

London Borough of Hammersmith & Fulham

CABINET

2 SEPTEMBER 2019



WAIVER OF COUNCIL'S CONTRACT STANDING ORDERS AND DIRECT AWARD OF A CONTRACT FOR THE PROVISION OF HEALTHY HEARTS SERVICE

Report of the Cabinet Member for Health and Adult Social Care, Councillor Ben Coleman

Public Report

Classification: For Decision

Key Decision: Yes

Wards Affected: All

Accountable Director:

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1. EXECUTIVE SUMMARY

- 1.1. Hammersmith & Fulham Council's (H&F) contracts for Healthy Hearts and Kick It with the current service provider, Thrive Tribe, will end on 30 September 2019.
- 1.2. This paper seeks Cabinet approval to waive the requirement to conduct a competitive procurement exercise and directly award Thrive Tribe the contract for the provision of cardiovascular disease (CVD) prevention and related health and lifestyle risk factors for six months from 1 October 2019 with provision for a further two extensions of three months each.
- 1.3. This would allow for ongoing consultation to take place with key stakeholders, including people who currently use the service, H&F Clinical Commissioning Group (CCG), GPs, Imperial College Healthcare NHS Trust, Healthwatch, the third sector and other residents to develop a new, integrated and more targeted lifestyles service.

- 1.4. The current annual cost of the service is £521,600. Following negotiations with the current provider, the cost for the six-month contract will be £236,015, equating to a cost for a 12-month period of £472,029, which is an annual saving of £49,571 or 10% of the current cost.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1. Approves a waiver under Contract Standing Orders (CSO) 3.1 in relation to the competition requirements of CSO 10.2 and CSO 11.2 (either to call off a framework or to advertise the contract and seek public quotations). The justification of the waiver is that the nature of the market for the services to be provided has been investigated and it is demonstrated to be such that a departure from these CSOs is justifiable and in the Council's overall interest.
- 2.2. Approves the direct award of the contract for the delivery of a Healthy Hearts service to Thrive Tribe for six months from 1 October 2019 with an option to extend by two periods of up to three months each. The maximum contract cost over twelve months would be £472,029.
- 2.3. Delegates the decision to extend the contract to the Director of Public Health in consultation with the Cabinet Member for Health and Adult Social Care.

3. REASONS FOR DECISION

Local population need

- 3.1. H&F has areas of the highest life expectancy in London, but also some of the worst health inequalities. Life expectancy varies by ward in H&F as indicated in the table below.

Hammersmith & Fulham life expectancy by ward 2013

Ward	Male (years)	Male Rank	Female (years)	Female Rank
Addison	79.5	8	85.1	5
Askew	80.1	4	84.0	9
Avonmore & Brook Green	79.4	9	84.7	7
College Park & Old Oak	74.6	16	83.5	10
Fulham Broadway	77.9	12	80.7	15
Fulham Reach	79.6	7	82.3	12
Hammersmith Broadway	77.2	14	80.6	16
Munster	79.8	6	85.5	2
North End	79.2	10	81.7	14
Palace Riverside	84.4	1	84.8	6
Parsons Green & Walham	80.6	3	85.5	3
Ravenscourt Park	77.4	13	81.9	13
Sands End	80.1	5	84.5	8
Shepherd's Bush Green	76.7	15	83.0	11
Town	82.5	2	85.9	1
Wormholt & White City	79.1	11	85.5	4

Source: ONS 2013, GLA

- 3.2.** In 2016/17 over one in two adult residents were classified as overweight or obese, one in six smoked (a higher proportion than the London and England averages), one in four people binge drink (25.5%, the second highest proportion in London) and just under one in five was physically inactive¹. Without effective and ongoing intervention, these unhealthy behaviours in the adult population could increase.

