

Report of: Executive Member for Health and Well-Being

Meeting of:	Date	Ward(s)
Executive	12 th March 2015	All Wards

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SUBJECT: Procurement Strategy - Adult Lifestyle/Health Improvement Services
1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of adult lifestyle services in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 These services, which include a single point of access to lifestyle services, smoking cessation, weight management, NHS Health Checks and exercise on referral, are a core component of our work to support people to adopt and maintain healthy behaviours. This is essential in maintaining a focus on prevention and early intervention, and tackling health inequalities.
- 1.3 Through this procurement strategy there are opportunities to transform the way that adult health improvement services are delivered, to improve health outcomes and reduce health inequalities. The procurement strategy includes joint commissioning of these lifestyles services across Camden and Islington. Whilst this procurement will realise a modest annual saving against current spend, the more significant financial benefits associated with the prevention of ill health, disability and premature death will be realised over the longer term and will accrue to the wider health and care economy, not just to the Council.

2. Recommendations

- 2.1 To approve the procurement strategy for adult lifestyle/health improvement services as outlined in this paper.
- 2.2 To delegate to the Corporate Director of Public Health, in consultation with the Executive Member, the power to award the contracts to the successful tenderers.

3. Background
Nature of the service

- 3.1 Unhealthy behaviours substantially contribute to inequalities in ill health and early death in Islington. Encouraging and supporting people to adopt and maintain healthy behaviours continues to be a key component of our approach to reducing health inequalities and maintaining a focus on prevention and early intervention.
- 3.2 Emerging evidence indicates a strong case for moving away from the traditional models of delivering lifestyle services, with a greater emphasis on adopting a holistic, multiple-risk factor approach, embracing technology as well as linking lifestyle service users into a wider range of social support services such as those that address fuel poverty or seasonal health interventions.
- 3.3 Public Health currently commissions a number of adult lifestyle/health improvement programmes from a range of providers (Table 1). A number of existing contracts come to an end during the next 12 to 18 months and as a consequence we are planning to re-procure these services. These will be incorporated into a universal and targeted model, coordinated through a single point of access (SPA) that will refer people to the appropriate lifestyle and other relevant support services. Taking advantage of the shared public health service between Camden and Islington, the proposal is to re-procure and commission each of these services once across both boroughs, affording benefits in terms of economies of scale and greater resident choice in terms of where to access services.

Table 1 Current Islington services in scope of the adult lifestyle re-procurement

Service Name	Provider	Baseline 14/15	Contract started	Contract expires
Adult Weight Management - Tier 2	Aquaterra	101,000	01/01/2013	31/12/2015
Smoking cessation service	Whittington Health Trust	535,000	01/04/2014	31/03/2016
Cancer Exercise (survivorship)	Aquaterra Leisure	18,000	01/12/2014	12/11/2016
Exercise on Referral	Aquaterra Leisure	150,000	13/11/2013	12/11/2016
NHS Health Checks - community outreach programme	To Health	119,000	01/04/2014	31/03/2016
Supporting behaviour change training	New provider for 2015/16 not yet awarded	55,700	01/04/2015	31/03/2016

- 3.4 The procurement will be made up of the following lots and providers will be able to bid for any combination of the following:
- **Single point of access:** This service will deliver the single point of access and co-ordinate the integrated lifestyle service offer in Islington and Camden, which includes weight management, stop smoking support, NHS Health Checks and several physical activity interventions. The service will play a key role in promoting lifestyle services across the two boroughs, encouraging and ensuring uptake of those services by residents with modifiable risk factors, with a particular focus on those from more vulnerable, higher risk population groups, and working with the providers of the different lifestyle services to maximise outcomes for residents/service users. It will include:
 - Website – information on all lifestyle services will be available on one website, and web-referrals will also be conducted through the site
 - One phone number – for information about all adult lifestyle services (would also include signposting to universal services) and would accept referrals into each of the services
 - One database – to store all service user information in a consistent format – all lifestyle service providers would be expected to input a minimum dataset to this on a monthly basis
 - Consistent approach to accessing all lifestyle services– will ensure equitable access to a variety of lifestyle interventions

Currently there is no equivalent to the single point of access service operating in Islington. The added value this will bring, when compared to the current approach, includes: residents will be

supported to access the most appropriate lifestyle services for their needs; client journeys will be tracked through lifestyle services; referrals will be easier for residents making self-referrals and for professional referrers; health care staff and other staff coming into contact with those who could benefit from these services will be able to refer to one place; GP practices will receive improved information about their patients' participation in and outcomes from these services

