



Report of: Director of Public Health

Meeting of:	Date	Ward(s)
Executive Board	12 February 2015	All

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SUBJECT: Approval of the Procurement Strategy for Joint Camden and Islington Oral Health Promotion Service Contract

1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy of the Joint Camden and Islington Oral Health Promotion Service in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 The aim of the Joint Oral Health Promotion Service is to improve oral health in the population of Camden and Islington and to address oral health inequalities. It will build on an existing strong oral health promotion service that has been operating in Islington for a number of years.
- 1.3 The service will take a life-course approach, targeting evidence-based interventions at the following at-risk groups: children, young people, vulnerable adults such as people with learning disabilities, mental health problems and those with substance misuse problems. It includes continuation of school based fluoride varnish which has been carried out in Islington primary schools for the past three years. The proposal is to let a three year contract with an option to extend by up to two years. This procurement will be undertaken in collaboration with Camden Council.

2. Recommendations

- 2.1 To agree the proposed procurement strategy for the Joint Oral Health Promotion Service as outlined within this report.

3. Background

3.1 Nature of the service

The service to be procured will improve oral health in Camden and Islington and address oral health inequalities. The proposed oral health promotion model will build on a successful approach that has been developed in Islington over recent years. This current service includes oral health promotion

targeting families through children's centres, work in schools and with vulnerable older populations including in care home homes. Alongside this for the past three years we have commissioned a large fluoride varnish programme in primary schools and children centres. This programme has reached approximately 13,000 children in Islington so far, with nearly 40,000 fluoride varnish applications delivered and 7,000 children signposted for a dental check-up. The programme is currently running in 38 primary schools 16 children's centres and 2 community nurseries and it is well accepted by parents, children and school staff.

An oral health needs assessment and review of the current oral health promotion service in Camden and Islington was undertaken in 2013. Oral health is an important element of general health and wellbeing and impacts significantly on quality of life. Additionally, despite overall improvements in oral health in England over recent decades, marked inequalities persist.

The National Dental Epidemiology Programme for England: oral health survey of five-year-old children (2012) showed that levels of childhood tooth decay in Islington have been improving in recent years, both across the population and in terms of inequalities. The reverse has been true over that period in Camden where these services have not existed.

However Islington continues to have a higher prevalence and severity of dental decay in young children, when compared with neighbouring boroughs and the England average. Local health intelligence has also identified significant oral health needs in older people and other vulnerable groups. The Islington Child Health Strategy has highlighted oral health as one of the key priorities for action.

The aim of the proposed oral health promotion service is to improve oral health for the population of Camden and Islington and to address oral health inequalities. Expected outcomes include:

- Reduction in tooth decay levels in five-year-old children (Public Health Outcome Framework indicator)
- Reduction in tooth decay rates in the most disadvantaged areas
- Reduced tooth extractions in hospitals
- Increased access to the NHS dental services

The service model take a life-course approach, delivering evidence-based interventions to the following at-risk groups: children and young people, including those with disabilities, and vulnerable adults such as people with mental health problems, learning disabilities, substance misuse problems, older people and their carers. The service will maximise delivery of fluoride and consistent oral health promotion messages to key vulnerable groups, as well as offering training to health and non-health professionals to incorporate oral health into wider health promotion activities. The service will also deliver a community-based fluoride varnish programme and support nursing and residential homes in the implementation of oral health Care Quality Commission (CQC) standards.

Over the past year a pilot for a similar service model has been running in Camden. This has been successful and we are now seeking to re-procure the service model jointly across both boroughs. This will deliver economies of scale, allowing for savings within the current Islington service.

3.2 Estimated Value

We are seeking to procure this contract for an initial period of three years with the option for two extensions of one year each. The procurement will be funded out of the public health grant. The annual value for Islington is £362,500. Total value for Islington is £1,812,500.

Currently the annual spend on this service in Islington is £424,238. We have considered options for increasing effectiveness and efficiency and decided to procure this service jointly with Camden. The joint model will benefit from economies of scale and ensure better joint working and targeting across both boroughs. As such we will be reducing the budget by 15% (from £424,238 to £362,500) as part of Islington Public Health Transformation/Savings Programme.

The workforce accounts for the vast majority of spend in this service. We are commissioning a clinical service and need to ensure that a chosen provider has appropriate skills and clinical governance in

place to deliver this service effectively and safely.

Oral health is a key area for improvement in the Public Health Outcomes Framework. It reflects the high levels of disadvantage and vulnerability experienced by children, families, older people and vulnerable groups in both boroughs.

3.3 Timetable

The current Islington Oral Health Promotion Service contract expires on 30th June 2015 and we are planning to implement the new joint service on 1st July 2015. The current procurement timetable is as follows:

Milestone	Date
Procurement Board	27 November 2015
Joint Board	13 January 2015
Executive Board	12 February 2015
Service Specification finalised	31 January 2015
Advert and Invitation to Tender – Open Procedure	20 February 2015
Tender close; compliance checks and Evaluation	21 April – 30 April
Clarifications	05 May 2015
Award	29 May 2015
Mobilisation	June 2015
Contract Start	01 July 2015

This timetable would require Executive granting delegated authority to the Director of Public Health to award the contract. The alternative would be to extend existing contracts by approximately two months to allow the contract award decision to be made by Executive.