Current Healthy Hearts service

- 3.3.** Since 2014, Thrive Tribe has delivered a Healthy Hearts service to residents across the borough. The service comprises:
- Weight loss management
 - Healthy eating/cardio protective diets
 - Physical activity
 - Alcohol risk reduction
 - Smoking cessation services, including youth prevention, specialist and brief advice stop smoking support, carbon monoxide validation testing, onward referral for free Nicotine Replacement Therapies (NRTs) and prescribed medicines
 - Delivery of local marketing campaigns and stakeholder relationship management
 - External stakeholder and resident engagement, including facilitating training and workshops.
- 3.4.** Thrive Tribe currently employ a mixed service delivery model comprised of an online, remote text and telephone support service; group and one-to-one interventions across community venues and primary care; and outreach.
- 3.5.** In 2018/19, 407 residents started an intervention with the Healthy Hearts service, a 7% uplift on the agreed performance indicator for the year, and 1,120 people

¹ https://www.lbhf.gov.uk/sites/default/files/section_attachments/borough-profile-2018.pdf

set a quit smoking date with the service. Three quarters (75%) of all quit smoking service users resided in the two most deprived quintiles in the borough and nearly 55% of all service users went on to successfully quit.

- 3.6. The service has well-established and strong relationships with primary care, community services and other local organisations, making efficient referrals into and across the wider healthcare system. Their delivery model has been shown to be appropriate to the needs and lifestyles of H&F residents and consistently receives positive feedback from those who use it.
- 3.7. Thrive Tribe makes a significant contribution towards achieving key health outcomes across the borough. In H&F, overall life expectancy at 75 years old is in the best performing quartile in England, as are mortalities from cardiovascular disease (CVD) and number of cancer diagnoses considered preventable.
- 3.8. The provision by Thrive Tribe of stop smoking support services and pharmacotherapies has achieved some of the best outcomes in England in terms of successful quits, reductions in smoking prevalence and smoking-attributable deaths. However, there is ongoing need to address the high smoking prevalence amongst manual workers and unemployed residents.

Service redesign consultation

- 3.9. While the service is doing well, we believe it could achieve more in terms of reaching those who most need it and making a more nuanced and targeted difference in the borough. To this end, we wish to undertake a full consultation with current service users, H&F CCG, GPs, Imperial College Healthcare NHS Trust, Healthwatch, the third sector and other residents to develop a new, integrated CVD prevention service.
- 3.10. A provider would be appointed through open tender to deliver new services, combining cardiovascular disease prevention, smoking cessation and NHS Health Checks. The integrated model would strengthen the link between screening and access to more tailored interventions for co-occurring CVD risk factors and unhealthy behaviours.
- 3.11. To ensure continuity of service while doing so, we are recommending continuation of the current service for a fixed period.

4. PROPOSAL AND ISSUES

- 4.1. The market for a service of this nature is relatively small and niche and we believe there would be little to no appetite by other providers to bid for such a short-term contract. On this basis, we believe the most efficient approach would be to appoint Thrive Tribe to continue to deliver the Healthy Hearts service for a minimum of six months and a maximum of a year.

4.2. The duration of the contract would be for six months from 1 October 2019, with provision for a further two extensions of three months.

4.3. **OPTIONS AND ANALYSIS OF OPTIONS**

4.4. We have undertaken a service review and analysed the three options below in accordance with Contract Standing Orders.

4.4.1. **Option 1: Award Thrive Tribe a six-month Healthy Hearts contract**

This is the preferred option. While it would mean that financial savings through economies of scale would not be realised this financial year, a direct award would ensure continuity of service while Public Health consulted extensively with the local healthcare system, residents and service users around the development of a new, more targeted and integrated service. This will lead to a new procurement through an open competitive procedure.

4.4.2. **Option 2: Embed and procure the Healthy Hearts service as part of a new integrated Healthy Lifestyles service**

Going out to the open market for an integrated service would bring innovation to the delivery of local healthcare services and has the potential to address common unhealthy behaviours in a single intervention. However, procuring these services over the summer would not allow enough time to disband the current service and mobilise a new service model. Furthermore, it would not give us time to undertake local consultations in design of the new service.

4.4.3. **Option 3: Allow Healthy Hearts contract to end in September and decide to decommission.**

This option was rejected because it would mean the Council would not be fulfilling its statutory obligations to provide CVD prevention services to H&F residents.

