

15 September 2016		ITEM: 12
Health & Wellbeing Overview and Scrutiny Committee		
Procurement of the Healthy Lifestyles Service		
Wards and communities affected: All	Key Decision: Key Decision – spending above £500K	
Report of: Councillor James Halden, Portfolio Member for Education and Health		
Accountable Head of Service: Tim Elwell-Sutton, Consultant in Public Health		
Accountable Director: Ian Wake, Director of Public Health		
This report is Public		

Executive Summary

This report sets out the proposals for the procurement of a new Healthy Lifestyles Service for a contract, to commence on 1 April 2017.

Current services are delivered by a range of providers delivering different elements of the service, with limited cross referral ability. Service Users can self-refer but will need to go to each different provider to receive a service and there is minimal control on duplication of provision.

All of the current contracts expire on 31st March 2017. A significant element is delivered by NELFT, with the Council a co-client on the CCG contract with NELFT which cannot be extended after this date. Other services are provided through a grant funding arrangement.

The current budget across all services to be included within the contract is £736,875.

Currently, unit costs are high, particularly when considering outcomes achieved. It is proposed that the Service is tendered as a Lead Provider Model, with a single point of access and referral, thus making it easy both for self-referral and referrals from professionals (GPs/Maternity Services etc.). The Lead Provider will develop and maintain a database of Service Users, assess needs, and allocate individuals to specific programmes of service (which may be across more than one element where necessary). The Lead may also deliver some of the activities and services, or these may be provided by sub-contracted partners within the community. The Lead Provider will be encouraged to sub-contract with smaller community providers where appropriate to retain plurality of service provision. The new contract will be more flexible and able to be scaled to meet varying targets across the different service areas, dependent on need and changing priorities.

Realistically, £200K per annum savings should be delivered from procurement of this re-modelled service.

This report will be presented to Cabinet to request permission to proceed to tender in October 2016.

1. Recommendation(s)

Health & Wellbeing Overview and Scrutiny Committee is recommended to:

1.1 Comment on the proposed process to commence procurement of the Healthy Lifestyles Service contract prior to its submission to Cabinet.

2. Introduction and Background

2.1 Thurrock Public Health currently commissions a number of individual healthy lifestyle services through a single provider (NELFT) including: weight management, smoking cessation, MECC (Making Every Contact Count), NHS health checks, and community weight management programmes. Exercise on Referral is provided by Impulse Leisure and has been a one-year pilot programme.

2.2 The current budget is split as follows:

Contract	Provider/s	2016-17 Budget
Tier 1 and 2 Weight Management Services	NELFT and some community providers through grant agreements	£122,375
NHS Health Checks/CVD Risk Management Public Health Services Contract	NELFT	£253,500
New Tobacco Control and Smoking prevention	NELFT	£361,000 ¹
Total Spend²		£736,875.00

2.3 This fragmented arrangement with limited interaction between Providers means that it can be both difficult to access (multiple entry points) and Service Users could receive a weight management service from more than one Provider, taking a place away from another potential recipient.

¹Plus £34,000 for the ASSIST licence and an additional performance bonus potential of up to c. £10K for NELFT on quitters.

² The Exercise on Referral budget (PH) is currently c. £55,000 per annum. The CCG contribute to this service additionally. This service is under consideration for inclusion within the Lead Provider Model (see Section 4.6) but further savings would not be anticipated.

- 2.4 The cost of the current services is expensive, in terms of the outcomes achieved. Public Health is not able to track individuals on their longer term success and return to the programme (relapse) and therefore the strategic benefits are as yet unproven. Future budget cuts and the removal of the ring-fence on the Public Health Grant in 2018/19 put the sustainability of the services, in their current form, at risk.
- 2.5 In terms of performance, targets have not been met for Smoking Cessation and the Health Check programme – although Health Checks was still one of the best performing in the region and above national averages. Weight Management targets were achieved in part and there were significant differences across the different providers.
- 2.6 As current contracts end in March 2017, it is appropriate to reconsider the model in terms of delivery, management, monitoring and cost. This paper sets out the options and new model for procurement.
- 2.7 The Healthy Lifestyles Contract should be seen within a much wider framework of strategic work to improve health and wellbeing within Thurrock. For example, Public Health and working closely with the Council’s Planning, Regeneration and Transport functions to capitalise on opportunities create healthier environments that encourage physical activity such as walking and cycling.