- **Supporting behaviour change training:** delivery of training for health, social care and other frontline staff who work with adults in Islington, to support them in putting health promotion at the centre of all their work and maximising teachable moments.
- **Smoking Cessation** (within which there maybe multiple lots, depending on the findings of the market testing): evidence based community Stop Smoking Service contributing to the reduction of smoking prevalence, reducing the incidence of long term conditions exacerbated by smoking, and reducing health inequalities.
- **Exercise on Referral** (incorporating what was previously the cancer exercise programme): a structured exercise programme tailored to the needs and goals of participants through individual and group based activity. Activities are targeted to the requirements of clients with specific conditions, such as heart disease, mental health, chronic obstructive pulmonary disease (COPD), diabetes, cancer.
- **NHS Community Health Checks and outreach:** The target population for NHS Health Checks will be in accordance with the national eligibility criteria and delivered in line with current best practice guidance. In addition the provider will undertake general health promotion outreach activities to increase awareness and use of all lifestyle services amongst those ineligible for, or declining the offer of, a NHS Health Check - the service will offer advice tailored to that individual's needs. Under the Health and Social Care Act 2012, Local Authorities have a legal duty to seek continuous improvement in the percentage of eligible individuals taking up the offer of a NHS Health Check as part of their statutory duties.
- **Adult weight management (Tier 2):** delivery of community-based, weight management programmes in line with NICE guidelines.

What have we done already?

- 3.5** Service reviews were carried out in March-April 2014 which incorporated feedback from service users. Outputs and findings from these reviews have been incorporated into the design of the new service. In addition all services conduct participant feedback surveys on at least an annual basis, and this has also been fed into the redesign process.
- 3.6** To inform the development of an integrated lifestyle service we also visited a number of other areas that have adopted a similar approach. Between July and September 2014, site visits were made to Blackburn, Derbyshire, Luton, Manchester and Merton. These areas have adopted a range of approaches to commissioning and delivering adult lifestyle services. A number of key learning points were identified which have informed the proposed approach.
- 3.7** Building on the wider evidence and the key learning points from elsewhere, we have already undertaken considerable engagement with a range of key stakeholders across both boroughs. These included:
- Camden and Islington residents
 - Camden and Islington health sector partners (CCGs, GPs and hospitals, etc.)
 - Current Camden and Islington lifestyle providers
 - Camden and Islington third sector organisations
 - Officers across Camden and Islington Councils

A range of methodologies were employed throughout this engagement process including online surveys, focus groups and workshops. The findings from this engagement work will be built upon by the feedback received from the market engagement exercise which took place in January 2015.

Estimated Value

- 3.8** The services for Islington residents will be funded from the Islington Public Health budget. The proposed budget for this Islington adult lifestyle procurement is £908,000 per year, for an initial term of three years with scope to extend for a further two plus two years – so in total for three years the value of the Islington contract is £2,725,000 and for seven years would be £6,359,000. In the first year of the commissioned services, there will be an additional non-recurrent investment in 2016/17 of £25k to meet one-off costs associated with the establishment of the single point of access. The budget by lot is summarised in Table 2.

Table 2 Contract lots and values for Islington adult lifestyle programmes 2016-17

	Contract Value (£1000s)			
	Annual	3 years	3+2 years	3+2+2 years
Adult Weight Management (Tier 2)	92	276	460	644
Smoking cessation service	426	1278	2130	2982
Exercise on Referral	135	405	675	945
NHS Health Checks - community outreach	110+25*	329	548	767
Single point of access (including Supporting behaviour change training)*	146	428	730	102
Total	908+ 25*	2725	4542	6359

* additional £25K non recurrent funding required in 2016/17 to support development of SPA

