

**Report for:** Cabinet Member Signing

**Title:** Request approval to vary the term of the contract for the provision of Integrated Health Improvement/Wellness Service and extend for further period of up to 5 months

**Report authorised by:** Will Maimaris, Director of Public Health

**Lead Officer:** Bezuayehu Gubay, Public Health Strategist and Commissioner, [bezuayehu.gubay@haringey.gov.uk](mailto:bezuayehu.gubay@haringey.gov.uk)

**Ward(s) affected:** All

**Report for Key/**

**Non-Key Decision:** Key Decision

## 1. Describe the issue under consideration

- 1.1. This report seeks approval to vary the term of the existing contract for the provision of Integrated Health Improvement/Wellness Service delivered by Reed Wellbeing Limited to extend further period of five (5) months, commencing from 1<sup>st</sup> September 2023 at the cost of £229,166.50.
- 1.2. The aggregated total value of the contract will be £687,499.50 including the above proposed variation and extension.

## 2. Cabinet Member Introduction

- 2.1. Not applicable.

## 3. Recommendations

- 3.1. The Cabinet Member for Health, Social Care, and Wellbeing grants approval to vary the term of contract for the Integrated Health Improvement/wellness Service provided by Reed Wellbeing Limited and extend for a further period of five (5) months, commencing from 1<sup>st</sup> September 2023 at the cost of £229,166.50. The aggregated total value of the contract will be £687,499.50 including the above proposed variation and extension.

The recommendation is in accordance with Contract Standing Order (CSO) 10.02.1b (Cabinet may authorise an extension or variation to a contract valued over £500K and over) and in pursuant to the Regulation 72 of the Public Contracts Regulations 2015 (Modification of contracts during their term)

- 3.2. For the Cabinet Member for Health, Social Care and Well-being to note that the contract price for 5 months extension period referred to in paragraph 3.1 above is inclusive of 10% inflationary increase to accommodate price increases in medicines/nicotine replacement, room hire and staff salaries.

## 4. Reasons for decision

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- 4.1. Public health undertook a review of the service delivery model and recommended that it remains in the best interests of residents and the Council for this type of service to be contracted and for that to be done through a competitive procurement process. This was agreed by Commercial Board and the lead cabinet member in December 2022.
- 4.2. Considering that the implementation period is needed on this contract to ensure service is not disrupted and TUPE legislation is followed, the original plan was to start the tender process in February 2023 with an intention to award the contract to successful bidders in June or early July 2023. This would give a two month service implementation/handover period. However unforeseen circumstances mean that delays have occurred in initiating the procurement processes. The impact of this is that if the contract was not extended, there would be a gap between the end of the current contract and the start of a new contract, resulting in a break in service delivery to residents. This would have a clinical impact in terms of the smoking cessation programme, especially the programme which reaches pregnant women from the most disadvantaged communities.
- 4.3. Furthermore, established networks between Primary Care Network, Hospitals and local organisations would be disrupted, and the relaunch of the service (under the new contract) would be costly. A break in service would also have legal implications in terms of the employment status of staff who are assigned to the contract. If the Council provides a bridging service to provide the service directly the provision of service directly albeit it temporarily may be captured by the TUPE regime the result of which is that it will provide employment protection to qualifying staff who transfer automatically by its operation to the new service provider i.e. the Council. This situation is onerous and should be occur without taking detailed legal advice.
- 4.4. Gap in service would lead to service disruption for service users and residents especially those from economically disadvantaged groups. Such action would damage the reputation of the council as the impact would be felt across the system.
- 4.5. The extension allows smooth transition and mobilisation to the new service whilst continuing to provide the essential services to residents, who consider these services as an asset for the community.
- 4.6. The current provider is delivering the service effectively and is in agreement to continue delivering the service, should this be the decision that the Council makes.
- 4.7. The variation of price is to accommodate inflationary price increases in medicines/nicotine replacement and room hire and to allow for salary increases for staff to reduce the impact of the cost-of-living crisis.

## **5. Alternative options considered**

- 5.1. **Do Nothing** - The Council could choose not to extend the existing contract which ends in August. However, this would result in the disruption of the current service which would be damaging to service users. The service would need to close for new referrals immediately which causes risks in terms of residents that cannot wait for new programmes to start in September for example pregnant women wanting smoking cessation services. Closing of referrals causes loss of continuity in service provision and residents and partner agencies might assume there will be no further services. Finally, this could result in a reputational damage to the Council as GPs and other agencies referrals into the program are discontinued.

