

18 May 2015**Agenda Item: 8****REPORT OF THE DIRECTOR OF PUBLIC HEALTH****ARRANGEMENT FOR SCRUTINY OF PUBLIC HEALTH SERVICES****Purpose of the Report**

1. This report provides information on the proposed programme of recommissioning for Public Health services during 2015/16. It includes background information on the rationale and methodology behind the commissioning cycle and proposes reporting arrangements to Health Scrutiny to meet the Local Authorities responsibility for scrutinising Public Health services.

Background

2. The Public Health (PH) department in Nottinghamshire County Council was set up in 2013 as part of implementing the Health and Social Care Act 2012, which transferred responsibility for Public Health from the NHS to local authorities.
3. The Council was given responsibility for five mandated functions, along with the responsibility to produce a Joint Strategic Needs Assessment, Pharmaceutical Needs Assessment and Health and Wellbeing Strategy, led through a local Health and Wellbeing Board.
4. The five mandated functions are NHS Health Check assessments, open access to sexual health services, the National Child Measurement Programme (NCMP); provision of Public Health advice to NHS Clinical Commissioning Groups (CCGs), and leadership and management of health protection, including outbreaks and emergencies (which could include infectious disease, environmental hazards and extreme weather events).
5. As well as these five functions, the Department delivers a range of Public Health services through direct commissioning and is also responsible for a number of other policy areas that require wider influence across the health and social care community. The full range of services directly commissioned by the Public Health department is described in **Table One**. From October 2015, the Council will also become responsible for the Health Visiting services and the Family Nurse Partnership programme.
6. The County Council is allocated a ring-fenced Public Health grant, worth £36.1m for 2015/16, to meet the costs of Public Health services. 87% of this grant is spent on commissioned services. The ring-fenced PH grant may only be spent on activities which deliver Public Health outcomes. Therefore, the approach to financial challenge has been to drive out efficiency savings in the re-commissioning of services, and to

move the released Public Health grant to fund other activities within the County Council that deliver Public Health outcomes. This process is called realignment. It has brought the responsibility for Domestic & Sexual Abuse services within the scope of PH, whilst other investment has supported services within the Children's and Adult Social Care field.

Information and Advice

Directly Commissioned Public Health Services	Current Provider	Contract Expiry	Proposed Re-tender Timeline
Children's Public Health services	Nottinghamshire Healthcare Trust – County Health Partnerships & Bassetlaw Health Partnerships	Contract extended until Sept 2016	New services by 1 October 2016
Domestic & Sexual Abuse services	Multiple Providers	Contracts expire September 2015	New services by 1 October 2015
Drugs & Alcohol services	Crime Reduction Initiatives	Contract awarded October 2014	Contract expires Sept 2018 with option to extend
NHS Health Checks service	NHS General Practice TCR (IT provider)	Contracts expire March 2016	New services by 1 April 2016
Obesity & Weight Management Services	Everyone Health (part of Sport and Leisure Management Limited)	Contract awarded April 2015	Contract expires March 2019 with option to extend
Oral Health Promotion services	Nottinghamshire Healthcare Trust – County Health Partnerships	Contract expires March 2016	New services by 1 April 2016
Sexual Health services	Multiple Providers	Contracts expire March 2016	New services by 1 April 2016
Smoking & Tobacco Control services	Nottinghamshire Healthcare Trust- New Leaf, NHS General Practice & Pharmacies	Contracts expire March 2016	New services by 1 April 2016
Social Exclusion	The Friary	Recurrent	
Water Fluoridation	Severn Trent Water	Recurrent	

NB: There are also a number of services where Public Health is a co-commissioner, but the lead commissioner is outside the department.

Table One: Directly Commissioned Services and Contract expiries

Procurement Plan

- In order to fulfil its responsibilities, the department is required to review and re-procure services to ensure that quality, cost-effective services are in place. A number of current service contracts are due to expire in 2016, which is also driving the procurement activity for the department over the coming year. The procurement projects that are

planned for the coming year are highlighted in bold in **Table One** and form the Public Health Procurement Plan for 2015/16.

