

Cabinet Member Delegated Decision Report 19 December 2018

Contract Award for Tier 2 Adult Weight Management Services

Wards: All

Portfolio: Councillor Edward Davie and Councillor Jacqui Dyer, Cabinet Member for Health & Adult Social Care (job-share)

Report Authorised by: Fiona Connolly, Strategic Director Adults and Health

Contact for enquiries:

Alex Jackson, Senior Commissioning Officer, ajackson2@lambeth.gov.uk, 020 7926 4524

David Orekoya, Lead Commissioner, dorekoya@lambeth.gov.uk, 020 7926 0477

Report summary

Lambeth Council along with Lambeth Clinical Commissioning Group (CCG) have developed a local obesity care pathway which: considers local needs and priorities particularly in relation to addressing health inequalities and is evidence based and in line with national, clinical and policy guidance

Following a competitive procurement process, this report seeks approval to award a contract to Guys and St Thomas' NHS Foundation Trust (GSTT) to provide a structured and evidence based Tier 2 adult weight management service, targeted at those priority groups where we know health inequalities and higher rates of morbidity and multi morbidity lie. The initial contract term is from 1st April 2019 to 31st March 2021 and there is the option for two, one year extensions.

Finance summary

This report is for the award of an initial two year contract with the option of a 1+1 extension for the provision of a structured and evidence based Tier 2 adult weight management service. The annual value of this contract is £360,000 and the total value of the contract including the extensions is £1,440,000.

Recommendations

(1) To award a contract to Guys and St Thomas' NHS Foundation Trust for the provision of a structured and evidence based Tier 2 adult weight management service to run from 1st April 2019 until 31st March 2021 at a maximum value of £360,000 per year with the option of a 1+1 extension (to 31st March 2023) bringing the total maximum value of the contract (including a two year extension) to £1,440,000.

Reasons for Exemption from disclosure

The accompanying part II report is exempt from disclosure by virtue of the following paragraphs of Schedule 12A to the Local Government Act 1972:

Paragraph 3: Information relating to the financial or business affairs of a particular person (including the authority holding that information).

1. Context

- 1.1 Current weight management provision is delivered as part of a legacy service that the council inherited upon the transfer of Public Health responsibilities in 2012.
- 1.2 Working jointly with the Lambeth Clinical Commissioning Group (CCG) we have carried out an extensive review of the current adult weight management pathway over the last 2 years. This has identified that since the original inception of the service the evidence about local needs and best practice has changed and it is not considered to conform to best practice nor provide best value. It has also identified that the cost of current provision is not in line with benchmarks across London.
- 1.3 The agreed outcome of this review is to re-commission all key elements of the adult healthy weight pathway – including a structured Tier 2 weight management service – in line with best practice, policy guidance and local need. The new service will be targeted at those at highest risk and in greatest need.
- 1.4 The new service will contribute to the “Future Lambeth; Our Borough Plan” strategic priorities:
 - Reducing inequality

2. Proposal and Reasons

- 2.1 Commissioners have drawn on evidenced good practice and consulted with stakeholders and the public including extensive involvement of clinical leads to help develop and shape the service specification.
- 2.2 A range of sourcing options for the service were examined. A competitive tender was chosen as there is a developed and varied market of providers offering adult weight management services. It was felt that this was the best option to deliver a high quality service that maintains outcomes whilst being financially sustainable and contributing towards the achievement of financial efficiencies. The new service will deliver a saving of £225,000 per annum.
- 2.3 This project is above the EU OJEU threshold of £615,000 for ‘Light Touch Regime’ and as such was procured using the OJEU open procedure.
- 2.4 There was a 70% quality and 30% price ratio for this procurement. The Pricing was evaluated according to the following methodology:
 - Lowest Price = Maximum percentage score of 30%
 - The following formula will be applied to all other bids:
 - $\text{Lowest Price/Tendered Price} \times 30\%$

The method statement criteria is detailed below:

MS No.	Section Method Statement Criteria	Weighting (%)
1	Service model to meet outcomes, aims and objectives	
	1.1 Experience and achieving outcomes	10
	1.2 Delivery model, activities and interventions	10
	1.3 Measuring impact	4

	1.4 Risks and mitigation	4
2	Reaching Target Groups 2.1 Targeted Social Marketing approaches	4
3	Communication and Marketing 3.1 Communications Strategy	4
4	Mobilisation Plan 4.1 Tasks, milestones	4
	4.2 Risks and mitigation	4
5	Engagement 5.1 Engaging with service users	4
6	Resourcing 6.1 Staffing	4
	6.2 Recruitment and competency	3
	6.3 Governance	3
7	Safeguarding 7.1 Safeguarding service users	5
8	Social value 8.1 Social value proposals	3
9	Exit plan 9.1 Contract end exit plan	4
	Total:	70

