

<b>Item No.</b> 12.	<b>Classification:</b> Open	<b>Date:</b> 27 January 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 - A New Approach to Healthchecks in Lambeth and Southwark	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Barrie Hargrove, Public Health, Parks and Leisure	

## **FOREWORD – COUNCILLOR BARRIE HARGROVE, CABINET MEMBER FOR PUBLIC HEALTH, PARKS AND LEISURE**

Helping people to live healthy lives is a major focus at this time. The increasing pressures on public health services that we have seen in recent years are in part due to a number of factors including obesity, smoking, poor diet and diabetes. It is for this reason that the council has set out a plan so that, by March 2018, we will have doubled the number of healthchecks taken up by people in Southwark.

A free health check can help identify health conditions before they occur. It can give people the help and support they need – whether to access a medical intervention for a pre-existing condition or with that additional impetus that is sometimes needed to improve ones own lifestyle and wellbeing.

This challenge of improving the health of our population does not end at Southwark’s borough boundary, but cuts across families, communities and generations. That is why, in July 2012, Southwark and Lambeth Councils set out a common cause on public health, in which we agreed to harness the collective resources and expertise of both boroughs to tackle our shared public health challenges. It was in light of this approach that, when we looked at how best to deliver the changes that we needed on healthchecks, that we were able to do this together with our neighbours in Lambeth.

This report sets out a proposal to transform the way that healthchecks is delivered across Lambeth and Southwark, including a new joint approach between the two boroughs.

## **RECOMMENDATIONS**

1. That cabinet notes the outcome of a joint review of healthchecks which was carried out across Lambeth and Southwark (as set out in appendix 1), including work to ensure a doubling of healthchecks in Southwark.
2. That cabinet agrees to enter into a memorandum of understanding (MOU) agreement with Lambeth Council for the purposes of entering into a joint commissioning agreement for healthchecks – with Southwark Council acting as the lead commissioning borough.
3. That cabinet approves the procurement strategy outlined in this report, namely to undertake a competitive tender to commission a Lambeth and Southwark healthchecks delivery hub (HDH) at an estimated contract value of £1.5m for a

term of three years from December 2015, with provision to extend the contract for two further periods of one year, making a total estimated contract value of £2.5m.

## **BACKGROUND INFORMATION**

4. In July 2012, Lambeth and Southwark Councils agreed to a shared approach to tackle common public health challenges across both boroughs. The aim was to minimise duplication and ensure that the collective efforts of both boroughs were focused on those key public health challenges where a combined approach could make a difference, including obesity, smoking and sexual health.
5. In the context of this approach, Lambeth and Southwark agreed to undertake a joint review of their separate healthchecks services. The review was carried out in order to (a) evaluate the current healthchecks services in Lambeth and Southwark and (b) consider how best to commission these services in the future. The review was completed between June and October 2014.
6. Southwark Council made a commitment to doubling healthchecks as part of the Council Plan 2014-18. The commitment is an important step to assessing more people who, at this time, do not take up the offer of a healthcheck. It is also an approach that, over time, will identify more health issues at the earliest stage – when nascent problems can be more readily diagnosed and dealt with. Through healthchecks, more people will also be encouraged and supported to live more healthy and active lives. It is however recognised that in order to meet this target that a transformational change will be required in the delivery of healthchecks to communities.
7. The Southwark Health and Wellbeing Board's six priority areas for 2014/15 includes work to tackle alcohol and substance misuse, smoking, obesity, diabetes and other long-term conditions, all of which are covered and supported by the important work of the local healthchecks service.
8. Healthchecks is a free-at-the-point-of-use, early identification and prevention programme for anyone aged between 40 and 74 who does not have an existing diagnosis. The service is the local element of a broader NHS programme, funded through the Council's public health grant. Healthchecks were set up to specifically identify and prevent cardiovascular diseases (i.e. diseases of the heart or blood vessels, including stroke, coronary heart disease or arterial disease). There may however also be opportunities to extend the delivery hub approach described in this report, for example, to sexual health services or to health checks for looked after children.
9. Both Lambeth and Southwark face significant public health challenges. Cardiovascular disease is a major cause of preventable deaths in both boroughs. The healthchecks service is specifically designed to identify and reduce the risks for this health condition.
10. In Lambeth and Southwark, the majority of healthchecks are carried out by GP practices and pharmacies. In line with national best practice, both boroughs complement this element of primary care delivery by operating an outreach team to help to increase the uptake of healthchecks with a focus on 'hard to reach' groups. These outreach teams follow up and support people identified to have poorer health or greater health risks who wish to make a change to their lifestyles. The teams run promotional and informative campaigns, educational

exercises and training around healthchecks. This combined approach of primary care and outreach is more likely to reach those people who may need help in order to reduce their risk of developing a health condition, or who have an undiagnosed condition which requires treatment.

11. Accountability for the delivery of healthchecks was transferred to local authorities from the NHS as part of the transfer of public health in April 2013. As with other public health services, healthchecks was transferred to Southwark Council without any significant changes to the then NHS operating model.
12. A review has taken place to evaluate the current service model for healthchecks. This report summarises the outcomes of that review, and sets out a procurement strategy to establish a new healthchecks delivery hub (HDH) in Lambeth and Southwark. This service will support the doubling of healthchecks in Southwark and further embed healthchecks within the wider suite of local authority services.
13. The changes proposed in this report have implications for a number of staff employed by Southwark Council as set out in paragraphs 78-80.