Commissioning Process

8. Public Health advocate full and proper commissioning to ensure that new services reflect the accurate picture of health needs, are designed to achieve effective outcomes and ultimately deliver maximum health gain within the available funds, i.e. best value for money. Although simple re-procurement projects can be adopted to bring in new providers quickly to deliver essentially the same services, this does not allow a proper review of whether the right outcomes are being delivered.
9. Commissioning is the complex process of ensuring that services continue to be provided as effectively and efficiently as possible to meet the needs of the population. Responsibilities range from assessing local population needs, prioritising outcomes, procuring services to achieve those outcomes and supporting service providers to enable them to deliver outcomes for the whole community. Commissioning is a continual cycle rather than a timeline with an end date.

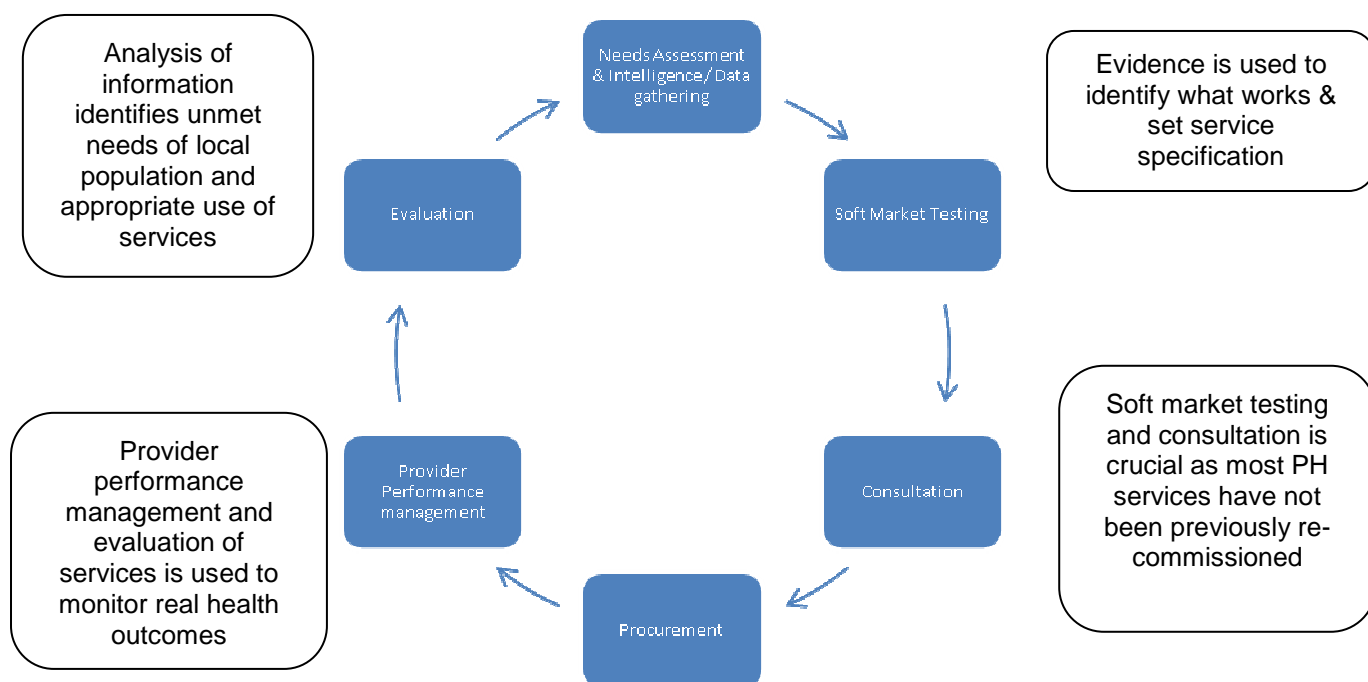


Figure One: The Commissioning Cycle

10. Public Health places a strong emphasis on a variety of science and social science research and evaluation methods to build an informed, explicit and judicious body of current evidence. The basis for establishing need looks beyond simple demand, to PH intelligence and epidemiological data and to scientific evidence about effectiveness and cost effectiveness. This is used to inform an understanding of need and how best to address this within available resources.
11. **Figure One** summarises the commissioning cycle and the PH role at each stage. Each of these stages is described in more detail in the report.

