

# LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Cabinet Member for Adult Social Care and Health

**Date:** 09/12/2024

**Subject:** Procurement Strategy for a Tier 2 Adult Weight Management Service

**Report author:** Jessica Dawson, Senior Lead, and Charis Champness, Programme Lead, Public Health

**Responsible Director:** Dr Nicola Lang, Director of Public Health

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## SUMMARY

Local authorities have a legislated duty to take appropriate steps to improve the health of the people who live in their area, and to provide facilities for the prevention or treatment of illness. This covers a range of public health services, including effective multi-component lifestyle weight management services.

This report seeks approval of a procurement strategy which sets out the intention to tender for the delivery of a high-quality Tier 2 Adult Weight Management service for Hammersmith & Fulham.

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## RECOMMENDATIONS

That the Cabinet Member for Adult Social Care and Health:

1. Notes that the approximate contract value is outlined in Exempt Appendix 2 and is not for publication on the basis that it contains information relating to the financial or business affairs of any person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
  2. Approves the procurement strategy and recommendation to commence a competitive procurement exercise for the provision of a new Tier 2 Adult Weight Management Service for H&F, for up to five years from July 2025.
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**Wards Affected:** All

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<b>Our Values</b>	<b>Summary of how this report aligns to the <a href="#">H&amp;F Corporate Plan</a> and the H&amp;F Values</b>
Building shared prosperity	Linking in with public health commissioned services to ensure positive health and wellbeing outcomes

	for all residents. The new service will aim to support residents in leading healthy lifestyles and prevent any residents with health and wellbeing needs 'falling through the gaps' in current local provision.
Creating a compassionate and inclusive council	Further enhancing our public health commissioned services offer will ensure that residents are supported to be healthy and reach their full potential and will give individuals greater choice and control over their lives.
Doing things with local residents, not to them	The service specification will ask that the new provider ensures that engagement with residents is at the heart of service design and delivery and ongoing review/improvement to ensure that their needs are being met and respond well in preparation for any changes of need. Hearing from service users directly will be part of the contract management of this service.
Being ruthlessly financially efficient	We are changing how we invest in line with other London boroughs and shifting towards greater prevention and early identification, as well as by strengthening referral pathways.
Taking pride in H&F	Quality provision in collaboration with other services and focussing on prevention and early intervention will ensure positive health and wellbeing outcomes for all.
Rising to the challenge of the climate and ecological emergency	Providers will be expected to commit to environmental outcomes as part of their social value offer. There will also be an opportunity to retain some newer ways of delivering this service as a result of COVID-19; for instance; fewer staff needing to travel due to the delivery of some appointments virtually.

## Financial Impact

- Benchmarking has shown that the service cost at H&F for this area will be lower than average compared to other London boroughs. The procurement of this service is designed to both improve outcomes for health and wellbeing in residents.
- This service will deliver a range of functions which focus on "behaviour change" which will be funded through the ring-fenced Public Health Grant for the financial

year 2025/2026. The financial envelope for behaviour changes services based on per capita modelling for these is included in exempt appendix 2.

### *Finance Comments*

*The financial implications of this procurement strategy will be included as part of the overall evaluation which will include legal, risk management and finance, once the contract award is available in April/May 25.*

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**Role:** Principal Accountant ASC Commissioning & PH

**Date:** 7<sup>th</sup> November 2024

*Verified by James Newman, AD Finance, 12 November 2024*

## **Legal Implications**

This report recommends approval of a procurement strategy to proceed with commissioning a new adult weight management service. Since the services are 'healthcare services', the procurement is regulated by The Health Care Services (Provider Selection Regime) Regulations 2023 ('the Regulations'). The proposed competitive procedure is the only route available to the Council because it has decided that neither Direct Awards A, B or C apply, and the Council does not wish to use the Most Suitable Provider Process. Direct Award A and C do not apply because there is no existing provider. Direct Award B does not apply because this is not a 'patient choice' contract. The Most Suitable Provider Process does not apply because the Council does not know enough about the market to be able to identify potential providers who may be the most suitable provider.

When carrying out the competitive process, the Council must follow the procedure set out in Regulation 11 (The Competitive Process') including determining the award criteria, considering the key criteria and applying the basic criteria set out in the Regulations.

