Agenda Item 10

Committee: Cabinet

Date: 20th March 2023

Wards: All Wards

Subject: Public Health commissioned services contract extensions report

Lead Director: John Morgan – Executive Director of Adult Social Care, Integrated Care and Public Health

Dr Dagmar Zeuner – Director of Public Health

Lead member: Cllr Peter McCabe -Cabinet Member for Health and Social Care

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Recommendations:

- A. That Cabinet agree to extend the children and young people's 0-19 health services contract for 12 months (from April 2024 to March 2025) where we have already used the extension options contained within the original contract (see D below).
- B. That Cabinet agree to extend the Adult Substance Misuse contract for a period of 12 months (from April 2024 to March 2025) which builds on the previously agreed 12 month extension which has not been enacted so will require to extend as a single 24 month extension. We have already used the extension options contained within the original contract.
- C. That Cabinet agree to extend the Integrated Sexual Health (ISH) service contract by 6 months (April 2024 to September 2024) allowable within the existing contract and a further period of up to 6 months (October 2024 to March 2025) where the extension options within the existing contract have been used (see D below)
- D. That Cabinet approve for these contract extensions to be made under Regulation 72 of the Public Contract Regulations (PCR 2015) without substantial changes to these named contracts as there are no remaining options for extending the existing contracts.
- E. That Cabinet note that the purpose of the three service contract extensions is to align to a large South West London primary and community health services model and pathways being developed in partnership with NHS SWL Integrated Commissioning Board (ICB), to allow the opportunity to explore an integrated system with the potential for integrated service models, pathways and joint commissioning options.
- F. That Cabinet delegate authority to the Executive Director Adult Social Care, Integrated Care and Public Health to finalise and approve terms and conditions for the contract extensions, within existing public health grant budget and compliant with public health duties.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This paper seeks Cabinet approval to extend three existing Public Health contracts under regulations 72 of the Public Contract Regulations (PCR) 2015 for a period of 12 months. The Council has exhausted its option to extend each of the contracts under their original contract terms (except for Integrated Sexual Health service which has further 6 months remaining). The Council will in this instance rely on Regulation 72 (1) (e) of PCR 2015 to extend the terms of the contracts because the modifications, irrespective of value, are not substantial. That is to say, the modifications do not change the substance of the services to be delivered or extend their scope or change the economic balance of the contracts in favour of the contractors in a manner which was not provided for in the initial contracts, nor fall under any of the other provisions set out in Regulation 72 (1) (8).
- 1.2 In line with regulation 72, although no substantial changes are allowed during the 12-month extension period, commissioners will continue to drive any improvements within the existing services as required, ensuring maintenance and continuity of services for residents.
- 1.3 The extension of these three contracts will enable Merton Public Health to achieve closer integration of services and models with NHS South West London Integrated Commissioning Board's (SWL ICB) primary and community health services re-modelling. This will allow the opportunity to explore an integrated system with the potential for integrated service models, pathways and joint commissioning options, building on current arrangements. There may be the potential for economies of scale by working with services across a wider SWL footprint and based on service models.
- 1.4 These extensions are a prerequisite to achieving the council's corporate ambition to have holistic, responsive and integrated services focussed on the needs and views of residents, users and communities, strengthening prevention, ensuring focus on inequalities and achieving value for money. The council will maintain control and responsibilities for the service models and outcomes for service users/residents and ensuring involvement as an equal partner to any joint procurement processes.
- 1.5 These contracts had previously been granted extensions to March 2024 (for Integrated Sexual Health, the extension was granted under the existing terms of the original contract), with work initiated to re-procure services within those timescales. However, NHS SWL ICB plans to develop more integrated community and primary care model/strategy in 2023/24, which presents new opportunities for our services and requires extension of our contracts to March 2025. Alignment of our procurement timelines to this planned work is important as our Public Health services interface and work jointly with these wider health services.
- 1.6 In partnership with NHS SWL ICB, working closely with primary and community health services during the planned SWL re-modelling work, will ensure services and pathways are more streamlined, easier to access, effective, efficient, and

value for money. The ultimate aim being to improve the health and well-being of residents with better and greater health impact across organisational boundaries that better meet the needs of service users.