- 3.9** This procurement is part of Public Health’s Adult Health Improvement Transformation Programme. This programme – which includes other health promotion programmes and services not included in this procurement, namely services commissioned from GP practices and pharmacies and oral health promotion – will release overall savings of £534,135 by 2016/17, of which £302,635 will be delivered in 2015/16. Budgets for the services included within this procurement have been remodelled to support investment into the new single point of access service element of the model, as well as to deliver modest annual savings as described below.
- 3.10** The total spend for the Adult Lifestyle services included as part of this procurement programme in 2013/14 was £881,405 and the forecast spend for 2014/15 is £923,514. The recurrent budget for these services will be reduced from £978,200 in 2014/15 to £908,457 in 2016/17, as part of the re-procurement.
- 3.11** A number of approaches have been taken to reduce costs and spend for the services included in this re-procurement, including:-
- Combining contracts across Camden and Islington, resulting in savings through economies of scale. This will also be more efficient for Public Health commissioners as it will reduce the resources required for ongoing contract management.
 - Payment by results mechanisms will be incorporated into all of these contracts to ensure payment is based on successful delivery of outcomes.
 - Benchmarking with other areas, in addition to detailed analysis across Camden and Islington, to identify the most efficient approaches for commissioning services and ensuring value for money.

Timetable

- 3.12** The majority of current contracts expire on 31st March 2016 (individual dates noted above). The exception to this is Islington adult weight management services, which expires on 31st December 2015. However the contract has extension clauses built in, so our intention is to extend the current contract for a further three months to align the expiry date with that of the Camden weight management contract (31st March 2016). Islington’s exercise on referral contract expires later than other contracts (November 2016). The intention is that the new joint exercise on referral contract will start at the expiry of this contract. As the Camden exercise on referral service is currently provided by LB Camden council, aligning both boroughs’ exercise on referral contracts to this date should be possible.
- 3.13** The procurement of these services is being led by Islington procurement. As a joint procurement, additional time has been built into the procurement timetable to allow the proposals to progress through

both Camden and Islington Council decision making processes, and in line with EU directives.

3.14 The procurement timetable is as follows (includes both Camden and Islington key dates), there are no statutory deadlines:

Stage	Date/s
Stakeholder and user engagement	October - December 2014
Market testing	January 2014
Procurement Board - Islington	29 th January 2015
Procurement Hub Board – Camden	13 th February 2015
Joint board - Islington	10 th February 2015
Strategic Procurement Board - Camden	19 th February 2015
Corporate Management Team – Camden	4 th March 2015
Executive - Islington	12 th March 2015
Cabinet – Camden	4 th April 2015
Service Specification finalised	April 2015
Invite tenders – Pre-Qualification Questionnaires	May 2015
Invitation to Tender	July 2015
Tender close & Evaluation	August - September 2015
Award approval	TBC (provisional September 2015)
Award	TBC
Mobilisation	January - March 2016
Contract Start	April 2016

Options appraisal

3.15 Delivery model

A number of routes to delivery were considered:

- Option 1: Continuing to commission individual services in both boroughs with no integration
- Option 2: Commission services jointly across two boroughs, with a single point of access, with different lifestyle services commissioned as different lots
- Option 3: Commission a fully integrated model. One provider working across Camden and Islington providing the single point of access and all the component lifestyle programmes
- Option 4: Cease delivery of all or some adult lifestyle services

3.16 Option 2 is the preferred approach. It will enable integration of services across Camden and Islington. This will facilitate economies of scale for providers, and mean we can advertise larger value contracts and thereby make the contracts more attractive to a wider range of providers. It should also improve choice for Camden and Islington residents both in terms of locations but also range of services, which would not have been possible if we had been commissioning smaller borough-specific contracts. In addition it will provide benefits to the commissioner as there will be fewer contracts and providers to manage. A further advantage of this approach is that by having separate lots for each of the different services we do not restrict the market to larger providers only. Thus we still enable local smaller organisations or those with specialist skills in only one lifestyle area to deliver services within the boroughs.

Option 1 would limit the ability to integrate services and therefore generate efficiency savings; it also increases the public health commissioning resource required to monitor and manage these contracts. In addition, it could limit the market, as contract sizes for single borough services would be substantially smaller and potentially less appealing to some providers.

Option 3 would potentially provide greater commissioner efficiencies in terms of contracts to be managed and could enable a fully integrated model. However the market in providers offering integrated lifestyle programmes in this way is only just developing. As such it is felt that there would be an extremely limited market that could provide such a service and it would also limit the market to larger providers to the detriment of more specialist providers. As such it is not thought that, based on current market assessment, this option would provide the best services to the residents of Camden and Islington and would reduce our ability to deliver effective outcomes across all services.