There are strong transparency requirements under the Regulations including keeping records of decisions on the relative importance of each key criteria and how the assessment of providers against key criteria was made and publishing a notice confirming the decision to award. The Council is expected to ensure that it makes decisions in the best interests of people who use the service by securing the needs of the people who use the service, improving the quality of the service and improving efficiency in the provision of the services.

The appropriate decision maker is the Cabinet Member.

The decision is a Key Decision (see Article 12 of the Constitution) and the report must be submitted to Committee Services for publication on the Council's website.

## Background Papers Used in Preparing This Report

- [H&F Health and Wellbeing Strategy, 2024 to 2029](#)
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## DETAILED ANALYSIS

### Background

1. Local authorities have responsibilities to commission and provide effective multi-component lifestyle weight management services, which sit within a cascade of healthy lifestyle services commissioned by Government, the NHS, and local authorities. These services are often referred to as Tier 2 services, aimed to change behaviour to reduce energy consumption and encourage physical activity amongst local populations.
2. More than half of adults (53.0%) aged 18 and over are classified as overweight or obese in H&F. Currently there is no service in place and there is a need to procure support for residents.
3. This service will be adult-specific (for those aged 18 and over) and provide services appropriate to the life stage of the service user. There are different National Institute for Health and Care Excellence (NICE) guidelines for obesity prevention in children and young people, and there are already several weight management services in place for those aged 18 and under in the borough, including Central London Community Healthcare Trust's child obesity pathway, the Daily Mile, the Healthy Schools programme and an associated post funded by Public Health in the Education Team, and football club programmes, as well as the new HENRY programme for younger families<sup>1</sup>.

### Reasons for Decision

4. Providing services such as these that improve the health of people who live in their area is a duty of local authority public health teams (Section 12 of the Health and Social Care Act 2012), and therefore commissioning this service will assist H&F in meeting their legislative duty.
5. When an adult weight management service was last commissioned in H&F (until 31 March 2023), the commissioning model was purchasing of individual [Gloji](#) app licences for service users, with limited personalised support. In the 2022 calendar year, there were fewer than 150 residents using the service, with 73.7% of service users attending only 1–3 weeks of the 12-week programme, losing an average 1.46 kg each. Thus, the service was deemed not to be meeting the needs of service users and was decommissioned in April 2023.

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<sup>1</sup> [Healthy Weight | HENRY](#)

Public Health have used the time since decommissioning the previous service to engage with residents, service providers and other stakeholders to listen and understand the current challenges for residents to reach and maintain a healthy weight in H&F, and thus ensure that a newly commissioned service will be fit for purpose. We now intend to undertake a procurement exercise to ensure that there is a high-quality Tier 2 adult weight management service provision for our residents.

6. Weight management services will have a positive impact on local care and support. There is a need for greater investment in prevention to reduce the need for downstream clinical services, thereby delivering cost savings and the opportunity to intervene when health issues are less complex and costly to address. Obesity alone costs the NHS around £5.1 billion a year, with an estimated cost to the economy of £27 billion due to its effect on productivity, earnings and welfare payments. Evidence shows that prevention and early intervention represent good value for money and that interventions across a variety of risk factors offers a positive return on investment. A 2017 systematic review found that for every £1 spent on public health interventions, there was an average £14 of benefit to wider society. This return on investment includes healthcare savings, as well as longer-term gains in health and saving to wider society. Prevention activity is an investment; by acting now, the benefits of improved health and wellbeing and reduced costs to health and social care can be realised for years to come.

## **Contract Specifications Summary**

7. The core element of this service will be delivery of a minimum 12-week healthy lifestyle programme that is delivered via a hybrid model of both digital and face-to-face support for weight management. It will be a multi-component service that includes diet, physical activity, and behaviour change components. The overall aim of this of this service will be to support weight loss for adults living with obesity, and sustainable weight maintenance through a place-based and person-centred approach.
8. The service will be offered to all adults (18+) with a body mass index (BMI) of 30 kg/m<sup>2</sup> or more (or 27.5 kg/mg<sup>2</sup> for people with a South Asian, Chinese, other Asian, Middle Eastern, Black African or African-Caribbean family background<sup>7</sup>), to support with reaching a healthy weight.
9. The contract will be awarded for an initial period of three years with the option to extend for a further two years.
10. Where possible, the provider will be co-located within existing buildings and services to ensure seamless integration and enhanced collaboration, and to support a whole systems approach to healthy weight.