4.5. Further consideration was also given to how the Healthy Hearts services could be procured for the minimum contract duration, be it either through an open competitive exercise or direct award to the incumbent provider. Direct award was selected as the preferred approach because Thrive Tribe has demonstrated they can deliver an effective high-quality service that could be mobilised within the permitted timeframe.

5. **CONSULTATION**

5.1. Thrive Tribe has agreed in principle to deliver the Healthy Hearts contract for a further six months from 1 October 2019.

5.2. The Director of Public Health has discussed the approach and proposed consultation set out here with the CCG, which is supportive.

6. EQUALITY IMPLICATIONS

- 6.1. The full Equality Impact Assessment has been detailed in Appendix 1.
- 6.2. The approval of a direct award to Thrive Tribe to deliver the Healthy Hearts contract, as set out in the recommendations, would not negatively impact on groups with protected characteristics under the Equality Act 2010.
- 6.3. Implications completed by: Peter Smith, Head of Policy and Strategy, tel. 020 8753 2206.

7. LEGAL IMPLICATIONS

- 7.1. The services fall under the category of social and other specific services, Schedule 3 of the Public Contracts Regulations 2015 (PCR). The threshold for such services is currently £615,278. This is a proposed direct award is below the Current EU Procurement threshold and therefore the Public Contract Regulations 2015 do not apply in full.
- 7.2. However, the Council is still required to comply with the general principles of transparency, equal treatment, non-discrimination and proportionality. Accordingly, undertaking a competition exercise would be encouraged in order to adhere to these principles. Furthermore, if the council deliberately designed the procurement of core smoking cessation and cardiovascular disease prevention services with the intention to ensure its value was below the Threshold, or the intention of artificially narrowing competition, then the council would be in breach of regulation 18(2) of the PCR 2015. The decision maker must be satisfied that the direct award to Thrive Tribe has not been designed with either of these intentions.
- 7.3. As stated below in the Commercial and Procurement Implications, this is a contract with a value of greater than £25,000 but less than the EU Threshold. Therefore, the Council's CSOs require Framework arrangements to be considered (CSO10.2) or otherwise to seek public quotations using the e-tendering system and the Government's "Contract Finder" portal (CSO 11.2). The report is seeking a waiver pursuant to CSO 3.1 of the requirements under CSOs 10.2 and 11.2. An exemption to these requirements can be granted under CSO 3.1 where one of five specified grounds for doing so is made out. Here the grounds being relied on for the waiver is that "it is in the Council's overall interest and the nature of the market for the services to be provided has been investigated and it is demonstrated to be such that a departure from these CSOs is justifiable". The decision-maker needs to be satisfied on the basis of the information set out in the report that a direct award would be justified when compared with opening the service up to competition.
- 7.4. For contracts valued over £100,000, the waiver can be granted under CSO 3.1 by the appropriate Cabinet Member(s) and the Leader of the Council. However,

as the recommendation here includes a direct award in addition to the waiver, the decision should be taken by Cabinet in accordance with CSO 3.2.

- 7.5. In accordance with CSO 3.1, a record of the waiver needs to be kept within the relevant department.
- 7.6. Officers should seek advice from the legal department on the appropriate terms and conditions for this proposed contract.
- 7.7. Implications provided by: Hannah Ismail, Solicitor, Sharpe Pritchard LLP, external legal advisers seconded to the Council tel. 020 7405 4600.

8. FINANCIAL IMPLICATIONS

- 8.1. The report seeks approval for the direct award of the contract for Smoking Cessation service and Cardiovascular Disease (CVD) Prevention Programme (Healthy Hearts and Kick It services) for up to twelve months at a maximum cost of £472,029. The annual cost of the service currently is £521,600. The new contract will generate an annual saving of £49,571 which represents a 10% reduction on the current cost.
- 8.2. This contract will be funded through the Public Health ring-fenced grant. The allocation for 2019/20 has been confirmed at £21,189,000 (a reduction of £575,000 on 2018/19). The ring-fence is expected to cease from April 2020 and arrangements for provision going forward remain unclear. The first six-month contract ceases in April 2020 and any decision to extend the contracts in line with the agreed extensions will need to ensure that funding is in place to do so.
- 8.3. Financial implications completed by Daniel Doherty, Finance Manager, 0208 753 4287.
- 8.4. Financial implications verified by Emily Hill, Assistant Director, Corporate Finance, tel. 020 8753 3145.

