



City of Westminster

Cabinet Member Report

Meeting or Decision Maker:

Cabinet Member for Adult Social Care,
Public Health and Voluntary Sector

Date:

22 July 2024

Classification:

General Release, with confidential Part
B Information relating to the financial or
business affairs)

Title:

Contract Award for the Integrated
Healthy Lifestyle Service

Wards Affected:

All

Key Decision:

Yes

Decision is likely to result in significant
expenditure and working in two or more
wards.

Financial Summary:

The decision will be a continuation of an
existing service with the budget
available being sufficient to fund the
entire cost. The funding is from the ring-
fenced Public Health grant.

Report of:

Bernie Flaherty, Executive Director
Adult Social Care and Health

1. Executive Summary

- 1.1 A procurement was conducted to identify and appoint a suitably experienced supplier, who would be responsible for delivering a range of public health interventions, for the Integrated Healthy Lifestyle Service for Westminster City Council (WCC) and the Royal Borough of Kensington and Chelsea (RBKC). Sovereign contracts will be established for each borough.
- 1.2 On 30 August 2023, Commercial Gateway Review Board (CGRB) endorsed a procurement strategy to undertake a Light Touch, open procedure competitive procurement. This report sets out the procurement process conducted, the evaluation process followed, and the rationale for awarding the contract to the recommended supplier.
- 1.3 The contract term is five years, commencing on the 9 December 2024 and operating until 8 December 2029.
- 1.4 The total value of the contract over the full five-year term is expected to be £8,347,812. Services are fully funded via the Public Health Grant and there is no impact on the Council's General Fund.
- 1.5 The Council has commissioned this service since January 2019. Following a contract term of three years, an extension for a further two years was invoked until 31 December 2023.
- 1.6 The Bi-Borough service was reprocured with additional funds which are ringfenced to support public health outcomes and an enhanced offer to that which has been in place, along with new KPIs. Along with ensuring wards of greater deprivation are targeted for support and services, the same is for supporting black and minority ethnic populations across both boroughs, to tackle health inequalities. Additional capacity for training and an innovation fund is available to support co-design and delivery of services.
- 1.7 The Council has committed to continued investment in this service until December 2029. On the 16 July 2024, the Lead Member for Adult Social Care and Health, approved a ten-month direct award to Thrive Tribe (the incumbent provider) from the 1 January 2024 until 8 December 2024, as an interim measure. This was to afford commissioners sufficient time to conclude the procurement process and mobilise the new contract without disrupting current service delivery. However, due to unforeseen circumstances, the start date for the new service will be delayed. The service start date will be pushed back from the 1 November 2024 to 9 December 2024. As a consequence, the arrangement with the incumbent provider will need to be extended until 8 December 2024, to avoid any break in service. This will allow sufficient time for the new provider to mobilise the new service. It is anticipated that the new contract will now go live on 9th December 2024.

2. Recommendations

2.1. The Cabinet Member is recommended to approve:

- the contract award for the delivery of the Integrated Healthy Lifestyle Service to Reed in Partnership (RIP) Ltd (*company registration: 00851645*)
- The total sum is £8,347,812 (*£10,017,374 including VAT**) for five years, from the 9 December 2024 to 8 December 2029.

3. Reasons for Decision

3.1. The decision is required to implement the outcome of the procurement for the new Integrated Healthy Lifestyle Service. The new service will:

- Build on the well-established core offer of Smoking Cessation Services, interventions for residents with Multiple Risk Factors, the management and coordination of local Public Health information Advice and NHS Health Check Promotion.
- Contribute to a reduction in healthy inequalities by delivering services that are accessible and acceptable to all residents in both boroughs, with specific consideration for communities that experience health inequalities, such as residents who live in deprivation, those from global majority communities, those with learning disabilities and physical disabilities, and those with mental health issues.
- Co-produce and deliver culturally relevant, appropriate and competent programmes, designed to pro-actively engage residents from communities who experience health inequalities, by working in partnership with local community and voluntary sector organisations.
- Develop robust pathways across the housing, health and social care system to ensure better outcomes for residents.
- Raise awareness of health issues and highlight behaviour changes required via health promotion information and campaigns and deliver a comprehensive training programme to frontline staff across the wider partnership.
- To offer a peer support programme using coaching approaches to ensure engagement and resilience is built into the pathway of support for residents.

