

North Yorkshire Council

Health & Adult Services Executive

10 May 2024

Procurement of new contracts for the provision of Public Health Primary Care Services

Report for decision by the Director of Public Health in consultation with the Corporate Director and Executive Member

1.0 PURPOSE OF REPORT

The purpose of this report is to seek approval for the procurement of new contracts for the provision of Public Health Primary Care Services across North Yorkshire.

2.0 SUMMARY

- 2.1 This report presents recommendations relating to the procurement of new contracts for the provision of a number of Public Health Primary Care Services across North Yorkshire which provide vital local access to public health services, thereby improving and protecting population health. These local services relate to Substance Use, Sexual Health, Tobacco Control and NHS Health Checks. The current Approved Provider List arrangements with local General Practices (GPs) and Community Pharmacies expire on 31st March 2025.
- 2.2 A full review of requirements and options for each service has been undertaken to inform the development of service specifications and tariffs for 7 services, as follows:
- Primary Care Services
 - Sexual health – long-acting reversible contraception (LARC), Chlamydia screening, condom distribution
 - Tobacco control – issue Nicotine Replacement Therapy (NRT)
 - Substance use – drug treatment shared care
 - NHS Health Checks – NHS Health Checks Programme
 - Dispensing services
 - Sexual health – emergency hormonal contraception (EHC), Chlamydia screening
 - Tobacco control – issue Nicotine Replacement Therapy (NRT)
 - Substance use – needle, syringe and harm reduction service, supervised methadone consumption
- 2.3 The key changes proposed to the scope of services compared to current arrangements are as follows (together with rationale and mitigations):

Stop smoking advice: North Yorkshire Council (NYC) will no longer commission GP Practices or Community Pharmacies to provide support, advice and guidance

on behalf of Living Well Smokefree (LWSF). This is due to limited take up from providers in recent years and evidence of better outcomes being achieved by the LWSF service, which will be further strengthened through forthcoming Smokefree Generation additional government funding (subject to appropriate grant decision-making). NYC's LWSF will continue to provide support for anyone wishing to stop smoking within North Yorkshire, which can be accessed directly or via a referral from a partner organisation (including primary care services). Other primary care services for Tobacco Control will still be in place.

Pharmacological alcohol abstinence therapy supervision service (time limited prescribing by GP following completion of a medically assisted alcohol withdrawal with NY Horizons, specialist drug and alcohol service): It is proposed that North Yorkshire Council Public Health will no longer fund this pathway, as it is a joint ICB and NYC responsibility and there has been very low uptake of this service across primary care since roll out in 2016. The draft Substance Use Strategy (endorsed by Drug and Alcohol Partnership Board, Sept 2023) includes a priority action for 2024-26 to "develop alcohol care offer - via co-commissioning with NHS". This should include maximising the opportunity to strengthen holistic healthcare offer for people who successfully complete an assisted alcohol withdrawal, and support maintenance of abstinence and improved outcomes. Discussions are being progressed with the ICB to work on this development.

- 2.4 Tariffs for all services have been modelled based on previous activity, benchmarking against other areas, national requirements and feedback from the provider market. £100k savings are proposed from a total current investment of £1.8m Public Health Grant across a range of budget lines based on this modelling, whilst noting that these services are demand-led. Evidence base shows that all services provide a good return on investment across the wider public sector / health and care system.
- 2.5 Engagement with the market was undertaken in Summer 2023 to inform the process. The new contracts will be procured under The Health Care Services (Provider Selection Regime) Regulations 2023 (the 'PSR') which came into force on 1 January 2024, and detail new requirements when procuring health care services. The regime focuses on ease via direct awarding where possible to health care providers, and the 5 possible routes to market must be followed in a particular order. Following a review of the procurement regulations in relation to the services in question, procurement advice determined that all services are recommended to follow Direct Award Option B. This option allows the Authority to enter into a contract with every eligible provider in order to give patient choice. Contracts are directly awarded to all eligible providers. This option focuses on patient choice and allows an unrestricted market to receive a contract for the services.
- 2.6 The key risks associated with this work relate to provider appetite to engage in the procurement process and deliver services along with financial risks associated with savings achievement from demand-led budgets. Further information including mitigations can be found in section 14.
- 2.7 Following decision to proceed with the procurement, the next steps are to complete specifications and tender documentation for each of the 7 services, to communicate