### **KEY ISSUES FOR CONSIDERATION**

14. The review of healthchecks consisted of key analytical work that was undertaken in both boroughs and included collaborative working between both Lambeth and Southwark Councils, CCGs and the joint Lambeth and Southwark specialist public health team. The review also brought together key local expertise, including people who have used the healthchecks service, commissioners, outreach teams and other providers of healthchecks, including GPs and pharmacies.
15. Healthchecks in Lambeth and Southwark is supported by a number of underpinning elements, including a system to invite and recall eligible residents for a healthcheck. These underpinning elements were also considered as part of the review. A simultaneous review of some of the public health information technology elements has in addition taken place and has informed, and is being informed by, the healthchecks review.
16. The healthchecks service can be split into five functions:
  - management and co-ordination
  - outreach healthchecks carried out in a non-healthcare setting
  - 'intervention hub' to follow-up and support people identified by a health check to have poorer health or greater health risks in order to help them to make appropriate lifestyle changes
  - primary care delivery (GPs and pharmacies)
  - risk reduction interventions (for example, relating to weight management, low physical activity levels, smoking and alcohol use).
17. The first three functions are in scope for the procurement exercise that is proposed in this report.
18. An overview of the current service models for healthchecks in Lambeth and Southwark, comparative performance information and headline outcomes of the healthchecks review can be found in appendix 1.

19. The comparative budgets of the Lambeth and Southwark healthchecks programmes in 2013/14 are set out below.

<b>Healthchecks Budget (2013/14)</b>			
	<b>Healthchecks Service</b>	<b>Lambeth</b>	<b>Southwark</b>
<b>Community based delivery</b>			
1	Project management and coordination	See note	£92,488
2	Outreach staff, health improvement nurses	£182,782	£178,093
3	Health improvement equipment, venue hire and publicity	£17,113	£20,120
4	Health improvement training and related costs	£74,330	£33,712
	<b>Sub-total</b>	<b>£274,225</b>	<b>£324,413</b>
<b>Primary care delivery</b>			
5	GP Surgeries	£199,300	£150,000
6	Pharmacies	£24,789	£15,000
	<b>Sub-total</b>	<b>£224,089</b>	<b>£165,000</b>
	<b>TOTAL</b>	<b>£498,314</b>	<b>£489,413</b>

*Note – in Lambeth, healthchecks project management and coordination is embedded within the wider suite of services that is provided by the Lambeth Early Intervention and Prevention (LEIPs) service.*

### **Joint review of healthchecks in Lambeth and Southwark**

20. The findings of the joint review of healthchecks are set out in the sections below. This includes an overview of the current service models for healthchecks in both boroughs.

#### Current service models in Lambeth and Southwark

21. Whilst there has been some work to embed healthchecks within the wider suite of local authority services, at its core, the models for both Lambeth and Southwark healthchecks are identical to when these services were delivered by the NHS.
22. In Lambeth the majority of healthchecks are carried out by GP surgeries (over 90% of all healthchecks). The outreach nursing team is provided by the Lambeth Early Intervention and Prevention service (LEIPs), which carries out around 4% of all healthchecks in the borough. The LEIPs service is provided by Guys and St Thomas's (GSTT) NHS Foundation Hospital Trust.
23. In Southwark the majority of healthchecks are also carried out by GP surgeries (69%), with an outreach nursing team (22%) and pharmacies (9%) carrying out the remainder of healthchecks in the borough. GPs and Pharmacies are commissioned by NHS Southwark CCG on behalf of the Council.

### Outcome of the review of healthchecks

24. The review of healthchecks set out a number of steps that could be taken in Lambeth and Southwark to improve the delivery of healthchecks. These included changes that would help increase the number of healthchecks that are taken up by individuals, and also the employment of a targeted approach that engages those people and groups that are most at risk from preventable diseases.
25. The key outcomes of the review of healthchecks are set out below:
  - The review demonstrated an appetite by GPs, pharmacies and other providers of healthchecks to undertake more innovative approaches in the delivery of healthchecks. This included more healthchecks being available where people can take these up, whether near people's own homes or estates, or at places where people work and shop.
  - The review also set out opportunities for a community provider of healthchecks to better link with other health improvement and wellbeing services, including leisure services, voluntary sector groups and health.
  - The review of healthchecks also identified an opportunity to undertake healthchecks work at a larger scale, that is, across both Lambeth and Southwark. This change will release efficiency savings in terms of project management and overheads.
26. These proposed changes would impact on both primary care (that is, GPs and pharmacies) and also community based delivery (that is, outreach, health improvement and training).
27. For primary care delivery, the proposed approach would involve Lambeth and Southwark Councils jointly agreeing outcomes and costs for healthchecks.
28. For community based delivery, the proposed approach would involve Lambeth and Southwark Councils jointly commissioning a healthchecks delivery hub (HDH). The function of the HDH will be to:
  - carry out community-based healthchecks for people aged 40-74 in Lambeth and Southwark
  - champion, promote and coordinate healthchecks activity and campaigns in Lambeth and Southwark
  - target and engage with hard-to-reach groups
  - provide a follow-up and motivational interviewing service to support people identified by their health check to have poorer health or increased risks of poor health to make appropriate lifestyle changes
  - provide relevant training for people who carry out healthchecks.
29. The proposed joint approach to healthchecks between Lambeth and Southwark would be underpinned by a memorandum of understanding between the two boroughs, and by common commissioning intentions for the healthchecks service – as set out in appendix 2.