## 6. Background information

- 6.1. Prevention is one of the foundations of the Council's public health programme to reduce health disparities in Haringey residents. Premature mortality and poor health disproportionately affect people lower down the socioeconomic scale. The main risk factors in early death are smoking, excess alcohol use, high blood pressure/cholesterol, physical inactivity, and a poor diet. Such risk factors are highly prevalent in Haringey. For example, 50% of the population are overweight or obese (OHID, 2020/21), 18% of adults (18-64) in routine and manual occupations are active smokers (APS, 2021) and 25% of adults aged 19+ are physically inactive (OHID, 2020/21).
- 6.2. The commissioning of health improvement services such as Integrated Health Improvement/Wellness Service (also known as One You Haringey (OYH)) became the responsibility of Haringey Council in April 2013, following the transfer of Public Health functions to local authorities. OYH which is the only preventative core community based integrated preventative Lifestyle service offers lifestyle change programmes in adult weight management, physical activity, smoking cessation, community-based NHS Health Checks and alcohol reduction services.
- 6.3. The current contract was awarded to Reed Wellbeing Limited for a period of 11 months, commencing from 1<sup>st</sup> October 2022 to 31<sup>st</sup> August 2023 with an intention to undertake competitive procurement process and award the contract to successful bidder within this period. However, unforeseen technical delays have occurred in initiating the procurement processes which resulted in slippage in whole procurement timescales.
- 6.4. A five-months extension, from 1 September 2023 to 31 January 2024 is required to mitigate the risk of gap in service and disrupting service provision for service users and residents. Also, allows smooth transition and mobilisation to the new service.
- 6.5. In 2022, the OYH service was benchmarked against other integrated lifestyle services which demonstrated that the current contract delivers 518% Return on Investment. The Council have allowed the 10% of price increase for 5 months contract to accommodate inflationary price increases in medicines/nicotine replacement, room hire and to allow for salary increased on staff to reduce the impact of the cost-of-living crisis.

6.6. Commissioners are extremely happy with the current service delivery. The OYH team is very committed to Haringey residents, never closing the service throughout the pandemic. The service has accepted over 4144 referrals in 2022/23. The outcomes from the programme achieved the targets set for the key performance indicators, which in 2022/23 are as follows:

- Smoking cessation - the national indicator is 4 week quits, OYH achieved 51% (n=254). What is especially good is that the majority of Haringey quits were from lower socio-economic groups including those involved in routine and manual labour, those who have never worked or were under long-term unemployment and those with “intermediate occupations”.
- Weight management - 76% (n=233) of starters in weight management showed a positive change in their weight.
- Physical activity – 231 residents achieved being physically active via OYH.
- 80% of participants in OYH lived within East Haringey (within deprived areas), 42% were White or any other White background and 54 % were non-White backgrounds.

6.7. Commissioners will continue to manage the contract and monitor the programme’s Key Performance Indicators via quarterly monitoring meetings, site visits, annual reports, as well as through independent reviews.

## **7. Contribution to strategic outcomes**

7.1. The One You Haringey service contributes to the Council Corporate Delivery Plan 2022/23 and 2023/24, in particular, Theme 4: Adults, Health and Welfare under Healthy and Fulfilling Lives. The delivery plan speaks of a Haringey ‘where all adults are able to live healthy and fulfilling lives, with dignity, staying active and connected in their communities’.

7.2. The service also fulfils two crosscutting commitments of the Haringey Labour Manifesto:

- A. Tackling inequalities and poverty - making services equitable and easily accessible for all Haringey residents.
- B. Living Well Approach - locally delivered services.

## **8. Statutory Officer Comments**

### **8.1. Finance**

8.1.1. The proposal is for 5 months contract extension with a 10% increase in costs. The monthly increase in cost is £4,167 per month, a total increase of £20,835 over the extension period.