with the market and publish the tender opportunity during the summer of 2024, to complete due diligence on expressions of interest in Autumn 2024, approve contract awards at the end of 2024 and issue contracts and mobilise the service ready to commence delivery from 1st April 2025, ensuring continuity of provision for local residents.

3.0 **BACKGROUND**

3.1 The Council has statutory responsibilities for improving the health and wellbeing of North Yorkshire residents through the implementation of the Health and Social Care Act 2012. This includes a number of commissioning responsibilities for primary care services which were transferred from the NHS to Local Government in 2013.

The Public Health Approved Provider Lists, last fully commissioned in 2013, are the current mechanism in place for delivery through GPs and Pharmacies of some local services for Substance Use; Sexual Health; Tobacco Control; and NHS Health Checks.

Appendix A outlines an activity summary for the current Approved Provider List.

Mandated services are Targeted Sexual Services contraception and NHS Health Checks. It is recognised that all areas of service provide vital local access to high quality public health services as part of a wider system of support, thereby improving and protecting population health.

4.0 **KEY ISSUES**

4.1 **Approach**

The current arrangements for providing public health primary care services for substance use, sexual health, tobacco control and NHS health checks were extended under the emergency COVID-19 regulations. As part of this there was light-touch review of service specifications however a procurement exercise must now be carried out to implement new contracts from 1st April 2025 and ensure continuity of provision for local residents.

The proposals contained within this report have been developed following an in-depth review of each service area. This was informed by a range of information including existing provision and coverage, baselining and benchmarking with other areas, national evidence and data, local performance information and feedback from the market and the wider local health system.

In the development of service specifications, consideration has been given to the quality of behaviour change interactions and its effectiveness, as well as ensuring that we reach our CORE20PLUS population groups to maximise impact on reducing health inequalities. A key priority across all service areas will be to maintain/increase coverage to ensure that residents across North Yorkshire can access provision within their local communities.

Details of each service area are presented below:

4.2 **Substance Use**

Primary Care services are critical components of the specialist substance use service offer for North Yorkshire – alongside North Yorkshire Horizons – and are recommended in commissioning and clinical best practice guidance. The key elements of primary care provision are as follows:

Supervised consumption: Guidance recommends that supervised consumption should be available to all people who are titrated on to opioid substitute medications and provided for a length of time appropriate to their individual needs and risks. It is proposed to increase tariffs following benchmarking and cost modelling to expand local coverage of this service.

Needle, Syringe and Harm Reduction Service: New tariff structure has been designed with the aim of increasing provision, increasing return of injecting paraphernalia, and strengthening delivery of harm reduction elements of the service.

Drug treatment shared care: It is proposed to cap demand for this service at 45 people per year, working with North Yorkshire Horizons specialist service which manages throughput / referral to this service. The tariff structure has been reviewed with a proposal to replace the automatic annual payment with one off payment(s) to support Designated Clinician to complete competence requirement, noting that this proposal may lead to disengagement by providers.

Pharmacological alcohol abstinence therapy supervision service (time limited prescribing by GP following completion of a medically assisted alcohol withdrawal with NY Horizons, specialist drug and alcohol service): It is proposed that North Yorkshire Council Public Health will no longer fund this pathway, as it is a joint ICB and NYC responsibility and there has been very low uptake of this service across primary care since roll out in 2016. The draft Substance Use Strategy (endorsed by Drug and Alcohol Partnership Board, Sept 2023) includes a priority action for 2024-26 to “develop alcohol care offer - via co-commissioning with NHS”. This should include maximising the opportunity to strengthen holistic healthcare offer for people who successfully complete an assisted alcohol withdrawal, and support maintenance of abstinence and improved outcomes. Discussions are being progressed with the ICB to work on this development.