- 1.7 The extension will allow for better engagement with primary care and community health services and stakeholders such as Primary Care Networks (PCNs), GP Practices, GP Federations, Local Medical Committee (LMC), Local Pharmaceutical Committee (LPC), Pharmacies, mainstream community health services e.g. therapies, mental health services as well the community and voluntary sector.
- 1.8 The expiry date of three Public Health community-based contracts is March 2024 and it is our intention to extend these contracts for a further period of up to 12 months to March 2025. This will enable current service continuity for residents whilst the new models are developed, allowing commissioning of new services from April 2025 in-line with the new model and ways of working.
- 1.9 As part of the bundle of Public Health services to be extended and procured by April 2025, we are also seeking an extension of the One You Merton (OYM) and NHS Health Checks contracts, however these fall under the threshold for Cabinet approval. Requests to extend these contracts will follow LBM Contract Standing Orders and will be considered by the Adult Social Care, Integrated Care and Public Health Departmental Procurement Group (DPG) and the Executive Director for Corporate Services in March. The rationale for these two extensions are the same as the extension requested in this paper and this is for Cabinet to note.
- 1.10 The three Public Health contracts included in this suite are:
 - i. CYP 0-19 Community Health Services contract, which provides Health Visiting, School Nursing and the Young Parents Support services. This is a joint contract with NHS SWL ICB. The ICB is the lead commissioner which will extend the contract on behalf of LBM as part of their main contract for community health services in Merton, following cabinet approval and using the NHS standard contract (extension for 12 months). The two years extension provision contained within the contract was utilised. The contract was awarded for 3 years from 1st April 2016 with the option of an additional 2-year extension. After the 2-year extension, an additional 2-year exemption was sought through Cabinet and agreed from 1st April 2021-31st March 2023, with a further extension to March 2024.
 - ii. Adult Substance Misuse contract to be extended for a period of 12 months (from April 2024 to March 2025) which builds on the previously agreed 12-month extension, to be enacted as a single 24 month extension. The two years extension provision contained within the contract was utilised and the current agreement does not allow for any further extension. The current contract expires in March 2023 and so the 12 months extension previously approved is yet to commence. As the extension has not yet been enacted, a single contract extension for 24 months is now sought.

- iii. Integrated Sexual Health (ISH) service. This is a joint contract with Wandsworth and Richmond councils and Wandsworth are lead commissioner who will extend the contract on behalf of LBM following Cabinet approval (extension for 6 months allowable within the existing contract and further period of up to 6 months to March 2025 which is outside of current contract).
- 1.9 As part of the bundle of Public Health services to be extended and procured, contracts such as One You Merton (OYM) and NHS Health Checks fall under the threshold for Cabinet approval. Requests to extend these contracts will follow LBM Contract Standing Orders and will be considered by the Adult Social Care, Integrated Care and Public Health Departmental Procurement Group (DPG) and the Executive Director of Corporate Services in March in line with rational for extending the three Public Health contract in this paper. This is for Cabinet to note.
- 1.10 All providers are financially viable, shown by organisational credit checks, and services are delivering broadly in line with service specifications. Care Quality Commission (CQC) rating for the providers of these services is 'Good'.
- 1.11 No substantial changes are proposed to service models, during the 12-month extension period and opportunities for service development and improvement will be explored and the extension will continue to deliver service continuity for residents.

2 DETAILS

Background Information

- 2.1 Closer integration between services in the community is a fundamental part of both national health and social care policy and local strategy with the aim of promoting health and wellbeing, reducing inequality and ensuring sustainability of the local system.
- 2.2 There are three Public Health contracts that do not have options for extension (with the exception of the ISH contract, which has a 6 months allowable extension) and we are now seeking approval for the extension of these contracts, under Regulation 72 (1) (e) of the Public Contracts Regulations (PCR 2015) to extend them for up to 12 months until 31st March 2025.
- 2.1 These contracts had previously been granted extensions to March 2024 (for Integrated Sexual Health service, the extension was granted under the existing terms of the original contract), with work initiated to re-procure services within those timescales. However, NHS SWL ICB plans to develop more integrated community and primary care model/strategy in 2023/24, which presents new opportunities for our services and requires extension of our contracts to March 2025. Alignment of our procurement timelines to this planned work is important as our Public Health services interface and work jointly with these wider health services. This will allow the opportunity to explore an integrated system with the