Needs assessment and intelligence gathering to support evidence based commissioning

12. Evidence is gathered as part of the planning process before any soft market testing is started. This information is used to determine the level of need and the most effective approaches to service delivery, which set the scene for all recommissioning exercises. This stage also involves analysis of data, such as predicting anticipated growth in disease and uptake of services using various limiting factors, for example, differences in level of disease and alternative treatment pathways.
13. Public Health concentrates on improving outcomes and value for money from the services that it buys and avoids a focus on 'outputs' or activity. This approach requires strategic commissioning, where the provider has control over the delivery process, and Public Health (PH) receives assurance through interim performance measures, quality indicators and long term health and wellbeing outcomes.
14. Commissioning intentions, procurement activity and service models are therefore not based on perceived short-term opportunities, but on a review of the best evidence regarding effective approaches to service provision.

Soft market testing and consultation

15. Soft market testing is a method of gathering market intelligence by engaging with the providers and users of the services in question. The process also looks for innovation and/or alternative delivery models, alongside looking for efficiencies and best value. As most PH services have not been subject to re-tender previously, this is critical for finding out how ready the market is for providing these services to deliver identified PH outcomes.
16. Engagement with current and potential service users takes place throughout the intelligence gathering and soft market testing phases through equity audit, evaluation and needs assessment. This prolonged period of activity takes place prior to formal consultation.
17. Consultation follows the soft market testing to formalise the recommissioning process. PH works to the required standards set out by the Council on all consultations to ensure that service changes are properly consulted, fair and transparent. PH carries out consultation with relevant stakeholders (which includes providers) to ensure that the preferred models defined by the gathered evidence are the right ones for the community. PH will consider all the responses to consultation in finalising their plans for procurement.
18. The standards referred to have been drawn up by Nottinghamshire County Council from best practice, and include:
 - Seeking approval to consult before starting the consultation and logging the consultation on the NCC consultation database
 - Considering equalities issues, such as specific communication needs of particular groups and individuals who might otherwise be excluded. Public

Health consultations are available online, and through paper questionnaire in identified venues and on request. The consultations are typically advertised through a coordinated communication plan utilising posts, press releases, local and social media.

- Providing contact details for the person responsible for the consultation.
- Undertaking consultation when the proposal is still at a formative stage i.e. before a decision is taken.
- Providing sufficient background information in the consultation documentation to enable intelligent consideration and response
- Giving adequate time for consideration and response. Public Health consultations typically take place over 3-4 months.
- Include a face-to-face element where consultees can meet, question and put forward their views. Public Health consultations usually involve a number of events, some of which are focus groups with service users.
- Utilising venues which meet the Council's accessibility code.
- Taking the product of consultation into account and being prepared to change course depending on the consultation results.
- Noting any complaints about the consultation in the final consultation report.

19. The period of consultation requires commissioners to give adequate time for interested parties to respond to the proposed changes. The general recommendation for consulting on major decisions is 12 weeks. However given the extended nature of the commissioning cycle and the inclusion of interested parties at the formative stage through engagement exercises and soft market testing, the Council legal team and consultation lead officer have advised on the appropriate length of consultation for each procurement project.

20. Elected Members, as local representatives, may be involved as individual consultees by attending events or workshops organised with relevant stakeholders; by filling out online or paper consultation forms or by providing written views. Their views will be one of a range of stakeholders whose views will be taken into account as part of the consultation process. Health Scrutiny Committee Members will also be included as consultees for projects they have identified as "substantial".

Defining Service Specification and Outcomes

21. The evidence previously gathered and the necessary practical and social considerations are combined to make a robust recommendation on the model of service delivery. This detailed service specification underpins the contract and provides a framework for contract monitoring.

22. Outcomes are the real-life health and wellbeing improvements required by the service. The nationally agreed Public Health Outcomes Framework describes the overall outcomes expected from PH services. The two main outcomes are further broken down into outcomes to be achieved for specific policy areas.:

Outcome 1: Increased healthy life expectancy *Taking account of the health quality as well as the length of life*

Outcome 2: Reduced differences in life expectancy and healthy life expectancy between communities *Through greater improvements in more disadvantaged communities.*

23. Most services concentrate on delivering 'outputs', as changes to outcomes are influenced over many years. These 'outputs' must be effective interim performance measures to keep track of progress and allow service changes to be made. It is important that any interim performance measures clearly relate to the ultimate goal or health outcome. These are included in the service specification or contract monitoring schedule.
24. The Public Health Committee may set or influence commissioning intentions for a service. If the consultation findings, including the soft market testing, identify a set of potential options, with pros and cons of each, it is the role of the Committee to agree which option is preferred, taking into account the available evidence and the results of the consultations and soft market testing overall. Officers will provide the background information and the reasons for any recommendations to inform decision-making.