Option 4 was not considered viable given the importance of tackling the key modifiable lifestyle factors of smoking, physical inactivity, and overweight as a key part of local public health programmes to improve health and reduce health inequalities. Not commissioning these services would have a detrimental knock on effect across other council and health services.

Collaboration

- 3.17** The intention is for the adult lifestyle services to be commissioned and provided jointly across Camden and Islington. Following discussions with procurement colleagues in Islington and Camden, we are in discussion with legal services about how we can ensure providers work jointly to maximise the impact and outcomes of Camden and Islington's adult lifestyle offer.

Benefits and drawbacks

- 3.18** Key benefits for the preferred route are:
- It will achieve economies of scale by procuring across two boroughs – as the majority of contracts are individually commissioned this is likely to result in savings for a number of the contracts.
 - By procuring separate 'lots' rather than a single lot for all services, it heightens the chances of appointing service providers with specific expertise offering high quality interventions.
 - More flexibility to develop population-specific approaches across both boroughs
 - Bigger value contracts may generate more interest from potential providers
- 3.19** The salient drawbacks of the preferred route are:
- There is a risk that integration of lifestyle services across the two boroughs attenuates the ability of lifestyle services to integrate locally with other council, health and VCS services in each borough and offer locally tailored solutions. However service specifications will be developed to mitigate this risk. In addition we will work closely with colleagues in HASS who are developing Links for Living and taking forward Care Act implementation to ensure we dovetail with their local prevention offer.
 - Commissioning as multiple lots means that it will not be a fully integrated, seamless model. However experience of the market suggests a fully integrated, single provider model is not currently the best option. We will mitigate some of this by exploring the use of shared outcomes across services, so that in order to achieve shared outcome targets and realise shared incentive payments, providers must work collaboratively across the system.

Key Considerations

Social Benefit

- 3.20** As a requirement of the new integrated lifestyle service, individual providers in the new model will be expected to link into wider services that support health and wellbeing, as well as other local health services e.g. winter warmth interventions Furthermore, contracts will include Key Performance Indicators which specifically focus on hard to reach groups who are known to be in most need but are not currently accessing the services, e.g. residents from most deprived wards. Certain contracts will also include a payment to incentivise utilisation of the service by specific population groups.

In addition to this, providers will support workplace health promotion to ensure the services build capabilities in organisations to support lifestyle change among staff. We are working with the Business and Employment Support Team to look at how we can further maximise social value when procuring and designing these services.

London Living Wage

- 3.21** Benchmarking has been carried out with prospective suppliers as part of the market testing process and all new lifestyle services providers will be required to pay the London Living Wage.

Best Value

- 3.22** The willingness and ability of providers to innovate in order to provide best value will form a key part of the procurement process. The providers' provision of best value and commitment to service improvement will also be reviewed throughout the course of the contract at regular supplier meetings and performance reviews.

Key performance indicators will focus on a number of areas addressing the economy, efficiency and effectiveness of the service, while many of the contracts will have a payment-by-results element giving

the supplier additional incentives to deliver best value and continually improve their level and quality of service.

Economic, social and environmental sustainability

- 3.23** Economic, social and environmental sustainability have been considered and will continue to be considered throughout the course of the contract. The budget for the contract has been allocated for the full seven year term and will be reviewed periodically. Social sustainability will be integral to the success of this integrated model and social considerations will form part of both service specifications and Key Performance Indicators for all contracts. Environmental Impact Assessments have been completed for all services and no significant issues were identified – further detail is provided later in the report

TUPE, Pensions and Staffing implications

- 3.24** Information on TUPE implications has been requested from current suppliers of these services. There are no direct TUPE, Pensions or Staffing implications on Islington Council's workforce.

Evaluation

- 3.25** A range of procurement routes have been considered for these contracts.

The tender for the Single Point of Access may be conducted using Competitive Dialogue Procedure. The Competitive Dialogue Procedure may only be used when the Council cannot fully define the technical means capable of satisfying their needs or objective; or specify the legal and/or financial make-up of the project. The first stage is Selection Criteria through a Pre-Qualification Questionnaire (PQQ) which establishes whether an organisation meets the financial requirements, is competent and capable and has the necessary resources to carry out the contract. The PQQ is backwards looking and explores how the organisation has performed to date, its financial standing, information about their history and experience.