- potential for integrated service models, pathways and joint commissioning options, building on current arrangements.
- 2.2 In partnership with NHS SWL ICB, working closely with primary and community health services during the planned joint re-modelling work will ensure services and pathways are more streamlined, easier to access, effective, efficient, and value for money. The ultimate aim being to improve the health and well-being of residents with greater health impact across organisational boundaries that better meet the needs of service users.
- 2.3 The extension of these three contracts will enable Merton Public Health to achieve closer integration of services and models with NHS South West London Integrated Commissioning Board's (SWL ICB) primary and community health services re-modelling. This will allow the opportunity to explore an integrated system with the potential for integrated service models, pathways and joint commissioning options, building on current arrangements. There may be the potential for economies of scale by working with services across a wider SWL footprint and based on service models. The council will maintain control and responsibilities for the service models and outcomes for service users/residents and ensuring involvement as an equal partner to any joint procurement processes.
- 2.4 The extension of Public Health contracts, will allow for better engagement with primary care services and stakeholders such as Primary Care Networks (PCNs), GP Practices, GP Federations, Local Medical Committee (LMC), Local Pharmaceutical Committee (LPC), Pharmacies, mainstream community health services e.g. therapies, mental health services as well the community and voluntary sector.
- 2.5 The ICB have recruited additional staff to provide capacity and resources to effectively manage and take forward the primary and community health services re-modelling work with strategic agreement to work collaboratively with LBM as an equal partner to this work. A detailed timetable for this work will be agreed amongst key stakeholders and taken via LBM governance processes, including Directorate Management Teams (DMTs) and other forums such as the CYP Integrated Commissioning Group, to guide this work. This will be completed in 2023/24 to inform 2024/25 re-procurement timelines for new contracts to be in place from April 2025 onwards.
- 2.6 LBM will ensure there are robust timelines, processes and milestones agreed to provide assurance and meet planned procurement timelines with ICB.
- 2.7 The procurement process for these services are large, complex, presents risks and requires time and due process to be delivered effectively and safely.
- 2.8 No substantial changes are proposed to service delivery during the 12-month extension period and services will be maintained and continue to deliver allowing service continuity for residents.
- 2.9 All Public Health services are managed with regular contract monitoring meeting and review of performance and activity by LBM commissioners.

- 2.10 As part of the bundle of Public Health services to be extended and procured, contracts such as One You Merton (OYM) and NHS Health Checks fall under the threshold for Cabinet approval. These contracts will be considered for extension and re-procurement by DPG and Executive Director of Corporate services in March in line with rational for extending the three Public Health contract in this paper.
- 2.11 Please refer to 'Appendix 1 Feb 2023 PH commissioned services Finances' (Exempt from Publication) for further details including contract providers and contract values.

3 Service specific details

Children and Young People's (CYP) 0-19 Community Health Services Service Overview

- 3.1 The contract is for the delivery of Health Visiting, School Nursing, and the Young Parents' Service providing mandated visits and assessments and critical safeguarding services.
- 3.2 The contract was awarded for 3 years from 1st April 2016 with the option of an additional 2-year extension. After the 2-year extension, an additional 2-year exemption was sought and agreed from 31 March 2021-1st April 2023, and a further extension to March 2024.
- 3.3 The contract sits in a wider contract for Community Health Services led by NHS SWL ICB.
 - 3.4 **Health Visiting Service** support families from the antenatal period up to school entry (0-5 years). They deliver 5 nationally mandated universal visits to the child and their family but also further support/visits based on needs. Each visit includes an assessment of critical developmental milestones. Trusted and expert advice is provided. If a family is assessed as vulnerable due to physical, mental, or social stressors, more support is available. The service includes a specialist outreach team which proactively engages with families in temporary housing and in refuges, a perinatal mental health and breastfeeding specialists to support families.
 - 3.5 **The Young Parents Support Service** provides more frequent support for young, vulnerable mothers whose babies are particularly at risk of poor outcomes. These families are also encouraged to access peer support sessions facilitated by the service in Children's Centres as well as wider support from other professionals and services.
 - 3.6 **School Nursing Service** support children aged 5-19, working with CYP and their families and supporting schools. They assess the health of children in Reception Year. Those at greater risk are provided with additional support. School nurses receive referrals from schools and children and young people and offer assessment, advice, information and make onward referrals to any specialist assessment and support, including those identified with safeguarding needs. School nurses also deliver the National Child Measurement Programme (NCMP) which is a nationally mandated assessment of the Body Mass Index

