



**North Tyneside Council**

# **Public Health Commissioning and Procurement Programme 2013 – 2015**

North Tyneside Council  
**Public Health Directorate**

**Public Health Commissioning and Procurement  
Programme 2013 – 2015**

## **1. Background**

Under the Health and Social Care Act 2012 key public health functions were returned to local government on 1<sup>st</sup> April 2013. The Authority now has significant public health responsibilities for health improvement and public health commissioning.

The Authority receives a ring-fenced grant to fund the transfer of public health responsibilities. It will receive £10,417,000 in 2013/14 and £10,807,000 in 2014/15. The decision to give local authorities two years budgets will ensure greater certainty of funding to enable the Authority to make strategic decisions in commissioning public health services.

Many public health services were originally commissioned by NHS North of Tyne and these contracts expired on March 31<sup>st</sup> 2013 and the Director of Public Health, on behalf of the Authority, has entered into new public health contracts with these providers, for a duration of 1 year commencing on 1 April 2013, with an option to extend for a further year only.

From 2014/15 the Authority will have the option to provide public health services, as well as to re-procure services from any qualified provider.

The Public Health Commissioning and Procurement Programme 2013-2015 sets out the strategic commissioning intentions of North Tyneside Public Health Directorate. The Programme is set within the context of the Authority's Procurement Strategy 2013-2017, which was agreed by Cabinet in March 2013.

## **2. From Transition to Transformation**

There is general agreement that the transfer of public health responsibilities to local authorities should not be about the same programmes being offered by a different organisation but a complete transformation of the delivery agenda. Public health services have to be cost effective and sustainable, and service delivery must be innovative and relevant.

All public health contracts have therefore been subject to a detailed review by the Health Improvement Commissioning Board, chaired by the Director of Public Health (DPH). The DPH's commissioning decisions have been underpinned by the principles identified in the Health Improvement Commissioning Strategy 2013/14; evidence based practice, integrated commissioning, outcome focussed, reducing health inequalities and securing best value. Following these reviews it is proposed that

- a) The Authority will become a provider of health improvement services and Public Health will hold service agreements with Community Services and Children Young People and Learning Directorates, in delivering improved health outcomes, maximise the range of Authority resources, and widen access. (Section 3 below)
- b) The remaining public health services will be procured from any qualified provider in a phased approach between 2013 and 2015. (Section 4 below)

### **3. The Authority as a Provider of Health Improvement Services**

Current health improvement services are commissioned from Northumbria Healthcare Foundation Trust (NHCFT) and Newcastle upon Tyne Hospitals Trust (NUTHT). These services include:

- Community Health Development
- Health Living Centres
- Children's healthy living services
- Adult Weight Management service
- Specialist Stop Smoking service

It is proposed that these contracts for health improvement services will not be renewed in 2014/15. This proposal will take £1.2m of value out of the current NHCFT contract and £150k out of the NUTHT contract to reinvest in Authority provided services.

The Authority as a provider of health improvement services represents the first phase of a rebalancing of public health investment, and a shift of resources to front-line health improvement delivery. Effective local delivery requires effective participatory decision-making at local level. This can only happen by empowering individuals and local communities. By supporting and training local people we will also be able to develop and sustain a more effective health improvement workforce.

The aim is to put public health at the heart of local communities to improve health outcomes and reduce health inequalities. The Authority will develop health improvement services for people with the poorest health to build self esteem, confidence and resilience, and improve their health fastest.

Initially, service specifications with Community Services and Children, Young People and Learning Directorates will cover:

- Physical health maintenance
- Positive mental health promotion
- Stop smoking management
- Children healthy living services

Our health improvement commissioning intentions and service development timetable are set out in Table 1.