30. Any proposed future commissioning will need to consider Southwark Council's ambition to double the number of healthchecks by March 2018 (that is 28,000 people receiving a healthcheck over the 4 years – from a baseline of 13,800 as of 1 April 2014). This is an important change, requiring additional capacity which it is envisaged will be released from the shared approach with Lambeth – including through a joint approach to commissioning primary care.
31. Directly involving people from both Lambeth and Southwark who had benefitted from a healthcheck proved enormously valuable in the stakeholder sessions completed as part of the review. The value of including the wider views of individuals and communities will be important to understanding and tackling the health and wellbeing issues in Lambeth and Southwark. These views will continue to be included, both as part of the procurement process and in the establishment of the new service model.
32. The review of healthchecks in addition noted opportunities for the hub approach to deliver on other public health ambitions, for example health assessments for specific groups, or more community-based access to sexual health services. There may in addition be opportunities to link with other services to ensure, for example, that looked after children always have access to a good health assessment. There will be an opportunity to test how the approach could be scaled up through the procurement process, though it must be noted that all services delivered in this way will need to be evidence-based, clinically-appropriate and founded on population health needs.
33. Any decision to enter into joint commissioning arrangements between Lambeth and Southwark Councils will need to be agreed by both boroughs. Southwark Council's cabinet will be considering this decision on 27 January 2015. Lambeth Council will be considering this decision at their members outcomes panel in early February 2015.

## **A HEALTHCHECKS DELIVERY HUB IN LAMBETH AND SOUTHWARK**

### **Market considerations**

34. The national market for the delivery of healthchecks is dominated by NHS providers. The reason for this is that NHS organisations are able to provide the clinical governance and expertise required to undertake healthchecks tasks, including testing blood and recognising and advising on specific health conditions.
35. There are a number of areas where private and voluntary sector organisations have been able to take on a role in healthchecks, outreach work and leading healthchecks communications and campaigns. This will be a key part of the HDH in the future and it may be that the service - or parts of the service - is as suited to delivery by these types of organisations.
36. The history of healthchecks means that it is untested locally in terms of having been previously considered as part of a wider procurement exercise. The approach now proposed is an opportunity to test whether there is an appetite for healthchecks delivery within a larger market (that is, across Southwark and Lambeth).

37. NHS IT links will in addition be built-into the heart of the new healthchecks service to ensure that this connection is a core part of the HDH.

### **Quality considerations**

38. A key aspect of any organisation's ability to deliver healthchecks will be whether they can demonstrate a robust approach to clinical governance. This may better lend itself to health providers, although a market testing exercise will take place in order to consider other areas and providers.
39. Placing robust clinical governance at the heart of the service specification will ensure quality of future provision. A qualified clinician will be included in the tender evaluation team to advise on this aspect of the procurement.
40. Safe, high quality services are central to delivering good person-centered outcomes for users of health improvement services. Public Health England (PHE) have developed national guidance and service specification templates that draw on UK-wide learning to embed quality into the activity of healthchecks service delivery. This national best-practice will be placed at the core of the new service.
41. Any tender approach will require providers to set out their approach to quality, and also to issues of information governance and the utilisation of sensitive patient data. Any health issues located by the HDH will need to be reported back and referred to individual patients' GPs. This will ensure that there is clear follow-on and support for these issues from core NHS services.

### **Cost considerations**

42. The transfer of public health services to local authorities provided information regarding the cost of different healthchecks services. This work has informed the cost model of the HDH.
43. One of the opportunities in establishing a joint service across Lambeth and Southwark is the ability to realise efficiencies of undertaking these services at a larger scale.
44. As with the partnering agreement on public health, the service will be jointly funded by both councils. Lambeth and Southwark will contribute equally to the coordination and outreach function and pay individually for activity (in this case, completion of healthchecks), with an appropriate risk share agreement and governance to ensure close monitoring and scrutiny of the performance of the service.

### **Summary of the business case/justification for the procurement**

45. As part of the transfer of public health to local authorities, a duty was placed on councils to provide a healthchecks service in each area. Local authorities are measured on their performance for the delivery of healthchecks as part of the Public Health Outcomes Framework (PHOF).
46. The review of healthchecks has presented an opportunity to change the way that this service is commissioned, and to set out benefits in undertaking a joint approach. This work is part of a wider approach to review and embed all

transferred public health services, over time, into the wider suite of local authority delivery.

47. The development of a number of commissioning intentions through the review provides an impetus to establish a new healthchecks service based on these refreshed priorities.

## **OPTIONS FOR PROCUREMENT FOR THE LAMBETH AND SOUTHWARK HEALTHCHECKS DELIVERY HUB INCLUDING PROCUREMENT APPROACH**

### **Procurement approach**

48. The council has a number of options when seeking to secure the delivery of a safe, high quality healthchecks service. This includes directly delivering this service or seeking to commission services from external suppliers. The options which have been actively considered are set out below, along with the recommended route.