A limited number of organisations who meet the PQQ requirements are then invited to participate in a dialogue process, through an Invitation to Participate in Dialogue (ITPD). This is sent to short-listed organisations to commence the dialogue during which any aspects of the project may be discussed and solutions developed. Solutions may be de-selected as the dialogue continues. The dialogue continues until one or more solutions are identified which satisfy requirements.

At the end of the dialogue the Council requests an Invitation to Submit a Final Tender (ITSFT), setting out the requirements and confirming bids need to be acceptable. The ITSFT is now forwards looking using Award Criteria. Tenders are evaluated on the basis of the tenderers' price and ability to deliver the contract works or services as set out in the evaluation criteria to establish the most economically advantageous offer. Only limited clarification is permitted from this point and the Council is precluded from negotiation with providers.

We are considering this approach as this is a new and evolving area. We need to ensure innovation in establishing a service that does not currently exist locally. It is thought there could be some advantage to developing this collaboratively with potential providers. However a final decision on this will be made following the end of market testing, if we do not use competitive dialogue we will use a Restricted Procedure (described below).

It is anticipated that Exercise on Referral will be conducted in one stage, known as the Open Procedure as the tender is 'open' to all organisations who express their interest in the tender. The Open Procedure includes minimum requirements which the organisation must achieve before their evaluation Award Criteria is considered. This decision is based on previous procurement of this service which found there was only a small market of potential providers. Exercise on referral in Camden is currently provided in house by London Borough of Camden. However a decision has been made to test the wider market and openly procure a joint service across both boroughs. This approach will maximise service productivity and value for money.

It is anticipated the remaining tenders will be conducted in two stages, known as the Restricted Procedure as the tender is 'restricted' to a limited number of organisations. While not extensive, the provider market is considered large enough to make a two-stage tender process most likely to result in

the most economically advantageous tender. This will be compliant with EU regulations as well as Islington's local procurement guidelines.

The approaches to procurement described above are provisional and will be confirmed following the results of market testing which will be available in early February 2015.

Award criteria

- 3.26** Tenders will be evaluated on the basis of the most economically advantageous tender. Service quality and the capacity to successfully engage the local population is pivotal to the success and effectiveness of these services. Moreover we are looking for innovative approaches to provision of these services, but approaches which are also grounded in and guided by national guidance e.g. NICE, and best practice evidence.

We need to ensure services meet the wide range of diverse needs within the population - in terms of lifestyle services, one size does not fit all and sustainable behaviour change is complex and requires holistic support around the individual. The model we are proposing is new and innovative; as such quality will be particularly important in successful and effective mobilisation and delivery. The provisional evaluation is weighted 60% quality, 40% cost for all lots, pending agreement with the London Borough of Camden. This reflects the importance placed on providers' capacity to build and continuously improve a high quality service in order to deliver outcomes and innovation. The criteria and/or criteria weighting will be finalised by the Corporate Director of Public Health in consultation with the Executive Member for Health and Well-being and published within the contract advertisement.

The quality section of the proposed tender will be evaluated differently for each of the different lots. Current proposals for each of the lots are outlined in Appendix One. The full evaluation criteria are currently in draft form and subject to review by the project group. Market testing will also be used to inform award criteria.

Business Risks and Opportunities

- 3.27** Identified procurement risks and proposed management approaches are as follows:

- 1. Insufficient bids.** Extensive market engagement will be undertaken and a PIN was published in January 2015 to prepare for this. This will give us a clear understanding of the likely interest from providers before the procurement is undertaken. Other than the Single Point of Access, there has been some level of open procurement for all the services (in one or both boroughs) currently being procured as such we are reasonably assured that there will be a range of providers interested in providing these services.
- 2. Delay in procurement process.** A delay beyond April 2016 is unlikely given the timescales we are working to. Should this appear likely, waivers would be necessary to enable the award of contract extensions. The process will be carefully managed so any significant delay would be recognised in good time for this.
- 3. Bids of inadequate quality.** Research into the provider market has shown that there are a number of providers operating in this field, many of whom have seen success. We will have a clear understanding of appetite from provider organisations from the market engagement work and will account for this in our approach to the tender. Ensuring award criteria of 60% quality will further support us in awarding to providers who will provide a high level of quality and innovation.
- 4. Management of TUPE.** Particularly for services currently provided through NHS providers. Mobilisation plans will be reviewed as part of ITT. Mobilisation periods have been built into the timetable.
- 5. NHS provider of stop smoking services subject to re-commissioning.** Some financial risk (to the current provider) and political risk as this NHS provided service is market tested for the first time. Camden re-procured their stop smoking service in 2013-14, awarding the contract to an independent sector provider, indicating this is achievable within the budget envelope and with careful stakeholder management.