3.2. A small Innovation Fund has also been made available to enable the Provider to pilot new ideas within the Core Offer. This fund will support service development across the life course of the contract and ensure that the service is responsive to emerging local needs and supports ongoing co-design and co-production.

4. Background – Procurement

- 4.1. The open tender process was undertaken in a compliant manner, and the contract notice was published on the Find the Tender Service (FTS) and Contract Finder, in line with the Public Contract Regulations (PCR) guidance (2015).
- 4.2. The tender opportunity was published on 7 December 2023 via the Council's e-sourcing portal, Capital E-Sourcing (CapE), which provided access to the Council's Invitation to Tender (ITT) and supporting documentation. The ITT provided information on how the procurement process would be conducted and gave instructions on how to submit a compliant bid.
- 4.3. Following the publication of the tender, potential providers were afforded the opportunity to submit written clarification questions. All Council responses were recorded and shared with all potential providers via CapE.
- 4.4. The ITT consisted of three elements, as listed below:
 - **Qualification Envelope (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, with the support of the finance lead, carried out the assessment of the selection criteria, to ensure that all the bids met the minimum standards, and the price submissions.
 - **Technical Envelope (80 per cent)** - with a 15 per cent allocation for Responsible Procurement. Method Statement questions, covering various elements required in the service specification, were assessed independently by members of the evaluation panel, before scores were moderated.
 - **Commercial Envelope (20 per cent)** - A lower emphasis on the commercial weighting was deemed appropriate for this tender due to the highly specialised service being required and the market size and maturity. The bidders were given a ceiling price, which was the budget for the service and were asked to bid against this.
- 4.5. The tender was evaluated using the Most Economically Advantageous Tender (MEAT) with a split of 80 per cent for quality and 20 per cent for price. The tender evaluation criteria and the weighting were set out in the tender documents and clarified during the tendering process.
- 4.6. See Part B for tender evaluation details.
- 4.7. Due to unforeseeable circumstances, it is anticipated that the new service will not go live until the beginning of December 2024. The following timeline includes the key steps required to conclude the procurement process and the mobilisation period.

4.8. Next Steps/Timeline:

Stage	Date(s)
Cabinet /Lead Member decision taken	End of August
Issue letters to tenderers	End of August
Standstill period expires	Beginning of September
Publish Contract Award Notice	Beginning of September
Mobilisation	September - November
Go live date	9 December 2024

4.9. Risks/ Mitigations

Table 1: Risk Log

Risk	Detail	Mitigation
Mobilisation	Insufficient time to mobilise service, leading to delay in implementing the new service.	<p>This will be mitigated by the appropriate allocation of resources, robust project management and close engagement with the provider during mobilisation.</p> <p>As part of the ITT process, the provider included a mobilisation plan within their submission, indicating that 3 months would be required for mobilisation.</p> <p>Sufficient time has been built into the timeline to enable the Provider to mobilise the service in line with their mobilisation plan.</p>
TUPE	Incumbent was not successful therefore there is the risk of operational disruption if the transition of staff to new provider is not managed effectively.	The successful provider has provided a detailed mobilisation plan with clear timelines, roles, and responsibilities, providing for adequate training and support for staff during the transition.
Not awarding to incumbent supplier	The incumbent provider challenges the recommendation	The risk of challenge is minimal. The tendering exercise was conducted fully in line with PCR
Aged Debt	Credit Safe report indicates recommended supplier has aged debt with outstanding invoices.	Recommendation to Responsible Procurement team to prioritise supplier charter check-ups as part of the SRM deep dives to check 30-day payment compliance for supplier.