8.1.2. The total contract cost over the extension period £229,167 will be funded from existing budgets.

### **8.2. Procurement**

- 8.2.1. The report relates to services which would be subject to the Light Touch Regime under the Public Contract Regulations 2015 (PCR), if valued at or above a threshold of £663,540.
- 8.2.2. The value of the original contract for 11 months (from 1<sup>st</sup> October 2022 to 31<sup>st</sup> August 2023) was £458,333 (£549,999.60 inclusive of VAT) and therefore, it was not advertised in Find a Tender Service. However, the contract award notice was published in Contract Finder, as required.
- 8.2.3. A change in a contract post award usually requires a new tender process unless it falls within the permitted allowances under section 72 of the PCR. The requested contract variation and extension is in accordance with PCR 2015, section 72.1 (b) which permits additional services without the need for a retender, if a change of contractor cannot be made for economic or technical reasons and provided that the increase in price does not exceed 50% of the value of the original contract.

The tender process for the new contract is already underway, therefore it would not be beneficial for the Council or service users to expend unnecessary resources undertake additional tender process for 5 months contract and disrupting service provision. Any such change, if permitted would have meant duplication of cost and administrative resources as well as significant service disruption especially to residents/service users from economically disadvantaged groups and pregnant women from the deprived communities. Moreover, the value of the contract for additional services does not exceed 50% of the value of the original contract.

- 8.2.4. The Council have allowed the 10% of price increase for 5 months extension period to accommodate inflationary price increases in medicines/nicotine replacement, room hire and to allow for salary increased on staff to reduce the impact of the cost-of-living crisis.
- 8.2.5. The commissioners will continue to monitor the contract during the contract extension period to ensure that quality standards are met, the service delivers value for money and requisite outcomes are delivered for residents.
- 8.2.6. This request also meets the requirements of Contract Standing Orders 10.02.01 (b) and 16.02, and the Procurement Code of Practice.
- 8.2.7. Considering the above, Strategic Procurement supports the recommendation in paragraph 3.1 and 3.2.

### 8.3. **Legal**

- 8.3.1. The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.
- 8.3.2. The value of the services (including the extension) is above the threshold where the Light Touch Regime (social and other services) under the Public Contracts Regulations 2015 (PCR 2015) applies. In order to extend the contract without following a procurement process, the Council needs to satisfy one of the safe harbours set out in Regulation 72 of the PCR 2015. The

Council wishes to utilise Reg 72 (1) (b) which states that a contract may be modified without a procurement process where additional services are required and where a change in contractor (i) cannot be made for economic or technical reasons; and would cause significant inconvenience or substantial duplication of costs for the Contracting Authority, provided that any increase in costs does not exceed 50% of the original contract value.

- 8.3.3. The extension of the contract will be a Key Decision and, as such, needs to comply with the Council's governance processes in respect of Key Decisions, including publication in the Forward Plan.
- 8.3.4. A Key Decision would normally be approved by Cabinet. However, the Leader may take any such decision in between meetings of the Cabinet or may allocate to the Cabinet Member with the relevant portfolio (CSO 16.02).
- 8.3.5. Members will note the various implications that are operational as well as legal consequent on the suspension of service if the recommendation is not approved.
- 8.3.6. The Head of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing the Cabinet Member for Health, Social Care and Wellbeing from approving the recommendations in this report.

#### 8.4. **Equality**

- 8.4.1. The council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
  - Advance equality of opportunity between people who share protected characteristics and people who do not.
  - Foster good relations between people who share those characteristics and people who do not.
- 8.4.2. The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty. Although it is not enforced in legislation as protected characteristics, Haringey council treats socioeconomic status as a local protected characteristic.
- 8.4.3. This report seeks to extend an agreed contract. Because of the ethos and targets of the existing contract the service it particularly focused on Haringey residents who have protective characteristics; older people, men, Black and Asian minority ethnic, pregnant women as well as those from low-income households, particularly in wards east of the borough.
- 8.4.4. As such, the decision will help to ensure that services continue to be delivered to ensure that there is a reduction in health inequalities across all disadvantaged groups.

8.4.5. The provider, Reed Wellbeing Limited, as an organisation carrying out a public function on behalf of a public body will be obliged to have due regard for the need to achieve the three aims of the Public Sector Equality Duty as stated above. Appropriate contract management arrangements will be established to ensure that the delivery of the One You Haringey service does not result in any preventable or disproportionate inequality.

8.4.6. One You Haringey service is monitored quarterly to ensure each service components are aligned to individuals and/or groups who need the service at most and identify any inequalities in service provision that may arise and make future improvements.

## **9. Use of Appendices**

9.1. None

## **10. Local Government (Access to Information) Act 1985**

10.1. Not Applicable