#### Do nothing

49. Local authorities have a duty to undertake a healthchecks service in their areas as set out in statutory guidance issued by the Department of Health (DH) in conjunction with the Health and Social Care Act 2012. The Council would be failing in this duty if it failed to provide a healthchecks service.

#### Current delivery model

50. The review of healthchecks set out opportunities from undertaking a common approach across both Lambeth and Southwark. These opportunities would not be realised if the Council did not deliver the hub service. There is in addition a risk of duplication across areas, and not achieving the benefits of pooled resources that a shared approach would bring. The Council Plan target to double healthchecks by 2018 requires a transformed approach to this service.
51. Without a refreshed commissioning approach, there may not be the added capacity to transform current delivery, with a risk that there is not an improvement in outcomes achieved.
52. Without a change in approach, the efficiency savings to the outreach and follow-up support, management and coordination outlined in this report, would not be realised.
53. This option is therefore not recommended.

#### Directly delivered service

54. Careful consideration has been given to the option of either Lambeth or Southwark Council directly delivering a healthchecks delivery hub. This approach would build-on the current service delivered by Southwark Council through the joint specialist public health team.
55. Healthchecks involves a number of procedures, including blood tests and the assessment of potential or existing health conditions, which require a level of

medical expertise. These tasks are best undertaken by trained individuals within the context of robust clinical governance and oversight.

56. Lambeth and Southwark Councils do not have robust clinical governance procedures in place, and there is no history of directly providing health services in either organisation.
57. Continuing to provide this service directly, as is currently the case in Southwark, would mean developing a clinical governance structure for healthchecks across Lambeth and Southwark. This change would need to be undertaken jointly with NHS and/or primary care and there may be a delay in the period during which this new governance is established.
58. There may be opportunities, by delivering healthchecks through an organisation with existing community links and/or health expertise, to source additional and currently untapped skills in the provision of healthchecks in Lambeth and Southwark.
59. The change process for establishing the directly delivered service is, in addition, likely to take considerable time to implement.
60. This option is therefore not recommended.

#### Competitive tender

61. As set out in paragraphs 34-37 the market for healthchecks locally and nationally is diverse, with a good range of small, medium and larger national providers.
62. Healthchecks services are regulated by the Care Quality Commission (CQC), and there is oversight at a national level by Public Health England (PHE). Based on information from these two organisations, alongside benchmarking, and the outcome of the review, it is clear that there are a number of different organisations with a track record of delivering good quality healthchecks services in partnership with local authorities.
63. This information is the basis on which there is confidence and assurance that an external procurement could secure a good level of interest from potential providers, allow for competition and, with the right approach to tendering, enable the two councils to secure a high quality healthchecks delivery hub.
64. There is an opportunity to consider the direct delivery of elements of the healthchecks service and the case for the development of clinical governance structures across Lambeth and Southwark Councils. This will be considered and tested by the healthchecks project group.
65. The recommended procurement route is therefore to undertake a competitive procurement, taking into account the points raised in paragraph 64, as well as the outcome of the joint review. This will take into account the outcome of the review, as well as benchmarking and best practice.

#### **Proposed procurement route**

66. Proactive pre-tender engagement with the market can be used to help shape and influence the response and interest to external procurements. Market

shaping work that supports the development of different provider operating models such as Community Interest Companies (CICs), social businesses, and arms-length worker/management-led organisations, alongside NHS providers, may help positively influence those providers who would be in a position to respond when the council issues its invitation to tender.

67. When seeking to secure services from external suppliers, an approach can include undertaking an open, restricted or two-stage procurement, and/or a competitive dialogue for single or multiple contracts, or framework contracts.
68. Healthchecks services, as with other public health services that transferred to councils, have not previously been tested through a rigorous competitive procurement exercise. Externally-provided council services (for instance, in social care) would normally have been considered as part of a two-stage restricted tender. This approach is often adopted on the basis that the services being procured can be specified clearly in order for providers to respond.
69. There are opportunities with placing healthchecks on the same basis as other council commissioned services, for example in the adoption of the same contract monitoring approach.
70. The recommended approach therefore is to undertake a restricted two stage competitive tender to allow both Lambeth and Southwark Councils to put in place new joint contracting arrangements as soon as possible. At this stage it is intended that both Councils will enter into a single contract with the appointed service provider and further advice in that regard will be sought from the director of legal services.

#### Identified risks for the procurement

71. As set out in the section above, healthchecks delivery is complex and the tendering process contains a number of risks. The mitigation outlined in the table below stresses the importance of carefully developing the outcome specifications, the need for provider development and assurance, and a critical; role for expertise contract management.
72. The key risks for the competitive procurement of a Lambeth and Southwark healthchecks delivery hub are set out below:

<b>Lambeth and Southwark Healthchecks Delivery Hub</b>			
<b>No.</b>	<b>Risk</b>	<b>Risk Level</b>	<b>Mitigation</b>
1	The market is not fully developed and providers are not equipped to deliver the required service.	Low	Pre-tender market engagement will help support wide-ranging involvement in the commissioning intentions and ambitions in establishing the healthchecks delivery hub. The review, alongside benchmarking and other local and national knowledge suggests that there is a diverse market for the provision of healthchecks.
2	Slippage in timetable due to TUPE.	Low	The healthchecks project board will be overseeing transition/TUPE arrangements. As TUPE is expected to apply it will be the responsibility of providers involved to resolve these issues. TUPE costs will be factored into the contract price.