2.5

The Council issued an OJEU notice on 14th September 2018 inviting providers to tender for this weight management service via an open tender process. Three organisations submitted a tender by the deadline however one organisation submitted a conditional bid and was disqualified. The method statement submissions (quality component) were evaluated and moderated by an evaluation panel. The quality and price score were added together to gain the final score. GSST submitted the most economically advantageous tender as they had the highest final score (including quality and price) and achieved a minimum of 3 for each individual method statement questions. . Therefore it is proposed that GSST is awarded the contract to deliver the Adult Weight Management - Tier 2 service. The contract will run from 1st April 2019 to 31 March 2021, with the option of a 1+1 extension.

2.6 GSTT's tender submission included a robust mobilisation plan including milestones, risks and mitigations. The tender also provided a clear approach to working with vulnerable clients and safeguarding. The organisation are experienced in providing weight management services and supporting these cohorts as demonstrated in their tender submission. As a requirement of the award the successful provider met all minimum quality threshold criteria.

2.7 The service will provide a structured and evidence based Tier 2 weight management service, focussed at those priority groups where we know health inequalities and higher rates of morbidity and multi morbidity lie. The service will as a requirement provide:

- A structured and evidence based physical activity intervention; consisting of group based physical activity sessions, with the offer of 1:1, personalised support where this is required / someone is in need of this additional support.

- Classroom based education sessions focussed around diet and nutrition.
- 2.8 We will ensure that the contract includes adherence to the new General Data Protection Regulation (GDPR).

3. Finance

- 3.1 Our intention is to award the contract for 2 years with the option of a 1+1 extension.
- 3.2 The annual value of this contract is £360,000.
- 3.3 The total maximum value of the contract including the extensions is £1,440,000.
- 3.4 Funding for the service will come from the Public Health grant which is allocated to the council for the purpose of delivering its responsibilities of health improvement and addressing health inequalities in line with the Health and Social Care Act 2012.

4. Legal and Democracy

- 4.1 The authority to approve the recommendation is delegated to the Cabinet Member for Health and Adult Social Care (job-share). Before exercising that authority, this paper should be reviewed by the Procurement Board.
- 4.2 The Public Contracts Regulations 2015 apply to the proposed contract and as the estimated value of the contract exceeds the £615,278 threshold for 'light touch' services the Council was required to publish a contract notice in the Official Journal and then competitively tender the contract opportunity. This report sets out how officers complied with these obligations.
- 4.3 As soon as possible after making the decision to award the contract, the Council must provide a written notice to the unsuccessful bidders, naming the winning bidder and describing the characteristics and relative advantages of the successful tender. The notice also has to state when the 'standstill period' is expected to expire and the date before which the contracting authority will not enter into the contract or conclude the framework agreement.
- 4.4 This proposed key decision was entered in the Forward Plan on 8 October 2018 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. Consultation

- 5.1 The new service model and approach was approved at the Adults and Health management board (the health and social care senior management team for both the council and the CGG) on 20th August 2018.
- 5.2 We have carried out an extensive programme of clinical and stakeholder consultation and engagement as part of development of plans over the last two years. This has included the

development of the obesity pathway with the CCG, public consultation, and involvement of both clinical leads and senior leaders.

6. Risk management

6.1 See table below:

Key Risk	Likelihood	Mitigation
Delay in Mobilisation	Low	The proposed organisation has submitted a robust mobilisation and there is a three month lead in time to prepare for the contract start. The provider is currently operating in Lambeth.
Provider poor performance	Low	Service provision will be subject to regular contract monitoring reviews on a quarterly basis. An annual report (and 6 month report in year 1) will also be produced detailing performance against KPI targets and additional data reporting requirements, programme expenditure, challenges and obstacles and service user feedback. We have also included break clause after the first year of the contract and the option for two 1+1 extensions.
Provider Failure	Low	A Dun and Bradstreet finance report has been reviewed by Finance. Finance and business sustainability will be discussed in monitoring meetings. Due diligence checks will be reviewed and refreshed in December 2018. This will include checking policies and procedures (safeguarding, risk assessment around health and safety for physical activity, insurances).
Business continuity	Low	Provider has robust business continuity plan which will be reviewed during regular contract monitoring cycle.