**Table 1 - Commissioning Health Improvement Services within North Tyneside Council**

Health Improvement Services	Current Provider	Cost £	Future Commissioning Intention	Timescale
Community Health Development – health improvement services	Northumbria Healthcare NHS Foundation Trust	575,000	Community Health Development will not be re-commissioned at the current level of provision.	Specifications to be renegotiated for 2014/15.  New specification to be developed for 2014/15  New health improvement services in the Council to commence April 2014.
Adult Weight Management		184,000		
Healthy Living Centres – therapeutic exercise		209,000	<p>Adult Weight Management and Healthy Living Centres will be commissioned from the current provider for a further year only and will end on 31<sup>st</sup> March 2015 specifications will be renegotiated.</p> <p>A new specification will be developed for Public Health Nurses.</p> <p>The Authority will become a provider of health improvement services under service agreements with Community Services. In the first instance, service specifications will cover physical health maintenance. A Community Health Network will be established using a community engagement approach. As a primary prevention service the network will target individuals in the most disadvantaged areas of North Tyneside.</p>	

<b>Stop Smoking Services</b>	<b>Current Provider</b>	<b>Cost £</b>	<b>Future Commissioning Intention</b>	<b>Timescale</b>
Specialist Stop Smoking Service	Newcastle Hospitals NHS Foundation Trust	148,000	Specialist Stop Smoking Services will not be re-commissioned. The Authority will provide a stop smoking management service under a service agreement with Community Services. The service will monitor referrals and provide training, and will have oversight of, and manage the contracts with, all qualified stop smoking service providers. The service will be provided as an integral part of the Community Health Network.	New management service to start April 2014.
Intermediate Stop Smoking	GPs	68,000	The Authority will negotiate changes to the specifications for GPs and Pharmacists for 1 year .	Specification to be agreed from April 2014.
	Community Pharmacists	80,000		
<b>Children's Services</b>	<b>Current Provider</b>	<b>Cost £</b>	<b>Future Commissioning Intention</b>	<b>Timescale</b>
Healthy4Life – childhood obesity dietetic service	Northumbria Healthcare NHS Foundation Trust	23,000	Children's public health services will not be recommissioned from the current provider. The Authority will remodel children's healthy living services, which will be provided as an integrated programme by the Council. This agreement will incorporate current Authority based public health investment.	New Children's services to commence April 2014.
Healthy4Life – childhood obesity nursing service		69,000		
Oral Health Promotion		50,000		

Breastfeeding support		74,000		
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<b>CVD Health Check Services</b>	<b>Current Provider</b>	<b>Cost £</b>	<b>Future Commissioning Intention</b>	<b>Timescale</b>
CVD Health Checks	GPs	500,000	<p>Community based provision, including Healthy Pharmacy schemes, will be piloted in 2014 to improve the reach of the Health Check programme.</p> <p>The Health Checks services will be commissioned to deliver health checks to the eligible population, particularly those with the highest risk of cardiovascular disease. Health Checks will be open to any qualified providers.</p>	April 2014- Start commissioning any qualified providers.

## **4. Procurement of Public Health Services**

The procurement of public health services will take place in an increasingly challenging financial environment. The Authority is experiencing a significant reduction in the resources available in the short and medium term, and procurement is an important tool in the drive for both quality improvement and greater efficiency.

### **Legal Requirements**

There are two main considerations that we will have regard to in our technical/legal approach to procurements. The first relates to the need to comply with the Public Contracts Regulations, which govern public sector procurement in the UK and give effect to the EU procurement directives to which all public sector bodies are subject.

The second is our duty to secure best value from any procurement that we undertake. Our duty to secure best value applies to all procurements equally, and this is achieved by compliance with the Authority's legal requirements and internal governance rules (Contract Gateway Arrangements, January 2013).

### **Commissioning**

At the heart of our procurement programme will be strong commissioning. We will assess the needs we wish to meet and be able to articulate the outcomes we seek. The procurement of public health services will be informed by the JSNA to reflect the health and wellbeing needs of the local population. Service specifications will be aligned to the outcome priorities within the North Tyneside Health and Wellbeing Strategy. The primary objective will be to reduce health inequalities across North Tyneside.

