshire and Wirral Partnership NHS Trust, the Wirral Community Health NHS Trust and the Wirral University Teaching Hospital NHS Trust. These three NHS Trust contracts will continue in 2013-14, the Public Health Department (ie the Council) will continue to have a material interest in them and they will be commissioned by the Wirral Clinical Commissioning Group (CCG). Additionally, these three NHS Trust contracts will be managed by the Commissioning Support Unit (a NHS body managed by the National Commissioning Board). The PCT has been informed by the Department of Health that Local Authorities can, if they wish, be party signatories to these three NHS Contracts. Preliminary discussions have taken place with representatives from the CCG and there is agreement that if the Council wishes to be a signatory to these contracts, they can be. Because of the nature of the services provided (including, amongst other reasons, direct clinical services to

patients), it is recommended that the Council joins the CCG as a party signatory to these contracts.

- With regard to the management of the three NHS Trust contracts, discussions are taking place to determine the options for contract management. As referred to in the previous paragraph, the contracts let by the CCG with the local NHS Trusts will be managed by the Commissioning Support Unit (CSU). The contract management services (but not procurement services) offered by the CSU will be available to the Council specifically for the management of the three NHS Trust contracts. This option is currently being discussed with the CSU and the Council
- With regard to the majority of contracts (ie all except the three NHS Trust contracts), it is expected that all contract management and future procurement responsibilities will be undertaken by the Council

2.18 The department of public health is responsible for a number of locally enhanced and directly enhanced services. These services represent additional investments to improve the volume, range and excellence of the services provided by primary care, including local General Practitioners and Pharmacists. The Enhanced Services the public health department are directly responsible for are:

- CVD Enhanced Service – with general practitioners
- Alcohol screening and treatment – with general practitioners
- Alcohol screening and brief intervention – with local Pharmacists
- Contraceptive services – with local Pharmacists

2.19 Discussions are currently taking place with the Area Team of the National Commissioning Board (NCB) to finalise how these services will be commissioned and contract managed from the 1st of April. It is likely that the GP enhanced services, as described, will be managed by the NCB and the Pharmacy enhanced services will be managed by the Council, via the public health department.

2.20 In order to ensure continuity of services, it is proposed that all existing contracts are transferred intact to the Council on the 1st of April for the period 2013-14 in the first instance. During 2013-14 it is proposed that each element of investment is reviewed in light of the priority accorded to it by the Public Health Outcomes Framework (and in turn the Health and wellbeing Strategy) and, following necessary consideration, consultation and approvals, contracted investment can be subject to the Council's own procurement procedures.

2.21 It is the intention of the Council to develop, in 2013-14, a Commissioning Strategy which will drive the delivery of the outcomes described in the Public Health Outcomes Framework. This strategy is being developed under the direction of the Director of Policy, Performance and Public Health.

3.0 RELEVANT RISKS

3.1 The risk(s) are:

Risk	Potential impact
The schedule of recurrent investments and contracted services does not transfer in whole or in part to the Council on the 1 st of April 2013.	Contracted services will expire, there is insufficient time and capacity to re-procure and as services cease the Council will be unable to achieve its statutory duties described in the Public Health Outcomes Framework.

4.0 OTHER OPTIONS CONSIDERED

4.1 For reasons of expediency and the efficient employment of available capacity and resources, it is recommended that the current schedule of investments, as described in 2.9 to 2.14, are maintained for 2013-14 in the first instance

5.0 CONSULTATION

5.1 The Council will determine the priorities for public health for the coming year(s) through its normal consultation processes, in tandem with any consultation on the Health and Wellbeing Strategy.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 Voluntary, community and faith groups are currently commissioned to provide services by the Department of Public Health and by the Council on both a recurrent and non-recurrent basis. The Council will determine the priorities for public health for the coming years through its normal consultation processes, in tandem with any consultation on the Health and Wellbeing Strategy.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

7.1 The department of public health currently commissions a significant volume of services from both the statutory, voluntary and community sectors. There is an opportunity to ensure that commissioning for public health improvement is integrated into the commissioning strategy of the Council as a whole.