7. Equalities impact assessment

7.1 An Equalities Impact Assessment (EIA) was undertaken which found that local and national evidence shows that certain population groups are at higher risk of obesity and conditions associated with or exacerbated by obesity and unhealthy weight, namely:

- Black, Asian and Minority Ethnic (BAME) groups
- Those living with long terms conditions (LTCs) including mental health issues
- People who live in more socioeconomically deprived areas

7.2 There is a higher prevalence rate of obesity within certain ethnic groups, namely Black Caribbean, Black African and Bangladeshi. Approximately 25% of Lambeth's population is of Black African, Black Caribbean or Black British heritage and the proportion of adults of mixed ethnicity and Asian/Asian British descent continues to grow. We know that these BAME populations and people who live in more socioeconomically deprived areas are more at risk of developing certain long term health conditions as a result of being overweight or obese, including diabetes, cardiovascular disease and hypertension.

- 7.3 The Tier 2 weight management programme will be designed to focus on these key groups where there is a higher burden of obesity related ill health which has significant impacts on the individuals own life chances as well as on the wider health and social care system. Therefore the eligibility criteria for the new service is designed to take into account evidence which suggests that people from these communities are more likely to develop LTCs up to 10 years earlier than the general population.
- 7.4 Evidence suggests that effective weight management programmes can improve people's health behaviours by supporting positive behaviour changes in relation to nutrition and physical activity. The proposed service is in line with Lambeth council's priorities set out in the Borough Plan to promote health and wellbeing and reduce health inequalities.

8. Community safety

- 8.1 Not applicable.

9. Organisational implications

- 9.1 Environmental
Not applicable.

- 9.2 Staffing and accommodation
It is understood that TUPE will not apply and there are no Council staff TUPE implications.

- 9.3 Procurement
All staff employed via this contract will be paid London Living Wage, as a minimum. The provider is also committed to providing volunteering opportunities as part of their commitment to increasing access to employment opportunities for local Lambeth residents.

- 9.4 Health
The council has responsibility for improving health as enshrined in the Health and Social Care Act 2012. The new service will contribute towards this by supporting vulnerable residents who are obese and likely living with or at risk of developing long term health conditions associated with obesity and unhealthy weight, to achieve safe levels of weight loss. Reducing unhealthy weight, decreasing the risk and/or prevalence of long term health conditions and promoting physical activity are key priorities in promoting health and wellbeing and reducing health inequalities and the wider burden on the health and social care system in Lambeth.

- 9.5 Social value
Social value was a key consideration in the tender evaluation process. GSTT has identified areas where this service will deliver added value, this included:
- outreach work with colleges for the provision of training and advice on healthy eating,
 - promoting the use of volunteers as part of the core delivery of the service,
 - a commitment to sustainable neighbourhoods through a cycle to work scheme providing tax-free cycle purchase to staff and patients.

10. Timetable for implementation

No.	Description	Date
1	Tender Advertised/OJEU Contract Notice published	14/09/2018
2	Tender Closed	9/11/2018
3	Evaluation & Moderation of Scores	9/11/2018 - 23/11/2018
4	Procurement Board	04/12/2018
5	Decision published online	07/12/2018
6	Decision due	27/12/2018
7	Issue contract	Mid-January 2019
8	Contract award notice	January 2019
9	Contract start date	1/04/2019

Audit Trail				
Consultation				
Name/Position	Lambeth directorate / department or partner	Date Sent	Date Received	Comments in paragraph:
Councillor Edward Davie	Cabinet Member for Health & Adult Social Care (Job Share)	29/11/18		
Councillor Jacqui Dyer	Cabinet Member for Health & Adult Social Care (Job Share)	29/11/18	10/12/18	
Fiona Connolly	Strategic Director Adults & Health	29/11/18	05/12/18	
Peter Hesketh, Assistant Director of Finance	Corporate Resources	29/11/18	06/12/18	3
Michael O'Hora, Legal Services	Corporate Resources	29/11/18	30/11/18	4
Maria Burton, Democratic Services	Corporate Resources	29/11/18	05/12/18	4
Michelle Binfield, Associate Director – Commissioning (Disabilities and Public Health)	Adults & Health	29/11/18	29/11/18	
Internal Procurement Board				

Report History	
Original discussion with Cabinet Member	13.7.18
Report deadline	n/a
Date final report sent	n/a
Part II Exempt from Disclosure/confidential accompanying report?	Yes
Key decision report	Yes
Date first appeared on forward plan	08.10.2018
Key decision reasons	2. Expenditure, income or savings in excess of £500,000
Background information	_PHE guide to commissioning Tier 2 Weight Management service
Appendices	None

APPROVAL BY CABINET MEMBER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board and taken account of their advice and comments in completing the report for approval:

Signature: _____ **Date:** _____

Name: David Orekoya

Post: Lead Commissioner – Health Improvement

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature: _____ **Date:** _____

Councillor Jacqui Dyer

Cabinet Member for Health & Adult Social Care (job share)

Any declarations of interest (or exemptions granted): None