

Report of the Advanced Health Improvement Specialist (Wider Determinants)

Report to the Director of Public Health

Date: 11th August 2015

**Subject: Award of Contract for the Warmth for Wellbeing Service.
Scheme ID (9T5G-YB9W04)**

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s):		
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:10.4(3)		
Confidential information: Appendix 1.		

Summary of main issues

1. The report makes the Director of Public Health aware of the process that was followed to secure the most economically and qualitatively advantageous provider for the Warmth for Wellbeing Service and recommends the award of the contract to Tenderer B for £590,000 for a period of 3 years.
2. The report gives the background to the procurement and explains the joint commissioning approach with the NHS Leeds South & East Clinical Commissioning Group (CCG) and NHS Leeds North Clinical Commissioning Group.
3. The contract value is £590,000 over three years. The Council (Public Health) are providing £100,000 annually; South and East CCG are providing £80,000 annually for three years and North CCG are providing £50,000 for year 1 with the possibility of providing the same amount for years 2 and 3, which will warrant a variation agreement.
4. The service will commence on 1 October 2015 and finish on 30 September 2018 with an option for 2 x 12 month extensions.

5. The contract award is planned for 24 August 2015 allowing a mobilisation period of five weeks.

Recommendations

The Director of Public Health is recommended to:

- a) Approve the award of a contract to Tenderer B for the Warmth and Wellbeing Service for the value of £590,000;
- b) Note that the contract is to commence on 1st October 2015 until 30th September 2018 with the option to extend for 2 x 12 month periods; and
- c) Note that the Advanced Health Improvement Specialist and Health Improvement Principal (Health Protection) will support the implementation of the contract award to ensure the new service is in place and operational by 1st October 2015.

1 Purpose of this report

- 1.1 The purpose of this report is to give the background for the need for the procurement, the process by which the economically and qualitatively most advantageous tenderer was selected and to seek approval from the Director of Public Health for the recommendations made in section 6 below.

2 Background information

- 2.1 The Cold Weather Plan was first introduced in 2011 by the Department of Health. In order to support implementation of the Cold Weather Plan, a national “Warm Homes Healthy People” (WHHP) Fund was launched and delivered by Department of Health. The Council’s Environment Policy Team, in collaboration with Public Health and third sector partners, successfully bid for this central government funding in 2011 and 2012. In 2012, Public Health pump-primed and complemented the successful WHHP Bid for Leeds. The aim of this funding was to reduce cold-related illness and enhance winter wellbeing for vulnerable households.
- 2.2 The achievements of the winter warmth campaigns since 2011 were demonstrated by an independent evaluation by Leeds Metropolitan University (2013) which concluded that there was a significant clear need for similar schemes for subsequent winters, in order to ensure vulnerable people in Leeds are not left living in unhealthy, cold and socially isolated, environments.
- 2.3 In previous years the winter warmth service was provided through two separate contracts namely an advisory and a physical improvements service, however the re-commissioning has given the Council the opportunity to provide these services through one contract. This will give a more integrated approach to the service delivery.
- 2.4 The Warmth for Wellbeing Service will provide tailored solutions to needs identified by/for vulnerable people living in cold homes; incorporating face to face advice, low-cost heating or energy saving improvements, and referrals to relevant support. The

service will be provided all year round, with increased delivery of reactive/emergency assistance between 1 October and 31st March and increased delivery of advice and preventative support between 1 April and 30 September throughout the duration of the contract. As those with pre-existing medical conditions, disabilities and a low income are more susceptible to the adverse effects of cold weather, and their ability to keep warm at home will be impaired, provider organisations will be expected to target their support at these types of households. The service will be accessible to all eligible households in the Leeds Metropolitan District.

Evaluation panel

2.5 The evaluation panel consisted of

- Two Advanced Health Improvement Specialists, Public Health.
- Programme Officer, Sustainable Energy and Climate Change Team, Environment and Housing.

2.6 The consultees who provided comments to the evaluation panel but did not score were:

- Commissioning Manager – South and East CCG.
- Deputy Director of Commissioning – North CCG.

3 Main Considerations and Reasons for Contract Award

3.1 A Market Sounding Exercise was undertaken during September/October 2014, to assess the capability and experience of companies to provide the service. The exercise indicated that even though the market was limited a procurement exercise should be undertaken.