5. CONTRACT MANAGEMENT

- 5.1. This contract is to be awarded to Reed in Partnership (RIP) Ltd (company registration: 00851645) for the delivery of the Integrated Healthy Lifestyle Service.
- 5.2. The contract will be managed by the Integrated Commissioning Team in Adult Social Care and Public Health. A dedicated Market Manager has been assigned to this contract.
- 5.3. In 2022/23, the current provider exceeded their annual target for the number of residents achieving a four-week quit of 800 by 15. They also exceeded the number of people starting a multiple risk factor (MRF) programme of 500 by 15. See table below for details. The new annual targets have been increased to 1120 for 4 week quit rate and to 600 for number of people starting a MRF programme to ensure that more residents benefit from these services. See table below for details:

Table 2: Comparing current performance against the new targets

KPI	Target (2022/23)	Achievement (2022/23)	New target
KPI 1: Number 4 week quit target (Stop Smoking Service)	800	815	1120
KPI 2: Number of people starting a MRF programme	500	515	600

- 5.4. The Provider will be expected to meet all the reporting requirements as set out below:
- Meet all the performance reporting requirements and key performance indicators as set out in the service specification.
 - Submit all reports ten working days before each meeting in the required format.
 - Quarterly monitoring meetings to review submitted data against the service KPIs and outcomes.
 - Highlight report – setting out overall status, progress in current period, variance in performance with rationale, milestones, key risks and issues and plan for next period.
 - Mid-year Service Review Reports – to include an analysis of qualitative data, overview of performance at mid-year point, strengths and areas for improvement and plans for the next six months.

- Annual Report – to include equity audit – showing outcomes for different groups. Content of report to be agreed with Authorised Officer.
- GPs’ and Pharmacies’ payment update.
- Compliments and complaints.
- Serious untoward incidents.
- Social value commitments.

6. Financial Implications

6.1 The total cost of this proposal can be accommodated within the budgets identified as shown in the following table:

Financial Year	Budget (£)	Cost (£)	Saving against budget (£)
2024/25 (pro-rata)	591,000	535,115	55,885
2025/26	1,844,000	1,669,562	174,438
2026/27	1,844,000	1,669,562	174,438
2027/28	1,844,000	1,669,562	174,438
2028/29	1,844,000	1,669,562	174,438
2029/30 (pro-rata)	1,253,000	1,134,447	118,553

6.2 The full cost of the proposal will be funded by the Public Health grant and is factored into the medium-term financial planning in WCC Public Health. The saving against available budget will be made available for other Public Health services in accordance with the conditions of the funding. Any VAT payable will be in addition to these amounts and will not form part of any reporting, as is normal for other council services.

6.3 Although the cost of the proposal is less than the identified budget, the ring-fenced nature of the Public Health grant means that the difference will affect earmarked financial reserves with no savings being declared from the contract award.

6.4 Financial implications completed by Richard Simpson, Public Health Finance Manager.

7. Legal and Governance Implications

7.1 Both Councils are obliged to provide Integrated Healthy Lifestyle Services for their borough residents and the Open Procedure tender was undertaken as a joint procurement for both boroughs to select the contract provider, as brought out in this report. It is noted that although the tender notice mentioned the contract term for 5 +2 years, the tender documents only asked for prices to be submitted for 5-year term. Since the bids did not ask for year 6 and year 7

prices, to extrapolate the per annum amount for year 6 & 7, would mean assuming such prices for these years and would run the risk of challenge by other contractors who are aware that prices for year 6 & 7 have not been asked. The awarded contractor may also say they have not bid for year 6 and 7 since the tender did not ask them to and that their per annum prices for 5-year term would not necessarily apply for years 6 & 7. To ensure that the tender is compliant with the PCR, it has been decided on review to award the contract for a 5-year term only.

