

Integrated Healthy Lifestyle Service Contract Award
Councillor Diane Lamb- Cabinet Member for Public Health
November 2016
Deadline date: <i>November 2016</i>

Cabinet portfolio holder: Responsible Director:	Councillor Diane Lamb, Cabinet Member for Public Health Dr. Liz Robin, Director of Public Health
Is this a Key Decision?	YES If yes has it been included on the Forward Plan : Yes Unique Key decision Reference from Forward Plan : KEY/05SEPT/01
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	YES The attached annex is NOT FOR PUBLICATION in accordance with paragraph (s) 3 of Schedule 12A of Part 1 of the Local Government Act 1972.
Is this a project and if so has it been registered on Verto?	NO Verto number: N/A

R E C O M M E N D A T I O N S

The Cabinet Member is recommended to:

1. Approve the award of contract to Solutions 4 Health Ltd to deliver an Integrated Healthy Lifestyle Service in Peterborough for the sum of £4,208,923.67 over 5 years from 1 April 2017 to 31 March 2022 with the option to extend for a further 2 years, following the completion of a competitive tender process.
2. Approve the transfer of 19 Peterborough City Council employees from within Public Health's Healthy Lifestyle team to Solutions 4 Health Ltd on 1 April 2017 in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 1981.
3. Authorise the Director of Governance to enter into any legal agreements necessary to document the contract and legal arrangements.

1. SUMMARY OF MAIN ISSUES

- 1.1 This report seeks the Cabinet Member for Public Health's approval to award the contract to Solutions 4 Health Ltd as set out in the recommendations following a procurement process undertaken in accordance with the Public Contract Regulations 2015.

2. PURPOSE OF THIS REPORT

- 2.1 This report is for the Cabinet Member for Public Health to consider exercising delegated authority under paragraph 3.4.8(a) of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (a).
- 2.2 The attached annex is NOT FOR PUBLICATION in accordance with paragraph (s) 3 of Schedule 12A of Part 1 of the Local Government Act 1972 in that it contains information relating to financial and business affairs namely the price submitted by unsuccessful bidders. The public interest test has been applied to the information contained within the exempt annex and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it as to do so could; (i) compromise the Council's position in any future procurement of such services and (ii) compromise the bidders' positions in the marketplace for such services.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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4. DETAILS OF DECISION REQUIRED

- 4.1 The Council's seeking to award a contract for a new Integrated Healthy Lifestyles Service in Peterborough working in partnership with the Cambridgeshire and Peterborough Clinical Commissioning Group. The purpose of the contract is to establish a new provider who can deliver a range of public health interventions of a high quality across various settings in Peterborough.
- 4.2 The new service shall seek to reduce health inequalities and address lifestyle-driven health problems through an integrated approach that empowers individuals to make healthy choices.
- 4.3 The activities that are to be part of the integrated service include the provision of:-
- Smoking cessation support
 - Health trainer support
 - Weight Management support for children and families
 - Weight management support for adults (Tier 1, 2 and 3)
 - Physical activity support for adults
 - Delivery of Health Checks in community and workplace settings
 - Health promotion

- 4.4 Following the contract award all existing Council employees from within the existing Public Health's Healthy Lifestyle team will be transferred to Solutions 4 Health Ltd on 1 April 2017 in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 1981(TUPE).
- 4.5 The value of the 5 year contract that would operate from 1 April 2017 to 31 March 2022 is £4,208,923.67 in total which equates to £841,784.73 per annum. The value of the 2 year contract extension that would operate from 1 April 2022 to 31 March 2024, in the event the option to extend was taken, would be £1,704,518.35 in total which equates to £852,259.17 per annum.