During 2013/14 we will also engage with key stakeholders to inform our commissioning plans, particularly those who use public health services and those who can provide these services.

### **Social Value**

In procuring public health services we will have regard not only to the service delivery requirements themselves but also to the requirements of the Public Services (Social Value) Act 2012. This Act came into force in the UK in January 2013, and it obliges us to consider the extent to which any procurement of services can be used to secure 'social benefits' that go above and beyond the benefit of the services themselves. There is no definitive list of what the 'social benefits' that the Act requires to be considered are, but they will include:

- Improved social inclusion for residents
- Improved local training or job opportunities
- Promotion of opportunity and engagement for minority, disadvantaged or marginalised residents
- Greater resident engagement with suppliers or with the wider community
- Greater participation by third sector organisations in the community
- Environmental impact

The Act also requires us to consider any requirement for consultation with relevant stakeholders to help inform our procurement plans for a particular service.

### **‘Part B’ Regime**

The procurement rules draw a distinction between “Part A” and “Part B” services, applying different rules to each. Part B services are those perceived to be less likely to attract cross border interest or with an element of personal service delivery associated with them. The full procurement rules apply only to Part A services, while a lighter regime applies to Part B services.

Public health services fall within this lighter, Part B regime. This means there is no legal requirement to follow one of the strict procedures set out by the procurement rules, or comply with minimum tendering timescales. There is also no requirement to advertise the contract in the *Official Journal of the European Union* (OJEU). However, requirements such as acting transparently and treating providers equally do still apply and compliance is required. There will be some services that we currently commission, such as laboratory testing, that may not qualify as Part B services, and where the value of these contracts exceed the relevant threshold (£174k aggregate value over 3 years) then a fully regulated procurement exercise will be required.

### **Procurement Strategy**

A procurement process can produce considerable cost savings and quality improvements. In the current economic climate we are faced with a need to make savings and efficiencies. Strategic procurement is a useful tool to achieve this.

In procuring public health services we do not need to be constrained by the existing contractual arrangements in terms of the scope of the services they cover or the delivery channels to which they relate, and we can reconfigure the services we may procure in whatever way we believe best meets our needs. Once the scope of the services and any associated delivery channels are decided (which may follow any process of market testing or stakeholder consultation), we would need to decide how best to approach the market.

### **Provider Market**

Procurement provides the opportunity to open up the market to a wider range of public health providers than has been the case. This in turn can help to drive up quality and innovation by increasing competition between providers, and in some instances the approach to the market itself may give rise to new providers being established to take advantage of the opportunity to supply the relevant services. For this reason it is worth considering consulting, advertising and procuring on a basis that treats all service procurements as if they were fully regulated wherever possible and in all but a small minority of cases, and this would support approaches to the market that combine related services into a single procurement albeit that these allow the market to respond on a lot basis, which admits a number of complementary suppliers to meet our requirements.

### **Joint Procurement**

North Tyneside could support other local authorities or indeed the other commissioning groups in the region, not necessarily limited to the local authorities themselves, by taking a lead on a joint procurement for any of the relevant public health services, or by setting up suitable frameworks or other arrangements from which the other Authorities may be able to take services.



There may equally be existing framework agreements in place or in development from which we could benefit, and there is an opportunity to introduce a joined up approach to the market, and no reason why we should not be willing to take a lead. There is such a degree of commonality in terms of the needs of public health commissioners that it would be sensible to have discussions about any joint approaches to the market sooner rather than later.

## **Procurement Plan**

Procurement has been programmed over the two years 2013/14 and 2014/15, and each procurement exercise will be undertaken in a phased approach, as set out in Appendix 1. Each public health contract has been reviewed in line with the principles identified in the Health Improvement Commissioning Strategy and the following additional criteria were used to help prioritise the order in which we re-procure public health services:

- Complexity of contract/procurement, including the level of risk and length of commissioning/procurement process
- Opportunity for making significant service efficiency/improvement (e.g. service redesign)
- Current performance against outcomes, particularly health inequalities
- Public health capacity and expertise
- National and local policy direction
- Opportunities for collaborative commissioning

The following services will be procured in 2013/14:

- Social Prescribing- following a successful pilot we will procure a service that will achieve improvements in client self esteem, motivation levels, wellbeing levels, physical activity levels and physical health status.
- Drug and Alcohol Services- a community based alcohol treatment service will be procure together with a tier 3 drug and alcohol treatment service which will focus on recovery.

