

Cabinet



Date of meeting:	09 December 2024
Title of Report:	Health Improvement Service Contract Award
Lead Member:	Councillor Mary Aspinall (Cabinet Member for Health and Adult Social Care)
Lead Strategic Director:	Ruth Harrell (Director of Public Health)
Author:	Dan Preece
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Your Reference:	DP 12 11 24
Key Decision:	Yes
Confidentiality:	Part I - Official

Purpose of Report

This report sets out the decision to directly award a new contract for health improvement services to the existing provider, Livewell Southwest, with a commencement date of 1st April 2025. The annual contract value proposed is set at a value of £1,108,760 over a contract length of 5 years (consisting of 3 years and optional extension period of additional 2 years).

The total five-year lifetime contract value is £5,543,800

Recommendations and Reasons

It is recommended that Cabinet:

1. Approves the decision to award a new contract for Health Improvement Services (as detailed in this report) to Livewell Southwest.
2. Grants authority for the decision regarding the activation of the two-year contract extension included in this decision to be delegated to the Director of Public Health in consultation with the Cabinet Member for Health and Adult Social Care, where they would not already have authority to award within the scheme of delegation.

Alternative options considered and rejected**I. Do nothing through allowing contract to expire without replacement arrangements**

This option would entail letting the current contract expire without replacing it, and therefore Plymouth residents would be left without any health improvement services.

Lack of direct support for people in Plymouth to change and maintain health related behaviours.

Long term increased preventable disease burdens: increased treatment costs and increased health inequalities.

Reputational and legal risk – Plymouth City Council has a statutory obligation under the National Health Service Act 2006 to “take such steps as it considers appropriate for improving the health of the people in its area”, including providing information, advice and services. Therefore, Plymouth City Council would be in contravention of our legal duty to take sufficient action to protect and improve the health of its population.

Increased pressures in other parts of the system, for example, people would need to be diverted to other services including Primary Care and other adults’ services which would therefore increase pressures within these already stretched services.

Summary: This is not a viable option because we have a legal duty to provide Health improvement services and NICE guidelines state that “There is overwhelming evidence that changing people’s health-related behaviour can have a major impact on some of the largest causes of mortality and morbidity.”

Insourcing through TUPE process to bring services into PCC PH Directorate

This would involve the Health Improvement Service team moving to PCC ODPH and current management joining ODPH Senior Management Team

The Council does not currently deliver health services for residents and therefore does not currently have the necessary infrastructure in place. As a partially clinical service the Health Improvement Service requires clinical oversight and governance of practice and registration, training and development. Delivering a clinical service internally would require a longer time to mobilise. The majority of the staff team delivering this contract have NHS terms and conditions including agenda for change and TUPE rights. With this option, the Council would be responsible for any related costs and potentially the transfer of NHS terms and conditions.

Relevance to the Corporate Plan and/or the Plymouth Plan

Plymouth City Council Corporate Plan

The Plymouth City Council Corporate Plan, updated in 2023, sets out our mission of Plymouth being one of Europe's most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone. The contract provider contributes significantly to the priority: "Working with the NHS to provide better access to health, care and dentistry" and does this by:

- Providing quality public services,
- Trusting and engaging our communities
- Spending our money wisely, and
- Focusing on prevention and early intervention

The Plymouth Plan

Health Improvement provision also aligns to the Plymouth Plan which sets a shared direction of travel for the long term future of the city. In particular, by directly contributing to:

HEA1: Addressing health inequalities, improving health literacy

HEA3: Supporting adults with health and social care needs

HEA4: Playing an active role in the community

HEA9: Delivering accessible health services and clinical excellence

Plymouth Local Care Partnership

The council is a key partner in the Plymouth Local Care Partnership which was formed to strengthen on existing partnerships and relationships across the health and care sector, to drive change, reduce inequalities and lead to better more joined-up care for the benefit of our population, as set out below Its priorities are:

- Improve health and wellbeing outcomes for the local population
- To reduce inequalities in health & wellbeing of the local population
- To improve people's experience of care
- To improve the sustainability of the health and wellbeing system
- To develop into autonomous "place based" partnership with delegated responsibility from the ICB

Implications for the Medium Term Financial Plan and Resource Implications:

The existing contract is funded by the ring-fenced Public Health grant. The net budget for year 1 of the new contract is £1,088,760. As the Public Health grant allocation is confirmed on an annual basis, this may impact on the availability of funding, though it is anticipated that financial resources will continue to be available via the S31. Public Health grant to enable the continued commissioning of the services for the life of the proposed contract. Annual contract amounts will be varied over the course of the contract under provisions made as part of contractual arrangements.

¹ <https://www.health.org.uk/news-and-comment/charts-and-infographics/public-health-grant...>

Financial Risks

This business case seeks to award a new contract for Health Improvement services, over a period over a lifetime of up to 5 years. The total contract value proposed is £5,443,800 and covers a contract length of 3 years initially with options to extend for 2 years thereafter. There will be financial implications for local authority by way of approving this decision given that the proposed envelope for the service falls within the ring-fenced Public Health budget, which is not fixed and has experienced real-term reductions¹.