Purchasing Services

25. This is the stage that Members will be most familiar with as this is the stage at which services are procured through a legally compliant tender process.
26. The service that is procured is in effect the Public Health intervention that aims to bring about the required outcomes. The service specification will have been informed by the soft market testing, consultation and available budget to deliver the greatest benefit from the available resource.
27. As part of the procurement process, an indicative budget is required to progress the tender for the new services. In many cases the budget is difficult to predict until the consultation process is complete and the service model defined. Also, it is important to recognise the impact that delivering efficiencies might have on effectiveness. In particular, it may lead to fewer outcomes or outcomes that have less impact.
28. No contract for services is awarded unless the expenditure has been approved by, or on behalf of, the Council. The PH Committee performs this task for PH services. Background evidence, soft market testing and results of consultations are described in a covering report and approval sought to proceed with the recommended specification. Once Member approval is given, further decisions of Members would be sought should there be any developments during the procurement process that would significantly change matters, such as tenders coming in above the agreed financial envelope.

Managing Service Providers and Measuring Impact

29. Managing service providers includes monitoring, evaluating and managing the providers' performance. The information requested from providers through regular reporting will inform whether or not they meet the required outcomes of the contract and these in turn will reflect whether the Public Health intervention is working.
30. Data is collated by various means, including local and national sources. The latter often has the benefit that it is reproducible and has been verified as being associated with

real health outcomes. Quality measures are also collected to ensure the quality and safety of services.

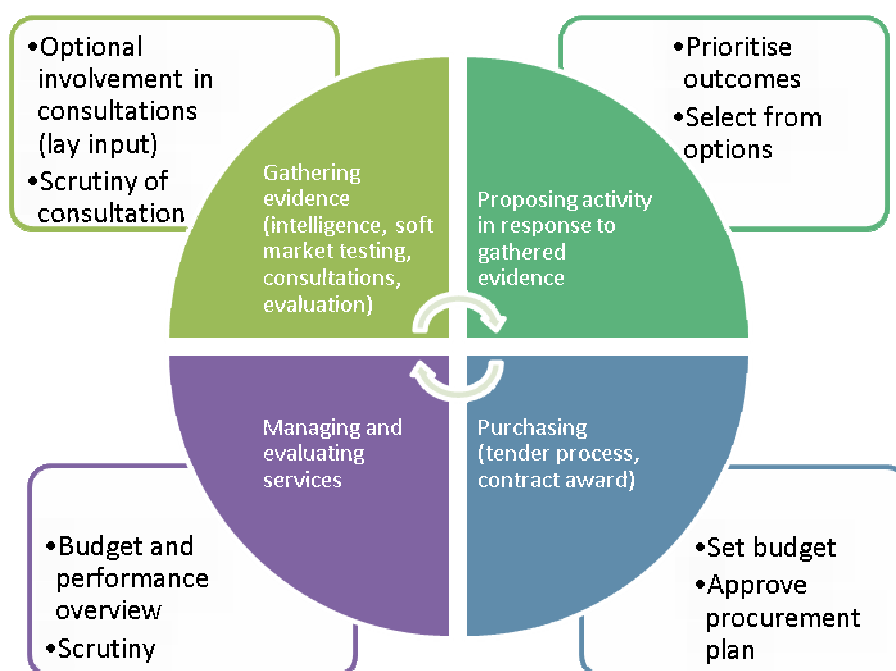


Figure Two: Division of responsibilities

31. In this part of the process, the PH Committee will receive performance reports on the effectiveness of the contracts and examine the budget as part of its overall responsibility to provide overview of the Public Health Grant. The Health Scrutiny Committee may also choose to examine whether the contracts are delivering as expected in light of the previous evidence, soft market testing and consultation results.

Public Health and Member Responsibilities

32. **Figure Two** illustrates the division of responsibilities throughout the commissioning process. The central circle identifies the activities and tasks being undertaken by PH staff and the external squares show the typical role of Members during each stage of the process, as included in the detailed explanation of each of stages above.

33. **Table Two** describes the timelines for the commissioning of PH services during 2015/16.