The following services will be procured in 2014/15:

- Sexual Health Services
- Laboratory Services
- School Nursing Services

Our public health services commissioning intentions and procurement timescales are set out in Table 2.

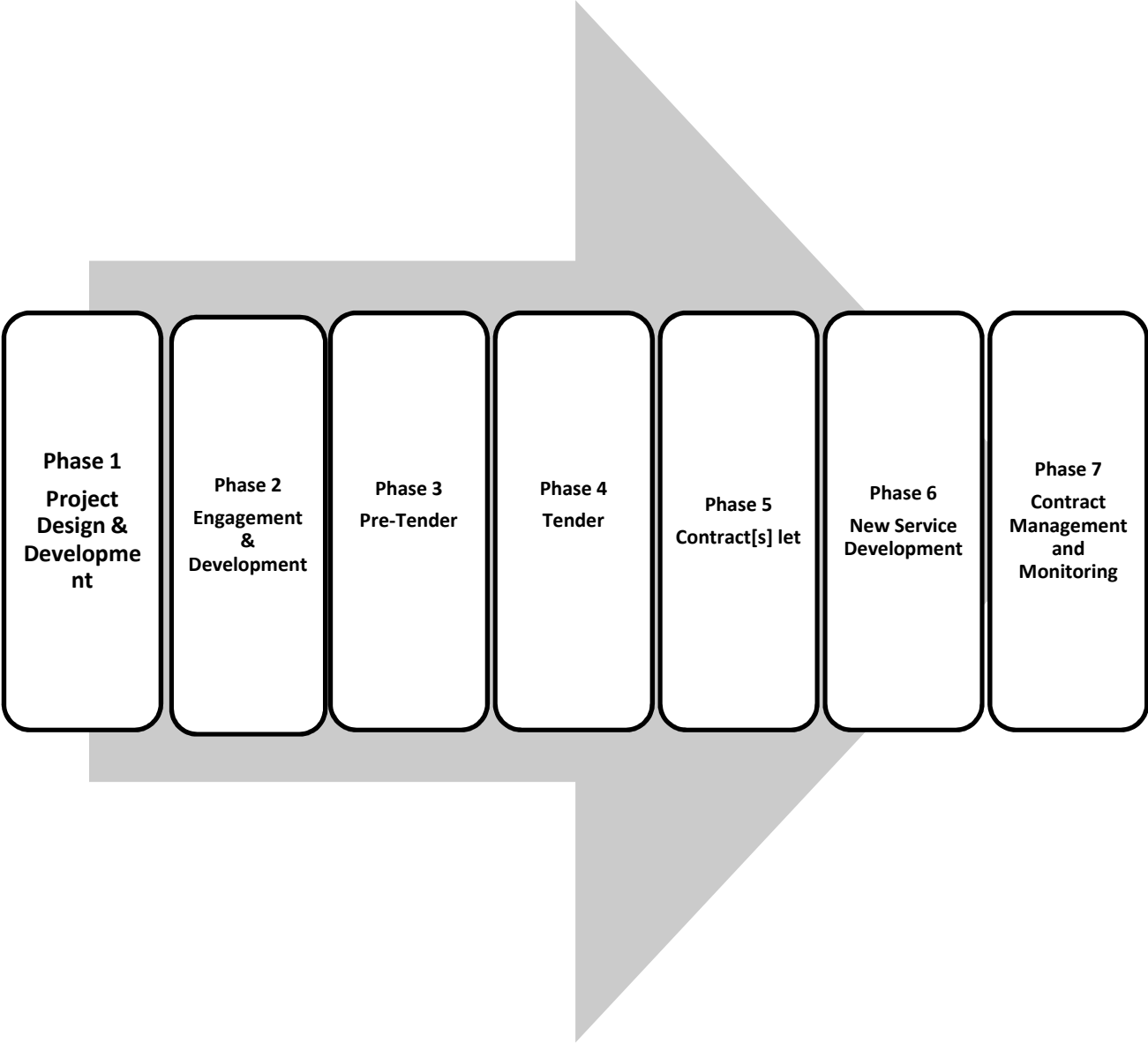
**Table 2 - Procurement of Public Health Services**