9. IMPLICATIONS FOR LOCAL BUSINESS

- 9.1. The proposal would maintain engagement with local Small and Medium-sized Enterprises and local primary care providers subcontracted to deliver part of the Healthy Hearts services. The service is also based in H&F and therefore presents employment opportunities for residents. A direct contract award would maintain an income stream into local businesses and continue to contribute to the local economy.
- 9.2. The commissioning manager for the service would work closely with the Community Team and Procurement to develop the social and economic value aspect of the specification and ensure that it reflects the recommendations of the Social Value Taskforce, the findings of the Business Commission and the objectives of the H&F Industrial Strategy – Economic Growth for Everyone.

9.3. Implications completed by: Albena Karameros, Economic Development Team, tel. 020 7938 8583.

10. COMMERCIAL IMPLICATIONS

10.1. The service to be provided falls under the category of Social and other specific services as defined by Chapter 3 Section 7 and listed in Schedule 3 of the Public Contracts Regulations 2015 (PCR 2015). The value of the proposed direct award is under the statutory threshold of £615,278.

10.2. The combined six-month contract for core smoking cessation and cardiovascular disease prevention services under 'Healthy Hearts' and 'Kick It' is valued at £236,015.

10.3. However, the total value of the contract must be considered when assessing the risk of a legal challenge. The total value of the contract (previous contracts and the proposed direct award) exceeds £615,278.

10.4. Direct awards do not allow markets to be tested through competitive processes. As a result, it cannot be assured that the contract provides best value for money.

10.5. CSOs require calling off from a framework agreement or conducting an open tender for contracts over £25,000.

10.6. A waiver from the competition requirements of the CSOs may be granted under CSO Section 3 if the Appropriate Persons are satisfied a departure from competition is justified.

10.7. It is recommended that social and economic value aspects are negotiated and targets are set for the supplier to meet their Social Value commitment. Social Value shall represent one of the KPIs and be monitored and reviewed accordingly.

10.8. Commercial implications completed by Andra Ulianov, Head of Contracts and Procurement, tel. 020 8753 2284.

11. IT IMPLICATIONS

11.1. IT Implications: There are no IT implications arising from the proposal in this report.

11.2. IM Implications: Thrive Tribe are expected to have a GDPR policy in place and all staff are expected to have received GDPR training.

11.3. If not already covered by the existing Privacy Impact Assessment (PIA), a PIA will need to be completed and kept up to date, to ensure all potential data protection risks around the contract with Thrive Tribe are properly assessed with mitigating actions agreed and implemented.

- 11.4. The contract must include H&F's data protection and processing schedule. This is compliant with the General Data Protection Regulation (GDPR).
- 11.5. Implications completed by: Karen Barry, Strategic Relationship Manager, tel 020 8753 3481.

12. RISK MANAGEMENT

- 12.1. Public Health has given due consideration to the risk and issues pertaining to extending the Healthy Hearts contract. The process proposed is largely considered to be low risk. However, further consideration would need to be given in the event of the following: legal challenge by an external provider, the Public Health grant ring-fence being lifted and capacity constraints within the Public Health Team.
- 12.2. Further details of all risks identified by Public Health are given in Appendix 2.
- 12.3. Implications completed by: David Hughes, Director of Audit, Fraud, Risk and Insurance, tel. 020 8753 2587.

13. OTHER IMPLICATIONS: SOCIAL AND ECONOMIC VALUE

- 13.1. Details of the social value considerations under the requirements of the Public Services (Social Value) Act 2012 and the administration's manifesto priorities for achieving social and economic value in relation to local businesses and employees, and around Social Isolation & Loneliness (SIL) have been considered.
- 13.2. Public Health would be in direct contact with Procurement and our Economic Development Team to develop this aspect of the Healthy Hearts service requirements.
- 13.3. Implications completed by: Albena Karameros, Economic Development Team, tel. 0207 938 8583.