(BMI) of children in Reception (4-5 year olds) and Year 6 (10-11 year olds). This generates intelligence about children who are underweight and overweight/obese and the service offers further support to those identified as obese.

Performance

- 3.7 In 2020/21, the service has performed significantly better than its statistical neighbours with the exception of the 2.5-year review. In 2021/22 performance has been variable where some indicators are better than London, England and some neighbouring/statistical borough whilst others have been lower. A new IT system introduced last year has also had an impact on the quality of the data. This is being managed with specific meetings with provider to understand and resolve.
- 3.8 The provider of this service has a Care Quality Commission (CQC) 'Good' rating.

Adult Substance Misuse

Service overview

- 3.9 This contract was awarded for 3 + 2 years from 1st April 2018. After the 2-year extension, an additional 12 months extension was agreed to March 2024.
- 3.10 Initially commissioned in 2018, Westminster Drugs Project (WDP) delivers an integrated substance misuse service that meets the complex needs of adults presenting with drug and alcohol misuse, including:
 - A range of evidence led interventions designed to reduce physical and psychological harms associated with drug and alcohol misuse. This includes health screening including HIV, hepatitis, and alcohol related liver disease and provision of needle exchange services and overdose training and response kits.
 - Care planning, including liaison with partners e.g. health, social care and housing to address unmet needs and assessment and referral for inpatient detoxification and residential rehabilitation if required.
 - Work with children and families to address parental substance misuse.
 - Partnership working with criminal justice partners by supporting court-mandated treatment orders for drug and alcohol related offenders.
 - Targeted support for rough sleepers and street drinkers in addressing drug and alcohol use.
 - Joint working with mental health services to support adults with comorbid serious mental illness and substance misuse.
 - The provision of training to provider partners and community groups to support community capacity and resilience in response to drug and alcohol misuse.

Performance

- 3.11 The service consistently performs in the top quartile of treatment providers in England in terms of all performance and outcome indicators, including treatment completion and representation rates.
- 3.12 The quality of the service was reflected by the findings of the Care Quality Commission (CQC) review in 2019 which gave the service an overall rating of Good, whilst rating its 'responsiveness' as Outstanding. A service review, carried out by commissioners in 2021, prior to extending the contract reiterated the CQC findings whilst also noting the quality, effectiveness of the service and its recognition as a co-productive partner.

Integrated Sexual Health (ISH)

Service Overview

- 3.13 The ISH contract includes provision of STI testing and treatment (also referred to as Genitourinary Medicine GUM), provision of all methods of contraception, pre and post exposure prophylaxis for HIV, information and advice and now also includes Monkey Pox (MPox) identification and vaccinations.
- 3.14 The service is organised around a hub in Clapham Junction. There are spoke clinics at the Patrick Doody Clinic in Wimbledon and 'Off the Record' in Richmond.
- 3.15 The contract is jointly commissioned with Wandsworth and Richmond Councils with Wandsworth as lead commissioner, hence alignment between the Councils is key to continuing our co-commissioning arrangements.
- 3.16 The current contract started in October 2017. The initial 5-year contract term for the ISH service ended on 30 September 2022. Clause A34 of the contract enables the Councils to extend the contract by two further periods of one year. An 18 month extension was agreed by Cabinet in July 2022 from 1st October 2022 to 31st March 2024.
- 3.17 An additional 6 month extension to 30th Sept 2024 allowable within the current contract is now proposed (to September 2024) would exercise the remaining extension period allowable under the original contract, with a further period of up to 6 months extension (to March 2025) proposed which is outside of the original contract term. Wandsworth as lead commissioners have requested along with Richmond the additional 6 month extension from their Board. To allow continued joint commissioning and collaborative working arrangements, the proposed extensions would ensure our timelines align and allow flexibility for this to take place.
- 3.18 There is also a London wide deep dive (6 months in 2023) into the sustainability of sexual health services to be progressed which would allow our procurement to align with findings from this piece of work.