<b>Social Prescribing</b>	<b>Current Provider</b>	<b>Cost £</b>	<b>Future Commissioning Intention</b>	<b>Timescale</b>
Social Prescribing Pilot	Taking Part Workshops	90,000	<p>The Authority will procure a Social Prescribing Service from any qualified provider.</p> <p>Social prescribing will link patients, largely in primary care, with non-medical sources of support within the community. This approach is viewed as an alternative to medicalised treatments of people with mild to moderate mental health conditions. We will commission a social prescribing programme that will achieve improvements in client self esteem, motivation levels, wellbeing levels, physical activity levels and physical health status.</p> <p>This will be a jointly funded initiative with North Tyneside CCG.</p>	New service to start early 2014.
<b>Drug and Alcohol Services</b>	<b>Current Provider</b>	<b>Cost £</b>	<b>Future Commissioning Intention</b>	<b>Timescale</b>
Drug and Alcohol Services – specialist addiction treatment service	Northumberland, Tyne and Wear Mental Health Trust	911,000	1. An integrated tier 3 Drug and Alcohol Treatment Service will be commissioned. This will be open to bids from any qualified provider. The specification will	Service to commence April 2014.

Drug and Alcohol – Project Answer treatment service		570,000	include a Recovery Service.	
Needle Exchange	North East Council of Addictions	127,000	Contracting options include a single specification for with a lead provider, consortia bid or single lots.  2. A pilot Service for hazardous/increasing risk drinkers will be commissioned for 9 months. This will be run by any qualified provider that will provide easy access to advice and information, brief interventions, on going therapeutic support, working with hazardous & harmful drinkers.	October 2013 – Pilot Service to start
Community Rehabilitation (Re-Hub)		110,000		
Administration Services		94,000		
			3. A tier 2 Alcohol Treatment Service will be commissioned following the pilot phase. This will be open to bids from any qualified provider. (This will require additional investment of £300k as it is a new service)	Service to commence April 2015.
Drug and Alcohol – carer and family support	PROPS	112,000	Carer and Family Support for drug and alcohol will be procured separately.	Service to commence April 2014.
<b>Sexual Health Services</b>	<b>Current Provider</b>	<b>Cost £</b>	<b>Future Commissioning Intention</b>	<b>Timescale</b>
Sexual Health Service – contraception, GUM, psychosexual and teenage pregnancy support	Northumbria Healthcare NHS Foundation Trust	1,979,000	Sexual Health Services will be extended into 2014/15.  An integrated sexual health service will	January 2014 -

			be commissioned to provide, or lead on the provision of, GUM and CASH services, which will be open to bids from any qualified provider.	Start of Procurement Phase 1
Contraceptive Implant	GPs	60,000		
IUCD Fitting		65,000		
Emergency Hormonal Contraception and Chlamydia Screening	Community Pharmacists			
Chlamydia Screening	Newcastle upon Tyne Hospital Trust	82,000		
MESMAC – safer sexual health	Newcastle City Council	45,000		
<b>Laboratory Services</b>	<b>Current Provider</b>	<b>Cost £</b>	<b>Future Commissioning Intention</b>	<b>Timescale</b>
Laboratory dual testing for Chlamydia and Gonorrhoea	Public Health England	50,000	Laboratory Services will be extended into 2014/15.  The laboratory services will be open to bids from any qualified provider.	July 2014 - Start of Procurement Phase 1
<b>School Nursing Services</b>	<b>Current Provider</b>	<b>Cost £</b>	<b>Future Commissioning Intention</b>	<b>Timescale</b>
School Nursing	Northumbria Healthcare NHS Foundation Trust	1,054,000	School Nursing Services will be extended into 2014/15.  School Nursing Service will be open to bids from any qualified provider.	September 2014 – Start of Procurement Phase 1