BACKGROUND PAPERS USED IN PREPARING THIS REPORT - None

LIST OF APPENDICES:

- Appendix 1- H&F Equality Impact Assessment Analysis Tool
- Appendix 2 – Healthy Hearts service risk register

APPENDIX 1: EQUALITY IMPACT ASSESSMENT OF THE HEALTHY HEARTS DIRECT AWARD

OVERALL INFORMATION	DETAILS OF FULL EQUALITY IMPACT ANALYSIS
FINANCIAL YEAR AND QUARTER	2019/20 Q1
NAME AND DETAILS OF POLICY, STRATEGY, FUNCTION, PROJECT, ACTIVITY, OR PROGRAMME	TITLE OF EIA: HEALTHY HEARTS SERVICE SHORT SUMMARY: THE PROCUREMENT OF HEALTHCARE SERVICES PERTAINING TO CARDIOVASCULAR DISEASE PREVENTION AND RELATED HEALTH AND LIFESTYLE RISK FACTORS
LEAD OFFICER	NAME: MEROE BLEASDILLE POSITION: INTERIM PUBLIC HEALTH COMMISSIONING LEAD EMAIL: MEROE.BLEASDILLE@LBHF.GOV.UK TELEPHONE NO: 07931937879
DATE OF COMPLETION OF FINAL EIA	26/05/2019

SECTION 02	SCOPING OF FULL EIA						
PLAN FOR COMPLETION	TIMING: AS ABOVE RESOURCES:						
ANALYSE THE IMPACT OF THE POLICY, STRATEGY, FUNCTION, PROJECT, ACTIVITY, OR PROGRAMME	<p>Analyse the impact of the policy on the protected characteristics (including where people / groups may appear in more than one protected characteristic). You should use this to determine whether the policy would have a positive, neutral or negative impact on equality, giving due regard to relevance and proportionality.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Protected characteristic</th> <th style="width: 55%;">Analysis</th> <th style="width: 20%;">Impact: Positive, Negative, Neutral</th> </tr> </thead> <tbody> <tr> <td style="height: 40px;"> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Protected characteristic	Analysis	Impact: Positive, Negative, Neutral			
Protected characteristic	Analysis	Impact: Positive, Negative, Neutral					

	Age	For adults, service provider would be required to provide services in evenings and weekends across a multitude of platforms online and across venues close to home. It would be a requirement for services to be accessible to working age people. Older age groups are at higher risk of health issues and may have limited access to the internet. Older people can attend face to face service in venues close to home or receive due care in their homes.	Positive
	Disability	It would be a minimum requirement for all venues and platforms to be accessible to people with disabilities; personalised individual treatment plans would take account of any disability needs. The prevention programme would reduce potential disability through reducing CVD risk.	Positive
	Gender reassignment	This group are at higher risk of CVD. Staff would work within an equal opportunity framework. Barriers would be identified at assessment to ensure engagement with the characteristic; home or 1:1 programmes are possible. The new services would offer increased accessibility to residents.	Positive
	Marriage and Civil Partnership	Partners whether they be married, unmarried or in civil partnerships would be encouraged to access support online, attend both initial assessments and join the programme so changes are embedded within the family unit and households	Positive
	Pregnancy and maternity	The service offer would be adapted to individual need, including pregnancy. The service would offer increased accessibility to residents due to provision across multiple platforms and venues	Neutral
	Race	The new service would offer increased accessibility to residents. BAME communities are of higher risk of CVD. The service specification would require that there is targeted work to encourage people from black, Asian and minority ethnic groups to access appropriate support.	Positive
	Religion/belief (including non-belief)	Expert advice and support would be given with due consideration for religious beliefs and practices.	Neutral
	Gender	The service would be open equally to all irrespective of self-identified gender and sex assigned at birth	Neutral

	Sexual Orientation	Services would run on an anti-discriminatory basis, same sex partners would be welcome to attend, barriers would be identified at assessment to ensure engagement with the category.	Positive
	Human Rights or Children's Rights		
	If your decision has the potential to affect Human Rights or Children's Rights, please contact your Equality Lead for advice		
	Would it affect Human Rights, as defined by the Human Rights Act 1998? No		
Would it affect Children's Rights, as defined by the UNCRC (1992)? No			