## Procurement Route Analysis of Options

11. The PSR sets out a defined process for awarding contracts. We set out below the different processes, which must be considered in order. If either direct award processes A or B apply, it is mandatory that they are followed. Consideration of direct award process C and the most suitable provider process are optional, but if the Council considers that only a competitive exercise can achieve best value, it should conduct a competitive process.

Award process	When must / can this be used?	Key rules	Key considerations
Direct award process A (existing provider)	Where only an existing provider is capable of providing the services.	Can make direct award without competition.	Whether there really is no other provider who can deliver the services.
Direct award process B (patient choice)	Where the authority is required (or chooses) to offer choice to patients and cannot restrict the number of providers.	Must offer contracts to all providers who meet all requirements.	Must make arrangements to enable providers to express an interest in the services.
Direct award process C (incumbent extension)	If an existing contract is being replaced and there are no considerable changes, authority <u>can</u> use this process.	Considerable change threshold: <ul style="list-style-type: none"> <li>- services materially different in character; or</li> <li>- change to services by authority, lifetime value of proposed contract at least £500k higher and 25% higher than existing contract</li> </ul>	Whether the current provider is satisfying the existing contract, and whether considerable changes will be made to the services.
Most suitable provider process	Where the authority takes the view that it is likely to be able to identify the most suitable provider.	Can make direct award without competition.	Whether there really is no other provider who can deliver the services and the Council's knowledge of suppliers is up to date.

Competitive process	When direct award processes A and B do not apply, and the authority does not wish to follow C or the most suitable provider process.	Must open the competition to the market and assess all offers received.	Whether best value can only be achieved via a competitive exercise.
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12. As there is no current provider for this service and to ensure that the best value is achieved the direct award processes under the PSR do not apply. Therefore, a competitive open tender is the recommended option. The following outlines the procurement options were also considered:

- Option 1: Run a competitive open tender procedure (recommended)  
Given the fact that this service is not currently provided in the borough, and due to the value of this contract, it is necessary to undertake a competitive process. Use of an open procedure represents the most time-effective way to proceed and will likely lead to the highest number of bids. Comprehensive market engagement and post-tender clarifications will provide opportunities to work with potential providers to develop an innovative service that delivers the greatest value for money.

Option 2: Bring the service in-house (not recommended).  
This is not recommended due to the need for an appropriate clinical governance structure, which is not currently in place within H&F to make this possible. There are also significant cost, risk and oversight implications if sought to implement this option. Furthermore, the required software systems are not currently in place to support provision of this service in-house.

Option 3: Do nothing (not recommended). This would mean not having a service for adult weight management that improves the health of people who live in their area which is a duty of local authority public health (Section 12 of the Health and Social Care Act 2012).

## **Market Analysis, Local Economy and Social Value**

13. The market for Tier 2 Adult Weight Management services is well established, with most other local authorities commissioning or delivering these types of services in their areas. The cost of the service to be commissioned in H&F has been benchmarked against other London local authorities, taking into account the size of adult populations, obesity prevalence and complementary services.
14. The contract will specify the need to work in collaboration with the Council, other service providers, and residents, to deliver consistent, high-quality services for H&F, responding to evolving needs and changing demand, and continuously driving innovation and improvement.

15. As part of the tender, bidders will have to make a social value commitment which will be assessed via the TOMS Framework and a social value score awarded.

## Risk Assessment and Proposed Mitigations

16. Summary of the key risks for the procurement and proposed mitigations:

Category Mitigation	Risk Description	Activity
Tender	Pace of work required to deliver the objectives in time to finalise the procurement in time for mobilisation.	Appropriate officers will work closely together in the preparation of documents and legal will review prior to release. A project group will be established to push through actions to ensure risk to service delivery is minimised.
Providers	Stakeholder engagement – risk of not having the right enough to tender.	Market engagement has been undertaken
Finance	Risk of providers not being able to deliver within the allocated budget or the bids submitted are beyond the budget envelope.	Robust benchmarking and comparison of existing contract rates will be undertaken to ensure the budget assigned is sufficient.
Resource	If key staff working on the project are unavailable at peak times to complete a project group will be established with key stakeholders to drive forward actions.	A risk register will be established and reviewed by the group. It will mitigate programme slippage in timelines as well as ensuring the quality and robustness of tender documents.