3.2 The procurement plan was prepared and then approved by the Adverse Weather Group Board on 4 March 2015. As part of the project scoping the NHS Leeds Clinical Commissioning Groups were approached to seek a joint commissioning of the service. Subsequently South and East CCG agreed to a commitment of £80,000 recurrent spending over three years of the contract and North CCG agreed to non-recurrent funding of £50,000 for year 1 with an option to repeat this in years 2 and 3. Section 256 agreements have been signed with both CCGs to cover the legal requirements of this funding.

3.3 Following approval of the procurement plan the project team, consisting of officers from Projects Programmes and Procurement Unit (PPPU), Public Health, and Sustainable Energy and Climate Change Team developed the specification and tender documentation. The CCGs were asked for their input into the specification to ensure their requirements for the commissioning were satisfied.

3.4. When preparing the method statement questions a standard 60:40 split between quality and price was chosen as per the Council's Contract Procedure Rules. A selection of 9 quality questions were prepared which included topic areas such as delivery model, accessibility, marketing, interface with stakeholders, accessibility and performance management with a pass mark of 60% per question to ensure a high standard of

response. A maximum of 15 pages was set for the whole method statement response which allowed the tenderers flexibility to decide how many pages to allocate to each question.

- 3.5 On 22 May 2015 the tender documents including the PQQ were published on YORtender. Six clarifications were received regarding the tender documentation.
- 3.6 On 24 June 2015 three tenders were returned, one of which was a consortia bid. Evaluations took place on 7 and 8 July 2015 with the CCGs acting as consultees and providing comments on the method statement responses prior to evaluation meetings. Following evaluations the contract could not be awarded, due to some questions not meeting the pass mark for all three tenders, and therefore the tenderers were all invited to resubmit their method statements, and advised to take note of the requirements of the specification and observe the maximum page limit. The tenderers were also given the opportunity of revising their pricing submission.
- 3.7 The three tenderers resubmitted their method statements and prices via YORtender on 22 July 2015. Tenderer A did not make any amendments and stated that without any guidance on the areas of the submission that the council would like improving that they felt any changes would be largely tokenistic. As the submission from Tenderer A was unaltered and as they were below the quality threshold at the initial tender submission they were deselected from the tender evaluation process. Tenderers B and C had made alterations to their submissions which were subsequently distributed to the evaluation panel. Each tenderer's pricing schedule for delivering the service was unaltered from their first submission.
- 3.13 The evaluation panel reconvened on 29 and 30 July 2015 to evaluate the two sets of re-submitted method statements. The scoring for the quality questions and for the pricing is shown at Appendix A.
- 3.14 The winning bid by Tenderer B achieved high quality scores around Marketing and Promotion, Accessibility, and Multi Agency Working compared to Tenderer C. Tenderer B recognised the needs of the CCGs and their practice populations, with a focus on particular vulnerable groups and geographical areas. Tenderer B demonstrated comprehensive knowledge of eligibility criteria, and existing engagement with partners in Leeds, such as the health and social care sector, social prescribing schemes, private landlords, and the advice sector. Furthermore Tenderer B evidenced they have a network of relevant referral networks already in place which can be expanded at short notice. In addition they would carry out an Equality Impact Assessment during the mobilisation period to consider barriers.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 A detailed Communications and Engagement Plan was developed to ensure that all relevant stakeholders were informed/ consulted with appropriate levels of information at the appropriate times in the procurement exercise.

- 4.1.2 There has been ongoing engagement about the development, implementation and evaluation of the Warmth for Wellbeing Service through the Adverse Weather Planning Group, and city-wide Affordable Warmth Partnership, which has elected member representation.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 The service is aimed at a diverse range of vulnerable groups and will use established networks of professional referrers, as well as links with community organisations in the voluntary sector to ensure that a wide range of vulnerable groups will be positively impacted.
- 4.2.2 An Equality and Diversity/Cohesion and Integration screening was completed on 20 May 2015 which highlights the positive impacts on local communities, particularly for socially and economically excluded citizens in the city. The key findings were that the service will reduce health inequalities for vulnerable people to prevent and alleviate cold-related ill health over the autumn and winter period. In addition the service specification places strong emphasis on conducting holistic assessments, tailored to the householder's needs, and making external referrals to appropriate support agencies/groups.