<b>Lambeth and Southwark Healthchecks Delivery Hub</b>			
<b>No.</b>	<b>Risk</b>	<b>Risk Level</b>	<b>Mitigation</b>
3	Slippage in procurement timetable due to delays in agreeing documentation across both boroughs, for example service specification details and work related to provider development and assurance	Medium	Clear cross-borough governance will be in place throughout the procurement to help to ensure effective decision-making. The key element of this approach will be a healthchecks project board.
4	Impact of changes to service model to performance through the transition period	Medium	There will be a service implementation plan that will be overseen by Southwark Council's commissioning team, with key advice and support from public health, procurement and the contract monitoring team.
5	Provider failure to deliver to the required capacity and quality standards.	Medium	Pre-tender market development with providers will ensure the optimum approach to secure high-quality provision.
6	Efficiency savings impact on the ability of the new shared approach to deliver healthchecks.	Medium	Detailed financial modeling by Lambeth and Southwark to develop the shared approach has identified that, with a joint service at scale, there is the potential for savings in the project management and outreach function. This will be monitored throughout the tender approach, and quality will be considered at 60% over 40% cost to ensure that this risk is mitigated.
7	Ability of the provider to ensure robust clinical governance is in place for the delivery of the service	Medium	By placing clinical governance at the heart of the procurement, the council will ensure that this is embedded into the tender approach, and is evaluated at every stage of procurement. A qualified clinician will be invited to advise on this aspect of the tender.

### **Policy implications**

73. The transfer of public health responsibilities from the NHS to local authorities was designed to compliment a wider transformation in the national approach to tackling key public health challenges including obesity, smoking and alcohol misuse. Healthchecks is an important part of this approach. The service covers the whole population between the ages of 40-74, and links people to health improvement and other support.
74. A joint approach to tackling common public health challenges was agreed by Lambeth and Southwark Councils in July 2012. The aim of the shared approach was to minimise duplication and to ensure that the collective efforts of both boroughs could be brought to bear on those public health challenges that exist in

both Lambeth and Southwark. The decision to establish a joint approach to healthchecks in the two boroughs is the next stage in Lambeth and Southwark's ongoing collaboration on public health.

75. Local authorities have a duty to undertake a healthchecks service in their areas, as set out in statutory guidance issued by the Department of Health (DH) in conjunction with the Health and Social Care Act 2012. Local healthchecks is a constituent part of a national programme, and there are two outcome measures for healthchecks in the Public Health Outcomes Framework (PHOF) which is overseen by Public Health England (PHE).
76. The funding for healthchecks in both Lambeth and Southwark is contained within the two council's public health grants.

### Procurement plan

77. The timeline for the procurement for a healthchecks delivery hub is set out below:

<b>Lambeth and Southwark Healthchecks Delivery Hub</b>	
<b>Activity</b>	<b>Complete by</b>
Entry on the Forward Plan	30 October 2014
Review by Departmental Contract Review Board (DCRB)	07 January 2015
Review by Corporate Contract Review Board (CCRB)	15 January 2015
Notification of forthcoming decision – dispatch of Cabinet agenda papers	16 January 2015
<b>Cabinet – approval of Gateway 1: a new approach to healthchecks in Lambeth and Southwark</b>	<b>27 January 2015</b>
Scrutiny call-in period and notification of implementation of Gateway 1 decision	4 February 2015
Pre market engagement and bidders sessions	Mid February and March 2015
Advertisement of contract (OJEU)	6 April 2015
Bidders briefing session	16 April 2015
Closing date for expressions of interest	1 May 2015
Completion of short-listing of applicants	8 May 2015
Invitation to tender	8 June 2015
Closing date for return of tenders	10 July 2015
Review Gateway 2 by DCRB	24 July 2015
Review Gateway 2 by CCRB	31 July 2015
Notification of forthcoming decision	11 September 2015
<b>Cabinet – Decision on Gateway 2: a healthchecks delivery hub in Lambeth and Southwark</b>	<b>End September 2015</b>
Scrutiny call-in period and notification and implementation of Gateway 2 decision	29 October 2015
Contract award	30 October 2015
TUPE consultation period	2 November – 10 December 2015
Contract start	14 December 2015
Initial contract completion date	End December 2018
Contract completion date (if extension(s) exercised)	End December 2020

## **Transfer of Undertakings Protection of Employment**

78. The proposed procurement strategy has Transfer of Undertakings Protection of Employment (TUPE) implications, including a direct impact on a number of staff in Southwark Council's public health team. In Lambeth, there are also likely to be TUPE implications for the Guys and St Thomas's (GSTT) service, Lambeth Early Intervention and Prevention Service. Lambeth and Southwark Council will undertake a joint due diligence exercise to establish the full extent of TUPE implications.
79. The procurement timetable has scheduled time to work with any incumbent successful providers, and ensured that there is sufficient time for discussion and agreement around TUPE issues prior to any contract start.
80. There are approximately 11 staff employed either part-time or full-time on healthchecks project management, outreach and training across Lambeth and Southwark, that is, those functions that in the future will be carried out by the HDH.