4.3 **Sexual Health**

Elements of this provision are part of the list of mandated public health services. Locally accessible primary care services will complement the specialist provision through the YorSexual Health service, including:

- Long-Acting Reversible Contraception (LARC) for contraceptive purposes, opportunistic Chlamydia screening to women and girls and condom distribution.
- Emergency Hormonal Contraception (EHC) to those aged 13-24 years, opportunistic Chlamydia screening to women and girls and condom distribution.

All providers will be required to fulfil training obligations as set out in the specifications, including Letter of Competence (LoC) for Intrauterine devices (IUD) and Sub-dermal implants (SDI) with minimum annual fits for competence and Declaration of Competence (DOC) for Emergency Hormonal Contraception (EHC) delivery. Revised tariffs are proposed following benchmarking and cost modelling work.

4.4 **Tobacco Control**

Stopping smoking remains an important health priority in North Yorkshire, with a particular emphasis on priority populations such as those in routine and manual occupations.

Through the options appraisal process, it is proposed that NYC will no longer commission primary care to provide support, advice and guidance on behalf of Living Well Smokefree (LWSF). This is due to limited take up from providers in recent years and evidence of better outcomes being achieved by the LWSF service, which will be further strengthened through forthcoming Smokefree Generation additional government funding (subject to appropriate grant decision-making). NYC's LWSF will continue to provide support for anyone wishing to stop smoking within North Yorkshire, which can be accessed directly or via a referral from a partner organisation (including primary care services). There will be a hybrid model of engagement so that people wishing to access support can do so in person in local communities, over the phone or online.

Relationships will be maintained between the LWSF Service and primary care to ensure quick and easy access for clients to the full range of pharmacotherapy treatment options. Work is underway to explore the most effective prescribing model moving forward to enhance the current offer.

4.5 **NHS Health Checks**

NHS Health Checks is a vital statutory service in tackling Cardio-vascular disease (CVD). CVD has strong links to deprivation, significant cause of death, ill-health, economic inactivity, costs to care and health system as well as to residents.

This service is a major priority locally and nationally as it focuses on both detection of early CVD such as hypertension and atrial fibrillation as well as prevention of CVD by addressing risk factors such as smoking, obesity and alcohol.

The aim is to increase local coverage of providers delivering this service through the new procurement arrangement, and a simplified tariff structure is proposed to support this.

4.6 **Procurement Approach**

The new contracts will be procured under The Health Care Services (Provider Selection Regime) Regulations 2023 (the 'PSR') which came into force on 1 January 2024. The PSR is applicable to all Local Authorities, ICBs and the NHS who procure relevant health care services.

The regime focuses on ease via direct awarding where possible to health care providers, and the 5 possible routes to market must be followed in a particular order. Following a review of the procurement regulations in relation to the services in

question, it has been determined by the Council's Procurement Advisory Board that all services will follow Direct Award Option B. This option allows the Authority to enter into a contract with every eligible provider in order to give patient choice. Contracts are directly awarded to all eligible providers. This option focuses on patient choice and allows an unrestricted market to receive a contract for the services.

In order to progress with this option, we must ensure:

- We do not restrict the market
- We have a process in place for providers to express their interest
- We offer a contract to every eligible provider
- All stakeholders complete a declaration of interest form

Under direct award option B, the pool of providers will be open for the full contract term so providers can request to join at any point.

Other than the requirement to meet the qualification criteria, local requirements and satisfy the specification, Direct Award Option B doesn't allow any selection criteria or restrictions therefore, there is a risk that a large number of providers may sign up which may drive additional demand above what has been forecast (with budget implications). These risks are being considered on a service-by-service basis. Sufficient internal resource will also be required to support the procurement and contracting process.

It is proposed that the contracts are offered for a total potential contract term of 7 years, comprising an initial term of 3 years and then 2 optional extensions of 2 years each.