There is also a financial risk to not approving this decision. Plymouth would be left without health improvement services from 1st April 2025. We have a mandatory duty to provide health improvement service and therefore people would need to be diverted to other services including GPs and adults services which are paid on tariff and would not provide best value for money.

Carbon Footprint (Environmental) Implications:

None identified

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.

None identified

Appendices

*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Briefing Note							
B	Equalities Impact Assessment							
C	Climate Impact Assessment							
D	Contract Award Report							
E	One You Plymouth Stats							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>

¹ <https://www.health.org.uk/news-and-comment/charts-and-infographics/public-health-grant...>

	1	2	3	4	5	6	7
None							

Sign off:

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Originating Senior Leadership Team member: Ruth Harrell

Please confirm the Strategic Director(s) has agreed the report? Yes

Date agreed: 26/11/2024

Cabinet Member approval: Councillor Mary Aspinall (Cabinet Member for Health and Adult Social Care) approved by email.

Date approved: 26/11/2024

Health Improvement Service Contract Award

This decision is proposed in accordance with Health and Care Act 2022, and associated regulations for procuring health care services in England, which came into force on 1 January 2024. These regulations introduced a new procurement regime, which removed the need for health care services to be procured in accordance with the wider and more general UK procurement law. This new procurement regime (called the “Provider Selection Regime” (PSR)) is designed to enable a more flexible and proportionate process for selecting providers of health care services within a framework that allows collaboration and ultimately ensures health care decisions are made in the best interests of patients and services users. In applying the regime, relevant authorities including the council should:

- Act to secure the needs of people who use the services, improving the quality of the service and improving the efficiency of the service provision.
- Ensure decisions about which organisations provide health care services are robust and defensible, with any conflicts of interests appropriately managed; and
- Adopt a transparent, fair and proportionate process when following the PSR.

The new regulations include a process that authorities can follow to directly award health care service contracts. Part of this process includes a mechanism to award new contracts directly to an existing provider where there is limited or no reason to seek to change from that provider or the existing provider is the only provider that can deliver the health care services.

It is considered that in the case of health improvement services within Plymouth, that the existing provider namely Livewell Southwest is satisfying the existing contract and will likely satisfy the proposed contract to a sufficient standard. Below are the reasons for this opinion, taking account of five selection criteria stipulated in the statutory guidance ([The Health Care Services \(Provider Selection Regime\) Regulations 2023 \(legislation.gov.uk\)](#)).

I. Quality & Innovation

The contract for Health Improvement Services is currently delivered by the One You Plymouth team in Livewell Southwest, who have over 10 years’ experience of provision in Plymouth. The latest contract award, in 2017, followed a comprehensive competitive tendering process. Over this time, commissioners and providers have developed a positive working relationship, which has focussed on providing local health improvement leadership, building strategic partnerships, using data-driven decision making, and broadening engagement with local communities.

The provision of Health Improvement Services is supported by current accredited training programmes and guidance from relevant professional bodies including National Centre for Smoking Cessation and Training and National Institute for Health and Care Excellence (NICE), as well as relevant national policy and guidance issued by the Department of Health and Social Care (DHSC) and the UK Health Security Agency (UKHSA).

Since the current contract was awarded, we have experienced continued significant developments and challenges across the local health improvement system. The provider continues to deliver a locally available, holistic, flexible and responsive model of provision that balances primary prevention, early intervention and planned care. For example:

- Marketing and promotion of services through brand development (“One You Plymouth”) based on insight-based market research and health data analytics.
- A mixed model of access, including developing digital access in addition to traditional face to face and telephone options, through a newly designed website, which provides a single online “front door access point”.
- Collaborating through the wellbeing at work, community capacity programmes and community wellbeing champions’ programme.
- organisational mandatory training, as well as role specific public health training.

¹ <https://www.health.org.uk/news-and-comment/charts-and-infographics/public-health-grant...>

- CQC Peer Reviews Livewell Southwest services, including the health improvement services are peer reviewed annually to assess and ensure standards around effectiveness, safety, care and leadership are sustained and improved.
- Flexible public health response to new and emerging crises, including Covid 19 pandemic and recent evacuation in Keyham.

2. Value

The annual budget allocated for this contract is set at a minimum £1,108,760 and will have a combined maximum total value of £5,543,800 over a potential 5-year contract lifetime (3 +2 years). This budget has been agreed within the terms of Local Government Act 2003 s 31 grant funding remaining consistent each financial year.

The value provided by the Health Improvement Services is rooted in the financial and social benefits gained through a healthier population (invest to save). The successful provision of these services improves the range of public health outcomes, addressing both immediate acute health concerns and long-term wellness goals. This leads to reduced healthcare treatment costs, and more resilient communities, for example.

