




Executive Decision Report

Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken	Full Cabinet Date of decision: 14 October 2013	
	Cabinet Member for Adult Social Care and Public Health Date of decision (i.e. not before): Forward Plan reference: [insert]	 THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
	Cabinet Member for Adults and Public Health Date of meeting or formal issue:	 City of Westminster
Report title (decision subject)	CONTRACT AWARD: STOP SMOKING (QUITS AND PREVENTION) SERVICE	
Reporting officer	<i>Christine Mead- Tri-Borough Public Health Behaviour Change Commissioner</i>	
Key decision	Yes	
Access to information classification	<i>Open. A separate report on the exempt Cabinet agenda provides commercially confidential information on the tendering process and its outcome.</i>	

1. EXECUTIVE SUMMARY

- 1.1. Tenders have been sought for a Stop Smoking (Quits and Prevention) Service (SSQP) to reduce prevalence of smoking and improve smoking related health outcomes in the Tri-Borough area in line with Public Health commissioning priorities. The report proposes that each of the three Councils enters into a contract with Thrive Tribe Ltd to provide this service.

2. RECOMMENDATIONS

For Westminster City Council

- 2.1. To enter into a contract for four years, with option to extend for one further year (subject to performance), with Thrive Tribe Ltd at a four year contract cost of £2,029,402.
- 2.2. To note the recommendations for LBHF and RBKC.

For the Royal Borough of Kensington and Chelsea

- 2.3. To enter into a contract for four years, with option to extend for one further year (subject to performance), with Thrive Tribe Ltd at a four year contract cost of £1,286,993.
- 2.4. To note the recommendations of LBHF and WCC.

For the London Borough of Hammersmith and Fulham

- 2.5. To enter into a contract for four years, with option to extend for one further year (subject to performance), with Thrive Tribe Ltd at a four year contract cost of £1,633,495.
- 2.6. To note the recommendations for RBKC and WCC.

3. REASONS FOR DECISION

- 3.1. To improve the health of Tri-Borough residents and reduce health inequalities.

4. BACKGROUND

- 4.1. Smoking is the leading cause of preventable and premature deaths in the UK and is estimated to cost the wider public purse within the Tri-Borough area £106.6m each year (£13.24b nationally).

Estimated Cost of Smoking in one year

Data source: local data obtained modelling Action on Smoking and health (ASH) factsheets for England

	(Billions)	(Millions)	(Millions)	(Millions)	(Millions)
Category	England	LBHF	RBKC	WCC	Tri-borough
Healthcare costs	2.7	8.4	7.3	10.1	25.8
Loss of Productivity	2.9	7.2	6.3	8.7	22.2
Output loss (early deaths among unemployed)	4.1	10.2	8.9	12.3	31.4
Passive Smoking	0.7	1.7	1.5	2.1	5.4
Environmental and fire damage costs	0.34	0.8	0.7	1	2.6
Total Cost	13.24	34.5	30.1	41.7	106.6

4.2. A high quality, evidence based, service has been sought to reduce the prevalence of smoking and improve smoking related health outcomes for Tri-Borough residents through:

- Interventions; targeted support and coaching (in group and one to one settings) to help current smokers within the Tri-Borough quit smoking, in accordance with NICE (National Institute of Clinical Excellence) guidelines and including 4 and 12 week 'follow ups'
- Promotion and Campaigns; to deter current non-smokers from starting to smoke and reduce the harm caused by passive smoking; it was stipulated that promotional work should tie in with national stop smoking campaigns, e.g. Stoptober.

4.3. The service will also work in conjunction with local GPs and Pharmacies, who provide related stop smoking services to residents, this work primarily involves training Stop Smoking Advisers, co-ordinating service and capturing and reporting data on quitters.

- 4.4. This not a mandatory Public Health service; however smoking is one of the most significant determinants of good health.
- 4.5. The successful provider has been set challenging targets to help residents quit smoking so that each of the Tri-Borough authorities meet the Department of Health's smoking prevalence target of 18.5% of the resident population by the end of the four year contract period. This is a national target, applied equally across all areas regardless of existing prevalence levels. None of the boroughs are currently meeting this target and if the provider is successful, this target will be achieved two years late in Kensington and Chelsea and three years late in Westminster and Hammersmith and Fulham. Whilst this delay is not ideal, the Tri-Borough targets set are some of the most challenging set nationwide and acknowledge that it will be difficult for the successful provider.
- 4.6. Current provider performance across the Tri-Borough area is variable. The service in Hammersmith and Fulham was performing well and meeting targets, Kensington and Chelsea performed to target, having improved significantly following intensive commissioner intervention. However, despite the same level of commissioner intervention performance in Westminster fell significantly short of target.