# Procurement Timetable





Objectives
<ul style="list-style-type: none"><li>• Agree scope and design of commissioning project.</li><li>• Final project plan agreed</li><li>• Governance structure approved.</li></ul>

Deliverables
<ul style="list-style-type: none"><li>• Project Initiation Document</li><li>• Full project plan including communications strategy, risk register, equality impact.</li><li>• Governance structure in place – Procurement Steering Group convened.</li><li>• Work stream/engagement groups identified and agreed.</li></ul>

Time Scale
<ul style="list-style-type: none"><li>• Months 1, 2 &amp; 3.</li></ul>



Objectives	Deliverables	Time Scale
<ul style="list-style-type: none"><li>•To assess the scale and nature of needs across North Tyneside and identify gaps.</li><li>•Identify key stakeholders.</li><li>•Conduct engagement activities.</li><li>•Undertake soft market testing.</li><li>•Convene the following sub groups: Specification and development, Engagement and Communications, Procurement/legal.</li><li>•Convene the following work streams: Equality and diversity, Risk management, Business continuity.</li></ul>	<ul style="list-style-type: none"><li>•All elements of need to be identified.</li><li>•Needs assessment completed.</li><li>•Terms of reference for work stream/engagement groups developed.</li><li>•Work stream/engagement groups convened.</li><li>•Work stream/engagement groups reports presented to Procurement Steering Group.</li><li>•Action plans for each of the sub groups.</li><li>•Equality and diversity – equality impact assessment.</li><li>•Risk management – risk register</li><li>•Business continuity – business continuity plan.</li></ul>	<ul style="list-style-type: none"><li>• Months 3 &amp; 4</li></ul>



Objectives
<ul style="list-style-type: none"><li>• Commissioning Options developed.</li><li>• Public consultation completed.</li><li>• Service specification(s) drafted.</li><li>• Preparation for tendering finalised.</li></ul>

Deliverables
<ul style="list-style-type: none"><li>• Final commissioning Option published.</li><li>• Public consultation response report.</li><li>• Final Service specification(s).</li><li>• Procurement plan published.</li><li>• Procurement documentation produced and agreed.</li></ul>

Time Scale
<ul style="list-style-type: none"><li>• Month 5</li></ul>



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Objectives
<ul style="list-style-type: none"><li>• Final service specifications sent out for tender.</li><li>• Bids received and evaluated.</li><li>• Preferred provider(s) identified.</li><li>• Procurement Steering Group develops into Tender Panel.</li></ul>

Deliverables
<ul style="list-style-type: none"><li>• Method statements and other bid documentation from potential providers received.</li></ul>

Time Scale
<ul style="list-style-type: none"><li>• Month 5, 6, 7, 8 &amp; 9.</li></ul>

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Objectives
<ul style="list-style-type: none"><li>• Contract[s] signed.</li></ul>

Deliverables
<ul style="list-style-type: none"><li>• Signed Contract[s].</li></ul>

Time Scale
<ul style="list-style-type: none"><li>• Month 9.</li></ul>

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### Objectives

- New provider(s) develop new services in accordance with contracts.
- Transitions plan in place and implemented.
- New services commenced.

### Deliverables

- Development plan.
- Transition plan.
- New services communications plan.

### Time Scale

- Months 9, 10, 11, 12, 13 & 14.

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### Objectives

- Ensure robust management and monitoring arrangements are in place.
- Re-tender process to be put in place for end of contract award date.

### Deliverables

- Performance management framework.
- Tender documentation.

### Time Scale

- Month 11, 12 & 13.