Performance

- 13.18 During the pandemic walk in services were closed and the emergence of MPox delayed re-opening of walk-in services further. Walk in services reopened in December 2022.
- 13.19 This change to the model has impacted on the number of people which were able to be seen, with the activity recovering but only currently at 65-70% of pre-pandemic levels. Patient behaviour has also changed as a result of the pandemic with many choosing to access STI testing and treatment online, meaning activity in the service may never return to pre-COVID levels.
- 13.20 The ISH service is well regarded, and patient satisfaction is high. The provider of this service has a Care Quality Commission (CQC) 'Good' rating.

3 ALTERNATIVE OPTIONS

	Options	Advantages	Disadvantages
1	Do not extend the three Public Health contracts withdraw service	Make financial saving	 Public Health mandatory and statutory duties not fulfilled under Health and Social Care Act responsibilities of LAs No service provision for children 0-19 and their families, people with substance misuse issues and those with sexual health needs. Residents health needs not met and escalation of health needs Increased cost and strain on other service areas such as health services, education and social care system, unidentified needs may escalate, requiring more intense intervention Vulnerable people not being supported in a timely way Reputational risk of cutting valued and well used services with a negative impact on LBM
2	Extend the current contracts for a further period of up to 12 months if required to allow flexibility to align timelines to NHS SWL ICB primary and community health services remodelling	 Service stability and continuity whilst developing new model to support reprocurement Delivery of mandatory and statutory Public Health duties Model of re-procurement is aligned to primary and community health services model, which presents opportunities for our services to deliver effective and efficient services that are value for money. This requires alignment of 	 Current contract from LA perspective has no option to extend without Cabinet approval Difficult to demonstrate value for money given that no competition for this provision has been carried out for a number of years Requires ICB / LBM decision making and alignment of timelines

		remodelling and procurement timelines Improved health and well-being outcomes for residents/service users Drive competition within the provider market by having a more robust model developed aligned to local primary and community health services Continued collaborative working arrangements and economies of scale with ICB and Wandsworth and Richmond local authorities also with shared cost of procurement and contract management (0-19 and Sexual Health) Potential for further economies of scale from integration across a wider SWL footprint and based on service models	Provider of CYP 0-19 and Sexual Health services have previously indicated some financial pressures in delivering services. Therefore, need to negotiate the value for the contract extension but to be managed within Public Health Grant.
3	Procure the three Public Health services through competitive tender without extending and current procurement timelines	 Can work to LA timelines without aligning to ICB remodelling work in 2023/24 This would enable the Council to test the market to evidence value for money. 	 Re-procuring services before the SWL primary and community health services remodelling may mean LBM works in silo, not aligned and not working closely with our partners and key stakeholders With the absence of collaborative working on models LBM services may not be fit for purpose, sustainable and less efficient and effective in the longer term Unintended consequences for residents/service users of unaligned models e.g. those whose health needs may not be met across any organisations through poor planning CYP 0-19 community health services and ISH service are jointly commissioned services with other partners (see above). To continue joint collaborative arrangements, require extending contract and aligning timelines. Procuring services without extending could mean the following: LBM would need to disaggregate contracts and procure on our own.

Disrupts collaboration / integration Market testing required to test viability to deliver Merton only service e.g. 0-19 commissioners feedback, very few providers bidding to deliver these services, if any With smaller Merton only services to be procured. higher risk of failed procurement. Initial market engagement on ISH services shows market appetite for larger contracts and future SWL commissioning Contract disaggregation required with ICB and Wandsworth and Richmond including some staff Lose economies of scale. May require more investment to delivery similar service For ISH services, returns to previous model pre-2017 which was not effective & gave little control over level 3 services. There are also no level 3 service in Merton so could only commission level

4 CONSULTATION UNDERTAKEN OR PROPOSED

4.1 As part of the ICB primary and community health services re-modelling as well as LBM commissioner led work, there will be robust engagement with key stakeholders including residents/service users. Each service will undertake a service review to inform models and service provision. The CYP 0-19 services review has been completed and the ISH and Substance misuse service reviews are underway to support procurement.