7.2 There will be an increase in the volume of 'contract management' support required as the number of contracts the Council has to manage will be increased. Newly procured contracts will need to follow the contract procedure rules of the Council and therefore there will be an increased workload placed upon the procurement team.

8.0 LEGAL IMPLICATIONS

8.1 The Council will be given statutory duties under the Health and Social Care Act when the Public Health service is transferred to the local authority and when the ring-fenced Public Health Grant is allocated to the Council. Existing contracts currently held by the PCT will transfer across to the Council as a consequence of the Order signed by the Secretary of State and the Council will be liable for any pre-existing breaches of the contracts transferred to it. The Council has requested information on this matter and has not been made aware of any disputes with contractors or of any notification of any breaches.

- 8.2 Pending further discussions, a new formal contract template will be made available to the Council to enable future procurements to be made in accordance with the Contract Rules of the Council
- 8.3 A contract will be needed in respect of the contract management services provided by the Council by the Commissioning Support Unit, as described in paragraph 2.17.

9.0 EQUALITIES IMPLICATIONS

- 9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?
(c) No because of another reason which is:
Assuming that the current schedule of contracts and investments is maintained intact there is no direct impact on Equality.

All current investments have had or are having (in the case of current procurements) an impact assessment undertaken by each provider. Future public health commissioning investment options will be subject to the equality impact assessment procedures of the Council.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 *n/a*

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 *n/a*

12.0 RECOMMENDATION/S

- 12.1 That the Cabinet note the report
- 12.2 That the Cabinet approve the transfer of the schedule of contracts and investments described in paragraphs 2.9 to 2.14 and detailed in Appendix One from the Primary Care Trust to the Council on the 1st of April, in accordance with the Transfer Order of the Secretary of State for Health, and maintain the current schedule of investments and contracted services for 2013-14 in the first instance.
- 12.3 That the Cabinet approve the proposal that the management of public health contracts from the 1st of April 2013 will be in accordance with the procedures and standing orders of the Council, under the direction of the Director of Policy, Performance and Public Health.

13.0 REASON/S FOR RECOMMENDATION/S

- 13.1 There are clear opportunities for the Council to maintain a comprehensive schedule of investments and services which have been developed over a number of years and which are delivering health improvement, health inequality and health protection outcomes in a rational and managed way.

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APPENDICES

Appendix 1 Schedule of Current Public Health Contracts and Investments
(2012-13)

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet Report	21 st June 2012
Cabinet Report	3 rd February 2012

Appendix One – Schedule of Current Public Health Contracts and Investments (2012-13)

	Name of Supplier/Provider	Public Health Outcome	Annual cost	Contract type
1	HIT Training	Substance misuse	£30,000	National Standard Contract
2	Action on Addiction	Substance misuse	£111,895	National Standard Contract
3	Advocacy in Wirral	Substance misuse	£172,700	National Standard Contract
4	ARCH Initiatives	Substance misuse	£2,375,324	National Standard Contract
5	Forum Housing	Substance misuse	£50,000	National Standard Contract
6	Independence Initiative	Substance misuse	£35,151	National Standard Contract
7	Intuitive Recovery	Substance misuse	£61,602	National Standard Contract
8	Phoenix Futures	Substance misuse	£358,343	National Standard Contract
9	The Social Partnership	Substance misuse	£477,735	National Standard Contract
10	Trust the Process	Substance misuse	£194,560	National Standard Contract
11	Wirral Borough Council	Substance misuse	£203,223	National Standard Contract
12	Wirral Borough Council	Substance misuse	£220,000	National Standard Contract
13	Liverpool John Moores University	Data and intelligence	£71,531	National Standard Contract
14	Wirral CVS	Substance misuse	£57,752	National Standard Contract
15	Wirral Borough Council	Children and families services	£235,480	National Standard Contract
16	MerseyCare KWO	Rehabilitation services	£30,564	National Standard Contract
17	Cheshire and Wirral Partnerships NHS Trust	Substance misuse	£4,676,731	National Standard Contract
18	Wirral Chamber of Commerce	Substance misuse	£5,000	Other NHS SLA
19	Expert Patient Programme	Substance misuse	£20,000	Locally Developed Contract
20	GOALS	Substance misuse	£6,000	Other – Grant letter
21	Wirral Community NHS Trust	Medical assessment	£60,000	National Standard Contract
22	Bpas **	Termination of pregnancy services	£7,188	National Standard Contract
23	Bpas **	Termination of pregnancy services	Up to £253,394	National Standard Contract
24	Smoke Free North West	Smoking cessation	£45,850	National Standard Contract
25	VCAW	Smoking cessation	£72,500	National Standard Contract
26	ICE Creates	Smoking cessation	£19,073	National Standard Contract
27	Unique Improvements	Smoking cessation	£23,150	National Standard Contract
28	Liverpool University	Mental health improvement	£57,300	Other – NHS SLA
29	Merseyside CALM	Suicide prevention	£21,972	National Standard Contract
30	Advocacy Wirral	Mental health improvement	Up to £3,750	Other – Grant letter
31	Age Concern	Physical activity	£46,000	National Standard Contract
32	PRAXIS research	Smoking prevalence	£24,620	Other – NHS SLA
33	Aintree NHS Foundation Trust	Chlamydia testing	£136,039	National Standard Contract
34	Wirral Pathfinders	Structured day care	£15,000	Other – NHS SLA