5.0 CONSULTATION UNDERTAKEN AND RESPONSES

5.1 A Request for Information questionnaire was published in Summer 2023 for the market to respond to. Eight responses were received, including seven from individual GP Practices and one from a GP Federation. These responses were considered as part of the in-depth review of services and options appraisal.

6.0 CONTRIBUTION TO COUNCIL PRIORITIES

6.1 The services in scope support the achievement of the following Council Plan priorities under the Health and Wellbeing ambition:

- People are supported to have a good quality of life and enjoy active and healthy lifestyles
- Reduced variations in health through tackling the root causes of inequality
- People can access good public health services and social care across our different communities

7.0 ALTERNATIVE OPTIONS CONSIDERED

7.1 The proposals contained within this report have been developed following a full options appraisal of different delivery models, scopes and tariff structures for each service. This was informed by a range of information including existing provision and coverage, baselining and benchmarking with other areas, national evidence and data, local performance information, financial modelling and feedback from

the market and the wider local health system. This included consideration of the “do minimum” option for each service, i.e., to continue to deliver the mandated services only, however this was discounted as there is high need for the non-mandated services also as part of our duties to protect and promote the health of the population. Not providing these local services through primary care will likely drive demand/need into specialist services for which unit costs are higher, and also services are generally less accessible locally, which risks health protection needs not being met.

- 7.2 Following the introduction of The Health Care Services (Provider Selection Regime) Regulations 2023 (the ‘PSR’), the available options for procurement and routes to market under this legislation were reviewed, noting that the 5 possible routes to market must be followed in a particular order.

8.0 **IMPACT ON OTHER SERVICES/ORGANISATIONS**

- 8.1 These proposals will impact on primary care providers (GPs and Pharmacies) who currently deliver services through the Public Health Approved Provider List. Each service though stand-alone for contracting purposes forms part of a wider system of delivery for sexual health, tobacco control and substance use services, and as such, changes in offer and/or providers will impact on the whole pathway in each case.

- 8.2 There will be an impact on the NYC Living Well Smoke Free service in terms of increased volume of referrals, and this has been modelled to ensure sufficient capacity in place to meet need, further strengthened through forthcoming Smokefree Generation additional government funding (subject to appropriate grant decision-making).

9.0 **FINANCIAL IMPLICATIONS**

- 9.1 A full review of tariffs and financial modelling has taken place for each service, including consideration of increased tariffs in line with benchmarking and to ensure that service coverage and quality is enhanced/maintained. A £100k saving from the Public Health grant is proposed across service areas. There is an assumption demand for these services will remain broadly in line with recent years, upon which costs have been modelled.

- 9.2 These Services offer a high return on investment at a public services / health system level: every £1 spent on drug treatment provides a (social) return of £4, for alcohol every £1 spent on treatment provides (social) return of £3, for every £1 invested in Primary Care LARC contraception it gives a £48 return on investment, and for every £1 spent on the NHS Health Check programme it achieves a return of £2.93. Smoking is the leading cause of premature, preventable death globally.

10.0 **LEGAL IMPLICATIONS**

- 10.1 The procurement process will be in accordance with the Health Care Services (Provider Selection Regime) Regulations 2023. Contracts will be drafted by Legal Services to include appropriate terms and conditions and will be entered into in accordance with the Council’s Procurement and Contract Procedure Rules.

11.0 **EQUALITIES IMPLICATIONS**

- 11.1 A screening for Equality Impact was undertaken and determined that a full Equality Impact Assessment was required in relation to the 2 areas of service provision for which a change is proposed. This is included in Appendix B.

Core20PLUS5 will be used to help evaluation how these services support the wider work of Public Health to tackle health inequalities in the North Yorkshire population.

12.0 **CLIMATE CHANGE IMPLICATIONS**

- 12.1 A screening has been completed and advice sought from a climate change specialist – this can be found at Appendix C. The conclusion is that a full CCIA would not be proportionate as the potential impact of any changes is very minimal.