SECTION 03	ANALYSIS OF RELEVANT DATA
	EXAMPLES OF DATA CAN RANGE FROM CENSUS DATA TO CUSTOMER SATISFACTION SURVEYS. DATA SHOULD INVOLVE SPECIALIST DATA AND INFORMATION AND WHERE POSSIBLE, BE DISAGGREGATED BY DIFFERENT EQUALITY STRANDS.
DOCUMENTS AND DATA REVIEWED	2015 JSNA, (looks at race, age, gender and CVD). Current performance/Activity reports of current CVD prevention programme/ Stop smoking Service/ Health Checks H&F Public Health Profile 2017 European Guidelines on cardiovascular disease prevention in clinical practice (version 2012). Joint British societies' guidelines on prevention of cardiovascular Disease in clinical practice. Nurse-coordinated multidisciplinary, family-based cardiovascular disease prevention programme (EUROACTION) for patients with coronary heart disease.
NEW RESEARCH	If new research is required, please complete this section

SECTION 04	CONSULTATION
CONSULTATION	Details of consultation findings (if consultation is required. If not, please move to section 06)
ANALYSIS OF CONSULTATION OUTCOMES	

SECTION 05	ANALYSIS OF IMPACT AND OUTCOMES
ANALYSIS	What has your consultation (if undertaken) and analysis of data shown? You would need to make an informed assessment about the actual or likely impact that the policy, proposal or service would have on each of the protected characteristic groups by using the information you have gathered. The weight given to each protected characteristic should be proportionate to the relevant policy (see guidance).

SECTION 06	REDUCING ANY ADVERSE IMPACTS AND RECOMMENDATIONS
OUTCOME OF ANALYSIS	New service specification would require robust monitoring of all protected characteristics to ensure all groups are referred, start courses and completed in proportions expected due to prevalence.

SECTION 07	ACTION PLAN
ACTION PLAN	None needed.

SECTION 08	AGREEMENT, PUBLICATION AND MONITORING
CHIEF OFFICERS' SIGN-OFF	NAME: POSITION: EMAIL: TELEPHONE NO:
KEY DECISION REPORT (IF RELEVANT)	DATE OF REPORT TO CABINET/CABINET MEMBER: 02/09/2019 KEY EQUALITIES ISSUES HAVE BEEN INCLUDED: YES

Appendix 2: HEALTHY HEARTS DIRECT AWARD RISK REGISTER

<u>RISK REGISTER</u>									
Project Name: Healthy Hearts Service					Date last modified: 25.05.2019				
Project Lead: Meroe Bleasdille, Interim Public Health Commissioning Lead									
Risk Description and approach					Risk Mitigation				
		Current Risk Rating						Risk after mitigation	
ID	Risk - the impact, effect, consequences	Category	Impact (severity)	Probability	Impact x Probability	Mitigating Actions	Impact (severity)	Probability	Impact x Probability
1	There is a risk that there is not adequate resource within the Public Health team to run this procurement exercise and manage the contract.	Process	3	2	6	In the short-term Public Health would use interim resource with a view to recruiting fixed-term and permanent staff in the future.	3	2	6

2	There is a risk of legal challenge by external suppliers for not going to market to procure Healthy Hearts services for 6 months period	Legal	2	1	VL	Possibility of legal challenge is very low.	2	1	VL
3	There is a risk that there is not sufficient resource allocated to deliver this project in other departments - Adult Social Care, CCG, Service User, Sports and Leisure.	Human Resources	2	1	VL	There has been a wide consultation. A team would be picked to evaluate the procurement. Named contacts have been selected and once the procurement progresses the lead evaluators would sign declarations of interest forms.	2	1	VL
4	The ring fence on Public Health grant end date may change due to changes in Government.	Political	2	2	L	Clause built into contract if grant is pulled.	2	2	L
5	There is potentially reputational risk linked to extending a contract for such short lengths of time, and may cause issues when planning service resource, workforce, premises etc. This may taint future working relationships and deter the provider entering into contracts with the H&F in the future.	Reputational	2	2	L	Improve service planning and relations by providing as much notice as possible prior to varying the contract	2	2	L