5. CONSULTATION

- 5.1 Consultations regarding the proposal to appoint a new provider for an Integrated Healthy Lifestyle Service have been undertaken with partners, stakeholders, unions, members of the public and service users as noted below:
- Union representatives were consulted at the start of the procurement process in May 2016.
 - Public Health Healthy Lifestyles Service Staff
 - Formal briefing was held in June 2016, with a member of HR present for each individual briefing to answer all TUPE related questions;
 - On-going face-to-face and written briefing are being provided to staff throughout the process;
 - A staff panel have been actively engaged in the procurement process, setting questions for the three short-listed providers, and scoring provider presentations. The scores awarded by the staff panel has formed part of the overall scores for the three short-listed providers.
 - Greater Peterborough Executive Partnership was consulted in June 2016.
 - Children and Families Board was consulted in June 2016.
 - GP Practice Manager Group was consulted in June 2016.
 - Greater Peterborough Local Commissioning Group Board was consulted in July 2016.
 - Patient Representative Group was consulted in July 2016.
 - Members of the public and service users were consulted between June 2016 and July 2016.
 - Posters were displayed in GP practices, children centres and community centres advertising the proposed procurement and an associated survey to gather people's views about the proposal and the service;
 - Paper copies of the survey were circulated and a link to access the survey through the Council's website was advertised;
<https://www.peterborough.gov.uk/council/consultations/integrated-healthy-lifestyles-service-consultation/>
 - The survey was advertised to all existing Healthy Lifestyle service users;
 - Approximately 250 surveys were completed by members of the public and service users. The results of the survey were used to inform the Invitation to Tender documentation and the full results of the survey were included as an annex to the Invitation to Tender.

6. ANTICIPATED OUTCOMES

6.1 It is anticipated that the new service will provide cost-effective, high quality integrated provision that will improve both universal access to healthy lifestyle support and targeted provision that will contribute to a sustainable reduction in health inequalities within Peterborough.

6.2 The key objectives of the service will be:

- To provide a cost effective, evidence based Integrated Healthy Lifestyles Service;
- To provide universal access for individuals and families and targeted provision for priority groups to address existing health inequalities;
- To establish robust pathways based on appropriate guidance for each of the programmes provided, including an effective triage/booking system for programmes;
- To provide programmes within identified settings to increase access to services, ensuring they are culturally appropriate;
- To provide both one to one and group services as required to increase the effectiveness and efficiency of each programme;
- To provide evidence based behaviour change interventions tailored to meet the specific needs of target groups or individuals with consideration given to their age, disability, mental health and cultural and ethnic background and make onward referrals to appropriate services;
- To promote healthy lifestyle messages to the local population aligned to the Public Health England marketing programme and the local Public Health marketing programme;
- To use innovative and appropriate media and marketing techniques tailored to specific audiences especially in high need communities;
- To ensure continuous service improvement and user focused services through innovation and the involvement of service users, stakeholders and related services in service design, development and ongoing evaluation.

7. REASONS FOR RECOMMENDATIONS & ANY RELEVANT BACKGROUND INFORMATION

7.1 There are socio-economic inequalities within Peterborough, with areas of significant deprivation close to central Peterborough, while the health of people in Peterborough is generally worse than the England average. A review of the overarching indicators within the Public Health Outcome Framework demonstrates a RAG rating of Red across four of the six life expectancy indicators. Furthermore, life expectancy is not uniform across the City with variations of up to nine years in life expectancy evident between wards that are geographically close.

7.2 Years of life spent in poor health are also significant within Peterborough. A woman in Peterborough can expect to live to over 82 but will spend around 22 years in declining health, while a man can expect to live to nearly 78 having spent 20 years in poor health. This results in reduced quality of life for individuals and their families and also places an unsustainable burden on health and social care services. By reducing lifestyle risk factors across our population the burden of ill health could be significantly reduced.

- 7.3 Smoking rates in Peterborough are similar to the national and regional averages with 17.7% of the adult population smoking. This rate has declined in recent years, and at a faster rate than the national average, from 25.2% in 2010 to its current rate. However, the current levels are still significantly higher than the lowest rate in the region of 15.5%. The smoking rates among routine and manual workers, 25.1%, have also dropped in recent years but are still higher than several areas in the region. The percentage of women smoking during pregnancy in Peterborough is also significantly higher than national and regional rates at approximately 16%.
- 7.4 Two out of three adults in Peterborough are overweight or obese which is comparable to the regional average. The number of children aged 10-11 years with excess weight in Peterborough is slightly lower than the national and regional averages at 32.2%, but this still equates to one in three children. The number of children in Peterborough with excess weight at age 4-5 years is 21.3%, which is slightly higher than the regional average for this age group.
- 7.5 Evidence shows that an active life is essential for physical and mental health and wellbeing. A number of diseases are currently on the increase and affecting people at an earlier age. They include cancer, diabetes and cardiovascular disease, a priority for Peterborough. Regular physical activity can guard against these, however, physical inactivity rates in Peterborough are worse than the national and regional averages.