3. Issues, Options and Analysis of Options

Timescale and Procurement Route

- 3.1 The tender now falls under the Public Contracts Regulations’ “Light Touch Regime” as the whole life value is above £625,000. This requires advertisement in OJEU and compliance with certain EU Procurement Directive standards.
- 3.2 Additionally, within this procurement it is important to include a minimum of two months for implementation because if there is a change in contractor, it is likely there will TUPE transfer of staff at contract change-over as well as the contractual and administrative set-up necessary to deliver the service.
- 3.3 A report will be presented to Cabinet in October 2016 requesting permission to go out to tender with a view to a new contract start date of 1 April 2017.

New Service Outcomes and Deliverables

- 3.4 The proposed new service would include the following elements:
- Smoking Cessation / Harm Reduction including e-cigarettes (Tier 2)
 - Health Checks
 - Weight Management (Tier 2)

- Making Every Contact Count (MECC)
- Onward referrals within and outside of the service (e.g. to Tier 3 Weight Management, and mental health services such as IAPT)
- Signposting to universal services

3.5 The benefits of including the Exercise on Referral scheme within the Lead Provider Model is currently under consideration. It is a direct referral by GPs or Healthcare professionals and the benefits of including this are more limited. A cost benefit analysis will be undertaken before the decision is made.

3.6 In terms of Health and Wellbeing Strategy outcomes, the Service will clearly contribute towards E1-E3 (Healthier for Longer) (green), but also can make a significant contribution to D1-3, E4 and C4 (yellow).

Goals	A. Opportunity For All	B. Healthier Environments	C. Better Emotional Health And Wellbeing	D. Quality Care Centred Around The Person	E. Healthier For Longer
Objectives	A1. All children in Thurrock making good educational progress	B1. Create outdoor places that make it easy to exercise and to be active	C1. Give parents the support they need	D1. Create four integrated healthy living centres	E1. Reduce obesity
	A2. More Thurrock residents in employment, education or training.	B2. Develop homes that keep people well and independent	C2. Improve children's emotional health and wellbeing	D2. When services are required, they are organised around the individual	E2. Reduce the proportion of people who smoke.
	A3. Fewer teenage pregnancies in Thurrock.	B3. Building strong, well-connected communities	C3. Reduce social isolation and loneliness	D3. Put people in control of their own care	E3. Significantly improve the identification and management of long term conditions
	A4. Fewer children and adults in poverty	B4. Improve air quality in Thurrock.	C4. Improve the identification and treatment of depression, particularly in high risk groups.	D4. Provide high quality GP and hospital care to Thurrock	E4. Prevent and treat cancer better

3.7 A suite of Key Performance Indicators and data requirements will be developed to accurately measure both the performance of the Contractor(s) and the overall success of the programme against the Health and Wellbeing Strategy Outcomes. Measures will need to be flexible as priorities change over the 3-5 year term of the contract.

Service Model and Procurement Options

3.8 A range of different options were considered for both the model and procurement route, including maintain separate services, single provider (all

elements) and either tender or bring the service in-house. The service model options considered are set out in Appendix 1 to this report.

Recommended Service Model Option - Lead Provider

- 3.9 A Lead Provider will deliver a Healthy Lifestyle programme through a Single Point of Access/Referral (and shared data) with services delivered through primary care, outreach and direct commissioning of community programmes to meet specified outcomes.