- Prevention and Early Intervention measures reduce the incidence of diseases, reducing the financial and social burden of chronic diseases (like diabetes, cancers and cardiovascular diseases). The return on investment for Plymouth's stop smoking services alone is an estimated £5.8m per year, or £29m over the five year life of the new contract.
- Capacity Building and Education: By investing in training healthcare professionals and educating the public, the team strengthens the healthcare ecosystem, empowering communities to take charge of their health.
- Economic Productivity: A healthier population translates into greater economic productivity. Fewer sick days, a healthier workforce, and lower disability rates contribute to economic growth.
- Reduced Health Disparities: The wellbeing team focuses on reaching underserved populations, reducing health inequalities.
- securing additional funding streams specifically for public health innovation such as treating tobacco dependence work programme with University Hospitals Plymouth and establishing a new team expanding the engagement with stop smoking support for people with multiple complex needs and challenging lives.

3. Integration, collaboration and service sustainability

The Health Improvement Service focus on multidisciplinary collaboration delivers a more integrated approach across the health and VCSE systems. This ensures that communities can both influence the design and delivery of services, which in turn enables better access and more engagement with support for people living in Plymouth. Examples of this approach include:

- As part of Plymouth's Integrated Care Partnership Health Improvement Services contribute to the creation of a place-based model of care for Plymouth and the area and are building on the work that has already taken place to integrate health and social care.
- Integrated Care Pathway development is creating smooth transitions between the range of different support services.
- Network Involvement: active support and contributions to a wide range of health-related networks across Plymouth, including the Trauma Informed network and Thrive Plymouth.

¹ <https://www.health.org.uk/news-and-comment/charts-and-infographics/public-health-grant...>

- VCSE Connections, including membership of local VCSE strategy groups, and regular support for community-based events, including Plymouth's Community Builders in their role through access to our wellbeing training, and co-locating practitioners across the local network of Wellbeing Hubs.
- Cross-Sector Collaboration with education, housing, and social care agencies to tackle the broader social determinants of health.
- Risk Management and Crisis Response: The team uses protocols to maintain service continuity and flexibility during public health crises (e.g. pandemics) or natural disasters.

4. Improving access, reducing health inequalities, and facilitating choice

The wellbeing team are developing a Human Learning Systems approach to the way they provide services. This involves use of human insight research, customer evaluation and years of experience of delivery of hi services to develop more engaging and tailored service offer. They constantly monitor and understand provision, which ensures that provision is steered towards underserved populations of greater need. For example:

- Community Partnerships to bringing services into communities: The wellbeing team is working with Plymouth's Well Being Hubs Alliance to locate health improvement offers in the hubs
- Flexible Appointment Scheduling
- Telehealth and Virtual Care Services
- Health Education and Empowerment Programs, including teaching people how to manage chronic conditions, access health services, and understand preventive care measures

5. Social Value

Successfully improving health and preventing ill health has a net benefit on local economic, social and environmental well-being. The costs of tobacco to Plymouth's local economy, for example is currently estimated by Action of Smoking and Health at £246M per year. This is made up of productivity costs £158M, Healthcare costs £9M, social care costs £77M, Fire costs £2M. The social care costs are felt by the local authority and are further broken down into £3M on cost of residential care, £3M on cost of domiciliary care, £43M on cost of informal care by family & friends and £28M on cost of unmet care needs.

Job Creation and Workforce Development The wellbeing team contributes to the local economy by supporting health-related job opportunities. The wellbeing at work programme provides organisations across Plymouth the opportunity to enhance their wellbeing offer and understand the value a healthy workforce can have for their business and the local community.

Health Equity and Accessibility A major focus of the wellbeing team is to ensure that all residents, regardless of background, have access to high quality public health support services. The team works to eliminate social barriers by offering easily accessible, free to access programs targeted at the most deprived communities in Plymouth.

Mental Health and Social Inclusion Mental health is a key area of focus for the wellbeing team. By promoting mental health awareness and reducing stigma, the team helps improve social inclusion and community cohesion.

Sustainable Public Health Initiatives The wellbeing team integrates environmental sustainability into its public health strategies. By promoting healthy, active transportation like cycling and walking, they not only improve individual health but also reduce carbon emissions. This approach helps create a cleaner, more environmentally friendly city.

¹ <https://www.health.org.uk/news-and-comment/charts-and-infographics/public-health-grant...>

Green Spaces and Community Gardening: The team supports the development and maintenance of green spaces and community gardens across Plymouth.

Smokefree generation grant

PCC PH are in receipt of an additional annual grant under the government's Smoke Free Generation strategy ('ring fenced' by the Local Government Act 2003, Section 31). This has been received for 24/25, with a requirement to invest it in enhancing local authority commissioned stop smoking services and support, in addition to and while maintaining existing spend on these services and support from the public health grant. The grant for 24/25 was included in the current Health Improvement Service contract via a contract variation. The Smokefree Generation funding has been pledged (but not confirmed) for five years on an annual basis. We therefore intend to commission work under this grant by annual variation. The conditions of the grant include a requirement to maintain existing spend on smoking cessation and that it will be used for increasing the provision of evidence-based stop smoking support and improving the success rate of those accessing the service.

Summary

The Health Improvement Services, in Livewell Southwest are well established and have been delivering health improvement services since the initial contract was directly awarded in 2013 and re-procured following competitive tendering process in 2017. A direct award would provide further stability and encourage the provider to continue with longer-term investments in capacity and capabilities within the service. It would also enable the current provider to continue delivering the service with no additional set-up costs or time required.