

PROCUREMENT GATEWAY 3 - CONTRACT AWARD REPORT

Health Improvement Service Contract Award



1. INTRODUCTION

This contract award report is in relation to the re-procurement of the Health Improvement Service. The scope of the requirement includes: The provision of health improvement services to help people live healthier lives. This includes stop smoking support, wellness and healthy weight programmes, physical activity sessions, NHS Health Checks and mental health support, including suicide prevention training.

Contract Duration: Commencing 01 April 2025 for 5 years (consisting of a 3 year contract, and optional extension period of additional 2 years).

2. BACKGROUND

Plymouth City Council has 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.” 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. The existing contract is set to expire and needs to be re-procured 01 April 2025 to ensure Plymouth residents maintain access to these improvement services. The effect of not re-procuring this service would be:

- 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.

3. PROCUREMENT PROCESS

The 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 \(legislation.gov.uk\)](#)).

1. **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.
- 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.
- 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.

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

5. TENDER EVALUATION CRITERIA

Section	Priority*	Evaluation criteria: Factors which may be taken into account include (without limitation):
1. Quality and Innovation	3	<p>The extent to which the answers demonstrate that the provider:</p> <ul style="list-style-type: none"> ▪ Flexibility in meeting different challenges ▪ Ability to respond to changing need, e.g. infectious disease response ▪ Engages with market research, and responds accordingly
2. Value	5	<p>The extent to which the answers demonstrate that the provider:</p> <ul style="list-style-type: none"> ▪ Benchmarking against national statistics ▪ Provides local leadership to the sector ▪ Utilises existing local resources
3. Integration	2	<p>The extent to which the answers demonstrate that the provider:</p> <ul style="list-style-type: none"> ▪ Supports local infrastructure through integration and collaboration ▪ Support the sustainability of other services e.g. reduces demand on other health/care services
4. Improving Access	1	<p>The extent to which the answers demonstrate that the provider:</p> <ul style="list-style-type: none"> ▪ Improves access to relevant services ▪ Monitors and understand the impact on local health inequalities
5. Social Value	4	<p>The extent to which the answers demonstrate that the provider:</p> <ul style="list-style-type: none"> ▪ Makes considerations for increasing social value within their own activities and the potential improvement on health outcomes ▪ Address key local, and national issues, e.g. net zero and the elimination of modern slavery

The provider also meets the following relevant basic selection criteria: Technical and Professional Ability, through the operation of Livewell Southwest's clinical competency process, which is approved by a professional lead and includes relevant National Centre for Smoking Cessation and Training accreditation.

6. FINANCIAL IMPLICATIONS

Financial provision has been made for this contract within the project budget. Details of the contractual pricing are:

A direct award of a new contract for Health Improvement services, over a period of up to 5 years. 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 contract value proposed is therefore £5,443,800. The proposed envelope for the service falls within the ring-fenced Public Health budget, and will be funded by the grants annual revenue.

Risks:

- The ring-fenced Public Health Budget is not fixed and has experienced real-term reductions
- 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.

7. RECOMMENDATIONS

It is recommended that a contract be awarded to Livewell Southwest on PCC Services Terms & Conditions.

8. APPROVAL

Authorisation of Contract Award Report

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