	Needs Assessment & intelligence gathering	Soft market testing & service specification developed	Formal Consultation	Procurement of services	Award of contract	Mobilisation (& Start Date)
Domestic and Sexual Abuse	Jan-Sept 14	Oct-Dec 14	Dec14-Jan15	Jan-May 15	June 15	Jul-Sep 15 (1 Oct 15)
Health checks	Nov13–Jan14	Dec 14-Feb 15	Feb-Mar 15	April-Sep 15	Oct 15	Nov15–Mar16 (1 Apr 16)
Oral Health Promotion	Dec 13-Mar14	May-Jun 15	Jun-Jul 15	Aug-Nov 15	Dec 15	Jan-Mar 16 (1 April 16)

Smoking & Tobacco	Sep-Dec14	Sep-Dec 14	Jan-Mar 15	May-Aug 15	Sep 15	Sep15–Mar16 (1 Apr 16)
Sexual Health services	Sep14-Jan15	Feb-May 15	Mar-Apr 15	Jul-Oct 15	Nov 15	Dec15-Mar16 (1 Apr 16)
Children's PH services (inc. NCMP)	Feb-Jul 15	Oct-Dec 15*	Dec15-Jan16*	Jan-May 16*	Jun 16*	Jul-Sep 16* (1 Oct 16)

* The timelines for Children's PH services is provisional pending transfer of responsibility for Health Visiting.

Table Two: Procurement Timetable

Public Health and Scrutiny

34. Apart from where there is an express legal duty to consult in legislation or statutory guidance, the general duty to consult is governed by a duty of public authorities to act fairly in the exercise of their functions. The Local Authority Public Health Regulations 2013 require local authorities (through scrutiny) to review and scrutinise matters relating to the planning, provision and operation of the health service (including finances) in the area.

35. Given that the current PH responsibilities were previously held within the NHS, it is arguable that the areas which the former Nottinghamshire County and Bassetlaw Primary Care Trusts would have consulted upon should be consulted in the same manner now that the PH function is located in the Local Authority. Therefore as a 'health' function, it is proposed that the Council reports to Health Scrutiny Committee for their Public Health commissioning role.

36. It is interesting to note that the PH Committee is responsible for decisions and approval of actions in delivering PH services, including the re-commissioning of services. As such, the PH department already reports and is held to account by a Council Committee. Therefore there is a potential for one Council Committee be put in the position of scrutinising and challenging another Committees decisions.

37. To take account of the potential duplication but also be mindful of the Council's responsibility to consult, it is proposed that the following arrangements be instigated for all future PH re-commissioning projects from April 2015:

- a. An annual procurement plan will be presented to Health Scrutiny, detailing the re-procurement activity for the year, including the associated timelines, and process to be followed. This will give the Committee an opportunity to gain an understanding of the procurements planned in Public Health, identify those projects which it considers are "substantial" and flag any particular topics they want to follow more closely.
- b. Health Scrutiny will be included as a consultee for all projects.
- c. Reports will be provided through the year to update the Health Scrutiny Committee on progress on procurement projects, and their associated consultations.

- d. Health Scrutiny will have the option to request ad-hoc reports to be presented on individual projects as required.

38. The Committee is asked to support the proposal to allow the necessary transparency but avoid delays in the re-commissioning of PH services.

Other Options Considered

39. The PH department could report to Health Scrutiny Committee on all projects individually. However this would cause significant duplication in Councils decision making processes and has the potential to delay the re-procurement process.

Reason for Recommendation

40. As a 'health' function, it is advised that the Council reports to Health Scrutiny Committee for their Public Health commissioning role, in order to fulfil its health scrutiny function.

Statutory and Policy Implications

41. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Implication for the NHS Constitution

42. The NHS constitution includes a commitment to make decisions in a clear and transparent manner.

RECOMMENDATIONS

The Health Scrutiny Committee is asked to:

- 1) Consider and comment on the information on Public Health procurement activity and the commissioning cycle used to undertake this work.
- 2) Agree the arrangements to involve Health Scrutiny in Public Health service redesign whilst progressing re-procurement projects in a timely manner.

Dr Chris Kenny
Director of Public Health

For any enquiries about this report please contact Cathy Quinn, Associate Director of Public Health. Email: cathy.quinn@nottsccl.gov.uk

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Public Health Department plan 2014/15

Electoral Divisions and Members Affected

- All