	TARGET	ACTUAL	PREVALENCE*	COST/QUITTER
WCC	2252	1720	20%	£104**
K&C	1215	1241	19%	£343
H&F	1748	1761	22%	£191

*prevalence rates as high as 30% in areas of deprivation

**contract costs were £90 but the best achieved in terms of actual delivery was £104

- 4.7. The cost/quitter differences are due to historical legacy; an error in the former PCT's financial procedures two years ago reduced the Westminster budget by £500,000 pa, since then the service has never been able to deliver to target.
- 4.8. To tackle under performance, the difference in service provision and variation in cost/quitter a number of changes have been implemented. The service has been redesigned following research in to Stop Smoking best practice nationwide. The service has been subjected to competition for the first time in Westminster and Kensington and Chelsea. The payment structure has been redesigned too; previously the service was delivered on a 'block contract' basis where the supplier's payment was not linked to performance. The new contract has been structured so that an element of the supplier's payment is dependent on results; 20% of the tender sum will be retained until year end and payment will depend on the provider meeting or exceeding the targets. 20% was considered to be a sufficient incentive but not so much that a supplier's cash flow will become so

volatile that a compensatory element is added to the tender sums to manage the risk to the supplier.

- 4.9. Pre-tender research identified a limited supply market. To minimise the barriers to entry for voluntary sector organisations and maximise the limited competitive tension the service was tendered in 3 separate lots (one for each of the three boroughs) and less onerous prequalifying criteria were set.
- 4.10. The tender was openly advertised and Pre-Qualification Questionnaires (PQQs) were received from nine organisations. Of the nine PQQs five failed to meet the required standard, including the incumbent provider to WCC and RBKC.
- 4.11. The Cabinet/Committee is advised to take note of the details in the exempt report.

5. CONSULTATION

- 5.1. Consultation meeting with Cllr Robothan held on Sept 9th 2013.
- 5.2. Consultation meeting with Cllr Weale held on Sept 10th 2013.
- 5.3. Consultation meeting with Cllr Ginn held on for Sept 2nd 2013.

6. EQUALITY IMPLICATIONS

- 6.1. An equality impact analysis was undertaken prior to tender and the findings integrated into the specification. The service has been designed to tackle health inequalities

LEGAL IMPLICATIONS

- 6.2. This service has been commissioned by Westminster City Council on behalf of the Tri-Borough Authorities. The service has been commissioned in line with the Local Authorities' new powers under the Health and Social Care Act 2013. Each borough will enter into its own contract with the successful provider. Legal advice on the procurement process has been provided by Sharpe Pritchard.
- 6.3. Bi-Borough Legal Services will be available to assist the client department with preparing and completing the necessary contract documentation.
- 6.4. Implications for RBKC and LBHF completed by: Kar-Yee Chan, Solicitor (Contracts), 020 8753 2772.

7. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. The budget for each borough will be held within the respective borough. The provider will be paid by the three boroughs separately. The budget holder for the project is Peter Brambleby, Interim Director Public Health.
- 10.2. The budget is formed of monies from the Public Health Grant and is apportioned as follows:

Borough	FY 14/15 Budget	FY 15/16 Budget	FY 16/17 Budget	FY 17/18 Budget	Total
LBHF	£ 708,795	£ 708,795	£ 708,795	£ 708,795	£ 2,835,180
RBKC	£ 417,000	£ 417,000	£ 417,000	£ 417,000	£ 1,668,000
WCC	£ 491,092	£ 512,770	£ 512,770	£ 512,770	£ 2,029,402

- 10.3. The budget allocated to stop smoking service in Westminster City Council for financial year 13/14 is £183,068. The Public Health director has expressed his agreement to increase the budget to levels in the table above. This increase will be funded by the unallocated budgets within the borough which are sufficient to fund the increase in the budget.
- 10.4. 80% of the tender sum will be a guaranteed core payment paid quarterly in arrears. 20% of the tender sum will be retained until the year end and payment will be dependent on the provider meeting or exceeding the targets.
- 10.5. The three boroughs will pay the provider the 20% retained payment based on the data and evidence shared with the commissioners. The provider will maintain a robust system of internal control which must include appropriate checks, monitoring arrangements and adequate records to demonstrate that they are entitled to make the claim.
- 10.6. The three boroughs will validate payments on a regular basis by conducting a series of pre- and post-payment checks.
- 10.7. There are not considered to be any particular tax or accounting issues associated with this contract.

Peter Brambleby
Director of Public Health

Local Government Act 1972 (as amended) – Background papers used in the preparation of this report

Note: Report to Westminster City Council Gate Panel.

Contact officer(s):

Christine Mead, Tri-Borough Public Health Behaviour Change Commissioner, cmead@westminster.gov.uk, 020 7641 4662

Kevan Twohy, Category Manager, Strategic and Commercial Procurement, Westminster City Council, ktwohy@westminster.gov.uk, 020 7641 407