1-2 services independently, investment/arrangement with provider of level 3 service for

Merton required

5 TIMETABLE

- 5.1. Contracts are to be extended for a period of up to 12 months from 1st April 2024 to 31st March 2025.
- 5.2. Table 1 below shows indicative high level procurement timelines for new contracts to be in place by April 2025 if contract extension are exercised for a further year as per the above.

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Table 1: Indicative procurement timelines

Current Procurement schedule	Indicative timeline for new contract start date April 2025 (if contract variation and extension is exercised)*
Publish tender notice (ITT)	End March/begin Apr 2024
Evaluation of tender	Between May - June 2024
Gateway 2 Award report approval (Finance, legal & procurement)	End June 2024
Gateway 2 report to Procurement Board	Mid July 2024
LSG	Beginning Sept 2024
Cabinet	Mid Sept 2024
Intention to award letter to bidder	End Sept 2024
Mobilisation	Oct 2024 – March 2025 (6 months)
Contract start date	April 2025

^{*}For CYP 0-19 and ISH services, timelines will be dependent on ICB and Wandsworth and Richmond procurement processes as lead commissioners but these are provided as indicative timelines.

7 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

7.1. Financial information related to the value of the contracts are provided in Appendix 1. These are commissioned from the Public Health Grant.

8 LEGAL AND STATUTORY IMPLICATIONS

8.1 The Council is subject to legal requirements to ensure fair competition for all contracts irrespective of value and is subject to obligations under Law to ensure contracts are awarded having regard to the need to avoid any action that is discriminatory, improper or which distorts competition.

- 8.2 Public Health Merton is seeking approval to extend three (3) current contracts. As per the main body of this report, the Council has exhausted its option to extend each of the contracts under its terms.
- 8.3 The Council's Contract Standing Orders (CSO 27.2) provides that contracts may be modified/varied or extended, if any such changes are provided for within the terms of the contract and /or allowed within the Public Contracts Regulations 2015.
- 8.4 Under the current Procurement Regulations (PCR 2015), modifications/variations of contracts such as the ones proposed in this report may unless provided for under PCR 2015 trigger a new procurement process.
- 8.5 PCR 2015 sets out instances where the modification of a contract does not trigger a new procurement activity. The Council may in this instance rely on Regulation 72 (1) (e) of PCR 2015 to extend the terms of the contracts because the modifications, irrespective of value, are not substantial. That is to say, the modifications do not change the substance of the services to be delivered or extend their scope or change the economic balance of the contracts in favour of the contractors in a manner which was not provided for in the initial contracts nor fall under any of the other provisions set out in Regulation 72 (1) (8).
- 8.6 The Council must take note that in spite of the safe haven provided under Regulation 72(1)(e), it is imperative that the Council maintains a clear audit trail of the justification for the extensions and the decision-making process and follows a robust timetable for the procurement of replacement services to ensure that new contracts are awarded before the end of the extension periods.
- 8.7 In accordance with CSO 27.7, the extensions must be recorded in writing and signed/sealed (as appropriate) by both the Council and the Providers.
- 8.8 The extension must be noted on the Council's Contract Register.
- 8.9 Cabinet has authority under S9E of the Local Government Act 2000 to approve delegation of authority therefore the delegation which is being recommended is permissible.

9 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 9.1 The services have been designed as part of approaches to tackle health inequalities in the borough and the inequities in terms of access. These services provide early identification of needs with appropriate support and referral for children and young people as well as supporting residents to lead healthy lifestyles, prevent ill health and reduce social isolation. These are important components of the approach to integrated community health services.
- 9.2 There are not expected to be any human rights issues from the programmes.

10 CRIME AND DISORDER IMPLICATIONS

10.1. N/A

11 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

11.1 Emerging risk will be identified and managed/mitigated through Task and Finish groups

12 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

 APPENDIX 1 – EXEMPT FROM PUBLICATION - Public Health commissioned services contract details

13 BACKGROUND PAPERS

N/A