6. **Provision of current service deteriorates as a result of tender exercise.** A long contract length has been proposed. Sufficient lead in times have been factored in and staff and residents will be supported to understand what changes will take place and why.
7. **Capacity.** For the Public Health department, there are challenges in terms of the capacity to manage this complex re-procurement involving multiple services and lots. This will require a planned and phased approach by the team and allocation of tasks across the department.
8. **Cross-borough working.** There are economies of scale in joint commissioning of some services, but we need to ensure that service models meet the needs of residents in both of the boroughs, there is alignment of existing contracts and that we have clearly agreed procurement processes to make this happen. We are working closely with procurement teams in both boroughs, and both teams are represented on the steering group. We will ensure that specifications are developed to take account of the differences in the two boroughs.
9. **Engagement and coordination with other services in both councils at a time of significant change for all.** We are involving colleagues from Adult Social Care and other departments in the procurement process. In addition we have been, and will continue to consult with a range of colleagues across both councils to ensure that our model meets the needs of those residents they come into contact with and does not replicate but complements other service developments and reviews that they are involved in (this is particularly important in terms of the work adult social care colleagues are doing around prevention and the Care Act).

3.28 The procurement of these services offer are range of business opportunities, specifically:

- Developing an innovative approach to coordinating adult lifestyle services that harnesses digital technology for the benefit of residents but also retains a face-to-face outreach element to support those most in need
- Increased value for money and scope to commission targeted services by jointly procuring across Camden and Islington
- Longer contracts providing greater value for money and an opportunity for providers to become established within the boroughs. Innovation will be built into the specifications and having longer contracts helps facilitate and embed this.

3.29 There are positive implications for service users, with a better, more accessible and more appealing service. Lifestyle factors affect different groups in different ways and we will work with communities, current and potential service users and stakeholders to ensure the service meets the needs of all concerned. The procurement will be informed by the Resident Impact Assessment. Feedback from service users to date indicate support for a more holistic, integrated approach to the delivery of lifestyle services in Camden and Islington, with more streamlined, clear access and referral routes in.

3.30 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

3.31 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	Adult lifestyle/health improvement services, which include smoking cessation; weight management; the single point of access, NHS Health Checks; and exercise on referral.

	See paragraph 3.3 and 3.4.
2 Estimated value	The total estimated value per year is £908,000. The agreement is proposed to run for a period of 3 years with two optional extensions each of two years. See paragraph 3.8.
3 Timetable	See paragraph 3.14
4 Options appraisal for tender procedure including consideration of collaboration opportunities	Deliver services jointly across Camden and Islington, with a single point of access, with different lifestyle services commissioned as different lots See paragraph 3.15-3.19
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	See paragraphs 3.20-3.23
6 Evaluation criteria	Evaluation will be weighted 60% quality, 40% cost for all lots. The award criteria price/quality breakdown is more particularly described within the report. See paragraph 3.2-6 and Appendix 1
7 Any business risks associated with entering the contract	Business risks have been assessed and management approaches identified See paragraph 3.27

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 Adult Lifestyle/Health Improvement Services is £978k per annum. The proposed budget from April 2016 is £908k p.a., this equates to a 7% saving per annum excluding the £25k one-off investment which will be funded from existing resources.

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 and Regulation 2013/351 made under the National Health Service Act 2006, section 6C). Therefore the council may provide adult healthy lifestyle services as proposed in this report. The council may enter into contracts with providers of such services under section 1 of the Local Government (Contracts) Act 1997. The

Executive may provide Corporate Directors 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 is currently £172,514. 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 comply 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. In compliance with the principles underpinning the Regulations and the council's Procurement Rules a competitive tendering procedure with advertisement is required.

The proposed procurement strategy, to advertise a call for competition and procure the service using a competitive tender process, 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 subject to the tender providing value for money for the council.

4.3 Environmental Implications:

These services will have only a minimal environmental impact. Where possible staff will be encouraged to use public transport to travel for work purposes. Fuel usage for lighting, heating and operating equipment within the buildings will be considered and where possible gas and/or electricity will not be wasted.

