

Report to the Cabinet Member for Health and Wellbeing and the Deputy Leader of the County Council
Report submitted by: Director of Public Health
Date: 4 March and 6 March 2015

Part I

Electoral Divisions affected:
All

Primary Care Commissions

Contact for further information:
Jackie Routledge, 07876844077, Adult Services, Health and Wellbeing Directorate
jackie.routledge@lancashire.gov.uk

Executive Summary

This report sets out the current arrangements and future proposals for the commissioning of public health services through primary care (General Practices and pharmacies) and requests a single tender waiver on the grounds of Primary Care being the only provider in the market place that can effectively deliver the services at the present time.

This is deemed to be a Key Decision and the provisions of Standing Order No 25 have been complied with.

Recommendation

The Cabinet Member for Health and Wellbeing is recommended to:

- (i) Approve the future plans for the commissioning of public health services through General Practices and Pharmacies in Lancashire;
- (ii) Request that the Deputy Leader of the County Council approves a waiver of Procurement Rule 6 in respect of the Primary Care Commissions.

Subject to (i) and (ii) above, the Deputy Leader of the County Council is recommended to approve the waiver of Procurement Rule 6 in respect of the Primary Care Commissions.

Background and Advice

All public health contracts are to be re-procured, with a deadline of April 2016. This includes a number of complex clinical services and all primary care enhanced services, almost 600 contractors across Lancashire.

Following transition of public health into Lancashire County Council in April 2013, Locally Enhanced Service Contracts were issued as part of the transition to all GPs and Pharmacies across Lancashire. Primary care, is an umbrella term for a number of providers, including dentists and ophthalmologists, in this context it refers to General Practice and Pharmacies. We commission large numbers of low value contracts and primary care delivers a range of highly localised services for the benefit of Lancashire residents.

The range of public health services delivered by General Practitioners and Pharmacies, include; NHS health checks, level 2 sexual transmitted infections management, opportunistic chlamydia screening, intrauterine contraceptive device fitting, contraceptive Implants, emergency contraception, substance misuse shared care, needle exchange, supervised consumption and the nicotine replacement therapy replacement voucher scheme.

Each contract is held with the individual General Practice or Pharmacy and the forecast for 2014/15 is £2,596,033 total spend across all c 600 providers. Therefore, the budget allocated (on a demand led basis) across each individual contractor is in general relatively low, given that the total is divided across 600 different contractors, an average of less than £5,000. Where the estimated total value of spend is £5,000 or less it is not necessary to obtain competitive quotations from more than one supplier or provider for contracts or orders.

There has been no material change on value or scope of services since 1 April 2013. Additionally we do not guarantee any spend through the contract, it is based on actuals and paid via a range of tariff payments. It is of note that we only pay for the delivery of the specific additional services according to a very competitive tariff that does not include a levy for overheads, such as premises or pathology services.

Primary Care provides a unique opportunity for the delivery of additional services, and is the only provider on the market place that has service delivery points across the whole of Lancashire. These are readily accessible to the population being local and having flexible opening hours, for all the registered population of Lancashire.

Health Checks are also being delivered by other providers, but General Practice is likely to remain the main provider of this service due to their unique ability to identify and invite the eligible population, based on the practice register.

There has not been a material change to the market over the previous 12 months whereby other providers can meet the requirements of the contract to deliver these services, in the manner described.

Furthermore, it is unlikely a new competitor will enter the marketplace beyond General Practices and Pharmacies at the present time. A number of Local Authorities across the country have made similar decisions in relation to Primary Care.

Future Primary Care Plans

In inheriting the contracts for primary care, the County Council inherited differing specifications and payment arrangements. We will ensure that all specifications are

standardised and all contractors receive the same remuneration for the service provided.

As stated, we have contractual relationships with almost 600 contractors and it is an imperative that these are reduced. In respect of Pharmacies, the Local Lancashire Pharmaceutical Committee is currently working towards a Limited by Guarantee Company and will be in a position to hold contracts on behalf of their members potentially by April 2015. This will enable the Authority to vastly reduce the numbers of contracts held.

The Lancashire Medical Committee is equally trying to support the County Council with improved contractual arrangements. There are also some areas where federated GPs allow for contracting with the federation rather than individual contractors.

In addition we already have examples of sub-contracting arrangements with primary care.

We will keep the primary care commissions under review in consideration of a potential change in the market place for these services, which will indicate the need to re-procure.

Implications:

Financial

The £2.6M cost of primary care locally enhanced services is already commissioned as part of the Public Health service, budgeted for and funded via the current Public Health grant received.

Risk management

The Authority could be challenged for not re-procuring these services, however in respect of primary care this action is in common with other neighbouring authorities and currently they are the prime market leader.

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Report to the Cabinet Member for Health and Wellbeing - Public Health Commissions for 2014/15	12 November 2013	Jackie Routledge, 07876844077, Adult Services, Health and Wellbeing Directorate

Reason for inclusion in Part II, if appropriate

N/A