3.4 Options appraisal

Not re-procuring oral health services for Islington was not considered a realistic option as the needs assessment had identified oral health as a significant priority.

Market engagement was carried out via an online questionnaire during October 2014. The aim was to explore particular innovations in the field, to assess the benefit of procuring the separate elements of the oral health promotion service separately and the benefits of procuring across Camden and Islington. Six organisations from the voluntary, private and NHS sectors responded.

Responses were supportive of jointly procuring an oral health promotion service across Camden and Islington. This will facilitate more effective joint working, targeting and efficient contract management from Public Health. The joint contract will also benefit from economies of scale. Responses supported procuring the fluoride varnish programme and the wider oral health promotion work within a single contract rather than as separate lots. This would ensure effective integration of these two components of the work.

Based on the small number of responses, and the relatively small provider market for this service, we concluded that an open tender with a single stage process would be the most appropriate procurement approach. Although decisions will be made jointly, Camden will be leading on the procurement process.

3.5 Key Considerations – References to social value and impact on staff

The investment is entirely spent on interventions that aim to improve oral health of children, young people, vulnerable adults and older people in both boroughs.

The London Living Wage (LLW) will be part of the contract conditions of the services being

commissioned. Currently, the staff involved in oral health promotion provision are already above the LLW report was approved in October 2014.

The current provider has staff who will be subject to TUPE. TUPE information has been requested and received on 28th November 2014. The implications will need to be mapped out in more detail if agreement is given to go to market.

Best value and quality will be key aspects of the evaluation criteria. The service specification will be outcome based and allow flexibility for continuous improvement.

3.6 Evaluation

The tender will be conducted as a one stage process using the "Open Procedure" where all organisations interested in bidding are invited to submit their bid. The Open Procedure includes minimum requirements which the organisation must achieve before their tenders are evaluated.

Contract award will be on the basis of the Most Economically Advantageous Tender. Evaluation criteria will be quality 60% and price 40%.

The oral health procurement project group have agreed draft evaluation criteria to assess quality. It will be confirmed once the stakeholder consultation is complete, as this may inform the service objectives and outcomes. The current proposed approach is as follows:

- Proposed model of delivery, including mobilisation and implementation – 15 %
- Performance and outcomes, including outcomes led planning, innovation – 15%
- Service quality and clinical governance – 10%
- Engagement, equality and diversity – 10%
- Partnership working – 10%

The quality/price split of 60%/40% has been adopted because we are commissioning a clinical service and need to ensure that a chosen provider has an appropriate skill mix and clinical governance in place. The services will work with children, young people and vulnerable adults such as people with learning disabilities, people with substance misuse problems and older people. For this reason quality and safety are key considerations.

3.7 Business Risks

Insufficient number of providers able to provide the service which results in low or poor quality submissions

Medium risk: Market engagement has evidenced an interest the service.

Implementation delay

Medium risk: We are asking for delegated authority to ensure that the implementation of the new joint service can be achieved as planned - on 1st July 2015. If necessary, current providers will be asked to agree to a provisional two month extension of the current contracts to ensure sufficient implementation time.

New service will not achieve stated objectives

Medium risk: The service is building on a successful Islington model and lessons learnt will be incorporated in the new service specification and procurement process. The service will be performance monitored quarterly to ensure seamless delivery of targets.

New service will not reach vulnerable groups

Medium risk: The tender process will ensure providers have extensive experience in providing similar services and also experience in reaching and working with hard to reach populations. The pre-qualification process will also assess where providers have been successful in their current or previous contracts in reaching those groups. At tender stage provider will be asked to submit a detailed proposal on hard to reach groups outreach. The service will be performance monitored quarterly to ensure seamless delivery of targets in terms of reaching key populations.

- 3.8 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to sign the Council's anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences. The adequacy of these measures will initially be assessed by officers and the outcome of that assessment will be reviewed by the Council's Procurement Board
- 3.9 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.6 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	<p>The service to be procured will aim to improve oral health in the population of Camden and Islington and to address oral health inequalities. The proposed oral health promotion model will take a life-course approach, targeting evidence-based interventions at the vulnerable groups.</p> <p>See paragraph 3.1</p>
2 Estimated value	<p>The annual value for Islington is £362,500 (monthly value is £30,208). Total value for Islington is £1,812,500.</p> <p>We are seeking to procure this contract for an initial period of three years with the option for two extensions of one year each. The procurement will be funded out of the public health grant.</p> <p>See paragraph 3.2</p>
3 Timetable	<p>Advert – 20 February 2014 Shortlisting – 21 April 2014 Award – 29 May 2014 Implementation – 1 July 2014</p> <p>See paragraph 3.3</p>
4 Options appraisal for tender procedure including consideration of collaboration opportunities	<p>The conclusions drawn from the market testing exercise is to adopt – the one stage open procurement procedure. .</p> <p>The oral health promotion service will be procured jointly by Camden and Islington. Although decisions will be made jointly, Camden will be leading on the procurement process.</p> <p>See paragraph 3.4</p>
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	<p>Social benefit clauses: the investment is entirely spent on interventions that aim to improve oral health of children, young people, vulnerable adults and older people in both boroughs.</p> <p>London Living Wage: the London Living Wage (LLW) will be part of the terms and conditions of the services being commissioned. LLW report has been signed off submitted</p>