## **Proposed tender approach**

### **Development of the tender documentation**

81. A dedicated project board and project team will be established to drive forward the development of tender documentation. The project board will consist of key officers from Lambeth and Southwark Councils, and will also include a representative of Lambeth and Southwark CCGs. A project lead will act as the lead commissioning officer throughout the procurement.
82. Legal, procurement and finance representatives from Lambeth and Southwark will support and advise on the entirety of the procurement.
83. The Cabinet Members for Public Health in Lambeth and Southwark will provide political leadership and oversight of this work.
84. Southwark Council will act as the lead commissioning borough, and will coordinate the procurement across both boroughs.

### **Advertising the contract**

85. The invitations for expressions of interest will be advertised in a range of places as listed below:
  - Lambeth and Southwark Council and CCGs websites
  - Voluntary OJU Notice
  - Existing healthchecks provider networks.

### **Evaluation**

86. In order to secure the best service possible from providers this report proposes a cost : quality split of 40:60 (respectively).

### **Quality – 60%**

87. The project board will oversee the development of the quality evaluation criteria. A key part of the quality evaluation will be to evaluate the strength of prospective providers clinical governance arrangements.
88. The project board, with expertise input from the Lambeth and Southwark Healthy Living Boards, will agree the quality criteria.
89. The quality evaluation will take the form of written submissions, clarification meetings, reference requests and, importantly, early site visits.

### **Price Evaluation – 40%**

90. The project board will use the findings of the benchmarking of healthchecks unit costs to develop a methodology that ensures transparency of pricing and certainty in terms of costs for both councils. Providers will be required to submit a full breakdown of their costs.
91. Analysis of these costs will form part of the evaluation and with 40% allocated to cost, affordability will be an important consideration and will inform the outcome of the final decision.

### **Community impact statement**

92. Healthchecks is a free-at-the-point-of-use, early identification and prevention programme for anyone aged between 40-74 who does not have an existing diagnosis. 45,803 people in this age bracket in Lambeth and Southwark were offered a healthcheck in 2013/14, and 13,377 of these took up this offer.
93. Lambeth and Southwark's proposed commissioning intentions include a plan to target at-risk groups in both boroughs, and this will mean that those groups and communities with worse health outcomes will benefit most from the transformed service offer.
94. The health and wellbeing of the local population is at the core of the work of the healthchecks service. The transition of public health from the NHS to local authorities, as set out in the Health and Social Care Act 2012, includes the provision for local authorities to take on a new leadership role in terms of health improvement for local communities. The role of a shared approach to healthchecks is to help lead change across organisations, and to tackle health inequalities in both Lambeth and Southwark.

### **Sustainability considerations**

95. The Public Services (Social Value) Act 2012 requires the council to consider a number of issues including how what is proposed to be procured may improve the economic, social and environmental well-being of the local area. These issues are considered in the following paragraphs which set out economic, social and environmental considerations.

### **Economic considerations**

96. By staying healthy, and acting to avoid preventable health conditions, the people

of Lambeth and Southwark will be able to take less time off work due to sickness, to work more effectively and, for those without employment, more effectively to seek and hopefully obtain a long-term job. A healthcheck can support this by diagnosing health issues, and by giving advice that can help people stay in work. In this way, the commissioning principle of placing Southwark as a great place to live and work at the heart of the service will be supported.

97. The majority of the workforce who will deliver the new healthchecks service are expected to live locally, and in this way the award of the healthchecks delivery service contract will support the local economy.
98. Those employed by the successful providers are likely to be local women and men who will be helped economically by the application of the London Living Wage (LLW) as part of the contract.
99. Southwark Council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. It is expected that payment of the LLW by the successful contractor for this contract will result in quality improvements for the council. These should include a higher calibre of a multi-skilled workforce that will contribute to the delivery of healthchecks and potentially more experienced staff. This will provide best value for the council.
100. It is therefore considered appropriate for the payment of LLW to be required. The successful contractor will be expected to meet LLW requirements and contract conditions requiring the payment of LLW will be included in the tender documents. As part of the tender process, bidders will also be required to confirm how productivity will be improved by payment of LLW. Following award, these quality improvements and any cost implications will be monitored as part of the contract review process.

### **Social considerations**

101. An equality analysis has been undertaken as part of the service review of healthchecks in order to demonstrate compliance with the Public Sector Equality Duty under the Equality Act 2010.
102. The evaluation of the bids will ensure that providers have a strong track record in delivering services to a diverse group of service users.

### **Environmental considerations**

103. The evaluation of the bids will ensure that providers have an acceptable environmental approach in relation to the delivery of the service. The council will expect the majority of the workforce to use public transport to travel. The provider is expected to use digital resources, including electronic mail and databases in order to eliminate the unnecessary use of paper.

### **Proposals for the monitoring and management of the contract**

104. The HDH contract will be monitored by Southwark Council's Children's and

Adults' contract monitoring team and provider performance will be measured against the service specification outcomes and Key Performance Indicators (KPIs) set out in the contract documentation. The contract will be monitored on the basis of real outcomes for those who take up the offer of a healthcheck, with wellbeing as well as health and care outcomes at the core of contract management.

105. The KPIs for the service will be considered and agreed at appropriate levels within Lambeth and Southwark Councils in line with the joint agreement and memorandum of understanding (MOU).
106. Ongoing oversight of the service will be provided by Lambeth and Southwark Councils, and key issues will be reported to joint commissioning meetings between the two boroughs as part of the joint approach to this service.
107. The supplier's performance will also be monitored by the Care Quality Commission (CQC), as per their license agreement. Any issues or concerns will be raised with Southwark Council.