## Timetable

17. An estimated timetable of the competition process through to contract commencement:

<b>Key Decision Entry (Strategy)</b>	<b>October 2024</b>
Contracts Assurance Board (Strategy)	13 November 2024
PLT approval (Strategy)	19 or 26 November 2024



Cabinet Member approval (Strategy)	9 December 2024
Find a Tender Service Notice	January 2025
Closing date for clarifications	February 2025
Closing date for submissions	March 2025
Evaluation of Tenders	March 2025
CAB (Award)	April 2025
SLT/Cabinet Member (Award)	April 2025
Find a Tender Service Contract Award Notice	May 2025
Contract engrossment	May 2025
Contract mobilisation and implementation	May 2025 – June 2025
Contract Commencement date	1 July 2025

## Selection and Award Criteria

18. An evaluation panel will be formed for each service to review and score the submitted tender documents. The panels will have key stakeholders including public health as well as clinical professionals as appropriate.
19. Each tenderer will need to achieve a minimum level of acceptability as defined by H&F's compliance standards relating to matters such as financial and economic standing, insurance, health and safety, technical ability, and National Institute for Health and Care Excellence (NICE) registration.
20. Public Sector organisations have an obligation under the Public Services (social value) Act 2012 (SVA) to consider how each procurement might improve the economic, social and environmental well-being in a way that achieves value for money as well as generating benefits to society and the economy, whilst minimising damage to the environment.
21. Where one or more of these criteria is not met, the Invitation to Tender will advise them that the Council can, if it wishes, use its discretion to pass a tenderer who fails to meet the above criteria, where it is assessed that there are sufficient mitigating circumstances.
22. The technical quality stage will consist of a number of questions in key areas of the service requirements. Quality will be ensured by designing detailed questions which list every aspect of the requirements that tenderers will be expected to reference. For more details of the quality and price criteria please see in the procurement strategy in *Appendix 2*.
23. Market engagement leads us to believe that the allocated budget will be challenging for providers to deliver our requirements. With that in mind we are expecting bids to be very closely bunched at the top end of our budget. Under

traditional cost / price evaluation techniques this could result in bidders being award maximum or near maximum marks for Price and effectively negating these criteria as an objective measure. We therefore aim for tender evaluations for the service to be focused on examining how the proposal will deliver a quality service (technical) with a weighting of 70% to reflect the clinical governance requirements and the cost of the service (commercial) with a weighting of 30%.

24. Our quality and price criteria will be set out in line with the new PSR regulations.

## **Contract Management**

25. Provider performance will be measured against high level performance objectives, consisting of clearly defined targets set by H&F Public Health team. The objectives are linked to locally identified priorities and the Office for Health Improvement and Disparities' Public Health Outcome Framework. Targets will be set to ensure alignment with local and national strategies and to reflect changes in demographics and healthy lifestyle indicators.

26. These Key Performance Indicators will evidence minimum standards around service delivery and monitor the provision of an inclusive service with the full breadth of interventions available. Contract performance will be assessed via quarterly monitoring meetings. As the contract progresses, further monitoring requirements will be developed with the successful provider as changing needs will need to be addressed.

27. The Contractors will be permitted to submit an annual price review request for the support contract on an open book basis and price increases may be agreed for aspects of the service where it has been demonstrated that costs have risen.

28. As well as the requirements within the contract for service user feedback managed by the Provider, the commissioning team will also manage a process of service user feedback directly to the council.

## **Equality Implications**

29. The Council has given due regard to its responsibilities under Section 149 of the Equality Act 2010, and it is not anticipated that there will be any negative impact on any groups that share protected characteristics from the introduction of the service. The proposal to commission this service will have a positive impact on residents with protected characteristics.

