



**Havering**  
LONDON BOROUGH

## Notice of Non-key Executive Decision

<b>Subject Heading:</b>	Approval to enter into a competitive tender process for a 12 month contract to deliver Health Champions with the option to extend for a further 12 months.
<b>Cabinet Member:</b>	Cllr Wendy Brice-Thompson
<b>SLT Lead:</b>	Mark Ansell Interim Director of Public Health
<b>Report Author and contact details:</b>	Jonathan Cassidy Commissioner & Project Manager <a href="mailto:Jonathan.Cassidy@havering.gov.uk">Jonathan.Cassidy@havering.gov.uk</a> 01708 433588
<b>Policy context:</b>	Care Act 2014
<b>Financial summary:</b>	The annual value will be £60k and if extended for a further 12 months the total contract value will be a maximum of £120k.
<b>Relevant OSC:</b>	Individuals
<b>Is this decision exempt from being called-in?</b>	This decision is exempt from being called in as it is a non-key decision.

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The subject matter of this report deals with the following Council Objectives

- |                               |                                     |
|-------------------------------|-------------------------------------|
| Communities making Havering   | <input checked="" type="checkbox"/> |
| Places making Havering        | <input type="checkbox"/>            |
| Opportunities making Havering | <input type="checkbox"/>            |
| Connections making Havering   | <input type="checkbox"/>            |

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### Part A – Report seeking decision

#### DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

Approval to enter into a competitive tender process for a 12 month contract to deliver Health Champions with the option to extend for a further 12 months.

#### AUTHORITY UNDER WHICH DECISION IS MADE

Powers of Assistant Directors and Heads of Service under the Constitution - Part 3 Paragraph 3.4 Contract Powers (a) To approve commencement of a tendering process for, and to award all contracts below a total contract value of £156,000.

#### STATEMENT OF THE REASONS FOR THE DECISION

Approval to enter into a competitive tender process for a 12 month contract to deliver Health Champions with the option to extend for a further 12 months. The Public Health Service is funded from the Public Health grant, an annual grant from DCLG provided to Local authorities to meet predetermined Public Health Outcomes. Ongoing central government funding changes has resulted in a £0.292m reduction from the 2017/18 award, with LB Havering expecting to receive £10.932m in 2018/19. However, the 2018/19 allocation is already fully committed, requiring the brought forward ring-fenced public health reserve (forecast at approximately £0.700m by the end of 2017/18) to fund this procurement. The uncertainty over the level of future Public Health grant is the primary reason for not making a longer term commitment at this stage.

The concept of trained Health Champions is borne out of the need to close a budget gap - to achieve more with fewer resources. The aim, therefore, is to commission a voluntary sector agency with a track record of mobilising the community to address health issues to recruit and thereafter coordinate a network of trainers and champions particularly focused on older working adults and those in early retirement. A similar model was successfully used to deliver a cancer awareness community engagement in the borough.

The model suggested, with its emphasis on volunteering and the incorporation of health improvement into relevant pre-existing frontline services, will take longer to establish than if a larger employed workforce were used, but will be more affordable and hence sustainable in the longer term.

The service will deliver against the following themes, which are identified as priorities in achieving our vision:

- Preventing, reducing and delaying the need for care and support through effective demand management strategies
- Promoting wellbeing

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- Better integrated support for people most at risk
- Quality of services and patient experience

In terms of Public Health outcomes, the health champion's work will focus on the following 6 priorities:

- Obesity
- Smoking
- Physical activity
- Prevent harmful drinking
- Mental health and well-being – including suicide prevention
- Cancer awareness

In addition, training council employees as health champions will support the Council's own healthy workplace programme.

#### **Proposed Tender Timetable:**

- Publish Tender – November 2017
- Evaluate Bids – December 2017
- Contract Award – December 2017
- Mobilise Contract – January - March 2018
- New Service Commences – 1<sup>st</sup> April 2018

The proposed tender timetable has been approved by OneSource – Senior Category Specialist.

### **OTHER OPTIONS CONSIDERED AND REJECTED**

- To not commission the service. This reason was rejected because Health Champions are a preventative measure to help prevent/delay the need for care and support through targeting specific areas.
- Commission the service on a longer term contact. This reason was rejected due to the risk of commissioning Health Champions on a long term contract is high due to the uncertainty around available ring-fenced budgets within Public Health.

### **PRE-DECISION CONSULTATION**

Consultation with relevant operational service managers. Consultation with a range of internal and external stakeholders including; the service provider and commissioning.

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**NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER**

Name: Jonathan Cassidy, Commissioner & Project Manager

Designation: Joint Commissioning Unit



Signature:

Date: 23/11/2017

## Part B - Assessment of implications and risks

### LEGAL IMPLICATIONS AND RISKS

The Health and Social Care Act 2012 ("the Act") gives responsibility for health protection to the Secretary of State and health improvement to upper tier and unitary local authorities. The Secretary of State also delegated some health protection functions to local authorities.