### **Financial implications**

108. The review of healthchecks set out an opportunity to create additional capacity for the delivery of this service by undertaking this service at a larger scale, that is, across the boroughs of both Lambeth and Southwark. This change would provide an opportunity for reducing overall management and coordination costs.
109. The proposed budget for the HDH is £500,000 per annum, with an expected £250,000 contribution from each borough. The estimated total contract value of the HDH is £1.5m for a term of three years, with provision to extend the contract for two further periods of one year.
110. There will be a 50/50 contribution by each borough to the HDH service, which will be underpinned by a robust risk share agreement.
111. The cost of the HDH contract can be met within the existing healthchecks budget.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Director of Legal Services**

112. This report seeks approval of various recommendations, including a procurement strategy for the provision of a healthchecks delivery hub in conjunction with Lambeth Council. The procurement strategy is consistent with the council's relevant statutory powers and functions and with corporate policy.
113. The decision to authorise the proposed procurement process is one which is reserved to the Cabinet under the council's Contract Standing Orders ("CSOs") after consideration by the corporate contracts review board (CCRB) of the report, as the delivery of the proposed new healthchecks service forms the subject of a strategic procurement as defined in the CSOs.
114. The services which are intended to be provided through the new delivery hub are classed as part B services under the EU procurement regulations and, as such there is no requirement to publicly advertise this procurement in the Official

Journal of European Union (OJEU) although the procurement must still comply with rules regarding non-discriminatory requirements. Paragraph 70 confirms that a restricted two stage tendering procedure is proposed which will comply with EU regulations and CSO tendering requirements.

115. Pursuant to section 149 of the Equality Act 2010 the council must have due regard to the need to:
  - (a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;
  - (b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
  - (c) Foster good relations between person who share a relevant protected characteristic and those who do not share it.
116. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Marriage and civil partnership are protected in relation to (a) only.
117. Paragraph 100 of the report advises that an equality analysis has been carried out as part of the requirement to have due regard to the Public Sector Equality Duty in this procurement and Cabinet should satisfy itself that this duty as been complied with when considering these recommendations.
118. The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) implications arising from this procurement are noted in paragraphs 78 to 79. There are TUPE implications for the council as an employer as it is likely that the appointment of a new organisation to deliver the Health Check activities currently undertaken by the council will amount to a service provision change which is a relevant transfer under TUPE. Additionally the appointment by Lambeth Council of a new organisation to deliver the Health Check activities it currently commissions may amount to a service provision change under TUPE.
119. Cabinet should note the comments of the director of human resources in respect of council employees affected by this proposal.
120. Consideration will need to be given to the application of Fair Deal in respect of pension protection of transferring employees. Further, the council is obliged under the Best Value Authorities Staff Transfers (Pensions) Direction 2007 to ensure that the new provider provides any transferring council employees with access to pension rights which are the same as, better than or broadly comparable to the pension rights they had as local authority staff i.e. the LGPS or NHS pension scheme. Unless the successful bidder is a NHS organisation it will have to obtain a direction from the Secretary of State for Health under powers conferred within Section 7 of the Superannuation (Miscellaneous Provisions) Act 1967, to provide the eligible transferring employees with continued membership of the NHS pension scheme. Similar considerations will apply to Lambeth and its commissioned organisations.
121. It is noted that a due diligence exercise is to be carried out to determine the extent of any TUPE implications. The results of this exercise will need to be included in the tender documentation and sufficient time will need to be allowed

for the contracting parties to comply with their respective statutory and contractual obligations under TUPE, including the obligations to inform and consult with representatives of affected employees.

122. Officers will seek advice from the director of legal services (corporate team) in connection with the drafting of a memorandum of understanding which will set out the basis on which Southwark and Lambeth will undertake the joint commissioning of the new service.

### **Strategic Director of Finance and Corporate Services (FC14/043)**

123. The strategic director of finance and corporate services notes the recommendation in this report for a competitive tender for a health checks delivery hub from December 2015. The work will be paid for from the Public Health budget, funded by the Public Health ring fenced grant.
124. Southwark Council spent £324k in 2013/14 on outreach and project management for health checks. It is estimated that the new joint service with Lambeth will reduce the cost to £250k per year for Southwark Council, releasing resources to be reinvested in other areas. However, further modelling will be required to fully understand potential efficiencies.
125. Southwark Council will be the lead authority for the health checks hub contract with a 50:50 split with Lambeth council. The GW2 report will provide more detail on the final anticipated cost and allocation of risk, along with the arrangements for payments by Lambeth Council.
126. The budget for 2015/16 will be agreed by council assembly in February 2015, and any changes to the available resource for this project can be addressed at the time of contract award for in September 2015. It is important that all expenditure is monitored carefully to ensure the allocated budget is not exceeded.
127. The contract will run for a further two financial years, plus extension provisions. The council faces further cuts in its funding from government in 2016/17. The general fund budget for 2016/17 will be agreed by Council Assembly in February 2016. There may be changes to the public health priorities within the council so the contract should be able to be reviewed and changed if required.