35	Liverpool City Council	Child death overview panel	£15,000	Other – Grant letter
36	Sahir House	HIV care	£30,000	National Standard Contract
37	WIRED	Shop-mobility	£20,000	Other – NHS SLA
38	Solutions 4 Health	Smoking and pregnancy	£40,000	National Standard Contract
39	Terrence Higgins Trust	HIV prevention	£106,834	National Standard Contract
40	A.N. Computing	Smoking quitters data	£3,656	Other – Grant letter
41	Rape and Sexual Assault Support (RASA)	Sexual violence counselling	£50,000	National Standard Contract
42	Independent Sexual Violence Advocate Service (RASASC) **	Sexual violence counselling and advocacy	£30,000	National Standard Contract
43	Sexual Assault Referral Centre **	Treatment and care of survivors of sexual violence	£63,804	National Standard Contract
44	Wirral Change	Health improvement – Black and ethnic minority communities	£71,580	National Standard Contract
45	Liverpool Public Health Observatory	Research and development	£30,314	Other – NHS SLA
46	Wirral Multicultural Organisation	Health improvement and link worker services	£51,500	National Standard Contract
47	Action for Children	0-19 child health improvement	£111,813	National Standard Contract
48	Claughton Medical Centre	Sexual health services	£10,000	Locally Developed Contract
49	Home-Start Wirral	Breastfeeding support	£190,000	National Standard Contract
50	MEND Central Ltd	Physical activity and weight management	£184,300	National Standard Contract
51	NHS Halton and St Helens	Physical activity and weight management	£72,400	National Standard Contract
52	Pro-score Academy	Physical activity and weight management	£25,000	Locally Developed Contract
53	Tranmere Community Projects	Peer mentoring	£51,616	National Standard Contract
54	Wirral Brook	Sexual health services	£601,620	National Standard Contract
55	Xenzone	On-line service for young people	£101,000	National Standard Contract
56	WUTH	School nursing, substance misuse treatment, GU Medicine	£2,851,061	National Standard Contract
57	5 Boroughs Partnership NHS Trust	Physical activity and weight management	£79,074	National Standard Contract
58	Wirral Community NHS Trust	Health improvement services; sexual health services	£5,265,126	National Standard Contract
59	Administration of the function and overhead	Staff and service management costs	£2,100,373	Overhead

60	DAAT prescribing	Predominantly with Cheshire and Wirral Partnership NHS Trust	£710,000	Prescribing budget for Provider
61	NRT prescribing	To support the Stop Smoking Services	£511,122	Prescribing budget for Provider
62	Contribution to health protection		£151,019	
63	PH innovations	Multiple health improvement and health protection programmes	£1,400,000	
	Sub total		£25,107,639	
64	Contracts currently in process of being re-commissioned.		£235,000	
	Total		£25,342,721	

** These contracts will be transferred to the National Commissioning Board and the Clinical Commissioning Group on the 1st of April 2013.