4.4 Resident Impact Assessment:

A resident impact assessment has been carried out on this proposal. It found that a specific group of residents would not be discriminated against as a result of this proposal as the service will aspire to follow a model of proportionate universalism but also target communities and groups where additional needs might exist.

There were some risks identified relating to equality of opportunity. This related to a number of factors, including:

- the variation in prevalence of unhealthy behaviours in certain BME groups
- providing appropriate models of delivery for certain groups, e.g. there is generally a need for more intensive adult health improvement services for certain disability types
- encouraging engagement with services, e.g. there are differences in how men and women engage with lifestyle services

We will ensure that the service redesign process takes into account these issues by reviewing existing service provision and building specific equality of access considerations into service specifications.

The RIA identified limited impact on residents from differential socio-economic positions as the new model will be more integrated and link into wider socio-economic services as well as health services. Furthermore, contracts will include Key Performance Indicators which specifically focus on hard to reach groups.

5. Conclusion and reasons for recommendations

5.1 Unhealthy behaviours substantially contribute to inequalities in ill health and early death in Islington. Encouraging and supporting people to adopt and maintain healthy behaviours are a key to reducing health inequalities and maintaining a focus on prevention and early intervention. The re-procurement of these adult lifestyle/health improvement services, with the overarching support of single point of access, is an essential component of this work.

5.2 The proposed approach will provide a range of high quality, evidenced based adult health improvement initiatives. Jointly commissioning across Camden and Islington will enable greater value for money and increase choice in terms of activities and locations for residents. The services will match the needs of Camden and Islington residents, and will focus on preventing people from becoming ill rather than treating them once they are ill.

Final report clearance:

Signed by:

Janet Burgess

Executive Member for Health and Well-Being

Date 24/02/2015

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Appendix One: Provisional Award Criteria for each of the adult lifestyle lots

The finalised criteria will be published within the contract advertisement.

Lot	Evaluation criteria	
Single Point of Access	Cost	40%
	Quality made up of:	60%
	Proposed approach to Service Delivery (including engagement of target communities; infrastructure , data systems and managing performance; wider workforce development)	25%
	Mobilisation Plan - Mobilisation/ action plan with challenges and barriers identified	10%
	Innovation and Improvement - How service will achieve outcomes, including retention and retaining strategies	10%
	Partnership working	10%
	Governance	5%
Adult weight management	Cost	40%
	Quality made up of:	60%
	Service Delivery: <ul style="list-style-type: none"> Proposed approach to service development and delivery Sustainable weight loss: Maintenance programme to ensure sustained weight loss at 12 months Quality Assurance and continuous Service Improvement 	30%
	Mobilisation Plan - Mobilisation/ action plan with challenges and barriers identified	10%
	Innovation - How service will achieve outcomes, including retention and retaining strategies	10%
	Equality and Diversity - Engagement plan to reach target communities (men, BME groups)	5%
	Governance	5%
Exercise on referral	Cost	40%
	Quality made up of:	60%
	Mobilisation	10%
	Accessibility and Diversity	10%
	Proposed approach to Service Delivery, including but not exclusively : <ul style="list-style-type: none"> Quality Assurance and Service Improvement 	25%
	Referrer and service user engagement, including completer follow-up	15%
Smoking	Cost	40%
	Quality made up of:	60%
	Mobilisation	15%
	Proposed approach to Service delivery	10%
	Recruitment & Retention	10%
	Quality Assurance (including Information Governance)	15%
	Diversity / addressing health Inequalities	5%
	Partnership working	5%
Community Health Checks and outreach	Cost (total) comprising the elements below	40%
	Block contract cost	15%
	Payment by Results cost	25%
	Quality (total) comprising the elements below	60%
	Proposed approach to Service Delivery (includes data flow & IT solutions)	30%
	Approach to targeting high-risk groups and service User Involvement	15%
Mobilisation Plan	5%	

	Quality Assurance & Service Improvement	10%
Behaviour change training	Cost	40%
	Quality made up of:	60%
	Proposed approach to Service Delivery	15%
	Mobilisation Plan: with challenges and barriers identified	10%
	Innovation and Improvement: How service will achieve outcomes, including retention and retaining strategies	10%
	Partnership working	15%
	Wider workforce development	5%
	Equality and Diversity - Engagement plan to reach target communities (men, BME groups)	2.5%
	Governance	2.5%