	<p>to Islington Strategic Procurement in October 2014.</p> <p>Best value: best value and quality will be key aspects of the evaluation criteria in terms of continuous improvement and added value.</p> <p>TUPE: the current provider has staff that will be subject to TUPE. TUPE information was received on 28th November 2014. The implications will need to be mapped out in more detail if agreement is given to go to market.</p> <p>See paragraph 3.5</p>
6 Evaluation criteria	<p>The evaluation criteria of 60% quality and 40% price will be used to choose the most economically advantageous tender (MEAT).</p> <p>The evaluation criteria are to include following:</p> <ul style="list-style-type: none"> • Proposed model of delivery, including mobilisation and implementation – 15 % • Performance and outcomes, including outcomes led planning, innovation – 15% • Service quality and clinical governance – 10% • Engagement, equality and diversity – 10% • Partnership working – 10% <p>See paragraph 3.6</p>
7 Any business risks associated with entering the contract	See paragraph 3.7
8 Any other relevant financial, legal or other considerations.	See paragraph 3.8

4. Implications

4.1 Financial implications:

Islington Council receives a ring-fenced Public Health grant from the Department of Health to fund the cost of its Public Health service. The total funding for 2014/15 is £25.429m and will remain at that level for 2015/16.

The current 2014/15 budget earmarked for Oral Health promotion is £424k per annum. The proposed budget from July 2015 is £363k p.a., this equates to a 15% saving per annum.

The Council's Public Health expenditure must be contained entirely within the grant funded cash limit indicated above. If any additional pressures are incurred management actions will need to be identified to cover this.

Payment of London Living Wage is a requirement of the contract and should not result in any additional costs.

Any TUPE cost implications that may arise from this tender will have to be met by existing resources outlined above.

To avoid a potential future financial pressure for the Council, any future contracts should have a termination clause which allows them to end if they become unaffordable.

4.2 Legal Implications:

The council has a duty to improve public health under the Health and Social Care Act 2012, section 12. The council must take such steps as it considers appropriate for improving the health of the people in its area including providing services or facilities designed to promote healthy living (whether by helping individuals to address behaviour that is detrimental to health or in any other way) as well as providing services or facilities for the prevention, diagnosis or treatment of illness (National Health Service Act 2006, section 2B, as amended by Health and Social Care Act 2012, section 12).

Therefore the council may provide services in relation to oral health promotion as proposed in this report. The Council has power to enter into contracts under section 1 of the Local Government (Contracts) Act 1997 on the basis that such services are properly required for the discharge of the Council's functions.

The Executive may provide the Director of Public Health with responsibility to award contracts with a value over £500,000 (Procurement Rule 14.2).

The threshold for application of the Public Contracts Regulations 2006 (the Regulations) is currently £173,934. The value of the proposed contract is above this threshold. These services fall within Part B of the Regulations. Although Part B services do not need to strictly comply with the provisions of the Regulations, there is a requirement under EU rules for part B services to be procured in compliance with the principles of equal treatment, non-discrimination and fair competition. The council's Procurement Rules require contracts over the value of £100,000 to be subject to competitive tender. The proposed procurement strategy is in compliance with the principles underpinning the Regulations and the council's Procurement Rules.

On completion of the procurement process the contract may be awarded to the highest scoring tenderer. In deciding whether to appoint the selected contractor the Director of Public Health should be satisfied as to the competence of the chosen tenderer and that the tender price represents value for money for the Council.

4.3 Environmental Implications

The Environmental Impact Assessment was completed in October 2014. There are no environmental implications in proposed procurement.

4.4 Resident Impact Assessment:

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

An Equality Impact Assessment was completed on 11.12.2014. This shows no potential for discrimination and all appropriate opportunities to advance equality and foster good relations have been taken.

The actions that have been identified to advance equality and therefore improve activity are:

- Consultation and engagement activities on proposed new oral health promotion service model are planned for January 2015. Two meetings are being currently planned: 1) oral health promotion for children and young people and 2) oral health promotion for older people and vulnerable adults.
- The stakeholder views are going to inform the service delivery model and service specification to ensure effective and equitable service delivery.
- The new oral health promotion service will collect service user data on age, gender, disability and ethnicity.

5. Conclusion and reasons for recommendations

5.1 This procurement is required for the Council to meet its duty to provide oral health promotion services with an aim to improve oral health and reduce health inequalities in population of both boroughs.

The joint model will also benefit through economies of scale and ensure better joint working across the boroughs of Camden and Islington. The service specification and tender documents will be strengthened to ensure tenderers provide robust responses as to how they will better target individual and vulnerable groups and ensure they benefit from both from fluoride varnish programme and the wider oral health promotion service.

Final report clearance:

Signed by:



16 January 2015

Executive Member for Health and Wellbeing

Date

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