Section 12 of the Act gives each relevant local authority a new duty to take such steps as it considers appropriate to improve the health of the people in its area. This procurement will assist in the improvement of health in the area.

This procurement is for a value below the threshold required for European Procurement and is therefore subject to CPRs, the CPRs state that

A Director can authorise procurements within the service area within a value between £100,000 and £500 000 in consultation with the CMT member where the contract will be executed. Pretender authority as set out in the checkpoint procedure will be followed where included in the pilot. Rule 10 Five Tenderers must be invited to tender and the requirements in rule 22 need to be followed

### FINANCIAL IMPLICATIONS AND RISKS

The contract is for twelve months beginning 1<sup>st</sup> April 2018, with the option to extend for a further 12 months at an annual value of £0.060m (£0.120m over the 2 years). Ordinarily, this would be funded from the Public Health grant however the expectation is for the grant to be fully utilised on existing commitments and services in future years, this means the public health reserve grant will be relied upon to fund this procurement.

The financial position over the next 3 years is illustrated in the following tables, There is an expectation of further grant reductions in both 2018/19 (£0.292m) and 2019/20 (£0.284m), resulting in the need to utilise the PH reserve to meet part of the base commitments and this contract. The reserve balance at the beginning of 2018/19 is forecast at £0.763m, £0.352m will be used in year, leaving a balance of £0.411m to carry forward into 2019/20. However, assuming £0.080m savings and all other expenditure commitments remain at prior year levels (and the contract operates for 1 year), there will be a shortfall of £0.496m relative to the grant, thus requiring the use of remaining reserve. This will result in £0.085m pressure by the end of 2019/20 due to having only £0.411m in brought forward reserves.

The service will need to find the £0.085m shortfall anticipated in 2019/20 if the procurement progresses as currently planned however this will reduce to £0.025m if the procurement was not progressed.

#### 3 Year Public Health Funding and Spend Commitments

	2017/18 £m	2018/19 £m	2019/20 £m
<u>Forecast income</u>			

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Prior Year Grant Funding	(11.508)	(11.224)	(10.932)
add: Reduction in Funding	0.284	0.292	0.284
<b>Current Year Public Health Grant (PHG)</b>	<b>(11.224)</b>	<b>(10.932)</b>	<b>(10.648)</b>
<b>Forecast Expenditure</b>			
Base Spend Commitments	11.297	11.224	11.284
less: Savings proposals	(0.073)		(0.080)
add: New Health Champions (Assume 1 Yr only)		0.060	(0.060)
<b>Revised Spend / Future commitments</b>	<b>11.224</b>	<b>11.284</b>	<b>11.144</b>
<b>(Surplus) / Deficit at Year end</b>	<b>(0.000)</b>	<b>0.352</b>	<b>0.496</b>

### Movement in Public Health Reserves 2017/18 to 2019/20

	2017/18 £m	2018/19 £m	2019/20 £m
Brought forward Reserves	(0.763)	(0.763)	(0.411)
(Year End Surplus) / Drawdown from Reserve or Deficit	(0.000)	0.352	0.496
<b>Reserves at year end – (Surplus)/Deficit</b>	<b>(0.763)</b>	<b>(0.411)</b>	<b>0.085</b>

The above financial model has not taken into account uplifts for inflation and staffing increments as these are not expected to be material however there is a risk that the funding gap could increase if demand related activity increase beyond what is being assumed and other unexpected expenditure materialise during forthcoming years .

Falil Onikoyi – Strategic Business Partner – Adults and Public Health.

### **HUMAN RESOURCES IMPLICATIONS AND RISKS**

There are no HR implications or risks arising directly as a result of this report. The commissioning of the voluntary sector agency will follow the appropriate commissioning process.

### **EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

Health Champions is a cost effective programme which will set up a network of trained Health Champions to intervene and support individual residents in order to improve their health outcomes.

The programme acknowledges and addresses the specific health inequalities of people who share protected characteristics. This includes men, younger people and people from economically deprived backgrounds. The scheme will therefore have a positive impact on tackling health inequalities.

The programme will undertake a robust evaluation process in order to develop an

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effective health improvement network. Monitoring processes should be incorporated within the evaluation to ensure the programme is helping to tackle health inequalities.

**BACKGROUND PAPERS**

None.



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**Part C – Record of decision**

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

**Decision**

Proposal agreed

Proposal NOT agreed because

**Details of decision maker**

Signed



Name: Mark Ansell

SLT Member title: Acting Director of Public Health

Date: 24<sup>th</sup> November 2017

**Lodging this notice**

The signed decision notice must be delivered to the proper officer, Andrew Beesley, Committee Administration Manager, in the Town Hall.

**For use by Committee Administration**

This notice was lodged with me on 27/11/2017

Signed