30. It will have a positive impact on groups who share protected characteristics in relation to race. The proposed model will widen targeted work with people who are less likely to engage with services, which includes Black, Asian and Multiethnic groups. This will also include targeted support for residents who experience health inequities and experience greater barriers to achieving a healthy weight.

31. This will include specialist services including culturally appropriate dietetic and health coaching support to assist with developing care plans tailored to individual needs.

32. An equality impact analysis is attached at Appendix 1.

*Yvonne Okiyo, Strategic Lead EDI, 6 November 2024*

### **Risk Management Implications**

33. There are no identifiable risks for this procurement exercise in addition to those noted above.

*Jules Binney, Risk and Assurance Manager, 7 November 2024*

### **Climate and Ecological Emergency Implications**

34. Overall, there will be a neutral impact of introducing this service in relation to climate considerations. There may be a modest reduction on the overall energy use (electricity or other fuels) e.g. in buildings, due to services being co-located in existing family hubs and health centres or utilising work from home.

35. Due to our services using existing spaces and their ability to work from home in some areas this will reduce the need to travel e.g. through remote meetings, or rationalising routes and rounds. Furthermore, we will encourage providers to support users and staff to walk, cycle, or use public transport e.g. with cycle parking, training, incentives.

36. Providers will also be encouraged to 'make every contact count', by using contact points with residents and businesses to promote understanding of the climate emergency.

37. There are positive impacts for the climate emergency, therefore a recommendation to proceed as is. This will help the Council reach its target of being net-zero.

*Hinesh Mehta, Assistant Director of Climate Change, 7 November 2024*

### **Local Economy and Social Value Implications**

38. As indicated in paras 17 and 23 above social value will be a consideration in how any proposals are evaluated in line with the Council's standard approach.

39. Market engagement is being undertaken with potential bidders in advance of formal proposals being submitted, there will be an opportunity to alert them to the Council's priorities in this area to inform how they provide high quality submissions.

40. Potential providers should be directed to the 'Social Value in Procurement' section of the 'Doing business with H&F Council' pages on the Council's website for a steer on the Council's expectations.

*David Pack, Strategic Head – Economic Growth, 5 November 2024.*

## **Consultation**

41. Stakeholder consultation is ongoing, but themes have emerged and are informing the service specification development.
42. Through significant consultation, it has been highlighted that residents want more accessible and holistic services. Residents have told us how important knowledge, advice and support around food while highlighting that terminology of food needs to be carefully considered to ensure positive change and reduce harmful effects in relation to diet culture. That language needs to be culturally appropriate, and the service needs to be competent to adapt to the individual's needs. Finally, residents have told us that they want people to be able to be empowered and confident to make decisions.
43. This feedback will be utilised when writing the service specification to ensure these thoughts are captured, and as the successful bidder moves into the contract mobilisation period they will be required to consult with residents as they shape their local service offer.

## **Procurement implications**

44. The Service being commissioned falls within the Provider Selection Regime (PSR) regulations for the procurement of healthcare services. The Commissioning team will be required to evidence our assessment about which permissible route to market has been identified. Procurement and Legal Services will support with this. In addition, the Procurement Documents suite as well as Contract notices will need to be modified to meet the requirements of PSR.

*Joe Sardone Category Lead – People Procurement and Commercial 11 November 2024*

## **Digital Services and Information Management Implications**

45. IT Implications: No IT implications are considered to arise from the proposal in this report.
46. IM Implications: A Data Privacy Impact Assessment (DPIA) will need to be completed to ensure all potential data protection risks are properly assessed with mitigating actions agreed and implemented.
47. The contract arising from this procurement will need to include H&F's data protection and processing schedule.

48. The new supplier will be expected to have a Data Protection policy in place and staff will be expected to have received Data Protection training. The new supplier will also need to complete a (Cloud) Supplier Security Questionnaire (CSSQ) to ensure that their systems comply with H&F's information security requirements.

*Implications completed by: Karen Barry, Strategic Relationship Manager, IT Services, Tel : 0208 753 3481 Date signed: 4 December 2024.*

## **LIST OF APPENDICES**

*Appendix 1 - The Equality Impact Analysis*

*Exempt Appendix 2 – Procurement Strategy*