### **Head of Procurement**

128. This report is seeking approval of the procurement strategy to undertake the joint procurement of a Healthchecks delivery hub for Lambeth and Southwark.
129. The report summarises the context for this service including the nature and delivery of current Healthchecks within both Lambeth and Southwark.
130. Paragraphs 38 to 44 summarises the rationale for procuring the Healthchecks delivery hub namely the potential efficiency savings from operating on this scale and the opportunity to drive up the quality of these services.
131. The report confirms that the market for Healthchecks both locally and nationally is diverse with a good range of small, medium and large providers including a number of private and voluntary sector organisations that will be tested through

this procurement exercise.

132. Paragraphs 48 to 65 confirm the alternative procurement options that were considered and discounted including an option to deliver these services in-house. The recommended procurement route to competitively tender health check services takes into account the outcome of the joint review completed in October 2014 and benchmarking exercises.
133. The timetable to put this contract in place is achievable provided appropriate and adequate resources are made available when necessary.
134. Paragraphs 81 to 84 confirm the governance arrangements that will be established for this procurement. These will include officers from Lambeth and Southwark Council's and a representative Lambeth and Southwark CCGs. The report confirms that further oversight will be provided by Cabinet members for public health from both boroughs. It is anticipated that the project board will meet regularly to oversee the progress of the tender to help ensure the procurement is delivered on time.
135. The report confirms that the evaluation for both tenders shall be carried out on the basis of the most economically advantageous tender and in determining this shall use a weighted model with quality/price ratio of 60:40. Paragraph 87 confirms that within the quality assessment there will be particular focus on the strength of clinical governance arrangements.
136. Paragraphs 104 to 107 confirm the monitoring and management arrangements that will be established for the five year duration of the contract with a strong focus on real outcomes and performance against provider licence agreements.

#### **Director of Human Resources**

137. Paragraph 11 states that the healthchecks function was transferred to the council without any significant changes to the then NHS delivery model. Whilst the personnel engaged to do the work may have remained constant the basis of employment changed in various ways.
138. The NHS had engaged self employed consultants to cover the programme manager and programme admin support roles. Following a temporary agency arrangement, therefore, these posts were job evaluated and Southwark Council fixed term contracts offered to relevant staff.
139. The Council does not employ clinical staff and there were no employees identified to transfer as Health Check nurses under the Transfer Scheme. Agency nurses have been sourced through a small number of agencies.
140. Of the two fixed term contract staff who transferred under the Transfer Scheme, one was found to have a de facto contract and is now a permanent member of staff on NHS protected terms and Conditions. The Referral and Monitoring Coordinator fixed term contract expired and has since been replaced by a permanent member of staff on Southwark Council terms and conditions.
141. Those staff on NHS Conditions of Service are currently subject to a memorandum of understanding (MoU) that was agreed nationally prior to transfer of public health in 2013. This MoU protected core NHS terms and

conditions (pay related) for two years post transfer, effectively preventing local authorities from using dismissal and re-engagement procedures to 'harmonise' contracts other than in prescribed circumstances, which are underpinned by the Transfer Scheme.

142. At the time of writing the staff employed within the healthchecks function are on different terms and conditions of service.
143. In terms of the likely TUPE transfer, only employees transfer. Agency staff do not transfer under TUPE. Those on fixed term contracts will transfer on the basis of the contract and expiry date that is part of that. There should be no dismissals arising as a result of the transfer and there is not a redundancy situation so there will not be any redundancies.
144. The procurement timetable sets out that there will be a period for consultation. In terms of the statutory consultation and information requirements, through due diligence, it will be important to identify all staff affected by the proposed transfer not just those assigned or who may be subject to TUPE. The Council would normally allow three months for a TUPE consultation while Trade Unions are informed about the transfer and are consulted about any measures concerning the affected employees that are proposed by either the transferee or Council as transferor. Council policy also requires meaningful staff consultation in good time. A shorter timeframe could work depending on the staff group and complexity of the circumstances.
145. In terms of pensions certain occupational pension rights up to the point of transfer are protected. The Council will require the new provider to ensure staff transferring have access to appropriate pension provision ie the Local Government Pension scheme, NHS Pension or a broadly comparable scheme.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Public Health Shared Service between Lambeth and Southwark Councils. Cabinet, July 2012 (Item 22).	160 Tooley Street, SE1 2QH	James Postgate 020 7525 7627
<b>Link</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4245&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4245&amp;Ver=4</a>		
Partnership agreement via section 75 with Southwark Council and NHS Southwark Clinical Commissioning Group (CCG). Cabinet 19 November 2013.	160 Tooley Street, SE1 2QH	James Postgate on 020 7525 7627
<b>Link</b> <a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4552&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=4552&amp;Ver=4</a>		

## APPENDICES

No.	Title
Appendix 1	Outcome of the healthchecks service review across Lambeth and Southwark
Appendix 2	A joint approach to healthchecks in Lambeth and Southwark

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Barrie Hargrove, Public Health, Parks and Leisure	
<b>Lead Officer</b>	David Quirke-Thornton, Strategic Director for Children's and Adults' Services	
<b>Report Author</b>	Kerry Crichlow, Director of Strategy and Commissioning Ruth Wallis, Joint Director of Public Health for Lambeth and Southwark James Postgate, Senior Commissioning Officer, Children's and Adults' Services	
<b>Version</b>	Final	
<b>Dated</b>	15 January 2015	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Head of Procurement	Yes	Yes
Director of Human Resources	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	15 January 2015	