8. Procurement

- 8.1 The contract was procured under Regulation 74 of the Public Contracts Regulations 2015. A Contract Notice was published through Delta, a system that publishes the opportunity to a number of tendering journals, such as Contract Finder and the Council's website. Bidders are directed to the Council's e-sourcing portal (Supplierforce) that gives them access to the Council's Invitation to Tender (ITT) and supporting documentation. The ITT explained to bidders how the procurement process would be conducted and gave instructions on how to proceed when entering a compliant bid.
- 8.2 Prior to entering their tenders the participating organisations were afforded the opportunity to attend a Council presentation and clarification event and a further opportunity to submit written clarification questions to the Council. All Council responses were recorded and shared with all bidders.
- 8.3 The ITT consisted of 4 elements, as listed below:
- **Selection Criteria** (Pass/Fail) - This stage assessed bidders against criteria that included: finance; insurance; safeguarding; quality assurance; licensing and registration; technical and professional abilities. The procurement lead carried out the assessment of the selection criteria, to ensure that all the bids met the minimum standards, and the price submissions.
 - **Quality Criteria** (50%) - Method Statement questions covering various elements required in the service specification were assessed independently by members of a Commissioners Panel, before scores were moderated. The score for each question was weighted based on priority given to the subject covered by the question.

- **Price** (30%) - The price element was made up of the submission price (20%) and the price assumptions (10%). The bidders were given a ceiling price, which was the budget for the service and were asked to bid against this.
- **Presentations** (20%) - Shortlisted bidders following the evaluation process, moderation of the Quality Criteria and the Price (including assumptions) were invited to attend presentations. Shortlisted bidders were required to deliver two presentations, one presentation to a Commissioners Panel and one presentation to a Staff Panel.

8.4 A scoring scale, outlined below, was used to score the Quality Criteria, the Price assumptions and the two Presentations:

- 0 - No Answer Provided
- 1 - Unacceptable
- 2 - Inadequate
- 3 - Adequate
- 4 - Good
- 5 - Outstanding

8.5 The Council received and evaluated submissions from 5 organisations:

- Solutions 4 Health
- Everyone Health
- Spirit Healthcare
- Thrive Tribe
- People Plus

Of these organisations 3 were shortlisted and invited to present to a Commissioners Panel and a Staff Panel.

9. ALTERNATIVE OPTIONS CONSIDERED

9.1 Option 1 - Maintain the status quo - Continuing to deliver a smaller Healthy Lifestyle Service through the Public Health directorate, together with a separate contract with Cambridgeshire Community Services (CCS) for weight management services, was considered. This was rejected as it was agreed that procuring a new integrated service through a competitive tender would enable the service to be developed and enhanced.

9.2 Option 2 - Smaller scale procurement - Undertaking a narrower competitive tender that did not include Tier 3 Weight Management services funded by the Cambridgeshire and Peterborough Clinical Commissioning Group. This was rejected as it was agreed that this would create an unnecessary separation of services to the detriment of local residents.

10. IMPLICATIONS

10.1 Legal

10.1.1 The award of the contract to Solutions 4 Health Ltd was undertaken in compliance with the Public Contract Regulations 2015 and the Council's Contract Rules.

10.2 Finance

10.2.1 The five year contract price is £4,208,924, an average of £841,785 pa. First year cost would be £869,448 . Total resource envelope was £876,530 per annum. Award is within the contract value.

10.3 Implications for Staff

10.3.1 The current Peterborough City Council Public Health Delivery Team will transfer to Solutions 4 Health Ltd under TUPE arrangements. 2 employees from CCS will also transfer to the new provider. TUPE provides protection for employees in relation to maintaining existing terms and conditions of employment.

10.3.2 Most members of staff remain positive about the proposals. Any change inevitably brings uncertainty with it. Members of staff have managed the uncertainty that the process of developing these proposals has inevitably caused. They will now know the identity of the organisation that is being recommended, which will help to start bringing the changes into something more tangible.

10.3.3 Assuming the recommendation for the contract to be awarded is accepted, an implementation plan will be developed to ensure that staff transfer smoothly to Solutions 4 Health Ltd. This plan will continue the established ethos throughout the process of the close involvement of our current staff in developing the new service.

10.3.4 A formal consultation process relating to the implementation of the new service and the transfer under TUPE arrangements will also take place, in line with existing procedures.

10.4 Equality Impact Assessment

10.4.1 An initial equality impact assessment has been undertaken noting the consultation undertaken with service users, stakeholders and members of the public. The initial assessment highlighted examples of the positive impact that the service should have by addressing local health inequalities among certain groups

11. **DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED**

11.1 None.

12. **BACKGROUND DOCUMENTS**

12.1 None.