This has the following advantages:

- Greater potential for lower cost contract as each section supports the other (resource sharing) and absorbs potential losses
 - Only one organisation to manage
 - Allows for local community services to be incorporated on a framework
 - Data returns from one source
 - One procurement process
 - Single Point of Access/Referral, supporting appropriate service allocation, data sharing and monitoring.
 - Ability to provide a more holistic service to users who have multiple needs.
 - Relatively scalable to meet future budget changes
- 3.10 With regard to the procurement options, the value determines the need to go out to a full open procurement exercise, using the “Light Touch” rules.
- 3.11 Officers did consider whether any element of the service could be brought in-house; however alongside the extensive timescale to undertake the insourcing exercise, additional procurement activity would be required for some directly commissioned community services, together with an IT system to manage client assessment and referral. Delivery of savings is less achievable through this route.
- 3.12 It is therefore recommended to put the service through an open market tender to ensure the opportunity for savings and innovation. A large NHS or Private Sector provider would also be more likely to be able to meet the Council’s requirement to flex resources over the term of the contract as priorities and funding changes.
- 3.13 A “Lead Provider” does not mean a single provider, or “one size fits all” provision. It is envisaged that where appropriate, the Lead Provider will sub contract with smaller providers including those in the community and voluntary sector to retain the plurality of provision in healthy lifestyle programmes.

4. Reasons for Recommendation

- 4.1 This report is submitted to Health Overview and Scrutiny Committee for comment prior to proceeding to tender for a contract with a whole life cost

valued above £750K. The total estimated value for this contract over the maximum 5 year period of delivery is c. £3.15 million.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 This proposal has been discussed and agreed with internal and external stakeholders including CCG, Primary Care and current providers.
- 5.2 Health Overview and Scrutiny Committee is asked to consider and agree this proposal.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 The contract aims to meet corporate priorities through the delivery of high quality services in all elements.

The following two examples show how priorities will be delivered through the contract:

Priority	Delivered By
Improve Health and Wellbeing	<p>Clearly this is the fundamental scope of the Service. The service aims to reduce the prevalence of obesity, smoking and increase healthy lifestyles. Service Users will be tracked throughout and after the programme/s to determine the long term benefits.</p> <p>Inclusion of the NHS Health Checks Programme should help in the identification of yet undiagnosed conditions that can be treated early to reduce long term health care costs.</p>
Encourage and promote job creation and economic prosperity (and Social Value Act)	Clear targets to be set around volunteering, training and employment opportunities for local people

7. Implications

7.1 Financial

Implications verified by: **Jo Freeman
Management Accountant**

The procurement aims to implement one contractual arrangement from a number of service budgets within or below the current annual price. The contract will be scalable to enable it to adjust to priorities and changes in

funding availability during the maximum 5 year term as the ringfence on the Public Health Grant is removed in 2018/19.

7.2 Legal

Implications verified by: **Kevin Molloy**
Solicitor

This report is seeking approval from Health Overview and Scrutiny Committee for in principle agreement to tender the contract noted in the report. The proposed procurement is estimated well above the EU threshold for “Health” services (£625K) within the new Light Touch Regime of the Public Contracts Regulations 2015. This means that there is a legal requirement to competitively tender the contract via the Official Journal of the European Union (OJEU).

Taking the above into account, on the basis of the information in this report, the proposed procurement strategy should comply with the Regulations and the Council’s Contract Rules.

The report author and responsible directorate are advised to keep Legal Services fully informed at every stage of the proposed tender exercise. Legal Services are on hand and available to assist and answer any questions that may arise.

7.3 Diversity and Equality

Implications verified by: **Natalie Warren**
Community Development Officer

The Service will be available across the whole community, responsive to gender and or culturally specific need. A Community And Equality Impact Assessment will be carried out to identify specific actions to include in the specification so to ensure the needs of target areas and groups of people with protected characteristics are met, as well as ensuring ease of access to services. Bidders’ achievement of similar outcomes for a range of target groups and areas will be tested as part of the tender process.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None

8. Background papers used in preparing the report (including their location on the Council’s website or identification whether any are exempt or protected by copyright):

None

9. Appendices to the report

Appendix 1: Options for Service Model and Procurement Route

Report Authors:

Sue Bradish
Public Health Manager

Stefanie Seff
Corporate Procurement Strategy & Delivery Manager