

**REPORT TO:** Executive Board

**DATE:** 20 November 2014

**REPORTING OFFICER:** Director of Public Health

**SUBJECT:** The Procurement of a Level 3 Healthy Weight Service for Adults and Children in Halton

## **1.0 PURPOSE OF REPORT**

1.1 To seek Executive approval to commence the procurement of a Level 3 Healthy Weight Service for Adults and Children in Halton.

## **2.0 RECOMMENDATION: That Executive Board**

- 1) Approve the proposal to tender for a Level 3 Healthy Weight service for Halton; and**
- 2) Agree to using Procurement Standing Order 1.8.3 (a) to waive Procurement Standing Order 4.1 in relation to a five month extension for the Specialist Weight Management contract with Warrington and Halton Hospital and for Cognitive Behavioural Therapy contract with 5 Boroughs Partnership.**

## **3.0 BACKGROUND**

3.1 Halton Borough Council is responsible for commissioning services which improve the health of the local population, prevent the onset of disease and reduce the subsequent burden on health treatment services. This includes the provision of support services for people who are overweight and obese to help them reduce and manage their weight. The funding for this service sits in Halton Borough Council's Public Health budget.

3.2 Weight Management services in Halton are split into four levels as follows:

- Level 1 – Universal – services available to all
- Level 2 – Targeted – services available for overweight and obese people without co-morbidities
- Level 3 – Specialist – services available for morbidly obese people and children (BMI 40+) and obese people and children (BMI 30+) with co-morbidities
- Level 4 – Bariatric – services for severely obese people (commissioned by CCG).

This report is concerned with the commissioning of a Level 3 specialist service for both adults and children.

- 3.3 Obesity is a substantial public health issue which affects approximately 300 million people worldwide and is associated with increased risk of a wide range of chronic diseases including Type 2 diabetes, hypertension, coronary artery disease, stroke, some cancers and infant mortality for obese mothers.
- 3.4 Prevalence of adult obesity is not routinely collected at population level however modelled estimates suggest an obesity rate of approximately 27% in Halton. Data from the National Child Measurement Programme reveals that for 2012/13 12% of reception age children and 23% of Year 6 pupils were classified as obese.

#### **4.0 CURRENT POSITION**

- 4.1 Financial provision for Level 3 Weight Management services is contained within Halton Borough Council's Public Health budget. The services are currently delivered under two separate contracts as detailed below. Both contracts are due to end on 31st March 2015.
- 4.2 Warrington and Halton Hospitals NHS Trust deliver a dietetics and community food worker service for adults under a Service Level Agreement with the Council. The annual value of the contract is £315,000. As part of the Adult Weight Management pathway the service works jointly with Halton Borough Council's Health Improvement Team which delivers Level 1 and 2 and part of level 3 services and is a major source of referrals into specialist services.
- 4.3 5 Boroughs Partnership are commissioned as part of a block contract for which Halton Borough Council is an associate commissioner to deliver Cognitive Behavioural Therapy to level 3 service users who require this. The service also provides 2 dietetic clinics per month (one on each side of the Borough) for children who are morbidly obese however, the service is currently oversubscribed. The total annual cost of the service is £34,500.

#### **5.0 PROPOSALS**

- 5.1 It is proposed that the Council conducts a tender exercise for a Level 3 healthy weight service for both adults and children under a single contract at an indicative cost of £200,000 per annum. This will include the dietetics and Cognitive Behavioural Therapy elements of the existing services and will also include services for underweight people. It will not include the Community Food Worker element of the service. This element of the service is the subject of a separate report to the Council's Executive Board.
- 5.2 It is intended that the Level 3 Healthy Weight Contract will be awarded for a period of three years from 1<sup>st</sup> August 2015 with the option for two annual extensions subject to satisfactory

performance. This will mean a cost of £200,000 per annum with an aggregate contract value over five years of £1,000,000 from Halton Borough Council's Public Health budget.

- 5.3 An open tender process is proposed and tender submissions will be evaluated using MEAT (Most Economic Advantageous Tender) principles. Initial contracts will be awards on a three year basis with an opportunity for up to two annual extensions subject to satisfactory performance. An integral element of the procurement process will be a proportionate approach to Social Value and all prospective providers will be evaluated against the Halton Social Value Procurement Framework.
- 5.4 It is anticipated that the new service will commence on 1<sup>st</sup> August 2015. Executive Board are requested to consider a waiver of Procurement Standing order 4.1 as detailed under Recommendations to extend the current contract with Warrington and Halton Hospital NHS Trust and 5 Boroughs Partnership for a five month period at a cost of approximately £29,125 per month, thereby ensuring service continuity while the tender process takes place.

## **6.0 BUSINESS CASE**

- 6.1 **Value for Money**  
The contract for the new service will be awarded on the basis of quality and price, thus ensuring value for money. It is anticipated that applications to deliver this service will enable efficiency savings to be made which will represent a reduction on current expenditure.
- 6.2 **Transparency**  
Contracts will be recorded in the Council's Contracts Register accessible via the internet together with the publication of all spend in excess of £500.
- 6.3 **Propriety and Security**  
Compliance with anti-corruption practices will be adhered to and any of the contracts within the subject of this report will be terminated if there is any occurrence of corruption by any organisation or their staff.
- 6.4 **Accountability**  
The contracts will be performance managed and service standards monitored by the Public Health team.
- 6.5 **Position of the Contract under the Public Contracts Regulations 2006.** These contracts are Part B exempt services and do not need to be advertised in the OJEU.

## **7.0 POLICY IMPLICATIONS**

- 7.1 The method of procurement complies with the Council's procurement policy and Procurement Standing Orders, and will utilise The Chest e-procurement portal.

## **8.0 FINANCIAL IMPLICATIONS**

- 8.1 As outlined in the report it is anticipated that the aggregate value of the level 3 Healthy Weight service will be in the region of £1,000,000 over a five year period.

## **9.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **9.1 Children and Young People in Halton**

As outlined in the report the dietetics service for children is currently oversubscribed. It is intended that the new service will include a specialist paediatric dietetics service to work with children and their families. This is particularly important since healthy eating messages learned in early life can influence lifestyles and behaviour going into adulthood.

### **9.2 Employment, Learning and Skills in Halton**

There is evidence to suggest that losing weight can increase confidence and therefore employability.

### **9.3 A Healthy Halton**

As outlined in the report overweight and obesity is a major contributory risk factor for a range of conditions and diseases. The service aims to support individuals to lose weight to prevent the onset of ill health and reduce the burden on NHS treatment services.

### **9.4 A Safer Halton**

N/A

### **9.5 Halton's Urban Renewal**

N/A.

## **10.0 RISK ANALYSIS**

- 10.1 Risk will be a particular consideration in the tender evaluation process. Robust service monitoring should provide early warning of any performance issues.

## **11.0 EQUALITY AND DIVERSITY ISSUES**

- 11.1 All contractors will be required to demonstrate that they embrace and comply with the Equality Act, and services will be monitored to ensure this is the case.

**12.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None.