4.3 Council Policies and City Priorities

- 4.3.1 Vision for Leeds is committed to making sure that everybody lives in a decent home and can stay warm by 2030. In addition, the City Priority Plan to 2015 commits the Authority to "support more people to live safely in their own homes" and "improve housing conditions and energy efficiency". This project will help the city to achieve both aims.
- 4.3.2 Affordable Warmth has been included as a priority in the Joint Health and Wellbeing Strategy 2013-15. This service will contribute to the outcomes of the strategy in the following ways: People will live longer and healthier lives; People will live full, active and independent lives; People's quality of life will be improved by access to quality services; People will live in healthy and sustainable communities. There will also be a contribution to the commitments in the Strategy ensuring everyone will have the best start in life: to increase the number of people supported to live safely in their own home: to improve people's mental health & wellbeing.
- 4.3.3 The scheme will help the Council to achieve the aims of the Cutting Carbon Breakthrough Project through increasing household energy efficiency. The service will also contribute to the "Best City to Grow Old In" Breakthrough Project.

4.4 Resources and Value for Money

- 4.4.1 The 2012/13 Winter Warmth Campaign, which delivered a similar programme, has been evaluated by Leeds Metropolitan University in 2013. The evaluation highlighted that this scheme represented value for money with vulnerable people across Leeds being helped by it.

- 4.4.2 In order to reduce fragmentation, increase quality, co-ordination and scale of assistance and advice offered to vulnerable householders across Leeds, a joint commissioning approach with South and East CCG and North CCG was agreed. The two CCGs agreed that their allocations be administered and performance managed by Leeds City Council with quarterly monitoring meetings.
- 4.4.3 The budget value for the proposed contract award is £590,000 over a period of three years with an annual value of £230,000 in year 1 and £180,000 in years 2 and 3. This is reflective of current service funding and does not introduce any additional funding pressures. Recurrent funding of £80,000 for three years has been agreed with CCG South and East and non-recurrent funding of £50,000 for one year has been agreed with CCG North with a possibility of the same level of funding being secured over years 2 and 3. A further 2 x 12 months extension option will be taken up should further funding be available at that time.
- 4.4.4 The increased funding by the two CCGs will allow additional visits in targeted parts of the city within their catchment areas. Although West CCG has not made any additional funding available, visits will be made in the West CCG area as part of the council's overall delivery of the service. The Council will share monitoring data with West CCG as appropriate and as requested.
- 4.4.5 The successful tenderer will be expected to report to monthly progress meetings during the period of higher demand (October – March) and at least quarterly during spring and summer when more preventative support will be provided. They will also be expected to provide a breakdown of expenditure at the end of each contractual year.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The decision maker's authority falls under Section 3E (08) of the Council Constitution, Officer Delegation Scheme (Executive Functions) - Director of Public Health.
- 4.5.2 Appendix 1 to this report is confidential and exempt under Access to Information Procedure Rule 10.4 (3) as it contains information relating to the business affairs of each organisation involved throughout the process. It is felt that if this is disclosed this would, or would be likely to, prejudice the commercial interest of the Council.
- 4.5.3 This procurement process was conducted in accordance with the Council's Contract Procedure Rules in order to ensure that a fair, open and transparent process was undertaken.
- 4.5.4 The value of the procurement makes the decision a Significant Operational Decision and is thus not eligible for call-in.
- 4.5.5 The grant from the CCGs for the service has been formalised by the signing of Section 256 agreements between the Council and each CCG.

4.6 Risk Management

- 4.6.1 The risk register was created at the start of this project, taking into account the lessons learned from previous tender exercises, and has been updated throughout the procurement process.

5.0 Conclusion

- 5.1 The services that will be provided through the Warmth for Wellbeing Service will enable Leeds City Council and the CCGs to fulfil their obligations to ensure that vulnerable people are assisted and stay well and warm during cold weather. This is as recommended by Public Health England's Cold Weather Plan 2014 and recent NICE guidance (March 2015).
- 5.2 It is anticipated that at least 2950 vulnerable households will be assisted over the three year timescale of the project.
- 5.3 The service will allow households to be supported with advice on fuel bills, how to prepare for and respond to cold weather and small scale improvements to their property and heating systems to make their homes warmer.
- 5.4 The 3 bidders took part in an open and transparent Procurement process, resulting in the tenderer with the overall highest quality and price scores being offered the Contract.

6.0 Recommendations

The Director of Public Health is recommended to:

- 6.1 Approve the award of a contract to Tenderer B for the Warmth for Wellbeing Service for the value of £590,000.00;
- 6.2 Note that the contract is to commence on 1st October 2015 until 30th September 2018 with the option to extend for 2 x 12 month periods; and
- 6.3 Note that the Advanced Health Improvement Specialist and Health Improvement Principal (Health Protection) will support the implementation of the contract award to ensure the new service is in place and operational by 1st October 2015.

7. Background documents¹

- 7.1 Appendix 1 – Quality and pricing scores (CONFIDENTIAL – EXEMPT FROM PUBLISHING)

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.