

From: Andrew Scott-Clark, Acting Director of Public Health

To: Graham Gibbens, Cabinet Member for Adult Social Care and Public Health

Decision No: 14/00025 and 14/00026

Subject: Extension of contracts for Kent Community Health Trust and Maidstone and Tunbridge Wells NHS Trust

Classification: Unrestricted

Past Pathway of Paper:

The Social Care & Public Health Cabinet Committee considered a related matter, the tendering of sexual health services at its meeting of 4th October 2013 (decision number 13/00073)

Electoral Division: All

Summary:

When assuming responsibility for Public Health in April 2013, Kent County Council inherited a number of contracts for the delivery of Public Health services.

During 2013/14, a range of activity has been undertaken in establishing effective contract management, whilst laying the groundwork to competitively tender these services, the majority of which have not been competitively tendered before.

Competitively tendering such a wide range of services in a managed way and moving to contracts that deliver better value for money and better outcomes will require time, planning and effective change management. To allow for these processes to be developed effectively, whilst ensuring continuity of service, it is necessary to extend contracts with existing suppliers.

Recommendation:

That contracts with the two providers detailed in the report (Kent Community Health Trust and Maidstone and Tunbridge Wells Trust) are extended for a maximum of one year, whilst competitive tendering processes are conducted for the services outlined.

1. Introduction

- 1.1. Since assuming responsibility for commissioning Public Health services in April 2013, the Public Health team has undertaken a range of activity in establishing effective contract management processes for the wide range of contracts that were transferred from the NHS. The majority of these contracts have never been competitively tendered.
- 1.2. 2014/15 will be the most significant year for competitively tendering public health services. This will require extending existing contracts whilst the competitive procurement processes are completed.

2. Commissioning Priorities

- 2.1. Public Health has a clear timetable prioritising all services for competitive tendering in 2014/15. Competitively tendering such a wide range of services in a managed way and moving to contracts that deliver better value for money and better outcomes will require time, planning and effective change management.
- 2.2. Procurement plans will be developed in conjunction with Health and Wellbeing Boards and the Social Care and Public Health Cabinet Committee and will be designed to ensure clarity of requirements and a suitable model to reduce unnecessary risk.
- 2.3. Sexual health services represent the highest cost component of the KCHT budget (see table below), and the total of the contract for MTW, and the procurement process for this service is well advanced and has been approved by procurement board.
- 2.4. This will require existing contracts to be extended to allow effective transformation to newly-commissioned services.

3. Contract Extensions

- 3.1. The table below provides a breakdown of the maximum 2014/15 values for the two contracts which require key decisions for extension. Public Health will seek to drive further savings during 2014/15 through continued contract management and competitive tendering.

Kent Community Health NHS Trust (KCHT)	2014/15 budget allocation	
Sexual Health Services	5,296,500	
Health Checks*	2,207,820	Max figure based on 100% performance
Healthy Weight	1,160,000	
Smoking Cessation	2,688,000	
School Health*	5,031,000	Max figures based on recruitment to new posts
Health Trainers	1,462,000	Max figures based on recruitment to new posts
	17,845,320	
Maidstone & Tunbridge Wells NHS Trust (MTW)	Annual Value	
Sexual Health Services**	1,245,000	

4. Conclusion

- 4.1. Much of the public health commissioning work in 2013/14 has involved understanding inherited contracts, renegotiating contract values and payment terms to ensure payment is linked to performance. This has resulted in a range of immediate savings as well as reduced commitments for 2014/15.
- 4.2. The attached Forthcoming Executive Decision proposal is seeking Cabinet Member approval to extend the current KCHT and MTW contracts for up to 12 months to allow for a managed process of competitive tender during 2014/15.
- 4.3. The figures highlighted in the tables above represent the full year effect annual value of the contracts. The final outturn is likely to be lower as services will be retendered and new contracts awarded during the year.

5 Recommendation

That contracts with the two providers detailed in the report (Kent Community Health Trust and Maidstone and Tunbridge Wells Trust) are extended for a maximum of one year, whilst competitive tendering processes are conducted for the services outlined.

6 Background Documents

Decision Report 13/00073 Tendering for an integrated model of sexual health services in Kent

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