- 7.2 It is noted that each Council would award their own sovereign contract to the selected provider RIP Ltd for a term of 5 years. Both contracts are for fixed prices over the contract term of 5 years and would not include any automatic inflationary price increase clauses.
- 7.3 It is noted that LLW applies, and that TUPE is also likely to apply for the extant provider's staff.
- 7.4 The form of services contract provided in the tender would be appropriate for this contract and each contract would need to be sealed.
- 7.5 A 10-day standstill period would need to be observed prior to contract award.
- 7.6 A contract award notice (CAN) for each contract would need to be published within a reasonable time of contract award. This notice would need to provide suitable justification for contract term and amounts which are not entirely consistent with the tender notice. Such CAN would also set the time running for thirty days to flush out any prospective challenges on such inconsistency grounds.

8 Climate Impact

- 8.1 The Provider will need to demonstrate, during the life of the contract, how they will minimise their carbon impact and work towards meeting the Council's net zero ambitions and procurement policies.

9 Equalities Implications

- 9.1 An Equalities Impact Assessment (EQIA) has been completed as part of this process. It concluded that no groups are to be disadvantaged through this service. See attached in Appendix 1.

10 Consultation

- 10.1 Extensive engagement was undertaken with a range of stakeholders to inform the service requirements. This included meetings and workshops with the following:
 - Voluntary Organisations Forums (One Westminster, KCSC, BME Health Forum)
 - Frontline services (Community Champions, CHWW, Change4Life)
 - CLCH Weight Management Service

- Westminster and RBKC Mental Health Partnership
- Supported Housing Providers
- Mental Health Reablement Team
- Carer's Network
- Advocacy providers
- Full of Life
- Pursuing Independence Paths (PIP)
- Learning Disability Network (LDN) London
- Equal People Mencap
- Action Disability RBKC
- MH Day provider SMART
- Caribbean Men's Group (Maida Vale)
- Avenues Youth Club (young Black men)
- One You service users
- Briefings to lead members across WCC and RBKC

10.2 The service specification has been shaped by benchmarking and best practice elsewhere, with learning from Leeds, Liverpool and other London boroughs.

10.3 In addition, two market engagement events were held (June and September 2023) with over twenty providers expressing an interest. This included the local voluntary and community sector, NHS providers from London and further afield. The sessions provided an overview of the current service and set out future commissioning intentions and the indicative procurement timeline.

10.4 Feedback from the session included:

- Interest to support the targeted work in areas of deprivation and wider communities.
- Interest in co-design and collaboration.
- Interest in a flexible approach and use of technology to provide wider reach and accessibility to services blending virtual and face to face support.
- Interest in potential consortia or lead provider models.
- Interest to have longer term contract to support impact and outcome monitoring and enabling pilots.
- Understanding to weave in the impact of cost of living into programmes of recovery and support.
- Understanding and interest in the service enabling genuine co design and the innovation fund to support this approach act.
- Ask for contact info to be shared to support continued networking amongst providers.
- Interest in supporting enhanced service to wider cohorts and operational times.

10.5 Feedback and questions posed at the event have helped to shape the specification. The session also provided networking opportunity for providers to help make connections for the forthcoming tender.

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:

Audrey Salmon, Interim Public Health Strategic Commissioner –
Audrey.salmon@rbkc.gov.uk

APPENDICES

Appendix 1: Equalities Impact Assessment.

BACKGROUND PAPERS

- None.

NB: For individual Cabinet Member reports only

For completion by the **Cabinet Member** *for (add portfolio title)*

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____

NAME: **[add Cabinet Member's name]**

State nature of interest if any:

(N.B: If you have an interest, you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled

INSERT REPORT TITLE and reject any alternative options which are referred to but not recommended.

Signed: _____

Cabinet Member for *(add portfolio title)*

Date: _____

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Monitoring Officer and Section 151 Officer (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.