13.0 **PERFORMANCE IMPLICATIONS**

- 13.1 A key aim of the new specifications and tariffs is to maintain/increase coverage of local services across North Yorkshire. All service specifications will include performance metrics which will be monitored via a central system for provider returns. A robust approach will be in place via the procurement process to ensure that providers meet the minimum requirements for each service. Contract performance will be monitored by Public Health leads with support from the Health and Adult Services Contracting function. Key performance metrics for services and population health are reviewed on a regular basis through service performance reporting.

14.0 **RISK MANAGEMENT IMPLICATIONS**

- 14.1 The key risks associated with this work are:

- Provider sign up – risk of inconsistent coverage across North Yorkshire, particularly in view of the fact that some providers have stopped delivering some services in recent years. Low coverage could impact health outcomes/patient safety and potentially increase costs through more people needing to access specialist services. High coverage through the use of Direct Award Process B could increase service demand/activity with budget implications. Mitigations in place include demand and tariff modelling, market engagement and communication
- Financial spend – services and budgets are demand-led therefore significant increases in service activity (through increasing need and/or increasing number of providers) could mean savings are not achieved and/or budgets overspend. Mitigations in place include demand and tariff modelling, robust budget management and acceptance of the risk which exists currently.
- Wider landscape for primary care – nationally and locally there are a number of changes and pressures affecting primary care which may impact on the ability or appetite of providers to engage with the procurement process and/or deliver these services. Mitigations include market engagement and communication, support for the procurement process, proposed tariffs and identification of “plan B” options for service delivery.

15.0 **HUMAN RESOURCES IMPLICATIONS**

- 15.1 Internal resource from Public Health, Procurement, Legal and Contracting teams is required in order to deliver the initial procurement process and then manage

ongoing engagement of providers, as the pool of providers will remain open for the full contract term.

The anticipated increase in volume of referrals to the NYC Living Well Smoke Free service has been modelled to ensure sufficient capacity within the service to meet need. This will be further strengthened through forthcoming Smokefree Generation additional government funding (subject to appropriate grant decision-making).

16.0 **CONCLUSIONS**

16.1 A procurement exercise must be undertaken under The Health Care Services (Provider Selection Regime) Regulations 2023 (the 'PSR') to ensure continuity of local primary care public health services for sexual health, substance use, tobacco control and NHS Health Checks.

17.0 **REASONS FOR RECOMMENDATIONS**

17.1 A full range of options have been appraised, based on consideration of both local and national data and evidence. The proposed options enable NYC to continue protecting and improving the health of the North Yorkshire population whilst ensuring good value for money and return-on-investment.

18.0 **RECOMMENDATION(S)**

18.1 To approve the procurement of new contracts with a total investment of approx. £1.7m Public Health Grant for the provision of Public Health Primary Care Services relating to sexual health, substance use, tobacco control and NHS health checks across North Yorkshire using Direct Award Process B under the Health Care Services (Provider Selection Regime) Regulations 2023, with new arrangements to come into effect from 1st April 2025.

APPENDICES:

Overview of coverage and activity data – Appendix A

Equality Impact Assessment – Appendix B

Climate Change Impact Assessment screening – Appendix C

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Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

Appendix A: Public Health Approved Provider List – overview of coverage and activity data

	Tobacco	NHS Health Checks	Sexual Health	Substance Use
Signed up	54 Community Pharmacies	69 GP Practices	LARC: 72 GP Practices EHC: 74 Community Pharmacies	Drug treatment shared care: 21 GP Practices Alcohol recovery prescribing: 20 GP Practices Needle & syringe programme: 22 Community Pharmacies Supervised consumption: 86 Community Pharmacies
Active 2022-23	44 Community Pharmacies (36 in 2021-22)	63 GP Practices	LARC: 62 GP Practices EHC: 29 Community Pharmacies	Drug treatment shared care: 13 GP Practices Alcohol recovery prescribing: 0 claimed last year Needle & syringe programme: 15 Community Pharmacies Supervised consumption: 59 Community Pharmacies